aberdeen

Stewardship Report

For the year ended 31 December 2024

aberdeenplc.com

Summary of the UK Stewardship Code

The revised UK Stewardship Code, published by the Financial Reporting Council (FRC), came into force on 1 January 2020. It is designed to fundamentally raise stewardship standards and introduces a new definition:

"Stewardship is the responsible allocation, management, and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society."

A key focus of the Code relates to the activities supporting the outcomes of stewardship, not just the intent of policy statements, across all asset classes. There are 12 defined principles to be applied by asset owners and asset managers. This report sets out our response to the Code and explains how our approach to stewardship is aligned with its principles. Because stewardship is not just about how we invest, we also explain how we apply the Code principles across other areas of influence and impact. Our appendix on page 76 highlights how the content within this report aligns to each principle.

Contents

Companies mentioned throughout this report are included only to demonstrate examples of our engagement efforts and should not be deemed as a recommendation to buy or sell any securities.

Purpose & Governance

A message from Peter Branner, Chief Investment Officer

“We will continue to work with our investee companies through our engagement programs, helping them to identify and mitigate financially material sustainability related risks.”

At Aberdeen, we believe we have a duty to be responsible stewards of our clients' capital. To achieve this, we aim to uphold the highest standards of corporate governance. Our stewardship report and the ongoing work of the Financial Reporting Council (FRC) enables us to deliver this in an evolving environment.

The regulatory landscape around sustainable investment is constantly evolving and it is the responsibility of asset managers to navigate this challenging environment to best meet the needs of our clients and key stakeholders. In 2024, for example, the UK’s Financial Conduct Authority (FCA) overhauled the UK Listing Rules (UKLR) to better align with international market standards and to improve the global competitiveness of the UK market. The new UKLR represents a move to a more disclosure-based regime.

The FRC has also announced significant revisions to the UK Stewardship (Code) and launched a public consultation to the proposed revision of the Code, which took place from November 2024 to February 2025. The draft revised Code will continue to focus on effective stewardship and high-quality disclosure. As stewards of our clients’ capital, we have a particular focus on strong investment practices governance at our investee companies. Having the right board structure, relevant board member skills and robust oversight of the company, enables better board oversight of the operational and material risks related to sustainability topics. When assessing a company’s risk profile, we continue to have a primary focus on the financial materiality of these risks above all else.

In response to these regulatory changes, at Aberdeen we have conducted a detailed review of our voting policies to reflect both the changes in the regulatory environments we operate within and to align with our clients' needs. As part of this process, we canvassed several of our key clients to ensure that our voting policy changes were representative of their views and in their best interests. It is our view that voting is a key part of our stewardship activities which are integral to our sustainable investment approach.

We will continue to work with our investee companies through our engagement programs, helping them to identify and mitigate financially material sustainability related risks. When necessary, we are committed to holding companies to account for their behavior, taking action when they fall short of what we believe to be best practice.

In 2024 alone, we voted on 72,746 resolutions and carried out a total of 1,868 ESG engagements, highlighting our commitment to stewardship.

Peter Branner

Chief Investment Officer

A message from Dan Grandage, Chief Sustainable Investment Officer

"I am confident in the ability of our teams to continue to support and meet the requirements of the UK Stewardship Code, in support of our client needs and outcomes."

I am proud of the progress we have made in our stewardship activities and sustainable investment efforts at Aberdeen over the past year. Our commitment to the UK Stewardship Code remains as we continue to integrate environmental, social and governance factors into our investment process and act as stewards of our clients' capital.

Our Sustainable Investment Team have worked to ensure that our research, standards, frameworks, and stewardship activities align with our clients' requirements. The expanded Sustainable Investing Strategy Group (SISG) has played a crucial role in overseeing our sustainable investment activity, enabling us to make informed, investment-led decisions that aim to pursue the best long-term outcomes for our clients. Our key research themes across climate, nature, social and governance have guided our engagement activities and enabled our investment teams to understand the risk landscape while identifying investment opportunities.

This year has presented its own set of challenges, balancing the demands of investors and clients with a rapidly evolving regulatory landscape. This has required constant review and adaptation of our activities and structures to ensure we remain future-fit. I am confident in the ability of our teams to continue to support and meet the requirements of the UK Stewardship Code.

We have enhanced our capabilities by introducing new structures and promoting internal talent, ensuring we have the right level of expertise across Investments. Our Sustainable Investment team, supported by dedicated on-desk investment professionals, allows us to integrate material risks and ensure enhanced oversight.

In particular, we have worked hard to ensure that our sustainable investment approach and framework are well supported by our sustainable investment operating model, underpinned by a clear data model and sustainable investment toolkit.

As we look ahead to 2025, we remain committed to evolving our sustainable investment framework and standards. Our key stewardship priorities for the upcoming year include continuing to monitor shareholder proposals on artificial intelligence (AI), evolving governance standards and the increase in volume and complexity of shareholder proposals. In addition to this, our highest financed emitters engagement cycle will come to an end with the possibility for escalation, however we will remain engaged with companies on net zero. We will continue to monitor the future landscape to bring insights to our investment teams, enabling them to navigate the complexities of sustainable investment and stewardship.

I look forward to the opportunities that 2025 will bring, confident our sustainable investment and stewardship experts within Aberdeen will continue to drive the best long-term outcomes for our clients.

Dan Grandage

Chief Sustainable Investment Officer

At a glance

We are a Wealth & Investments group...

UK savings and wealth platforms

Specialist asset management

interactive investor (ii)

As the UK's second-largest direct-to-consumer investment platform by AUA and number one by net flows[1], ii offers a self-directed investing and trading platform that enables individuals in the UK to plan, save and invest in the way that works for them.

Our clients:

Individuals that are:

- Lower confidence investors
- Self-directed investors
- Active/expert investors

2024 Adjusted operating profit
£116m (2023: £114m)

2024 AUM
£77.5bn (2023: £66.0bn)

2024 Cost/income ratio
58% (2023: 60%)

Adviser

Our Adviser business, the UK's second-largest advised platform by AUA[2], provides financial planning solutions and technology for UK financial advisers which enables them to create value for their businesses and their clients.

Our clients:

- Financial advisers

2024 Adjusted operating profit
£126m (2023: £118m)

2024 AUMA
£75.2bn (2023: £73.5bn)

2024 Cost/income ratio
47% (2023: 47%)

Investments

Our capabilities in our investments business are built on the strength of our insight – generated from wide-ranging research, worldwide investment expertise and local market knowledge.

Our clients:

- Insurance companies
- Sovereign wealth funds
- Independent wealth managers
- Individuals
- Pension funds
- Platforms
- Banks
- Family offices

2024 Adjusted operating profit
£61m (2023: £50m)

2024 AUMA
£369.7bn (2023: £366.7bn)

2024 Cost/income ratio
92% (2023: 94%)

[1] Source: Fundscape, Direct Matters Q4 2024 report.
[2] Source: Fundscape, The Platform Report Q3 2024. Excludes Curtis Banks AUA.

...delivering valued outcomes for our customers

Our purpose

To enable our clients to be better investors

Our cultural commitments

- We put the client first
- We are empowered
- We are ambitious
- We are transparent

Our sustainability ambition

Our sustainability ambition is to enable inclusive growth and a credible environmental transition for our clients, people and tomorrow's generation. We believe this is responsible business.

A Wealth & Investments group with strong foundations for growth

Positioned for success through market cycles

Driven by our purpose to enable our clients to be better investors, we have strengthened our business through effective capital management and investment to create strong foundations for growth.

Our strengths and resources

UK's second-largest direct-to-consumer investment platform by AUMA and number one by net flows.

UK's second-largest advised platform by AUA, powered by innovative technology.

Specialist asset manager providing investment solutions to meet complex needs.

Global distribution and client base.

Strong balance sheet to drive shareholder value and client confidence.

Positioned to benefit from key investment market opportunities

1. Long-term structural growth in UK savings and wealth, driven by:
- Increased personal responsibility for savings
- Ongoing wealth transfer
- Reducing the savings and advice gap

2. Ongoing energy transition:
- Real assets growth
- Infrastructure spending

3. Digital innovation
- Transforming investment platforms and asset allocations to support more complex client needs and outcomes.

An efficient, diversified model

Strengthened, simplified business
- Strategic focus
- Robust governance
- Effective capital management

Driving investment in long-term growth
- People
- Product
- Technology

Structured around three complementary businesses

Investments

Adviser

ii

Delivered through strong operational processes

Controlled processes

Our control environment helps us manage risk effectively, provide business security and maintain operational resilience.

Efficient operations

We are enhancing our operations for agility, speed and efficiency, supported by technology which aims to deliver the best possible experience.

Creating long-term value

Diversified business and a strong balance sheet support long-term value creation

Investment in long-term growth

Payment of dividends to shareholders

How we make money

We earn revenue mainly from:

- Asset management and platform fees based on AUMA.
- Subscription and trading fees.
- Interest margins on cash balances.

Read more in our Annual report and accounts 2024

Value shared with stakeholders

Clients

We focus on delivering outcomes that truly matter to our clients. We draw on our expertise and insight with the aim of delivering long-term investment performance.

Investment performance in 2024

77%	**60%**
One-year	Three-year

Colleagues

We aim to attract and develop the best people for leadership roles, and to offer clear pathways for career advancement.

57%

Employee engagement score in 2024

Society

We have important responsibilities to society and the environment. Through sustainable investment we increase the positive impact we can have through our operations.

AA

MSCI ESG rating

Shareholders

We aim to create sustainable shareholder value over the long term.

14.6p

2024 full year dividend

Investments: strategic overview

We are pursuing a return to growth in focus areas, while improving efficiency.

Who we are

Our ambition	As a specialist asset manager, we aim to help clients achieve their target investment outcomes by identifying investment opportunities to benefit from trends today and beyond		
Key capabilities and offerings	Specialist strategies	Wealth and institutional solutions	
Who we serve	Institutional clients with bespoke needs	Private investors globally	
Strategic focus	Focus on areas of expertise	Drive better investment performance	Enhance our operating model

We are a specialist asset manager with £369.7bn in AUM as at 31 December 2024. We focus on areas where we have both the strength and scale to capitalise on the key themes shaping the market, through either public markets or alternative asset classes.

AUM

2023	2024
£366.7bn	**£369.7bn**

Adjusted operating profit

2023	2024
£50m	**£61m**

Governance and oversight

Governance framework

The Group operates the following governance framework.

Board
The Board's role is to organise and direct the affairs of the Company and the Group in accordance with the Company's constitution, all relevant laws, regulations, corporate governance, and stewardship standards. The Board's role and responsibilities, collectively and for individual Directors, are set out in the Board Charter. The Board Charter also identifies matters that are specifically reserved for decision by the Board. During 2024, the Board's key activities included approving, overseeing and challenging:

- The updated strategy and the 2025 to 2027 business plan to implement the strategy.
- Capital adequacy and allocation decisions.
- Oversight of culture, our standards and ethical behaviours.
- Dividend policy including the decision framework governing the sustainability of the dividend.
- Financial reporting.
- Risk management, including the Enterprise Risk Management (ERM) framework, risk strategy, risk appetite limits and internal controls and in particular how these apply in a blended working environment with colleagues working from home.
- Significant corporate transactions.
- Succession planning, in particular in the appointment of Jason Windsor as CEO.
- The performance of each of the business areas.
- The sustainability strategy and approach across the Group, both as a corporate and as an asset manager.
- Significant external communications.
- The work of the Board Committees.
- Appointments to the Board and to Board Committees.
- Matters escalated from subsidiary boards to the Board for approval.

The Board regularly reviews reports from the CEO and from the CFO on progress against approved strategies and the business plan, as well as updates on financial market and global economic conditions. There are also regular presentations from the Business CEOs and business functional leaders.

Chair
- Leads the Board and ensures that its principles and processes are maintained.
- Promotes high standards of corporate governance.
- Together with the Company Secretary, sets agendas for meetings of the Board.
- Ensures Board members receive accurate, timely and quality information on the Group and its activities.
- Encourages open debate and constructive discussion and decision-making.
- Leads the performance assessments and identification of training needs for the Board and individual Directors.
- Speaks on behalf of the Board and represents the Board to shareholders and other stakeholders.

CEO
The CEO operates within authorities delegated by the Board to:

- Develop strategic plans and structures for presentation to the Board.
- Make and implement operational decisions.
- Lead the GOC/ELT in the day-to-day running of the Group.
- Report to the Board with relevant and timely information.
- Develop appropriate capital, corporate, management and succession structures to support the Group's objectives.
- Together with the Chair, represent the Group to external stakeholders, including shareholders, customers, suppliers, regulatory and governmental authorities, and the local and wider communities.

Senior Independent Director (SID)
The SID is available to talk with our shareholders about any concerns that they may not have been able to resolve through the channels of the Chair, the CEO or CFO, or where a shareholder was to consider these channels as inappropriate. The SID leads the annual review of the performance of the Chair.

Non-executive Directors (NEDs)
The role of our NEDs is to participate fully in the Board's decision-making work including advising, supporting and challenging management as appropriate.

Nomination and Governance Committee (N&G)
- Board and Committee composition and appointments.
- Succession planning.
- Governance framework.
- Culture, Diversity, Equity & Inclusion (DEI).

Audit Committee (AC)
- Financial reporting.
- Internal audit.
- External audit.
- Whistleblowing.
- Regulatory financial reporting.
- Non-financial reporting (sustainability).

Remuneration Committee (RC)
- Development and implementation of remuneration philosophy and policy.
- Incentive design and setting of executive Director targets.
- Employee benefit structures.

Risk and Capital Committee (RCC)
- Risk management framework.
- Compliance reporting.
- Risk appetites and tolerances.
- Transactional risk assessments.
- Capital adequacy.
- Anti-financial crime.

Group Operating Committee (GOC)
The GOC is responsible to the CEO for the development of corporate objectives and strategy, oversight of commercial operations, finalisation of the annual budget and business plan, proposals for inorganic strategic activity, commercial aspects of people-related matters and to support the effective operation and cohesion of the ELT. Membership of the GOC includes the CEO, CFO, Group General Counsel, Chief Operating Officer & CEO of interactive investor, Chief People Officer, CEO of Investments and CEO of Adviser.

Executive Leadership Team (ELT)
The ELT is responsible to the CEO for the execution of corporate objectives and strategy, competitive analysis, sharing client insights, ensuring communication and alignment across senior leadership, oversight of annual budget and business plan proposals, review of performance against targets and plan, idea generation, oversight and delivery of people-related matters, oversight of sustainability and oversight of risk and controls. Membership of the ELT includes the members of the GOC and the Chief Strategy and Business Development Officer, Chief Risk Officer, Chief Internal Audit Officer, Chief Investment Officer, Investments Chief Client Officer, Investments Chief Product & Marketing Officer, interactive investor Chief Operating Officer and Adviser Chief Distribution Officer.

Businesses
Business CEOs support the CEO to deliver growth across the business:
- ii.
- Adviser.
- Investments.

Talent
The Chief People Officer (CPO) supports the CEO in developing talent management and succession planning and culture initiatives.

Efficient Operations
Strategy, Technology, Legal and Finance ELT members, including the CFO, support the CEO by overseeing global functions and the delivery of functional priorities.

Control
The Chief Risk Officer (CRO) supports the ELT and the CEO in their first line management of risk. The Chief Internal Audit Officer attends ELT controls meetings.

Stewardship Approach

Our stewardship aims and commitments

To meet the needs of our clients and key stakeholders, and create benefits for the economy, society and environment, we focus on these core areas:

01

Our investment activity: We actively take steps as stewards to deliver long-term, sustainable value, consistent with our clients' objectives and risk tolerance.

Further information on our investment activity can be found on page 15 onwards.

02

Our investment process: We integrate and appraise sustainability factors in our investment process, with the aim of generating the best long-term outcomes for our clients, consistent with their risk and asset allocation preferences.

Further information on our investment process can be found on page 30 onwards.

03

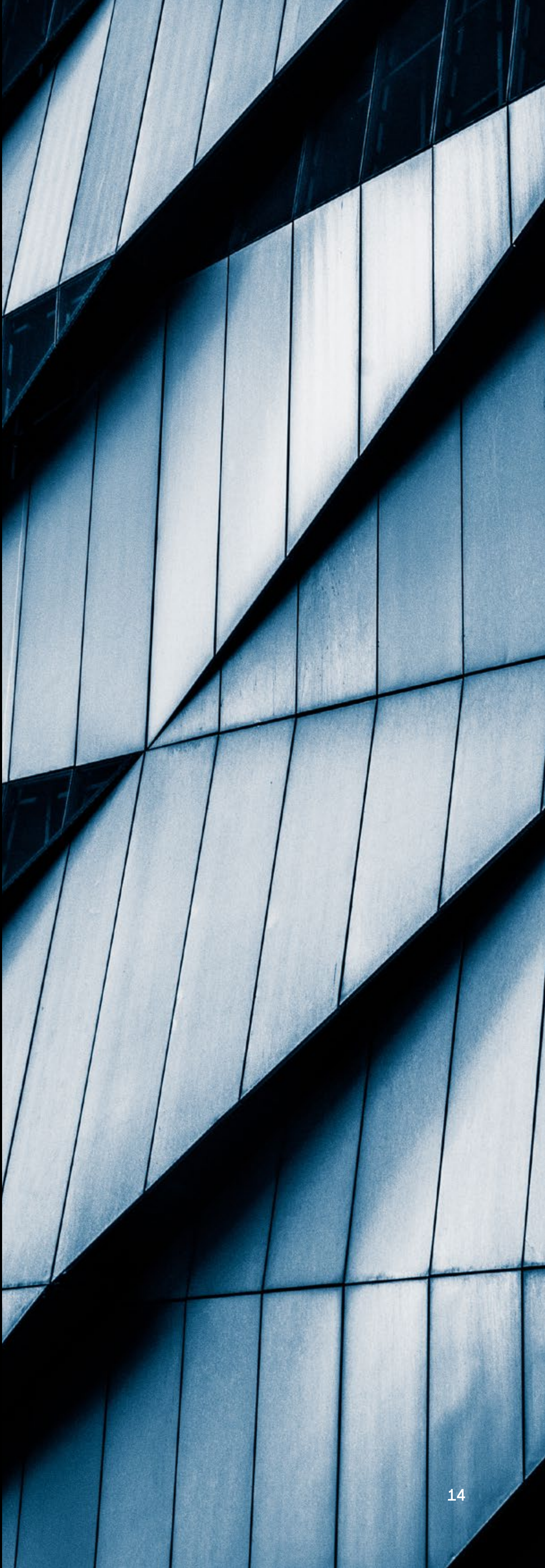
Our client journey: We clearly define how we act in our clients' interests in delivering our stewardship and sustainability principles and transparently report on our actions to meet these interests.

Further information on our client journey can be found on page 58 onwards.

04

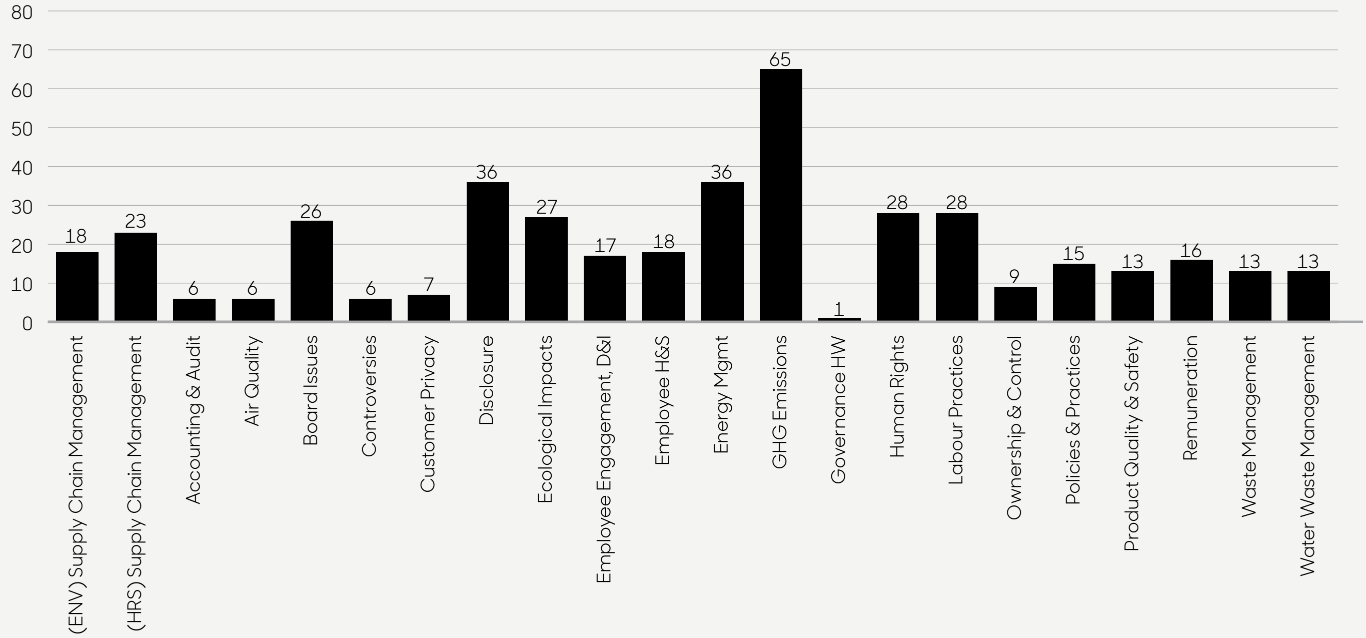
Our corporate influence: We actively support enhancements to policy, regulatory and industry standards to deliver a better future for our clients, the environment and society.

Further information on our corporate influence can be found on page 71 onwards.



Investment activity: stewardship in numbers

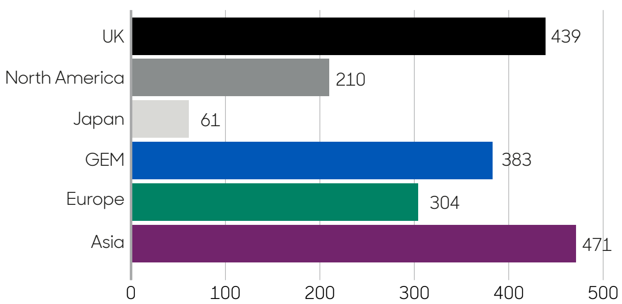
2024 Engagement statistics



Source: Aberdeen, FY2024.

[3] Please note the chart above relates to our priority sustainability engagements noted in the table. L3 topic breakdown is an internal categorisation of priority engagements. For instance Corporate Governance can include L3 topics such as: board issues, accounting & audit, ownership & control. These categories are also used in our ESG House Score, a key tool for company analysis.

Geographical breakdown of total sustainability engagements



Source: Aberdeen, FY 2024. GEM = Global Emerging Markets.

Engagement statistics

	Total
Priority sustainability engagements	179
Non-priority sustainability engagements	1,689
Total sustainability engagements	1,868

Source: Aberdeen, FY 2024.

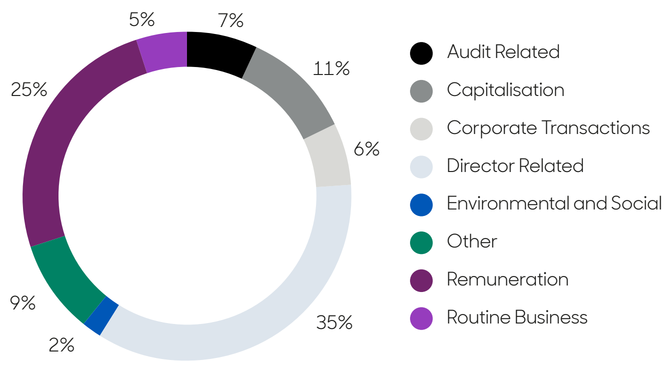
Actively voting across our portfolios

2024 Voting statistics

	Total
Number of meetings voted	7,104
Number of meetings with at least 1 vote against, withhold or abstain	3,767 (53%)
Total number of resolutions voted	72,746
Percentage of resolutions voted against management recommendations	12%
Percentage of votes different from ISS Policy	5%

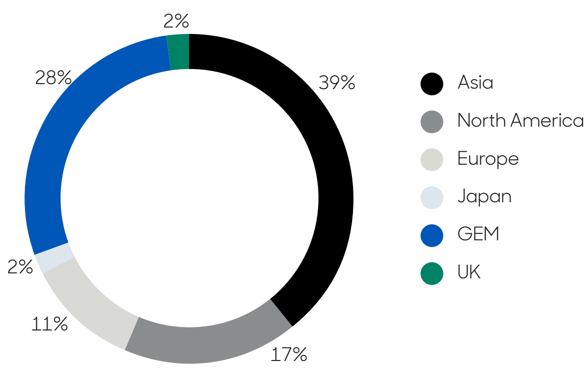
Source: Aberdeen, FY 2024.

Thematic breakdown of votes against management recommendations



Source: Aberdeen, FY 2024 E+S – Environmental and Social.

Geographical breakdown of votes against management recommendations



Source: Aberdeen, FY 2024.

Sustainable Investment governance

Sustainable investing is a strategic priority for Aberdeen and is supported by senior executives, from our CEO downwards.

Dan Grandage, our Chief Sustainable Investment Officer (CSIO), sets and leads the sustainability strategy for Aberdeen's Investments business. The CSIO is a member of the Investment Leadership Team and has overall responsibility for setting our Sustainable Investment strategy, ensuring sustainability factors are integrated, and stewardship activity is executed across the Investments business. The CSIO reports to our Chief Investment Officer (CIO) to ensure sustainable investment matters are embedded across the business value chain. Given we integrate sustainability considerations into our investment approach, the CIO and asset class heads hold responsibility for enforcing integration within each asset class.

Our CSIO also leads our Sustainable Investment team, which is responsible for setting the associated sustainability standards, providing independent oversight, delivering sustainability insights, driving our stewardship strategy and supporting our clients across our Investments business.

Sustainable investment matters are discussed and embedded within the forums that exist within the Investment Executive. The Investment Executive as a whole are responsible for sustainability matters; thus, they are discussed as part of the three existing forums.

The Sustainable Investing Strategy Group (SISG) is chaired by our CSIO and aims to serve two purposes: drive the strategic focus of the sustainable investment strategy; and delivery of the strategy via collaboration, consistency, process and integration. The SISG strategic focused sessions are held on a quarterly basis with representation from the Client Group, Product, Operations, Risk and Compliance, as well as our CIO. Under the Senior Managers & Certification Regime (SMCR), our CIO has individual responsibility for Aberdeen Investments' sustainability strategy, hence his attendance at the 'strategic focused' meetings. These quarterly meetings are also the management forum for climate-related risks and opportunities in the Investments business, with material issues escalated to the appropriate Executive-level forum (e.g. the Investment Forum).

The SISG monthly meetings are also chaired by our CSIO and has representation from Heads of ESG for each of the asset classes as well as the Sustainable Investments team. The monthly SISG meetings are responsible for ensuring that the strategy is being integrated at asset class level, as well as ensuring consistency in our approach and facilitating clear, effective communication of our approach.

The Sustainability Standards Group is a internal forum to uphold sustainability standards in Aberdeen Investments' actively managed investment products. It is chaired by our CSIO and meetings are held on a weekly basis. It aims to protect the integrity of our approach and ensure that we continue to meet evolving client and regulatory expectations for sustainable investing.

The Regulatory and Standards Forum is chaired by a member of the Sustainable Investment team. The forum serves as an information sharing forum on sustainable investing regulations and standards that may impact Aberdeen investments. It is a global forum with the aim of increasing understanding and awareness of current and incoming sustainable investing regulations and standards across jurisdictions. It identifies areas of consistency and conflict between localised sustainable investing regulations and standards, and sharing experiences and best practices for implementing and complying with sustainable investing standards.

Our sustainable investing governance structure is as follows:

Source: Aberdeen, December 2024.

Investments Engagement Policy

We believe it is our duty to be active and engaged owners of the assets in which we invest.

Our aim is to both enhance and preserve the value of our clients' investments by considering a broad range of factors that impact on the long-term success of the company. Through our engagement we seek to improve the financial resilience and performance of investments, sharing insights from our ownership experiences across geographies and asset classes. Where we believe we need to catalyse change, we will endeavour to do so through our strong stewardship capabilities.

As a global investor, we leverage our scale and market position to raise standards in both the companies and industries in which we invest and help drive best practice across the asset management industry.

How engagements are prioritised

Our engagement process consists of four components:

- **Review**: Part of our ongoing due diligence and frequent interactions led by the analyst responsible for oversight of the investment.
- **Respond**: Reacting to an event that may impact a single investment or a selection of similar investments.
- **Enhance**: Designed to seek change that, in our view, would enhance the value of our investment.
- **Thematic**: Resulting from our focus on a particular sustainability theme such as climate change, diversity and inclusion, or modern slavery.

Our regular 'review' meetings are normally held with the investee company's executive management, but we will also engage with board members – generally the chair or other non-executive directors. Such meetings further develop our understanding of how the board is fulfilling its responsibilities and give us the opportunity to communicate views constructively, as and when appropriate.

Our 'respond' and 'enhance' engagements are bespoke interactions with specific outcome intentions and are defined as priority engagements. These also focus on the delivery of long-term value from the investments we make on behalf of clients. The nature of sustainability risks is such that they are ever-present but often require a long-term outlook to fully assess them.

Our engagements will often be with board members, both executive and non-executive, but will also include detailed assessment of specific risk mitigation through engagement with relevant experts within a company, including those relating to sustainability.

For our 'thematic' engagements, we select investments which are felt to be materially impacted by sustainability themes identified by our research. These themes may arise in the short term due to particular events or may be long running in nature and impacting many sectors and investments. Engagements relating to a specific theme are likely to occur over multiple planning periods and are often led by our sustainable investment experts.

How engagement efforts are organised

For every engagement, we have a wide pool of resources to draw from. We have sustainability expertise embedded within our investment teams. Our on-desk investment analysts are supported by our Sustainable Investment team, who bring specialist knowledge on sustainability issues. These include, but are not limited to, areas such as risk management, board composition, remuneration, audit, climate change, labour issues, diversity, equity, and inclusion, human rights, bribery, and corruption. In addition, we leverage the macro insights of Aberdeen's Global Macro Research team.

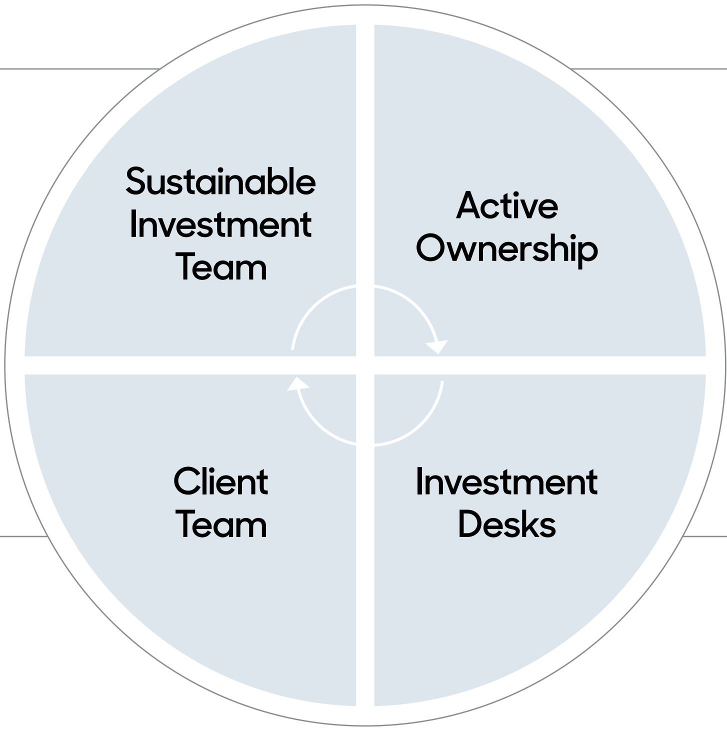
The engagement planning process is led by our investment desks, and is informed by our ongoing due diligence and research, reviews of investment sectors, specific fund reviews, our sustainable investing scoring mechanisms and the peer review processes used by investment desks.

Our Sustainable Investment team provides detailed global thematic research and insight on stewardship and sustainability issues across all asset classes. Our research focuses on key sustainability themes and is linked to the UN Global Compact and Sustainable Development Goals (SDGs).

Our Sustainable Investment Insights team conducts thematic research to assess how changes in sustainability issues could impact investment behaviours and therefore negatively or positively impact companies in which we invest.

Furthermore, conducting thematic research enables us to conclude what should be deemed best practice and to encourage businesses to adopt these considerations within their business practices.

Investments Engagement Policy



Sustainable Investment Team

- Thought leadership
- Restrictions & screening
- Regulatory standards
- Active ownership

Active Ownership

- Setting out engagement priorities
- Setting out voting policy
- Insight on governance & sustainability trends across companies and sectors
- Engage and influence external bodies

Client Team

- Meeting client needs & expectations
- Transparency
- Reporting

Investment Desks

- Fundamental research
- Ongoing engagement
- Portfolio management
- Screening

We engage with our investments in a number of ways:

- Face-to-face meetings with board members, senior executives and decision makers.
- On-site visits to see progress in action.
- AGM attendance to push for innovation and change.
- Exercise rights as a shareholder through voting and provide transparency around the rationale behind our votes.
- Engaging with a company collaboratively with other investors who may be seeking to achieve similar change from a single investment or a range of investments.
- Meetings with ex-employees, customers, suppliers, stakeholders or other experts to verify information provided by staff.
- Divestment in certain instances where a company's actions, strategy or plans don't meet our clients expectations or benchmarks.

How engagement efforts are monitored:

We believe that it is important for our engagement activities to lead to improvements in our investments and the way they manage and mitigate risks informs our investment decisions. We record concerns and issues raised with our investee companies and set timeframes within which we expect our concerns to be addressed.

To do this we have defined the following 'lifecycle' steps for our priority engagements:

- **Identify**: We identify specific concerns or issues to be raised with those investee companies.
- **Acknowledge**: The concern is acknowledged by those investee companies.
- **Plan**: There is a credible plan to address our concerns.
- **Execute**: The plan is being executed to address our concerns.
- **Close**: The plan has been successfully executed and our concerns have been addressed.

Investments Engagement Policy

Engagement with investee companies for certain asset classes are recorded and identify the objectives for the engagement, as well as the milestones, allowing us to classify success markers at the start of the engagement, and monitor (and report on) our engagements on an ongoing basis. This is important given some of the outcomes we are expecting will not be immediate, and it may be appropriate to set an engagement milestone which allows us to assess which steps the company has taken after our engagement. These milestones are created and tracked in relation to company engagement and the company's progress, or lack of, against these milestones, which in turn informs the company's sustainability ratings. We advise our investments of the areas where we wish to see improvement and carry out desktop analysis or further engagement to measure progress.

Escalation approach

We consider escalation on a case-by-case approach and aim to identify risks early and set measurable milestones with investee companies. We may choose to resort to escalation in certain instances where a company is unresponsive or, in our view, the company is insufficiently responding to a material issue. We have a decision tree that provides potential tools of escalation in the instance when an investee company, in our view, has inadequately responded to a material risk. At Aberdeen, we engage with investments through escalation actions to drive change and achieve outcomes toward financial objectives.
A flexible escalation approach is essential, given certain escalation actions may occur simultaneously or as part of regular due diligence with investments.

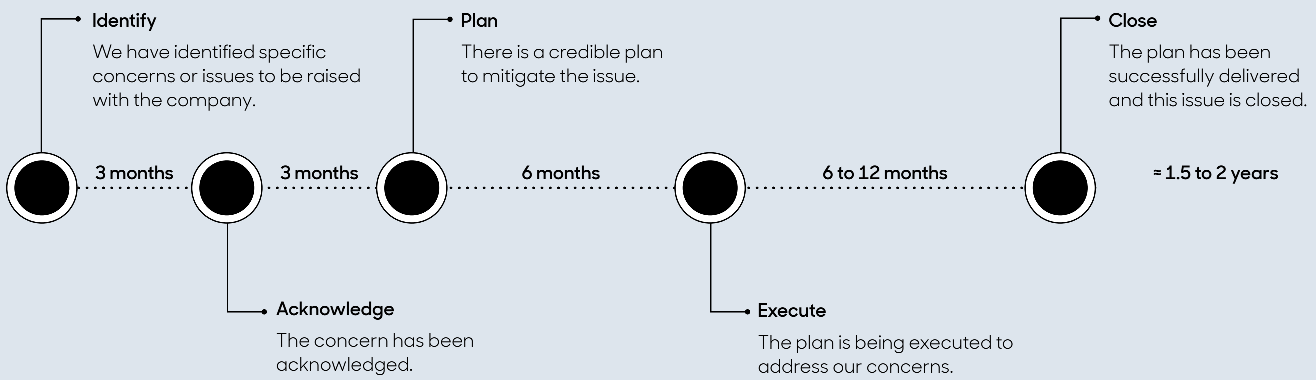
Escalation Actions

Request Engagement	Revise Internal Assessments	Letter to the Board	Ownership Rights and Voting	Public Statement	Collaboration with External Parties	Divestment
Lead analyst may choose to request a follow up engagement with members of senior management or the board to address material risks.	Stakeholders such as portfolio managers, lead analysts and sustainable investment specialists, where possible, may choose to revise internal quantitative assessments of investee companies on a particular and material risk.	Lead analyst may choose, where possible, to send a letter to senior management or the board to communicate our milestones, expectations and suggest a reasonable timeline to progress against specific actions.	Voting is integral to our stewardship activities. Lead analysts and the Active Ownership Team, where possible, may choose to enforce voting rights to encourage the progress of an investee company on a material risk.	Aberdeen may choose to issue a public statement detailing its view of a specific issue in the market and its expectations of investee companies.	We leverage participation in industry and investors-led initiative frameworks. Where relevant, we may choose to escalate issues to investee companies as a member of initiative frameworks.	We may choose to divest where possible, and where we find an investee companies' response has material negative financial impacts. We believe in engagement approach over divestment.

Investments Engagement Policy

Illustrative timelines for escalation

Escalation tools are enforced at the decisive point it becomes clear the company has not followed the typical engagement lifecycle: **Identify**, **Acknowledge**, **Plan**, **Execute** and **Close**. We assess the execution and credibility of a company's plan for an identified risk through tracking the delivery of milestones set in engagements or public disclosures. It is imperative that the time for fulfilment of engagement objectives remains flexible. For example, investments such as emerging market or high yield bond issuers may require more resource and time to deliver on outcomes.



We closely monitor our investments to ensure they have a credible plan to address issues within 6 to 12 months of the initial conversation. We set and measure progress against reasonable milestones during engagements. Typically, we expect our investments to achieve a milestone within 6 to 12 months, depending on the issue and its timing. In a typical lifecycle engagement, we aim to engage with our investments every year. We revisit progress against milestones set at the initial engagement. The engagement lifecycle timeframes apply more strictly to developed market and listed equities companies, therefore flexibility is required for investments in emerging markets and fixed income. Risks may vary, depending on materiality and scale, and some milestones may take several more years to materialise than others.

People as our key asset[4]

Sustainable investment and stewardship expertise

Our investment teams are organised to integrate the consideration of ESG risks and opportunities into decision-making. Day-to-day management and ESG expertise is provided by our Sustainable Investment team, and the experts embedded across the business in specific functions. Our ESG experts help to provide detailed global thematic research and insight on stewardship and ESG issues that can be applied across all asset classes and in our Global Macro Research team.

Sustainable Investment team

- **29** Individuals in the Sustainable Investment team
- **20** females
- **09** males
- **26** in the UK
- **02** in APAC
- **01** in US
- **11** years' average investment industry experience

Dedicated asset class sustainable investment resources

- **29** dedicated sustainability experts
- **16** females
- **13** males
- **22** based in the UK
- **04** in APAC
- **01** in the US
- **01** in Brazil
- **01** in Germany
- **06** years average investment industry experience

[4] Data as at 31 December 2024

Training and development

Our training on sustainability-related matters comes in various formats and is delivered to a wide range of colleagues across the business. Globally, we have seen an increase in regulatory expectations on sustainable investing practices across key geographies.

The expectations have been wide ranging, covering areas including how we manage sustainability risks and opportunities in our investments, how we engage with companies, and how we define and label our sustainability products. As a result, we believe that we must continue to enhance our approach and capabilities in line with the evolving sustainable investing landscape and, crucially, that this is underpinned by a strong commitment and innovative approach to learning and development.

In 2023, we launched the Grow Sustainably Academy; a tailored sustainability training programme aimed at meeting the needs of various teams within Investments. We have continued to run training in 2024, through a variety of different formats. This has included the refocus of our sustainability podcast, and internal sustainability bulletins which provide colleagues with the latest insights on emerging sustainability topics. Our training sessions themselves have covered but have not been limited to: regulation and greenwashing, our climate building blocks and enhancements, and our approach to nature.

Sustainability research and insights

We believe that a full and thorough understanding of sustainability issues enables us to make better investment decisions. This begins with gaining insight into how these could impact the assets we manage.

We undertake comprehensive due diligence before we invest, considering financially material sustainability risks and opportunities in addition to other financial metrics. We seek to understand whether an asset is adequately managing those risks, and whether the market has understood and priced them accordingly.

We have sustainability expertise embedded across our investment teams, and complement this through collaboration across asset classes, sharing research, experiences. and understanding. In addition to our embedded sustainability specialists, regional investment teams are further supported by our Sustainable Investment team who provide detailed global thematic research and insight on stewardship and sustainability issues across all asset classes.

The diagram below illustrates how our research focuses on key sustainability themes and is linked to the UN Global Compact and Sustainable Development Goals (SDGs). This research underpins our stewardship approach.

For more information, please refer to our approach to sustainable investing on our website.

Our research on macro themes is not done in isolation. We also consider the macro risks that we face as a company.

Sustainability themes	Nature	Climate	Social		Governance
Sustainable Development Goals	UN Global Compact Environment		UN Global Compact Labour	UN Global Compact Human Rights	UN Global Compact Anti-Corruption
Topics	• Natural capital data • Biodiversity • Deforestation • Oceans water • Circular economy: plastics sustainable packaging • Food sector	• Climate scenario analysis • Carbon metrics • Net zero alignment • Carbon offsets • Credible transition leaders • Climate policy • Low carbon technology • Fuels of the future	• Working conditions • Health & safety • Diversity equity & inclusion • Staff development & talent retention • Labour relations	• Modern slavery • Supply chain issues • Inequality • Land rights • Food & nutrition • Data privacy • Community relations	• Anti-bribery & corruption • Audit issues • Board balance diversity • Remuneration • Director independence • Shareholder rights • Accountability • Cyber security • Tax • Digital assets

Establishing authentic and credible insights & positions on sustainability issues that influence investment decisions

Collaborative engagement

We are willing to act collaboratively with other investors in seeking to protect and enhance shareholder value, or to otherwise address issues that are relevant to our clients' best interests. Collaborative engagement may also be beneficial to our investee companies and allow them to understand the views of several investors at once. Such engagements are typically related to a specific theme. These collaborations may involve a bespoke group of selected investors, or one of the many affiliation groups that are created on a regional basis or in relation to a specific theme. Collaborative engagement does not dictate our approach; it serves to advise our internal view and our approach as an individual asset manager. In deciding whether or not to engage collaboratively with other investors, we take into account a range of factors, such as:

- Whether or not collaborative engagement is likely to be more effective than unilateral engagement.
- The degree to which the objectives of the other investors are aligned to our clients' objectives.
- The need for confidentiality.
- The context of the investee company and, exceptionally, the wider economy.

To help us effectively participate in collaborative engagement, we maintain good working relationships with other institutional investors. We also participate in collaborative engagements organised by representative bodies and others, when these are aligned with our clients' interests.

We work with a number of organisations in order to participate in collaborative engagement. These include, but are not limited to:

Climate Action 100+

We are involved in CA100+, which is a collaborative initiative between asset owners and managers, led by the investee companies, to engage with certain high carbon emitters. CA100+sets three goals for companies: set clear targets to cut carbon emissions in line with the Paris agreement to limit warming to 1.5°C; improve governance and oversight of climate related items; and enhance climate-related financial disclosures and transition plans. Aberdeen Investments engages through CA100+ with several high carbon emitters and assists those companies to better align disclosure to the CA100+ Net Zero Benchmark.

Nature Action 100 (NA100)

We are involved in Nature Action 100, a global investor engagement initiative focused on driving greater corporate ambition and action on tackling nature loss and biodiversity decline. We are engaging with companies in key sectors that are deemed to be systemically important in reversing nature and biodiversity loss by 2030.

PRI Advance

We are involved in Advance which is a Principles for Responsible Investment (PRI)-led collaborative initiative where institutional investors aim to protect and enhance risk-adjusted returns by advancing progress on human rights through investor stewardship.

Stewardship and the environmental transition

Engagement with companies to help identify and mitigate climate risk

Supporting real-world decarbonisation

Within our Investments business, our climate engagement strategy is focused on understanding climate-related financial risks within our holdings and driving real-world decarbonisation. One way we can do this is through engaging with our largest public listed financed emitters to seek transparency on decarbonisation milestones and to advocate for increased disclosure. Our expectation is that companies are effectively managing climate risk, with our assessment of the credibility of a company's decarbonisation plan informed by our bespoke credibility framework and other relevant standards, such as the Climate Action 100+ Net Zero Benchmark.

Engagement with highest financed emitters

In 2022, for our public market investments, we launched a two-year engagement programme with our top 20 largest financed emitters. Focusing on our top 20 financed emitters enables meaningful engagement over time and reflects our objective to work with our investee companies to support real-world decarbonisation. Our expectation is that, in collaboration with our investee companies, we will achieve progress against climate-related milestones and the increased credibility of related climate commitments.

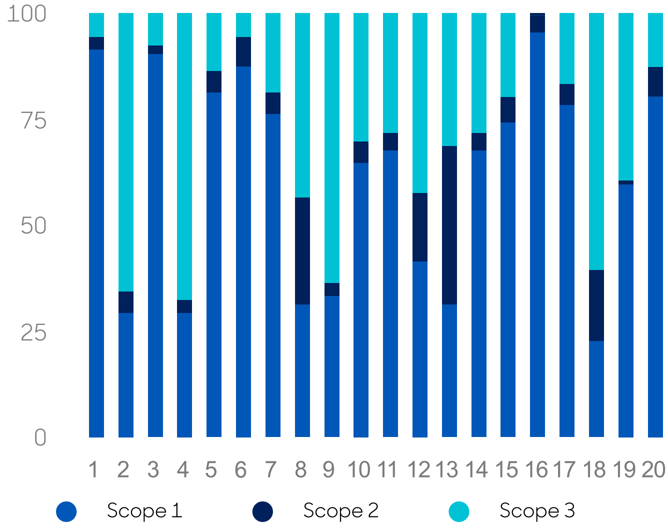
We have identified decarbonisation trends in the hardest to abate sectors, such as mining, oil and gas, and steel and cement producers. Through our engagement programme, we have also managed to identify those companies we believe are likely to be transition leaders.

In steel production, for example, the main emissions challenge relates to the use of blast furnaces (BF-BOF) that require coal as the primary feedstock. Mining companies, such as Anglo American[4] and Rio Tinto,[5] are working in partnership with steel manufacturers to develop new pathways for the decarbonisation of steelmaking, such as the development of lower carbon-intensive electric arc furnaces, enabling the production of green steel.

Our two-year engagement plan has now concluded and, throughout 2025, we will review progress against our decarbonisation milestones. Should we not see sufficient progress against these milestones, we may take voting action and/or consider reducing our financial exposure, if we believe a lack of progress represents a clear financial risk to our clients.

[5] Companies selected for illustrative purposes only to demonstrate investment management style and not as an indication of performance or investment recommendation.

Estimated emissions profile of top 20 financed emitters



Top 20 financed emitters: Equity and Fixed Income

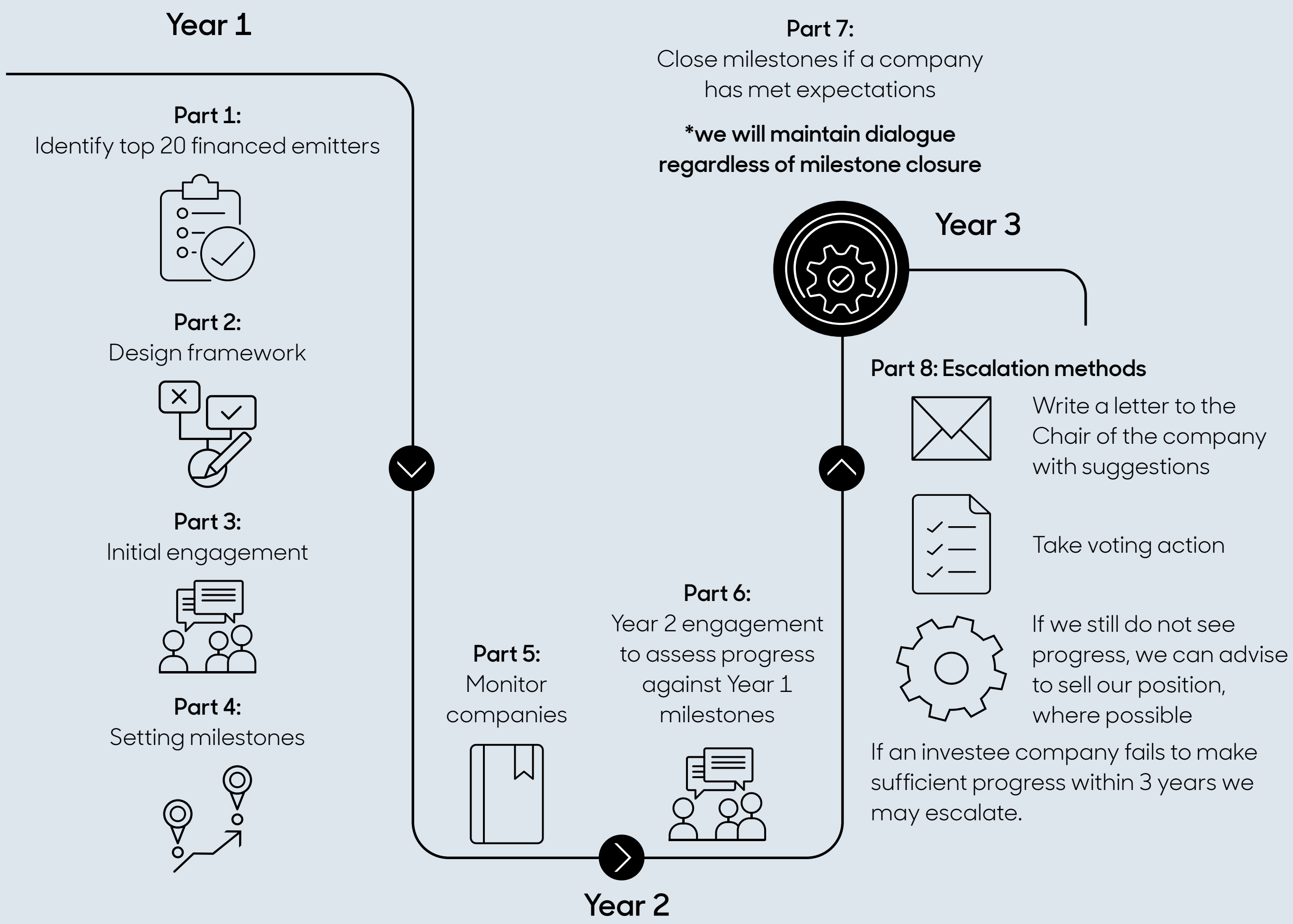
Companies identified for net zero engagement:

Rank	Company Name	Sector
1	UltraTech Cement Limited	Materials
2	Shell plc	Energy
3	RWE AG	Energy
4	BP plc	Energy
5	Holcim AG	Materials
6	Anhui Conch Cement Co Limited	Materials
7	Enel SpA	Utilities
8	Glencore Plc	Materials
9	TotalEnergies SE	Energy
10	CRH Plc	Materials
11	Hindalco Industries Limited	Materials
12	Rio Tinto Plc	Materials
13	Anglo American Plc	Materials
14	Engie SA	Utilities
15	Cemex, S.A.B de C.V.	Materials
16	NTPC Ltd	Utilities
17	The Siam Cement Public Company	Materials
18	LG Chem Ltd	Materials
19	Electricite de France	Utilities
20	SSE Plc	Utilities

Companies presented in order of total financial emissions. Total emissions represented (Scope 1 & 2): 4,831,068 tCO2e. Underlying data snapshot as of 31 December 2022.

Stewardship and the environmental transition

Highest financed emitters engagement programme



Source: Aberdeen, March 2025. *We disclosed our top twenty financed emitters in our 2023 TCFD report subject to a robust multi-year net zero engagement program to lead the investee companies towards decarbonisation.

These engagements are driven by stewardship expertise in climate matters, supported by our bespoke credibility framework and alignment score.

Stewardship and the environmental transition

Net-zero stewardship: an engagement-led approach to decarbonisation

Stewardship is key to meeting net-zero goals

Active ownership is a powerful tool to mitigate financial risks and to influence real-world decarbonisation. It allows us to challenge companies on their transition strategies and to influence corporate behaviour. Our proprietary 'credibility framework' serves as a foundation tool for us to pinpoint transition leaders. However, to conduct a more proactive analysis, especially in regions with limited data and disclosure gaps, an engagement-led approach becomes imperative.

Our net-zero stewardship quantitatively assesses the integrity of companies' climate transition plans. It's built on the following indicators:

- A company has a clear and transparent decarbonisation plan.
- Policy support is favourable and supportive.
- Investments are made in net-zero enabling technologies.
- The allocation for 'green' capital expenditure is specifically dedicated to environmental initiatives.

Dan Grandage
Chief Sustainable Investment Officer

"Active ownership encourages companies to set credible achievable targets which addresses the financial risks and opportunities related to climate change."

How stewardship can help the net-zero credibility gap

Aberdeen's active ownership encourages companies to set credible targets and to enact changes in support of climate action. Active ownership also involves engaging with businesses to encourage the appropriate level of oversight by the board. This helps to manage climate-related risks and allows us to gain an understanding of sectoral and geographical nuances to decarbonisation.

A standardised approach can be applied across sectors and geographies, and it allows us to measure and compare the effectiveness of a company's decarbonisation progress with other heavy polluters. Active ownership provides an in-depth analysis of a company's climate strategy, rather than relying on merely third-party data or a principles-based approach on climate issues. Our ownership approach assesses policy support for clean energy, a company's policy advocacy, low-carbon substitutes, market appetite for low-carbon products, and technology readiness in terms of barriers to entry and stage of development.

Data-driven and engagement-led approaches are both essential for a well-rounded assessment of a company's progress against its climate targets. In addition to engagements, we assess quantitative information, such as the proportion of 'green' revenue, the scope of a company's targets, and the disclosure against benchmarks, including the Science-Based Target Initiative, Climate Action 100+ and Transition Pathway Initiative.

Active ownership helps us to hold companies accountable through monitoring progress and by setting milestones with each of Aberdeen's top-financed emitters.
We assess progress against these set milestones and determine whether the company is likely to achieve their climate ambitions. We can escalate our concerns in a variety of ways, including revising our quantitative assessment of a company, taking voting action, and by collaborative engagement.

Stewardship and the environmental transition

Insights on decarbonisation

Evolving target setting expectations

We identified that the majority of top-financed emitters are using intensity targets rather than absolute emissions reduction targets. Emissions intensity is often used as a metric as it's comparable with other companies and controlled by a company's size. However, it doesn't always mean that actual emissions are decreasing, as changes in capacity or energy output can affect the overall intensity target outcome. As we aim to assess real-world impact on reducing emissions, we encourage companies to set absolute reduction targets. Two of the emitters that we invest in, CRH[6] and Engie[6], have already adopted absolute targets. We are now working with them on other climate-related measures, such as improving their energy mix.

Direct and indirect emissions targets

Companies must set comprehensive targets that cover all emissions, with an additional focus on those that are significant and most material. While many oil and gas firms set short-term goals for direct emissions, they often ignore the larger impact of indirect emissions. We expect companies to identify material emissions to address this gap and to support initiatives for standardised reporting and methodology. An excellent example is Siam Cement Group[6], a chemical and cement company in Thailand, which audited its full scope emissions with the Science Based Target Initiative. It included Scope 3 emissions (indirect emissions) in its audit, despite them representing less than 30% of its total emissions. We are now working with the company to encourage it to reduce the clinker content (which releases CO_2 in production) of its cement.

Capital expenditure is a sign of commitment

Companies allocating capital expenditure towards 'green' initiatives demonstrate a commitment to a net-zero transition. However, the impact of such investments on reducing emissions will take time. It depends on the company's competency, expertise, and technological readiness. For example, Ultratech Cement,[6] one of the largest cement companies in India, has set ambitious clean energy targets. We are encouraging the company to invest in new technology to electrify its kilns. We will monitor its progress over the next three-to-four years.

Policy support is needed

Policy support is essential for a credible transition to net zero. Governments must enact policies that encourage the shift towards clean and affordable energy. This helps reduce long-term emissions and to minimise the reliance on fossil fuels. At the same time, we work with our top-financed emitters – such as TotaleEnergies, Shell and BP – to help them set climate targets to reduce their methane emissions. We monitor their progress, while also encouraging them to invest in low-carbon solutions and alternative fuels where feasible.

Aligning pay with delivering climate targets

We believe companies that are high-financed emitters should hold executives accountable by tying climate performance metrics to executive remuneration.
This holds executives accountable and incentivises them to take strategic action on climate change. Our active ownership process encourages detailed and long-term key performance indicators, which focus on climate change. If these targets are not met, we can vote against remuneration recommendations for key executives.

Most companies in heavy-emitting industries have set climate targets, but there are still gaps that may affect their credibility. We work closely with the companies in which we invest to encourage them to plug those gaps and to make the changes needed to meet their targets. Our influence as a large investor is significant. We recognise our responsibility in holding companies accountable and driving positive change. We closely monitor and track the companies in which we invest to ensure they are progressing towards their climate targets and real-world decarbonisation.

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

Thematic engagement example

Artificial Intelligence

Artificial Intelligence (AI) has rapidly emerged as a transformative force with the potential to greatly benefit users and society, but it also poses risks. AI has no concept of the value of materials or ethics. Without clear governance and oversight its outcomes may diverge from important, qualitative objectives and threaten sustainable value-creation. That is why at Aberdeen we consider it crucial that companies with significant exposure to AI demonstrate: robust governance and oversight; ethical guidelines; appropriate due diligence and transparent practices.

As AI technologies quickly evolve, regulatory frameworks struggle to keep pace. Investors cannot rely on established regulation to ensure responsible development and use of AI. This is not to say that we are operating in a poor regulatory environment, it is simply that technology advancement progresses at a faster rate than regulation. Considering this regulatory lag, Aberdeen's objective is to work with the companies in which we invest to encourage a future where AI delivers sustainable benefits for shareholders and other stakeholders.

Heightened investor scrutiny of AI practices has become evident in shareholder resolutions filed at the annual meetings of several companies - from technology giants to entertainment businesses. These annual meetings presented an opportunity for us to connect our research on AI with targeted engagement, voting and, where necessary, public statements to highlight our position. Although there were still a relatively small number of resolutions focused on AI in 2024, Aberdeen witnessed a 400% increase in these proposals from 2023, with predictions that this number will continue to increase in 2025. Almost half of these AI proposals requested a report on the use of AI, with the next largest topic requesting a report on risks of misinformation generated by AI.

To support the adoption of AI, companies may also need to consider the impact on the workforce. As use of AI becomes more widespread, non-technical staff will require training to understand the opportunities, limitations, and ethics of its use. Like those impacted by the energy transition, workers may also require access to retraining to adapt to the changing labour market.

At Aberdeen, our strategy going forward will build upon the principles that we believe our investee companies should apply. We expect companies to have a focus on robust governance and oversight, ethical guidelines, appropriate due diligence, the wellbeing of its employees and to be transparent in that approach. As the technology develops, we believe these issues will remain crucial and Aberdeen will continue to drive for positive outcomes.

Stewardship across asset classes

High-quality research, including the understanding of sustainability factors, informs the investment decisions we make.

Our investment teams and Sustainable Investment team carry out detailed thematic analysis to fully understand the investments we are making, creating a detailed knowledge of:

- Financial and business drivers and metrics.
- The risks and opportunities that impact on these business drivers and metrics, including those that relate to sustainability factors.
- The mitigating actions taken to address these risks.

This helps us to make better investment decisions, leading to better outcomes for our clients.

In general, we believe that three to five years is the appropriate time horizon for the evaluation of investment performance. Over the course of the market cycle we would typically expect some mean reversion in markets - market leadership would change and fundamentals would prevail to the aggregate benefit of our investments.

Each of our asset class teams operate a proprietary assessment of sustainability factors within their investment process.

Below we describe the high-level stewardship activities of different asset types. These are used as a baseline across different funds and geographies. For certain segregated mandates and funds which address specific sustainability criteria we may provide additional investment screening or engagement activities, as defined in any contractual documents.

Our approach can vary between asset classes as a result of the different rights available. For example, for listed company equity holdings shareholders have voting rights. In addition, governance constructs, regulatory drivers and company responsiveness can vary by geography, but due to our extensive regional resource we are generally able to engage in all regions using the same methodology.

ESG House Score

In addition to the assessments for public companies that the various asset classes conduct, we have built our own proprietary ESG House Score. This has been designed to provide a unified view on a company's sustainability management. It does so by combining different data sources with the insights of our Sustainable Investment team and portfolio managers. By stimulating discussion and allowing detailed sustainability analysis, the scores will help inform our view of the investments we make. This may be completed more broadly but not every fund has binding commitments to invest in a minimum ESG House Score.

For more information on our ESG House Score please see **aberdeenplc.com**.

Integration across asset classes

Equities

Our Active Equities teams operate a proprietary sustainability scoring system called the ESG Quality Score (ESG Q Score). This considers the regional universe and peer group in which a company operates, and allocates companies a score between 1 (Best in class) and 5 (Laggard). This is applied across every stock held globally. Examples of each category and a small sample of our criteria are detailed below.

No active investment is allowed into companies that are rated 5 unless special dispensation is provided by the relevant Head of Desk. Any dispensation given will consider the nature of any potential adverse sustainability impact by the investee company and an assessment of the potential impact on our investment case from the sustainability risks identified.

We believe that a significant proportion of our clients consider it important that we integrate ESG factors into our investment process and want to understand the sustainability impacts of the investments we make on behalf of our clients. We therefore provide for the applicable funds regular disclosures related to sustainability, such as examples of ESG engagements with our portfolio companies or metrics demonstrating the sustainability performance of our funds versus their relevant benchmarks.

Equities ESG Q Score

1	**Best in class** Exceptional sustainability risk management. Business is taking advantage of sustainability opportunities and enhancing its competitive advantage. Strong oversight and governance with robust control mechanisms.
2	**Above average** Strong sustainability management and/or utilising sustainability factors to improve competitive advantage. But execution not as progressed as best in class peers. Strong oversight and governance with robust control mechanisms.
3	**Average** Business has identified material sustainability factors. There may be instances of policy or process failure in recent history but these have been addressed. Opportunities to enhance competitive advantage identified but still nascent. Governance and oversight more limited or lacking strong check or challenge.
4	**Below average** Material sustainability risks are under-managed and opportunities are under-developed. Lack of robust processes in place, with serious potential for something to go wrong and severely impact the investment case.
5	**Laggard** Business has likely had significant issues arise due to lack of processes and oversight. Failure to properly manage most material sustainability factors and no evidence of effort to address issues. Significant risk to the investment case from poor management of sustainability risks and failure to capture revenue opportunities.

ESG Q Scores of companies held across active equities

Region	5	4	3	2	1	Total
APAC ex. Japan	1	15	272	143	12	**443**
Europe	–	7	47	69	11	**134**
GEM ex. Asia	–	6	25	27	6	**64**
Japan	–	1	42	50	4	**97**
North America	–	9	110	94	9	**222**
Small Cap	–	–	25	63	13	**101**
UK	–	15	97	58	7	**177**
Total	**1**	**53**	**618**	**504**	**62**	**1238**

Source: Aberdeen, December 2024. Figures show the split of ESG Q scores that our analysts have applied to stocks held in actively managed funds across regional investment desks.

Integration across asset classes

Fixed income

Credit analysts conduct a sustainability assessment of a company's credit profile and assign an ESG Risk Rating to each issuer, ranging from low, medium, high (low is better – low risk to credit profile). This is credit profile-specific and represents the impact that we believe sustainability risks are likely to have on the credit quality of the issuer now and in the future. Our analysts utilise an ESG Risk Rating framework to support making these assessments. This is a proprietary tool designed to help focus the knowledge and expertise of credit analysts in a systematic way and to substantiate the overall ESG Risk Rating assigned to debt issuers.

At Aberdeen we recognise that bondholders, as significant providers of capital, can also benefit from and effectively drive change through sustainable investment engagements. Engagement provides a forward-looking view on the management of sustainable investment risks, opportunities, and the ability to encourage value-enhancing best practice standards. In our research and analysis of sustainable investment issues, we identify any concerns we may wish to discuss. We then set engagement objectives according to the circumstances of each debt issuer. These objectives may include enhancing our knowledge, setting milestones to encourage best practice or to identify leaders and laggards on any given sustainable investment topic. Our Fixed Income Engagement Roadmap can be found **here**.

Our Developed Market (DM) and Emerging Market (EM) Sovereign teams utilise proprietary models which assess the performance of a country's ESGP factors, where P stands for politics, highlighting the importance of political drivers in sovereign analysis.

We see engagement with sovereigns as a useful way to support governments in formulating sustainable policies and adopting best practices to achieve just and sustainable development, while being cognisant of political sensitivities. Engagement also allows us to gain a better understanding of the investment risks posed by environmental, social and governance factors affecting a country. Sovereign engagements may be held with a variety of different sovereign stakeholders including a nation's Debt Management Office, Central Bank or Ministry of Finance.

In the sovereign space, it can be difficult to set milestones on issues such as climate policy due to:

1. Lack of access to the relevant policy decision makers;
2. Inherent politics;
3. Time horizon mismatches; and
4. Absence of timely and accurate data.

However, sovereigns regularly seek feedback on their labelled bond frameworks and here we can play a much more active role in shaping outcomes. Given the relatively low levels of individual investor influence in the sovereign debt market, collaborative engagements play a vital role when engaging with sovereigns.

Engagement activities in Private Credit can be split into two stages of the process:

- Initial due diligence and underwriting prior to investment.
- Ongoing monitoring of the investment.

During the initial underwriting and due diligence phase, we engage to understand the risks and opportunities the underlying assets or companies are exposed to. We may do this via direct conversations with management or technical advisors where applicable (depending on asset class and the underlying security). Our greatest ability to set meaningful and measurable milestones to our borrowers occurs prior to investment, where we may be able to negotiate sustainable investment KPIs, the introduction of sustainable investment reporting or other sustainable investment related structuring requirements into the legal documentation governing the investment. After the investment has funded, we engage with our borrowers on a variety of different topics, generally to respond, enhance and review sustainable investment risks and opportunities as well as to address indirect or thematic factors.

Integration across asset classes

Real Estate

Within Aberdeen's Real Estate business, we manage both direct and indirect real estate investments. The engagement approach differs depending on the real estate sub-asset class.

Indirect real estate investments can be executed in two ways. The first is through our real estate multi-manager (REMM) team, where we invest into non-listed pooled real estate funds run by third-party managers. The second is through our listed real estate team, where we invest into listed real estate companies (which follows a similar engagement process to our equities business). Our Active Equities Engagement Roadmap can be found **here**.

Direct real estate investments are investments in physical real estate assets, which we manage on behalf of our investments.

This section outlines the engagement approach for both indirect and direct real estate.

Indirect - real estate multi-manager

As described above, the indirect REMM investments are into external real estate funds managed by external investment managers.

Sustainable investment factors are taken into consideration in the investment process leveraging the three key intervention points throughout the stages of:

1. Allocation
2. Selection
3. Management.

Allocation

Product strategy is agreed in consultation with the client to understand the investment objectives and aspirations. This helps to decide the investment parameters, including bespoke sustainable investment criteria and risk tolerance. We believe that an open discussion is an important first step to building a relationship with our clients, and that a transparent process on an on-going basis is necessary for a successful long-term partnership.

Once the investment objectives and sustainable investment parameters are agreed, we begin portfolio construction, where we incorporate the macro views of our Real Estate Research and Investment Strategy team.

Selection

The key intervention points when selecting a real estate portfolio and investment manager apply on screening and through due diligence. This populates the Investment Memo for discussion at the Investment Committee (IC).

- **Screening:** In order to screen potential investments, the REMM team have a screening guidance document which outlines the screening process. This includes sustainability guidance which require the sustainability specific questions to be answered alongside the other screening criteria in order to determine whether to proceed with the investment;
- **Due diligence for IC:** For IC approval relating to new investments, there is a two-stage IC decision-making process (i.e. Stage 1 (IC1)[7] and Stage 2 (IC2)[8] Investment Committee). A representative of the Real Estate ESG team sits within the REMM Investment Committee to provide feedback. As part of the IC process, the REMM ESG Questionnaire is completed by the Underlying Investment manager prior to the IC1 meeting, with a summary of the responses detailed in the sustainability section along with material risks and mitigants summarised within the Investment Memo. The questionnaire is shared with the Real Estate ESG team before the IC Meeting.

There is a dedicated section in the Investment Memo on sustainable investment matters, which includes a summary of a fund/ firm's sustainability policies, scores, and issues. This also includes external sustainability data provided by the managers (e.g., GRESB scores, UNPRI assessment results etc).

Management

Sustainable investment consideration and analysis is carried out for in scope products through the management of investments via: an annual manager ESG survey; sustainability data request; and investment plans (including a holistic sustainability risk and review process). The key opportunities to engage with underlying managers occur in the first two steps.

[7] The IC1 meeting is aimed at validating the investment thesis and general commercial case including the Underlying Investment manager.

[8] The IC2 meeting will be held only upon satisfactory conclusion of the detailed due diligence (legal, tax, commercial, Operational Due Diligence, ESG), with all findings captured in the IC2 Memo. Once IC2 approval is obtained, the REMM team will proceed to close the new investment.

Integration across asset classes

Real Estate

1. **Annual Manager ESG survey:** Underlying Investment managers are asked to complete an ESG Questionnaire which focuses on understanding its adherence to industry principles, evolution of sustainability policies and key sustainability risks of the investment and how they are being addressed. Based on our Real Estate analysis each fund gets a ESG Score:

- **Maintain:** REMM team is satisfied with the underlying manager's reporting and policies – no further action required.
- **Monitor:** REMM team will monitor the underlying investment over the coming months in regard to their sustainability reporting.
- **Engage:** REMM team will actively engage with the underlying investment manager to discuss improvements to their sustainability approach and reporting.

The REMM team reviews the ratings annually and update the ratings as appropriate based on discussions with the underlying managers and GRESB scores where applicable. This is then passed by a member of the ESG RE team to provide final approval and comment.

2. **Sustainability data request:** A sustainability data request is sent out quarterly in order to provide a more quantitative sustainability data set for the underlying investment manager and funds.
3. **Investment plans:** For numerous products and accounts, REMM creates an initial, and thereafter annual, investment plan. The plan outlines a number of matters, including key elements of portfolio strategy, performance, and key risks. As part of the investment plan exercise, sustainable investment risks are evaluated at both the portfolio level and underlying investment level.[9]

Direct real estate

Aberdeen believes that comprehensive assessment of sustainable investment factors, combined with constructive engagement, may lead to better investment outcomes. Specifically, sustainable investment is a fundamental part of the way in which Aberdeen thinks about real estate investments. It forms an integral part of our investment process and is analysed alongside all other material issues.

Our real estate sustainable investment approach groups material sustainability indicators into four main categories:

- Environment and Climate
- Demographics
- Governance and Engagement
- Technology and Infrastructure.

This approach allows the identification and promotion (where relevant) of material sustainable investment risks and opportunities relevant to a fund's investment strategy, sector and geography. These guide the prioritisation and integration of sustainable investment factors at the fund and asset level, while providing a structure for engagement with, and reporting to stakeholders. Such sustainable investment considerations are incorporated into the management phase and investment due diligence through a standardised sustainability due diligence process. This includes assessing factors, such as physical climate risk (including flood risk), contamination risk, alignment with regulatory requirements and identifying opportunities (e.g. decarbonisation). During the life of many of our funds,[10] sustainable investment risks and opportunities are considered through annual fund strategic planning and subsequent mid-year reviews. This includes considering sustainable investment risks and opportunities at an asset level, which informs asset-level action.

[9] For further information on relevant products, please refer to the high level pre-contractual documents on our website.

[10] For further information on relevant products, please refer to the high level pre-contractual documents on our website.

Integration across asset classes

Further to the asset classes detailed previously, we highlight the work of our Multi-Asset and Alternatives Investment Solutions and Quantitative Index Strategies teams.

Multi-Asset & Alternative Investment Solutions (MAAIS)

Our MAAIS team manages a wide range of investment strategies and follows diverse investment approaches. We believe that sustainability factors can be financially material and can contribute meaningfully to the performance of assets in which we invest. By incorporating these into our processes and investment decisions, we aim to increase our ability to deliver the returns our clients seek.

We integrate sustainability factors into our multi-asset solutions process as we believe that sustainability is financially important and can directly affect corporate performance, and that it makes us better investors by understanding sustainability risks and opportunities, alongside other financial metrics. This helps us to make more informed investment decisions for our clients' and, that informed and constructive engagement helps corporations improve practices, protecting and enhancing the value of our clients' investments.

The MAAIS team do not work in isolation and are supported by our experienced Sustainable Investment team, which carries out sector and thematic research, company engagement, and voting. We are also committed to continuous improvement, with dedicated resources focused on further embedding sustainability into the MAAIS investment process.

Our ability to integrate sustainability varies across our diverse portfolio management approaches. For example, where we use Aberdeen's active equity and credit funds, sustainability is backed by an extensive stewardship process and is working towards being fully integrated. Where we allocate using derivatives or passive index trackers, the opportunity to integrate sustainability can be limited, however firm-wide exclusions on cluster munitions and anti-personnel landmines (APLs) apply across all our strategies where we have discretion. Our Multi-Manager and Fund Selection teams engage with our external fund managers to encourage them to have strong stewardship practices of their own and encourage strong ESG integration practices by our third parties. In Private Markets, the extent of ESG integration varies within the investment process and tailored depending on the underlying investment and access route. Stewardship is implemented for direct holdings. In Alternatives, we take an sustainability-aware approach to our due diligence and review each hedge fund manager's approach to sustainability-related issues at both firm and fund level. In Diversified Assets, direct engagement is conducted in areas such as Listed Alternative investments, see the example below.

Diversified assets engagement example

HVPE

Harbourvest Global Private Equity (HVPE) is one of the largest listed Private Equity investment trusts on the London Stock Exchange and has assets of $3.9bn investing across private equity buyouts, venture and growth and infrastructure with underlying exposure across 1000+ portfolio companies through Harbourvest's Fund of Funds Private Equity strategies.

We took part in an engagement with the board on capital allocation and governance. The principal goal of this engagement was to improve HVPE's capital allocation policy and work with the board to become more proactive with the management of the trust that has been underperforming relative to peers over the last few years.

Integration across asset classes

Our requests:

- We requested a meeting with the Chairman and Senior NED after an activist letter was sent to the board requesting more proactive capital allocation, and a potential wind-up of the company if there was a persistent discount to Net Asset Value.
- For context, HVPE had begun a formal capital allocation process in 2024, but relative to the size of the investment trust, this was still quite minor.
- We engaged with the board to encourage them to 1) be more pre-emptive with buybacks and shareholder distributions; 2) work on reducing the complexity of the trust to invest directly more; and 3) to ensure best practices on board alignment were noted.

Outcome:

- In conjunction with other shareholders that echoed similar views, HVPE's board decided to 1) double the size of the distribution pool used for buybacks; 2) revise the investment structure to invest directly more; and 3) hold an inaugural continuation vote in 2026.
- These outcomes were positive as it indicated a receptiveness from the board to improve the trust's current discount to NAV, a willingness to return more capital to shareholders and to sharpen the focus on the trust's long-term performance.

Next steps:

- Continued monitoring of HVPE's evolution and positioning with the listed PE trust space.

Quantitative Index Strategies

Our Quantitative Index Strategies (QIS) team have provided indexation and rules-based solutions since its inception in 2005. QIS has a full range of equity and fixed income strategies. Sustainability is part of investment decision making and QIS believe that it should be assessed simultaneously with financial considerations. This helps to promote competitive financial returns, mitigate associated risks and improve sustainable investment outcomes.

ESG integration needs to be tailored to customer requirements, as different customers have different risk & return requirements and also different sustainable investment objectives. Sustainable indexation aims to deliver sustainable enhancements while keeping the benefits of passive investing. The aim is to generate long-term returns by replicating the risk and return profile of customised indices that target broad sustainable improvements.

Some examples of broad sustainability enhancements could include higher exposure to ESG scores, lower exposure to carbon emissions or higher exposure to green revenues. We focus on minimising long-term risks associated with sustainable investments and climate as well as leveraging on opportunities arising from the transition to cleaner technologies. Our customised indices have been designed by Aberdeen in partnership with the calculation agent MSCI, a global leader in index design and provision of sustainability data and analytics.

As long-term holders of capital in our index business and as a large active manager, we have an important role to play in driving better sustainability behaviours. Active voting is applied across all our Equity index funds, with direct engagement considered on a case-by-case basis.

On the following pages there are some examples of our engagement over the year, as well as further detail on our voting process and activity.[11]

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

2024 Company engagement examples

Climate and biodiversity leader in the Utilities sector

Iberdrola

Asset class: Fixed Income

Country: Spain

Sustainability issues addressed: Climate Change, Biodiversity

Context and actions

Iberdrola is a multinational company that produces and distributes electricity and gas. We originally met with the company in October 2020 to discuss its renewable strategy. We have always viewed Iberdrola as a decarbonisation leader; however, we were keen to encourage the company to also consider its biodiversity impact. Given the company operates in a high biodiversity risk sector and the preservation of natural capital closely aligns with climate risk, we believe this is material to the company. We set milestones with the company including producing a biodiversity policy and strategy, and producing metrics to gauge and monitor biodiversity impact.

Iberdrola produced a biodiversity policy and strategy in 2021, and in 2022 set a target to be net positive for biodiversity by 2030. When we engaged with the company in 2022, much of our discussion was based on the outcomes and next steps of the biodiversity policy. We also discussed Iberdrola's climate ambitions which include net zero emissions in Europe by 2030 and to become carbon neutral globally by 2050. Due to these credible and ambitious targets the name is held in our Climate Transition Bond Strategy.

In 2024, we met with the company again, covering topics such as biodiversity, human rights in the solar supply chain and network investments. We discussed its plans to report on biodiversity metrics by YE24, in line with its 2030 biodiversity net positive target. The company is also making considerable efforts to ensure its solar supply chain is compliant against forced labour. This meeting reaffirmed our view that Iberdrola are an international leader in utilities.

Outcomes

- Overall, we continue to be impressed by Iberdrola's biodiversity strategy, which is leading for the industry and reinforced our view of Iberdrola as a climate leader.
- Following our engagement, we have increased our internal ESG rating of the company.
- In addition to this, we presented Iberdrola to our Climate Transition team who approved the annual review of the name enabling it to remain in the Climate Transition Bond Strategy.

2024 Company engagement examples

Governance and disclosure improvements

Interparfums

Asset class: Small Cap Equities

Country: France

Sustainability issues addressed: Corporate Governance, Disclosure

Context and actions

Interparfums is a luxury cosmetics company who develop, manufacture, and distribute prestige perfumes and cosmetics worldwide. We engaged with the company to discuss their upcoming plans in terms of governance and disclosure. Our aim was to ensure we were comfortable with the company's progress on the established milestones. We are pleased to see that there is progress in both milestones and the company has produced an ESG report and enhanced the board composition.

In 2022 we requested that Interparfums published an ESG report and requested that there was improvement in the board composition. In 2024, we have requested for the improvement of disclosures including additional quantitative data and targets. We also would like an improvement in the long-term remuneration incentives as there are no details on the allocation of sustainability criteria.

Outcomes

- The company has published an ESG report and disclosure has significantly improved.
- At the AGM in 2023, there was an improvement in board composition with the addition of two new directors who have a Corporate Sustainability Background (CSR) background.
- Now that the company has published their ESG report, there is the expectation that they will improve the overall dissemination of sustainability related information.
- We would encourage further disclosure on Interparfum's remuneration. The annual report provides information about the directors' maximum long-term incentive but there are no details on the allocation of sustainability criteria.
- We met the company to discuss their upcoming plans in terms of governance and disclosure. The company was lagging peers in governance practices and sustainability disclosures. Therefore, this has impacted our internal House score and MSCI score. We are pleased to see that there is progress in both milestones and the company has produced an ESG report and enhanced the board composition.

Add footnote that says: Source: Aberdeen 2024. These securities have been used for illustrative purposes only to demonstrate the investment management style, not as an indication of performance and should not be considered as a solicitation or recommendation of these securities.

2024 Company engagement examples

Human rights in the supply chain

LVMH

Asset class: Listed Equities

Country: France

Sustainability issues addressed: Labour Practices, Supply Chain Management

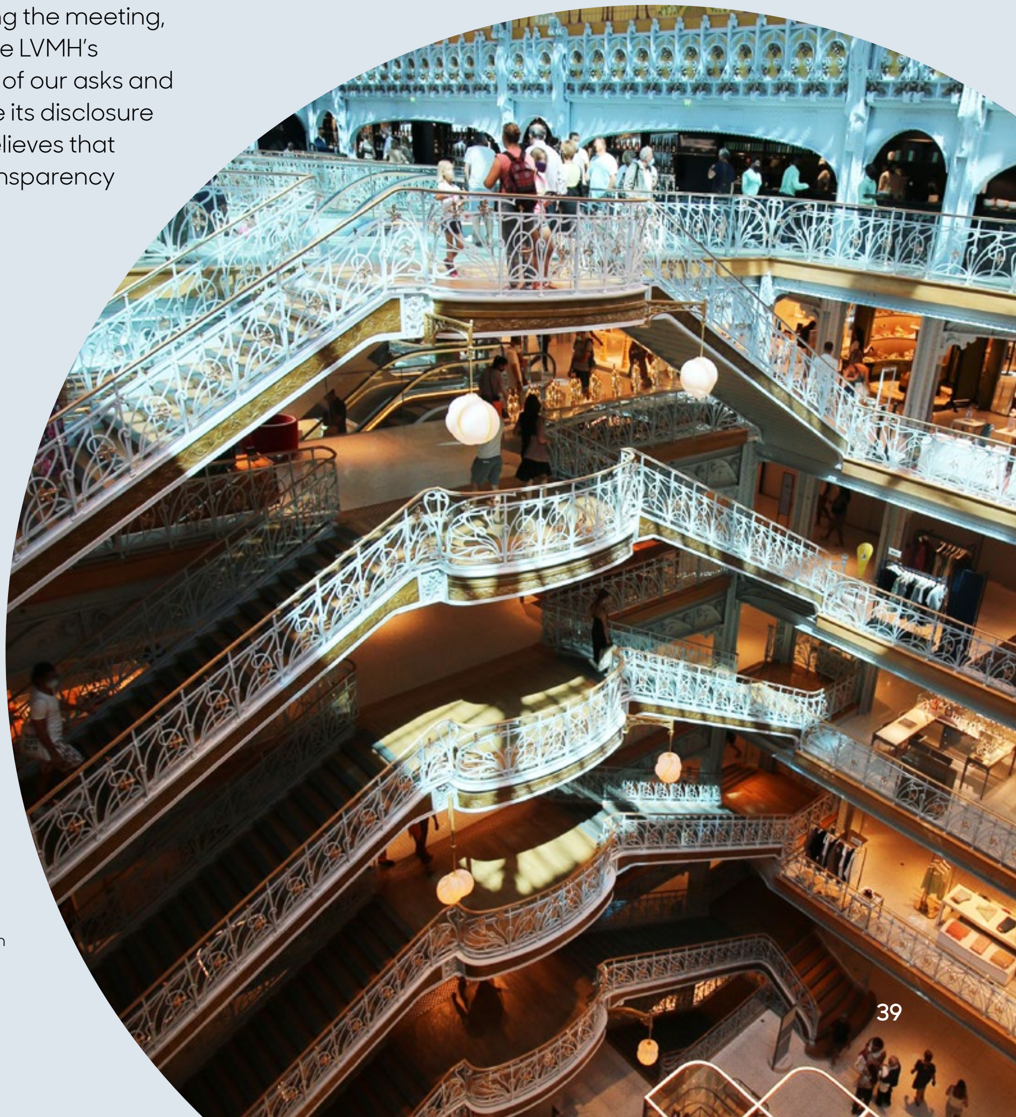
Context and actions

LVMH is a French Luxury Goods company. The company controls around 60 subsidiaries which supply goods worldwide. In 2024, an Italian court found that one of these subsidiaries, Dior, had used a supplier which had been involved in human rights abuses against employees. There are currently several ongoing investigations in Italy related to this issue.

In light of this issue, Aberdeen engaged with LVMH to understand how this oversight occurred and what it can do to mitigate similar events happening in the future to ensure that the human rights of workers are protected throughout LVMH's supply chain. Following the meeting, Aberdeen wrote a letter to the chair of the LVMH's Sustainability Committee outlining some of our asks and suggestions as to how LVMH can improve its disclosure and supply chain oversight. Aberdeen believes that this will result in greater discloser and transparency for its clients.

Outcomes

- LVMH has since ended its relationship with the supplier and have developed a supply chain action plan to enhance its audit and detection processes in future.
- LVMH have contacted their suppliers to remind them of LVMH's code of conduct.
- LVMH continues to engage with the Italian authorities to identify solutions which can improve oversight of textile working conditions in Italy.



Source: Aberdeen 2024. These securities have been used for illustrative purposes only to demonstrate the investment management style, not as an indication of performance and should not be considered as a solicitation or recommendation of these securities.

2024 Company engagement examples

Bullying and harassment allegations in the supply chain

McDonald's

Asset class: Listed Equities and Fixed Income

Country: United States

Sustainability issues addressed: Workplace Culture, Biodiversity, Employee Rights

Context and actions

McDonald's is an American multinational fast-food chain, with the majority of operations being run as franchises.

Aberdeen's Active Ownership team has had an ongoing engagement with McDonald's throughout 2024 on the topics of bullying, harassment, sexual harassment and discrimination concerns. It took us a long time to arrange a call with the company, only receiving information already available on the website, by email four months later. We are concerned that throughout 2024, bullying and harassment allegations continue to be made by employees of McDonald's.

In addition to this, we have been involved in a UK focused modern slavery collaborative engagement which has also been in contact with McDonald's to better understand the remedy provided to victims of forced labour. Similarly, communication from the company has been limited.

Our Credit team introduced our concerns around the credibility of the company's deforestation timelines, given there are discrepancies in this vs regulation implementation. Positively, McDonald's do have requirements for each of the high-risk commodities that it sources and have recently updated their science base targets (SBT).

As per our engagement policy, we consider escalation on a case-by-case approach and aim to identify risks early and set measurable milestones with investee companies. We have set a number of milestones with McDonald's, focused on workplace culture and due diligence, that we continue to review.

Outcomes

- We have been disappointed with McDonald's communication in 2024, taking a considerable amount of time to receive a response which didn't directly address our concerns.
- These exchanges have weakened our view of the company, and we felt it appropriate to apply an internal corporate governance warning to the company.
- We will continue to monitor progress against the milestones set with the potential to further escalate if required. We hope to engage in constructive dialogue with the company in 2025.

2024 Company engagement examples

Human rights abuses

Majid Al Futtaim Holding (MAF)

Asset class: Fixed Income

Country: United Arab Emirates

Sustainability issues addressed: Climate Change, Human Rights & Stakeholders

Context and actions

In October 2024, serious allegations of human rights abuses at Carrefour sites, franchised by MAF in Saudi Arabia, came to light.

We engaged with MAF to understand these allegations and to discuss next steps. We requested that the company extended their disclosure of human rights audit results to include all business lines. We also strongly encouraged MAF to be as transparent as possible in disclosing the outcomes of these audits, along with any remediation actions taken, across all areas of its business. After engaging, MAF committed to reviewing working conditions and auditing staff accommodations. MAF stated that they were not aware of the previous allegations against these staffing companies. We will continue to engage with the company regarding these issues in the future.

Outcomes

- MAF was originally held in our SFDR Article 9 funds. However, due to concerns around the company's human rights abuses, we came to the decision that the company no longer adhered to the investment guidelines of the fund, and so we sold our position.
- The company currently remains in a range of our Fixed Income funds, and we are continuing to engage with the company on the milestones we have set.

Source: Aberdeen 2024. These securities have been used for illustrative purposes only to demonstrate the investment management style, not as an indication of performance and should not be considered as a solicitation or recommendation of these securities

2024 Company engagement examples

Sustainability risks for Consumer Staples

Unilever, Haleon, and Reckitt

Asset class: Listed Equities

Country: United Kingdom

Sustainability issues addressed: Deforestation, Human Rights in the Supply Chain, Environment

Context and actions

The Consumer Staples sector face significant sustainability-related challenges. As investors, we seek to understand how we can support and collaborate with companies to help them meet these challenges. There is growing evidence of the sustainability-related challenges faced by consumer staples companies, such as additional regulation in respect of deforestation, human rights in the supply chain and plastics, as well as more frequent disruptions to natural raw material sourcing as a result of a changing climate.

We engaged with Unilever, Haleon, and Reckitt to better understand their approach to sustainability and to gain additional insights on the current state of sustainable investment risks and opportunities for these companies.

Our engagements were, in part, prompted by Unilever's decision to scale back an array of its sustainability targets in 2024.

We therefore also sought to engage with Unilever's peers on the sector's challenges. The main topics discussed were the companies' usage of palm oil, plastics, and water as well as their carbon intensity, both in terms of their own operations and within supply chains.

Outcomes

- The sustainability challenges highlighted above present a potential risk of upward pressure on costs for the companies to meet new regulatory and societal demands and make supply chains more resilient, e.g. investment in lower impact packaging, increased costs on traceability, or climate change affecting raw material sourcing.
- These engagements generated valuable insights on the different companies' relative exposures to critical inputs, such as palm oil and water. For instance, those companies with relatively higher exposures to these inputs and weaker sustainability programmes may pose higher risks to investors.

Source: Aberdeen 2024. These securities have been used for illustrative purposes only to demonstrate the investment management style, not as an indication of performance and should not be considered as a solicitation or recommendation of these securities.

Exercising Rights and Responsibilities

Proxy voting is an integral part of our stewardship approach and is closely linked to our engagement activities, particularly as an escalation tool. We believe that voting at company meetings is one of our most important activities when investing on behalf of our clients, and we seek to exercise voting rights in a manner in line with their best interests. We therefore take great care to set high expectations in our voting policies, and assess resolutions at the meetings of companies in which we actively invest.

Proxy voting

In line with our stewardship approach, we review the majority of general meeting agendas convened by companies which are held in our active equity portfolios. Analysis is undertaken by a member of our regional investment teams or our Active Ownership team and votes instructed following consideration of our policies, our views of the company and our investment insights. To enhance our analysis, we may engage with a company prior to voting to understand additional context and explanations, particularly where there is deviation from what we believe to be best practice.

To supplement our own analysis we make use of the benchmark research and recommendations provided by Institutional Shareholder Service (ISS), a provider of proxy voting services. In the UK we also make use of the Investment Association's Institutional Voting Information Service (IVIS). We have implemented regional voting policy guidelines with ISS which ISS applies to all meetings in order to produce customised vote recommendations. These custom recommendations help identify resolutions which deviate from our expectations. They are also used to determine votes where a company is held only in passive funds. Within our custom policies, however, we do specify numerous resolutions which should be referred to us for active review. For example, we will analyse all proposals we identify as environmental or social proposals.

For those companies which we hold in our actively managed funds, we use the recommendations and research provided by ISS and IVIS as an input to our own analysis of resolutions prior to making final voting decisions. We instruct the same voting outcome across all of our funds for each holding. Analysing the research provided for our active positions allows us to monitor the quality of the research provided.

On an annual basis, ISS reviews its benchmark policy guidelines which it uses when undertaking its research and providing its voting recommendations. Its review is driven by its own analysis of market views and input received from its customers. We play an active role in giving our views on the development of the ISS benchmark voting policies. In addition, we undertake an annual review of our own custom voting policies. This review is undertaken by the Active Ownership team in conjunction with the regional public markets teams. In conducting our policy review we consider regulatory changes, developments in market practice or expectations and the evolution of our own views. Throughout the year we also actively engage with clients to seek input to voting policy development.

So that clients and companies are clear about the policies which will drive our voting decisions, we published our 2024 Listed Company ESG Principles & Voting Policies on our website.

This document provides details of our expectations of key aspects of a company's handling of matters that are important to our views as an investor. Detail is also provided on our voting policies in respect of a variety of governance, environmental and social topics.

As we believe that voting is a key component of the stewardship activities which are integral to our investment approach, it is our preference that our clients appoint us to make voting decisions for the holdings in the funds we manage on their behalf. For larger segregated clients we may accept arrangements where the client instructs voting decisions separately. We will make voting decisions according to our policies for companies held within the pooled funds we offer to clients. As well as describing our views in our 2024 Listed Company ESG Principles & Voting Policies document we disclose all voting outcomes on our website on the day following a general meeting.

This disclosure includes a rationale for:

- Votes against management recommendations.
- Votes relating to environmental and social matters.
- Votes instructed differently from our custom policy recommendations.

While it is most common for us to vote in line with a board's voting recommendation, we will vote our clients' shares against resolutions which we believe are not consistent with their best interests. We may also vote against resolutions which conflict with local governance guidelines, such as the Investment Association in the UK – of which we are an active member. Although we seek to vote either in favour or against a resolution, we do make use of an abstain vote where this is considered appropriate. For example we may use an abstention to acknowledge some improvement, but as a means to reserve our position in expectation that further improvement is needed before we can vote in favour. Where we vote against a resolution we endeavour to inform companies of our rationale. In exceptional circumstances we may attend and speak at a shareholder meeting to reinforce our views to the company's board.

Proxy voting

We endeavour to vote all shares globally for which we have voting authority. The exceptions are when we are otherwise instructed by the beneficial owner, where a significant conflict exists or where, for practical reasons such as share-blocking, this is not appropriate. In 2024, we voted at 98% of meetings for which we were eligible.

The meetings for which we elected not to vote were due to: conflicts of interest, such as in-house OEICs and SICAVs; share blocking restrictions, which would have impacted liquidity in the lead-up to the meeting; and positions which we had exited after the record date but prior to the meeting.

We have a robust fund launch process whereby our internal Proxy Voting team is notified of any new fund for which we have been delegated voting rights. The team will arrange for the appropriate set-up between the fund custodian and our proxy voting service provider to ensure that ballots for the fund are received going forward.

As a key supplier and outsourcer, we apply our corporate supplier risk analysis and due diligence processes to our arrangements with ISS. Our contract with ISS has been renewed every two years and, as part of the renewal, we review all contractual arrangements to ensure that they meet with the regulatory requirements for our global operations.

There are a number of facets to the ISS service which enable us to vote at company meetings in an efficient and effective manner, including:

- The collection of notifications of all general meetings at which we are eligible to vote.
- The provision of these notifications to us with an analysis of the resolutions and recommendations of how to vote, based on ISS benchmark and Aberdeen custom policies.
- The mechanism by which our voting decision is transmitted to the company.
- A data repository of all of our voting decisions which can be used for our own research and reporting to clients.

Voting on environmental and social resolutions

Resolutions concerning environmental and social issues have become more prominent at company meetings. Some of the most prevalent themes are climate change, diversity, equity, and inclusion, lobbying and political contributions, and employment practices. We endeavour to review any resolution at a company meeting that we identify as covering environmental and social factors.

Our approach to analysis of these votes is consistent across active and quantitative investment strategies:

- **Review** the resolution, proponent and board statements, existing disclosures, and external research.
- **Engage** with the company, proponents, and other stakeholders as required.
- **Involve** thematic experts, regional specialists, and investment analysts in decision-making to harness a wide range of expertise and include all material factors in our analysis.
- **Ensure consistency** by using in-house guidance to frame case-by-case analysis.
- **Monitor** the outcomes of votes.
- **Follow-up** with on-going engagement as required.

Given the nature of the topics covered by these resolutions we do not apply binary voting policies. We adopt a nuanced approach to our voting research and outcomes and will consider the specific circumstances of the company concerned. Our objective is not to vote in favour of all shareholder resolutions but to determine the best outcome for the company in the context of the best outcome for our clients.

We are supportive of the steps being taken by companies to provide transparent, detailed reporting of their Sustainable Investment strategies and targets. Well drafted environmental and social resolutions can enhance this reporting, hold management to account on important issues, and protect value for investors. They are clear, unambiguous, focused on financially material issues, and tailored to a company's circumstances.

They encourage improvement without unduly constraining the agency of the board. However, many resolutions do not withstand closer analysis. For example, some request action that is already addressed by existing commitments, disclosure and practices, while others fail to account for governance implications. In our view, such resolutions do not merit support.

Our interest is the long-term and sustainable growth of our clients' capital. This is why our approach to voting on environmental and social resolutions involves case-by-case analysis and draws on a range of internal and external research and expertise.

Say on Climate

Resolutions on environmental and social issues are typically filed by shareholders, but they can also be tabled by company management. Most management proposals of this nature are 'Say on Climate' resolutions.

These resolutions ask shareholders to cast advisory votes on a company's climate strategy. Although these votes are well intentioned, when shareholders support a Say on Climate vote it may limit scope for subsequent challenge. Presenting the climate strategy as a standalone item also risks diminishing the integration of climate in strategy and the direct responsibility and accountability of the board and individual directors.

We have therefore decided to abstain on Say on Climate resolutions. We believe targeted engagement and other voting mechanisms, including our climate oversight voting policy utilising CDP data, offer a more effective way to work with companies on their climate oversight.

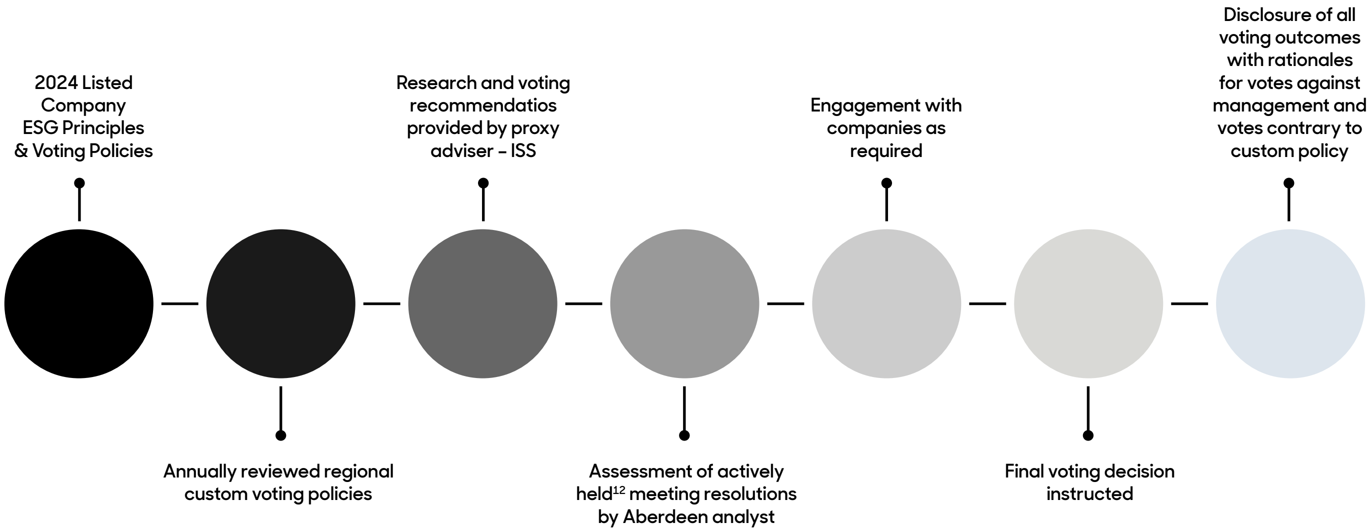
Shareholder climate proposals 2024

Category	Count	%
Resolutions voted	148	100
Votes in favour	40	27
Votes against	83	56
Votes voted abstain	25	17
Votes with management	83	56
Votes against management	65	44

Source: Aberdeen, FY 2024.

NB: The vote against management statistic includes abstentions as these are vote instructions contrary to management recommendations.

Voting process



[12] Quant only holdings are voted in line with custom voting recommendations, with certain exceptions where Active Ownership will review and instruct.

Company voting examples

Promoting good corporate governance through remuneration consultations

Close Brothers Group PLC

Asset class: Listed Equity and Fixed Income

Country: United Kingdom

Context and actions

Close Brothers is a leading UK merchant banking group providing lending, deposit taking, wealth management services and securities trading. In 2024, Aberdeen engaged with Close Brothers to discuss its remuneration policy as a key shareholder. The changes to the remuneration policy were flagged as going against Aberdeen's voting policy so it was imperative that we discussed our concerns with the company.

In view of the FCA's market review of historical motor finance commission arrangements and the uncertainty around the timing and scope of any impact, the company is considering a one-off amendment to the structure of the Long-Term Incentive Plan.

Outcomes

- The Remuneration Policy will introduce a Restricted Share Plan with the rationale to retain talent. The Remuneration Committee will revert the remuneration into the original bonus and Long-Term Incentive Plan following the conclusion of the FCA Motor Finance Review.
- During the engagement, Aberdeen focused specifically on aligning the Restricted Share Plan to the guidelines of the Investment Association. It was requested that the increase of the full award is subjected to a 5-year time horizon, which was amended.
- After a productive engagement, Aberdeen voted in favour of the remuneration resolution.

Source: Aberdeen 2024. These securities have been used for illustrative purposes only to demonstrate the investment management style, not as an indication of performance and should not be considered as a solicitation or recommendation of these securities.

Company voting examples

Improved board diversity

Diploma PLC

Asset class: Listed Equity

Country: United Kingdom

Context and actions

Diploma supplies specialised technical products and services and is headquartered in London.

Aberdeen believe that companies who make better progress in diversity, equity and inclusion (DEI) are better positioned for long-term sustainability and outperformance. We have for several years actively encouraged progress in gender diversity at all levels, and have expanded our scope in relation to DEI across geographies. In respect of ethnic diversity, this is coming increasingly into focus as we encourage boards to progress in ensuring that their composition reflects their employee and customer bases. In the UK, we will generally vote against the Nomination Committee Chair of FTSE 350 companies if the board is not comprised of at least one third female directors, or the Nomination Committee Chair of FTSE 100 companies if the board does not include at least one member from an ethnic minority background.

After the 2023 AGM, female representation on Diploma's board was 29%, however it was positive to see that throughout the year two more females were appointed to the board, strengthening its gender diversity and meeting the 40% requirement of the listing rules.

Despite these positive changes, we were disappointed to see that the board did not yet include at least one member from an ethnic minority background. In 2024, we engaged with the company to better understand the board composition and intended progress. We received reassurance of the company's commitment to further enhance diversity.

Outcomes

- Although out of line with our voting policy, in view of progress and following conversation with the company, we decided we were comfortable to support the re-election of the Nomination Committee Chair at the 2024 AGM.
- In October 2024, the company announced the appointment of a new director to the board, effective in Q1 2025. This appointment means the target to have at least one board director from an ethnic minority background will be met.

Source: Aberdeen 2024. These securities have been used for illustrative purposes only to demonstrate the investment management style, not as an indication of performance and should not be considered as a solicitation or recommendation of these securities.

Company voting examples

Board independence

JP Morgan Chase & Co.

Asset class: Listed Equity

Country: United States

Context and actions

Ahead of the company's annual meeting, we met JP Morgan Chase & Co (JPM) to discuss topics relating to corporate governance. We welcomed the context that the company was able to provide on some aspects, however, we remain concerned about the composition of the Audit Committee and associated succession planning.

At the AGM, we voted against the requirement of an Independent Board Chair. This was in line with management; however, we are supportive of this resolution in principle. We note that the company has committed to the separation of Chair and CEO roles at the next transition and while we would prefer the appointment of an independent chair, we are concerned that this could restricted appointments. We have concerns regarding the independence of the current lead Independent Director and have therefore voted against his reappointment.

Outcomes

- We wrote to the company after the AGM to confirm our votes against management and reiterated our concerns regarding the composition of the Audit Committee, along with the succession planning in place. We encouraged JPM to expand the committee to more than three members, to better reflect the size and complexity of the firm and the enable to Committee to enhance its level of industry experience.
- We believe these steps will improve the overall governance of the firm, and we will consider these points at the 2025 AGM.

Source: Aberdeen 2024. These securities have been used for illustrative purposes only to demonstrate the investment management style, not as an indication of performance and should not be considered as a solicitation or recommendation of these securities.

Policies and Processes at Aberdeen

This section highlights how we operate as a responsible business, detailing our stakeholders, how we manage risks, including macro-thematic risk, and how we engage with our suppliers.

Materiality

Our double materiality assessment

We completed a double materiality assessment in early 2023 to better understand the most material sustainability topics for our business. We believe that considering both financial materiality and impact materiality is important, as we seek to understand how sustainability topics can alter the enterprise value of a business, as well as impact the economy, people and the environment. It is important for us as a business to understand and consider these impacts.

Throughout 2024, we reviewed our sustainability strategy to ensure a cohesive approach across our business, aligned to our purpose of enabling our clients to be better investors. We have also been reflecting on our long-term plans for conducting sustainability materiality assessments now that the International Sustainability Standards Board (ISSB) is subject to implementation. We will disclose our approach, aligned to this disclosure framework, in future periods.

Our 2024 strategy review

In 2024, we took a refined sustainability strategy, based around three pillars: Inclusive Growth, Environmental Transition, and Responsible Business, to our Board for review and input. Embedding this strategy and meeting regulatory disclosure requirements requires clear structure, accountability and governance. Our focus during 2025 will be to ensure this accountability and structure is integrated across our business. We will focus on those sustainability topics identified as most material to our clients, customers and overall business.

The Environmental Transition is a clear focus area for our Sustainable Investing strategy. Within the Inclusive Growth pillar, we see financial education and employability as areas where we can deliver the greatest impact. Our Responsible Business pillar seeks to align our strategy to commercial sustainability opportunities, while also ensuring we are cognisant of all risks associated with a sustainable economic transition. Our assessment is not static and will be iterative in response to the changing landscape: macro-economic, regulatory and scientific.

Understanding the output and priority level

All topics identified as material are important components of our evolving sustainability strategy. We have grouped the topics across three priority levels to illustrate the outputs from our 2023 assessment.

Level 1: Topics considered to pose the greatest relevance to our ability to create value and/or reflect highest outward impacts on society and the environment.

Level 2: Topics considered very significant and requiring active management as components of our sustainability strategy.

Level 3: Topics considered important but with relatively less significance, compared with other topics.

Level 1

- Climate change
- Ethical conduct and financial practices
- Human and labour rights
- Cyber security and data privacy

Level 2

- Diversity, equity, and inclusion
- Financial inclusion and access to services
- Community support and development
- Biodiversity and natural capital
- Education, opportunity, and talent development

Level 3

- Health, safety, and well-being
- Waste, consumption, and circularity

- Topic identified as of high importance to stakeholders.
- Topic of emerging importance versus previous assessment.

Colleague engagement

Building momentum and launching a new colleague council

2024 engagement results

While acknowledging that there is room for improvement, we were pleased to see an increase in colleague engagement to 57% (2023: 54%). Our all-colleague survey achieved its highest ever participation rate of 83% (2023: 79%), reflecting our efforts to encourage a culture of feedback from our colleagues, with over 7,000 comments received during the year.

Reflecting a healthy culture

Pride and advocacy are growing, despite challenging market conditions. Our underlying culture is healthy, with colleagues reporting strong client focus, challenging and interesting work, growing belief in leadership and strong collaborative team relationships.

Taking action

The introduction of our new career framework has contributed to improvements in colleague perception of career development at Aberdeen. In 2024, 81% of our colleagues had a mid-year career conversation with their leader to discuss the new career framework, future career aspirations and development opportunities. Focus and work in this area continues to be a priority.

Day-to-day experiences are positive and leaders at all levels have strong and trusted relationships with their teams. 87% of colleagues say their manager cares about their wellbeing; 81% feel included by the people they work with; and 74% say their perspectives are valued, reflecting an emerging strength and opportunity in our leaders.

2024 engagement results

Colleague engagement score

57%

(2023: 54%)

"I can voice a contrary opinion without fear of negative consequencs"

67%

(2023: 53%)

"I know how my work contributes to delivering Aberdeen's strategy"

78%

(2023: 68%)

"I believe there are good career opportunities for me here"

44%

(2023: 36%)

Colleague council

Newly formed in 2024, this global group represents our colleague population, bringing together all aspects of colleague voice. More than 100 colleagues put themselves forward, from which 30 colleagues were appointed, including representation from each business area, every region and each of our colleague networks.

Advice and input will be sought from this group to help create the best outcomes for our people. Meeting for the first time in September 2024, our colleague council has already completed its first mission, resulting in four new questions in our annual engagement survey and a fresh, myth-busting approach to communications. In 2025, our colleague council will work with leaders and their teams, taking action and empowering others to continue to improve our colleague experience.

Noel Butwell,
CEO, Adviser

"I was humbled by the number and quality of applications for our colleague council. This group are already shaping our culture, and I look forward to continuing to work closely with them, driving forward improvements together."

Megan Bain
Marketing Manager

"As UK co-chair of our Balance network, we are working towards gender equality. We aim to provide a platform for colleagues to connect, share their passions, and engage across key topics such as International Women's Day and the importance of senior sponsorship. It makes me proud to have created the space, and to have seen the network grow by over 150 people since Diversifest, directly impacting and improving colleague engagement and the feeling of inclusion within Aberdeen."

Ethical conduct

Why it matters

We all have personal responsibility to follow the principles of ethical conduct and to take accountability for our own actions. We follow the basic principle of doing the right thing by customers, clients, colleagues, shareholders and communities, with the goal to make a positive difference.

Governance

Ethical conduct is everyone's responsibility, with our Board maintaining oversight through our Enterprise Risk Management Framework (ERMF). Our Chief Executive Officer has delegated authority for the development, delivery and management of Conduct Risk, with all colleagues required to attest to adherence with the principles of our Global Code of Conduct annually.

Policy and standards

- Global Code of Conduct: Our publicly available code of conduct describes the standards of behaviour expected from all Aberdeen colleagues.

Core principles for ethical conduct

Acknowledging that laws, regulations, policies, and procedures may vary by country, we expect that all colleagues should always:

1. Act with integrity.
2. Act with due skill, care and diligence.
3. Be open and cooperative with our regulators.
4. Pay due regard to the interests of customers and clients and treat them fairly.
5. Observe proper standards of market conduct.
6. Act to deliver good outcomes for retail customers.

We also have additional responsibilities and expectations for managers, with the objective being to set standards, develop teams, and lead our business. Our Global Code of Conduct is a public document, available on our website.

Speaking up

Importance of speaking up

We are committed to operating in an honest and transparent way across Aberdeen, and this extends to speaking up should there be an issue relating to any aspect of our conduct. We have a duty to raise any concerns related to our regulatory responsibilities and conduct. This principle helps to protect our clients, customers, colleagues, and our business, as we act with integrity and take accountability for our actions.

Reporting channels

If colleagues have a concern, we encourage them to report this to their manager. This is our suggested first point of contact, and is often the best way to resolve any challenges. Our latest annual engagement survey finds that 61% of respondents agree that their leaders demonstrate open and honest two-way communication, which is an increase of 19 percentage points versus the previous survey. This is important, as our objective is to create a safe environment, where all colleagues feel empowered to express concerns. We also have formal grievance procedures in place should there be a need to follow a different process. All concerns raised are taken seriously and any victimisation, harassment, discrimination or bullying of anyone is not tolerated and may be considered a disciplinary matter.

Confidential Speak Up service

Recognising the importance of multiple reporting channels and the ability to raise concerns anonymously, an independent Speak Up service is available globally to clients, colleagues, thirdparties and anyone who may wish to raise a concern. The service is managed independently by Safecall and is available 24 hours a day, seven days a week, in multiple languages, with a dedicated website **www. safecall.co.uk/report**. All reports are monitored, and we carry out investigations based on the nature of report. Any concern raised is taken seriously and investigated. The anonymous nature of the service is important, but it can limit our ability to provide feedback to any concerned parties. Our Audit Committee maintains oversight over the Speak Up arrangement, with a specific report on related matters provided annually.

4

2023: 8

Speak Up reports

In 2024, we received 4 reports via the service, compared with 8 reports in 2023.

Our people

Caring about our people is the right thing to do for our business and our clients. We have a strategy and a framework in place to support all our colleagues at Aberdeen.

Resetting our strategy and priorities

Our purpose is to enable clients to be better investors. That means all of us, whoever we are, need to support our clients, whoever they are, to achieve their investment goals.

In 2024, we reset our strategy and redefined our ambitions to be clear about what matters to our people and our clients. We have built a framework and an ambitious plan to support the building of diverse teams who have a blend of skills, experience and backgrounds.

This will help us meet our ambition to attract brilliant talent, coupled with a culture where all our people can thrive. We believe this will help create better business outcomes, both today and in the future.

We have developed a new ambition, clear priorities and an action plan for 2025:

Tracey Hahn
Chief People Officer

"We have made positive progress in 2024, and I'm pleased to see a shift in how people feel about working here. Supporting and developing our talent, and building the right culture to enable our people to thrive, is right at the heart of our strategic priorities. I am really proud of the role all our colleagues play in working together to deliver the best outcomes for our customers and clients."

Our ambition

We are committed to building a business that attracts brilliant talent and where all our people can thrive; where they belong, and can learn, develop and do their best work.

Our 2024-2025 priorities

Gender
- Supporting and growing our Balance network.
- Mentoring and sponsorship.
- Continued actions to close the UK gender pay gap.
- Establishing communities of support.

Ethnicity
- Supporting and growing our Unity Network.
- Publishing the UK Ethnicity pay gap.
- Working with our new partner for ethnicity.

Business/Regional
- Locally defined and owned, based on data, demographics, and cultural or regional nuances.

2024-2025 actions to drive change across the agenda

- Revitalise our networks and communities
- Focusing on talent and career actions/ progression
- Inclusive & high performing leadership skills for all leaders
- Activate sponsorship and mentoring
- Embed in the end-to-end colleague experience

What we have delivered

- Catalyst event, 'Diversifest', for reset of our ambition attended by one in three colleagues
- Increase of diversity data disclosure to 76% for race/ethnicity
- Actions across all five areas of 2024 reset: Client RFPs; data; partnerships; networks; priorities
- 12 real-life colleague stories shared via awardwinning internal campaign, 'What you see and the real me'

Read more in our Sustainability and TCFD report 2024.

Diversity Equity and Inclusion

Making progress

Building an inclusive business is underpinned by having the right data, setting ambitious but appropriate targets and reporting on our progress for transparency and accountability.

We set our Gender targets in 2016, and met these initial ambitions in 2020.

Our targets and related actions clearly align to our two core priorities of Gender and Ethnicity. We are taking meaningful actions in both the short and medium term to drive sustainable change within our business, for all our colleagues.

In 2024, we introduced a new target for 6% of UK senior leadership representation to identify as minority ethnic by 2027. Already we have seen strong progress and momentum, and are on track for this target. This has been in addition to our increased disclosure among colleagues for race and ethnicity data.

We are pleased to report that we are on-track for our Board gender target, as well as our senior leadership targets. We remain committed through our plans and through our focus on gender as a priority.

Our gender and ethnic representation targets

Target group	Gender target	2024 status	Ethnicity	2024 status
Aberdeen Group plc Board	40% women	40% women △	Maintain commitment to the UK Parker review recommendation (1 or more members)	Two Directors identifying as minority ethnic △ (100% disclosure rate)
Senior leadership[13] (CEO-1 and 2)	40% women (global)	40% women △ (global)	Target: 6% UK senior leadership identifying as minority ethnic by 2027	7% UK senior leadership identifying as minority ethnic △ (82% disclosure rate)
Global workforce[14]	50% gender balance (+/- 3% tolerance)	43% women △		

Statement of consistency with the FCA Listing Rules

As of 31 December 2024, 40% of Aberdeen Group plc's Board were women, with two Directors identifying as from a minority ethnic background. Diversity characteristics are self-reported by Board members and all colleagues. No senior positions on the Board, as defined by UKLR 16.3.29, were held by women as at 31 December 2024. Further details can be found in our Annual report and accounts 2024.

Board and executive management gender representation	Number of Board members	Percentage of the Board	Number of senior positions on the Board[15]	Number in executive management[16]	Percentage of executive management
Women	4	40%	–	4	27%
Men	6	60%	3	11	73%

Board and executive management gender representation	Number of Board members	Percentage of the Board	Number of senior positions on the Board	Number in executive management	Percentage of executive management
White British or other White (including minority white groups)	8	80%	3	12	80%
Asian/Asian British	2	20%	–	1	7%
Not specified/prefer not to say[17]	–	–	–	2	13%

Subsidiary Director gender representation[18]	Number of Subsidiary Directors in 2024	Percentage of Subsidiary Directors in 2024	Number of Subsidiary Directors in 2023	Percentage of Subsidiary Directors in 2023
Women	12 (of 27)	44%	14 (of 30)	47%
Men	15 (of 27)	56%	16 (of 30)	53%

△ 2024 data subject to Independent Limited Assurance in accordance with ISAE(UK)3000 and ISAE3410 by KPMG. Assurance statement and Aberdeen's detailed reporting criteria included in the Other information section of the Annual report and accounts 2024.

13 Senior leadership relates to leaders one and two levels below the CEO and includes the Company Secretary, but excludes administration roles and individuals on garden leave.

14 Global workforce of 4,396 (2023: 4,742) including 1,898 (2023: 2,049) women. 24 colleagues without gender data on our people system are excluded from the headcount data (2023: 63).

15 At 31 December 2024, senior positions on Aberdeen Group plc's Board were Chief Executive Officer, Senior Independent Director, and Chair.

16 Executive management team includes direct reports to the CEO ("CEO-1") and excludes administration roles.

17 Includes one individual based in a country where we do not collect diversity data.

18 Directors of the Company's direct subsidiaries as listed in Note 44(a) of the Group financial statements and not otherwise classified above.

Incentivising

The consideration of client outcomes and the integration of broader sustainability risks into each individual's performance measures are a key part of our incentive framework.

By linking the corporate purpose through functional and individual objectives, we aim to ensure alignment and consistency with our strategic direction and expected behaviours. Our global remuneration policy is updated annually. On page 122 of our Annual report and accounts 2024, we include details of our Directors' remuneration report, where we outline the performance conditions for the annual bonus in 2024, which aims to reward the delivery of our company's business plan. Non- financial performance conditions carry a 35% weighting, which includes a 15% weighting against sustainable objectives. These incorporate objectives against environmental (via sustainability and decarbonisation metrics) and social factors (via employee engagement and diversity metrics).

Executive remuneration

Our Directors Remuneration policy is set by our Remuneration Committee and agreed at our Annual General Meeting. The award for annual bonus considers non-financial measures, including performance against our climate change targets. The Remuneration Committee receive periodic updates from the business and independently review performance. The policy is applicable to our Executive Directors.

Management remuneration

All colleagues across Aberdeen set annual objectives, which are assessed through an annual performance review process. Specific individuals with a climate-related focus are therefore incentivised to manage climate risks and opportunities as a core component of the role.

Our stakeholders: Clients

We continuously seek opportunities to fully understand our clients' investment and stewardship needs so that we can tailor investment solutions and wider outcomes that meet or exceed their expectations. We have a broad range of clients who invest with us from large strategic partners, through corporate and public institutions, insurance companies, charities, wealth managers, private banks, to financial advisers and high net worth individuals. The services and products used by these clients can vary from creation of bespoke products, to management of their assets in bespoke segregated mandates or investment in our wide range of pooled investment vehicles globally.

Our approach with clients is very much one of partnership and we engage with them to understand their views and position with regards to stewardship throughout the full client investment lifecycle. Early in the relationship, for example during the Request For Proposal or pitch stage, our dedicated client teams will discuss a client's requirements with them to understand how these align with our stewardship approach. Through this process we aim to ensure that we are able to deliver on these expectations.

Once we have on-boarded a client, the relationship is managed by our client-facing teams around the world. In assessing the services we provide our key metric is direct feedback, from either clients themselves or via their consultants or advisers. We access this through regular client meetings, during which we seek feedback as to how we are performing versus their expectations and needs.

We also believe in building relationships through sharing our knowledge and expertise with our clients by organising seminars, webinars and roundtables for them so that we can share our thinking and listen to their views on important themes and likely future developments.

We hosted and attended numerous client round-tables and events, and provided client training and education on stewardship and sustainability matters upon request. We also expanded our sustainability solutions, launching a Future Minerals Strategy to provide exposure to the raw materials needed to enable the clean energy transition. Furthermore, we collaborated with numerous clients in the design and conversion of their segregated mandates to become more sustainability focused and implemented enhanced screening (e.g. of controversial issues).

Other noteworthy mentions include: supporting the development of a strategic client's Net Zero transition strategy and enhancing our associated reporting to include enhanced forward-looking climate metrics; collaborating with numerous clients in the design and conversion of more sustainability focused segregated mandates, screening out controversial issues and ESG laggards, and positively screening for ESG and Net Zero transition leaders.

Expectations from clients on how we report on our stewardship activities remain high and was a key theme in the client feedback we received during the period. For details of our associated client reporting please refer to the Transparency and reporting section (page 74).

Aberdeen gather: shaping the future together

In 2024, we hosted a Global Investment Forum in London, Edinburgh and Singapore, with 100+ of our clients coming together to hear from our Aberdeen and industry experts on the investments trends and topics shaping 2024 and beyond. The event serves as a platform for thought leaders and market participants to share ideas and insights, and to engage. Sustainable investing topics were deeply embedded in those discussions.

100+ of our clients coming together

to hear from our Aberdeen and industry experts on the investments trends and topics shaping 2024 and beyond

Our stakeholders: Shareholders

Engaging with investors

The Group's Investor Relations and Secretariat teams support the direct investor engagement activities of the Chair, Senior Independent Director (SID), CEO, CFO and, as relevant, Board Committee chairs. During 2024, we carried out a comprehensive programme of meetings with domestic and international investors, via a range of one-on-one, group, conference and reporting related engagements. Investors had broad interests including financial performance, the new CEO's initial observations and key priorities, progress on our transformation programme, synergies between the three businesses, market trends, investment performance, capital allocation, the relationship with Phoenix, and corporate governance. The Chair, SID, CEO and CFO bring relevant feedback from this engagement to the attention of the Board.

The Board ensures its outreach activities encompass the interests of the Company's circa one million individual shareholders. Given the nature of this large retail shareholder base, it is impractical to communicate with all shareholders using the same direct engagement model followed for institutional investors. Shareholders are encouraged to receive their communications electronically and around 400,000 shareholders receive all communications this way. The Company actively promotes self service via the share portal, and more than 215,000 shareholders have signed up to this service. Shareholders have the option to hold their shares in the Aberdeen Share Account where shares are held electronically and around 91% of individual shareholders hold their shares in this way.

To give all shareholders easy access to the Company's announcements, all information reported via the London Stock Exchange's regulatory news service is published on the Company's website. The CEO and CFO continue to host formal presentations to support both the full year and half year financial results with the related transcript and webcast available from the Investors' section of the Company's website. In 2024, the Company published a Q4 pre-close trading update in January, announced 2023 full year results in March, a Q1 2024 update in April, a 2024 Half Year results announcement in August and a Q3 2024 update in October. In 2025, the Company published a Q4 2024 update in January and announced the 2024 full year results in March.

The 2024 Annual General Meeting (AGM) was held in Edinburgh on 24 April 2024. The meeting was arranged as a 'hybrid' meeting. This allowed shareholders to participate in the meeting remotely, as well as in person. For those participating remotely, questions could be submitted during the meeting via a 'chat box'. The Chair and CEO presentations addressed the main themes of the questions which had been submitted at and prior to the meeting. 43.6% of the shares in issue were voted. All resolutions were passed.

Our 2025 AGM will be held on 8 May 2025 in Edinburgh. The AGM Guide 2025 has been published online at **aberdeenplc.com** in advance of the meeting. The voting results, including the number of votes withheld, will be published on the website after the meeting.

Our stakeholders: Communities

Giving Strategy

We connect people to opportunities, their communities and the natural world. We do this through employee engagement and building partnerships through our charitable giving strategy, governed through the abrdn Charitable Foundation. Our charitable giving is strategically aligned under two main themes: People, focused on breaking down barriers to education, employment and financial wellness; and Planet, protecting nature and addressing the impacts of climate change.

Colleague Initiatives

We actively support our colleagues' passion for contributing to causes and organisations close to their hearts. We do this through contributing to colleague giving for both regular contributions through payroll in the UK and one-time fundraising efforts globally. We encourage colleagues across the globe to engage with their communities by offering three days of paid leave annually for volunteering, applicable during and beyond regular working hours. This approach highlights our commitment to community engagement, allowing us and our colleagues to make a meaningful impact.

£86k

Payroll giving[19]: We match colleague giving through our Give As You Earn scheme, up to a total of £100 per month. This totalled £86k in 2024 (2023: £103k). Colleagues donated £174k voluntarily via payroll giving in 2024 (2023: £191k).

£29k

Fundraise Plus[18]: We match colleague fundraising through our Fundraise Plus scheme, up to a total of £200 per person, per annum. This totalled £29k in 2024 (2023: £53k). Colleagues fundraised and donated £121k voluntarily in 2024 (2023: £195k).

Spotlight on: Aberdeen's Innovation Fund

The abrdn Charitable Foundation launched its inaugural Innovation Fund, aimed at advancing social mobility, combating climate change, and protecting nature.

We invited applications from across the globe from charities and other non-profit entities that propose compelling solutions to social and environmental challenges.

The Fund is aimed at supporting them to explore groundbreaking ideas with the potential to significantly benefit global communities, delivering a lasting impact.

Our 2024 Innovation Projects include:

- Digital Career Mentoring with Drive Forward, a UK charity that enables care-experienced young people to achieve their full potential through sustainable and fulfilling employment.
- 24/7 Digital Library with Institut Louis Germain, a French charity that breaks down barriers to education, enabling the pathway to academic success and ambition.

Our 2024 Community Champion

We celebrate extraordinary colleagues and teams for the amazing things they do inside and outside of work. Our 2024 Community Champion, Peter Tulloch, volunteers for Blood Bikes, delivering vital blood to those who need it across Scotland. Peter volunteers for an average of 20 hours per month and can drive up to 300 miles in a six-hour shift. We are proud of all our colleagues who give up their time to support their communities.

[19] Funding since 2023 has reduced as a result of lower headcount through transformation.

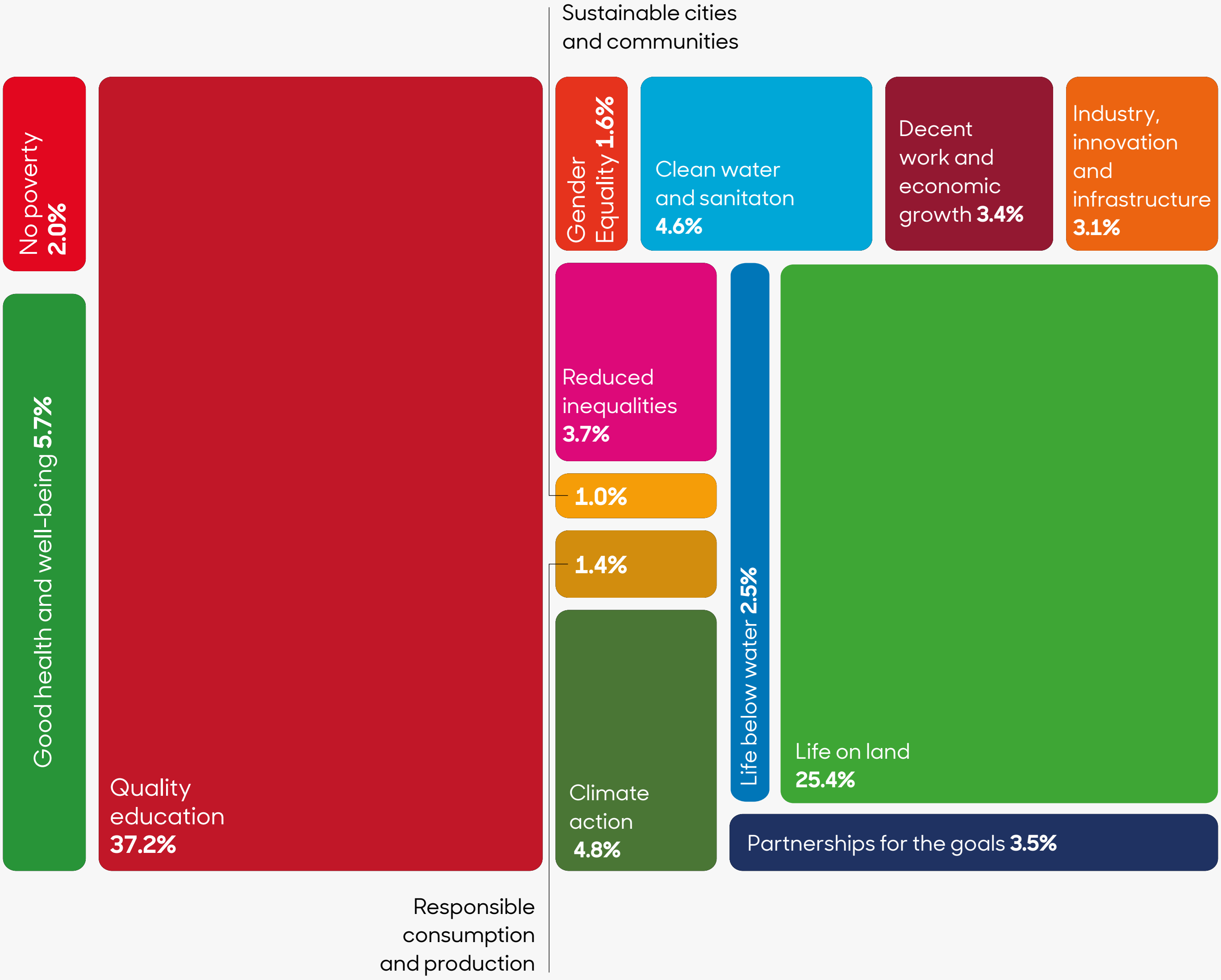
Our stakeholders: Charitable partners

We require our strategic charity partners to outline project-specific objectives and to estimate the contribution of the project towards the UN's Sustainable Development Goals (SDGs).

The illustration below reflects the estimated SDG impacts relating to funding awarded by the abrdn Charitable Foundation in 2024. Quality education (SDG 4) continues to be a common focus for our partners, with our partnerships with The Alan Turing Institute and UNESCO also contributing toward supporting Life on land (SDG 15).

This information is estimated by our charitable partners based on the type of funded projects. Our partners self-report using a standardised template and we aggregate these inputs to give an illustrative view of the SDG alignment of our contributions. To avoid double counting, we apportion aggregate information to the financial year of our disclosure. The figures are representative of focus areas for funded projects only and should not be interpreted as absolute impacts.

Charitable giving impact supporting the UN SDGs



Our stakeholders: Suppliers

Suppliers

We expect our suppliers to adhere to high standards in the way that they operate including alignment with our Global Third Party Code of Conduct. This includes complying with all applicable laws and regulations, protecting labour and human rights, providing a safe work environment, and minimising environmental impact.

We assess specific risks, including those relating to sustainability factors, at the start of engaging with our third-party suppliers, based on materiality of the Third Party and Service type. We identify and address any risks or concerns raised through our robust onboarding approach which includes; due diligence, financial health checks, assurance, and contract negotiation processes. These activities continue throughout the life of the contract.

The outcomes of the due diligence process are reviewed by relevant subject matter experts, and any issues found are raised with the supplier through supplier relationship managers and service owners. It is Aberdeen's approach to work with suppliers to address any material findings; however, in the unlikely instance where the supplier does not take appropriate action to mitigate risks, Aberdeen may chose not to onboard the supplier or take steps to exit the agreement - such events include regulatory breach or fine, non-alignment to our third party code of conduct and continual service failings. Details of how we manage issues relating to modern slavery are provided in our Modern Slavery Statement.

Third parties providing certain services are expected to adhere to specific sustainability requirements. For example, we ensure all staff working on our UK premises are paid at least the higher wage level set by the Living Wage Foundation, and we have a policy on UK Living Hours. This mainly applies to staff working within the Facilities area but is also applicable to contractors. In addition, we understand the importance of treating our Third Parties fairly which includes our commitment to paying them on time.

We have a number of key suppliers who provide data and services closely related to our stewardship services. These include Institutional Shareholder Services (ISS), MSCI, LSEG and Trucost. As each service is onboarded, the processes, as set out, are followed to ensure these Third Parties' policies and practices align to our standards.

Procurement, Outsourcing and Third Party Management

Aberdeen's Procurement, Outsourcing and Third Party Management policy sets the standards for onboarding and managing third party relationships and inherent risk. Our Global Procurement function has a dedicated Third Party Risk Management team who oversees the policy and associated processes, and who can call on specialist support from subject matter experts e.g. risk domain owners (such as information security) if required.

The policy covers:

1. Identification and Segmentation
2. Due Diligence
3. Engagement (Contracts)
4. Ongoing Monitoring; and
5. Renewals and Exits.

The identification and segmentation stage is where Aberdeen select the third party service provider. Selection is done on the basis of best value to Aberdeen, with appropriate due diligence, governance, contractual protection and oversight in place to minimise the risk the third party may pose. A dedicated Procurement team within Aberdeen work with the business and with Aberdeen legal to ensure that the required activities, including sourcing, are carried out and that appropriate governance is in place. These activities ensure that relevant SLAs, contractual provisions and due diligence (which covers core domain areas as well as financial health and financial crime screening) are in place prior to onboarding. Ongoing monitoring takes place through regular performance meetings (dependent on the profile of third party) and regular ongoing due diligence. To support the above, Aberdeen's Third Party Code of Conduct is published on our website as well as being referenced in our standard contracts and purchase orders.

Assurance and internal governance

We use a variety of internal and external assurance methods in relation to our sustainable investment activities. For our stewardship activities, our internal governance structure is designed to provide assurance through our Sustainable Investment Strategy group (SISG) and our Sustainability Standards Group (SSG). These groups review our policies and approach and providing a check and challenge over our processes. The SISG drives the strategic focus of the sustainable investment strategy and delivery of this strategy. The SSG aims to assure sustainability standards in Aberdeen Investments' actively managed investment products.

We work to continually review and evolve our Listed Company ESG Principles & Voting Policies in line with market and client expectations, Aberdeen's Active Ownership team annually review our policies. The review is carried out via consultation with our clients and in collaboration with our investment desks and compliance functions with the aim to support clients' effective stewardship.

Our sustainability risk integration document outlines our approach and framework in relation to sustainability risk integration. This document sets out how sustainability risk integration is embedded into the processes and operating model of Aberdeen's investment business. Each asset class also produces its own document on ESG integration which is publicly available.

As a signatory to the Principles for Responsible Investment (PRI), we have submitted to their independent assessment for a number of years. This review of our stewardship and responsible investment activities acts as an accountability mechanism and allows us to continually improve our processes using feedback from the PRI. In the 2024 PRI Assessment Report, Aberdeen were assessed and rated against 13 investment modules. We achieved the highest rating of 5 stars across 9 of these, and 3-star or 4-star ratings for the remainder.

This report has been subject to internal compliance review and has been reviewed and approved by members of the senior executive team.

Managing risk for better outcomes

Our approach to risk management

A strong risk and compliance culture underpins our commitment to put clients and customers first and safeguard the interests of our shareholders. Our Board has ultimate responsibility for risk management and oversees the effectiveness of our Enterprise Risk Management Framework (ERMF).

ERMF

The ERMF underpins risk management throughout our business. We operate 'three lines of defence' with defined roles and responsibilities. We continually evolve our framework to meet the changing needs of the company and to make sure it keeps pace with industry best practice. In 2024, improvements to the framework included:

- Delivering a new approach to Risk and Control Self Assessments, focused on key business outcomes and executive accountability.
- Implementing an enhanced risk appetite monitoring process.
- Simplification of Aberdeen's risk taxonomy, adopting a single version taxonomy across the Group.
- Delivering improved risk reporting through the adoption of consistent risk dashboards.
- Improved accessibility of the ERMF and its supporting materials.

Business risk environment

Business planning assumptions are more prone to external market developments than before.

The global political and economic environment is in flux. Political elections in the US has brought about a period of greater policy uncertainty in the area of global trade, strategic competition with China, developments in conflicts in Europe and the Middle East, and sovereign debt management. Both energy costs and cross-border trade costs could be adversely impacted leading to upward pressure on inflation and stalling central banks' plans to further ease their target interest rates. This increases the range of potential outcomes across all asset classes.

Increased levels of sovereign indebtedness (measured by G7 debt/GDP levels) could be the source of disruption to fixed income and currency markets in the coming months or years.

Increasing equity market value concentration in a small number of technology stocks (the so-called 'Magnificent Seven' phenomenon) poses challenges for both passive and active asset management which could manifest as increased market volatility at some stage.

Developments in technology and continued competitive pressure mean that investment firms must continue to transform their operating models in order to preserve margins and/or build capital to reinvest for the future.

Operational resilience is a key focus as the risks from cyber, technology and third-parties continue to evolve. We continue to build our capabilities and develop our mitigation plans to deal with areas of vulnerability in order to minimise (and if necessary, mitigate) the risk of disruption to our clients and customers.

Global regulators have extensive policy and supervisory agendas which need to be addressed. We are working diligently and steadfastly to meet our regulators' expectations, especially in the areas of consumer duty, operational resilience and anti-financial crime.

Evolving and emerging risks

We are vigilant to risks that could crystallise over different horizons and impact our strategy, operations and our clients. These risks vary in nature as they cover geopolitical, economic, societal, technological, legal, regulatory and environmental themes. We distil internal and external research to consider how risks could emerge and evolve.

Some notable risks (and opportunities) for our business include adoption of modern technologies, uncertainty driven by geo-politics, unprecedented market shifts, evolving cyber threats and climate change.

Sustainability risks

We have a responsibility to shareholders, clients, customers and other stakeholders to assess, report on, manage and mitigate our sustainability risks. As an investment firm, we need to consider the impact of our corporate activities while making investments in line with client mandates. We continue to deepen our understanding of these risks for the benefit of all stakeholders and use these insights to advocate for positive policy change.

As a global investment firm, we are also mindful of the different and changing political and regulatory perspectives on operating and investing with sustainability considerations in mind.

Identifying market wide and systemic risks

At Aberdeen, we believe that actively analysing, modelling, and stress-testing our portfolios against economic, political, financial, and climate risks makes us better investors.

Our investment risk process

Our investment risk process brings together expertise from across economic and political research, portfolio managers, and risk professionals, to model scenarios and stress test portfolios using rigorous quantitative tools.

This process begins with identifying plausible scenarios and shocks under four main risk types: macro-economic, political, geo-political, and financial. We aim to capture scenarios and shocks which are plausible even if improbable, and which would have a material impact on financial markets and our portfolios.

Our Global Macro Research team map out a series of such scenarios, providing narrative description and macro-economic forecasts for these scenarios.

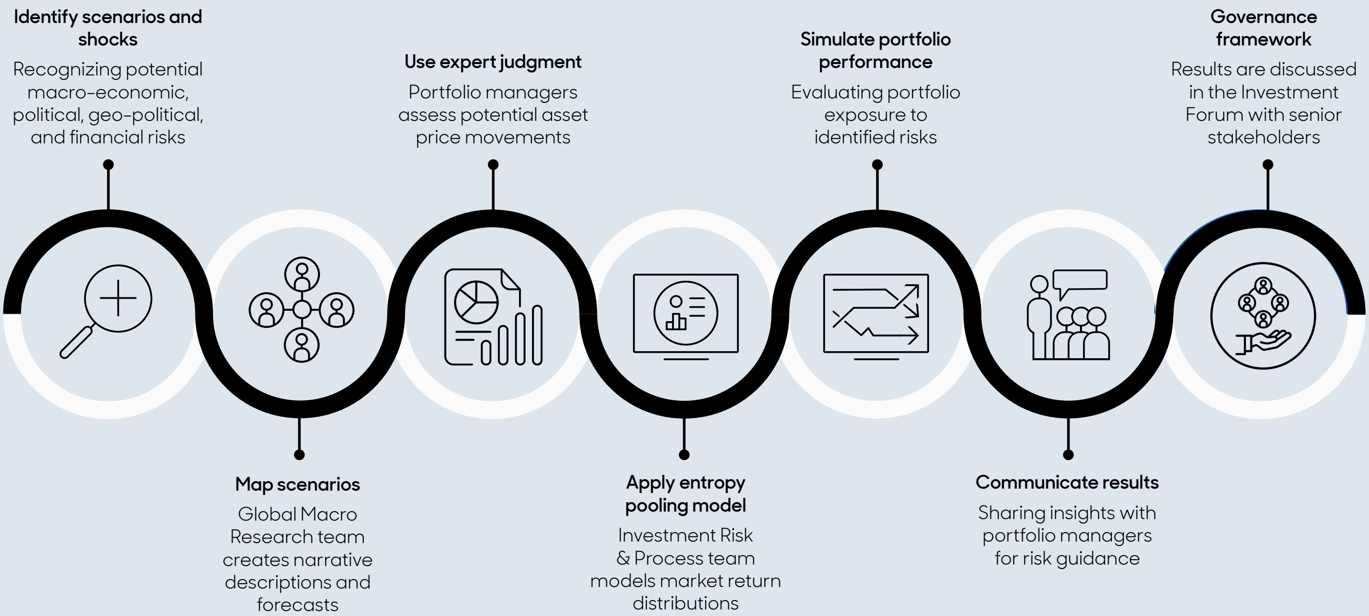
We then use the expert judgement of portfolio managers who actively invest in financial markets to specify the likely move in representative asset prices should the scenario materialise.

Our Investment Risk & Process team then use an entropy pooling model to map these representative asset price moves into a comprehensive distribution of market returns. The risk team simulates portfolio performance under these asset price moves to understand our exposure to these risks, and communicates these results to our portfolio managers to help guide risk taking.

Finally, we have a robust governance framework in place whereby these scenario results are shared with senior stakeholders across the firm, including the Chief Investment Officer and the Chief Risk Officer.

This end-to-end process is run on a set quarterly basis, and ad hoc as and when new risks emerge.

Our investment risk process uses expertise from across Aberdeen to monitor and model key risks to portafolios



Identifying market wide and systemic risks

We detail some of the main investment risk scenarios we are currently monitoring below, as at 31 December 2024.

Risk type	Scenario	Narrative description	Representative asset price moves
Economic	China balance sheet recession	China's cyclical and structural headwinds intensify. There is further retrenchment in the property market and consumer sentiment, exacerbated by a sharp rise in US tariffs. Policy support is entirely inadequate to the headwinds, causing China to become trapped in a low growth, low inflation "Japanification" scenario. Combined with sharp declines in industrial metals and energy prices, this transmits a disinflationary impulse around the globe. International investor sentiment sours and capital outflows intensify. The RMB reprices lower in a disorderly manner.	US 10-year yield: -0.4% EU 10Y inflation: -0.2% Industrial metals: -25% Hang Seng: -30% USD/EUR: +3% USD/RMB: +8%
Political	Trump appointment	The Trump administration delivers fully on the trade and immigration commitments made during the campaign. The US pursues rapid decoupling from China and imposes a 10% global baseline tariff on all imports, with additional tariffs on strategically significant sectors. Trade partners retaliate, leading to a material increase in global tariff rates. US immigration policy is tightened significantly, causing a large fall in labour supply. Fiscal policy is eased inefficiently, increasing the deficit and putting upward pressure on the term premium. Monetary policy needs to remain much tighter.	US 10-year yield: +0.75% US 10Y - 2Y yield: +0.5% US 10Y inflation: +0.5% S&P 500 12m volatility: +10% Hang Seng: -12% S&P 500: -7.5% USD/EUR: 5% USD/RMB: 10%
Geopolitical	Oil price surge	Conflict in the Middle East escalates and ultimately Israel and Iran are brought into outright and large-scale conflict. Iranian oil supply to the global economy is effectively cutoff. Broader Middle East oil supply is disrupted as traffic through the Strait of Hormuz faces periods of closure. In addition to the supply disruptions, meaningful geopolitical risk premia are added to oil and other asset prices. Inflation jumps, and central banks start tightening policy again. There are renewed downturns in the Eurozone and UK, while the US economy also weakens.	US 10-year yield: +0.5% US 10Y - 2Y yield: -1.0% EU 10Y inflation: +0.5% Crude oil: +50% S&P 500: -15%
Financial	Bond market liquidity crisis	There is an initial bond market sell-off on shifting rate expectations and term premia. This triggers adverse financial plumbing feedback loops making the sell-off much larger as the treasury-basis trade unwinds, repo rates spike, and treasury market liquidity evaporates given the more limited balance sheet space among market-makers. The crisis eventually ends with material policy intervention, as the Fed and other central banks provide liquidity injections.	US 10-year yield: +1.3% US 10Y - 2Y yield: +0.5% UK 10Y yield: +1.3% S&P 500: -10% USD/GBP: +5% USD/MXN: +5%
Financial	Mag 7 financial plumbing crash	There is a shock to the future earnings expectations of a big tech stock, such as Nvidia. This leads to an initial decline in its share price while associated hyper-scalers and other tech exposed names also drop sharply. This triggers adverse financial plumbing feedback loops make the sell-off much larger due to the huge ownership of these stocks by leveraged market tracking funds, which are forced to sell to rebalance positions. Investors liquidate a broader range of assets to meet margin calls and raise cash for redemptions. With illiquid funds gating, the most liquid assets face the most selling pressure causing a rise in treasury yields.	

Our climate scenarios process

We believe climate scenario analysis is a critical forward-looking tool to enable a thorough understanding of climate-related risks and opportunities.

It is vital that investors understand how physical climate change and the energy transition may affect the investment returns of the companies and markets in which they invest. We believe that this will enable us to build more resilient portfolios, generate better long-term returns, and support client objectives.

We have developed a bespoke approach to provide enhanced insights that integrate climate scenario analysis with our investment processes and provide solutions for our clients. This means:

1	We reflect more realistic regional and sectoral characteristics than standard approaches.
2	We assign probabilities to our scenarios to create a 'most likely' future pathway.
3	We design our baseline to reflect what is currently priced into the market.
4	We are not restricted by the technological assumptions of a single energy-systems model.
5	We consider the impact of company transition strategies and assess their credibility.

Further details on our latest climate scenario analysis can be found in our **Year 4 update report**.

Conflicts of interest

Effective management of conflicts of interest is at the core of good client outcomes, and a key aspect of the global regulatory and legislative conduct risk agenda. We provide a wide range of products and solutions to a variety of clients, and we may from time to time have interests that conflict with these clients. There may also be conflicts that arise from the personal activities of our employees – for example, second jobs, business ventures or outside appointments.

We ensure that all appropriate steps are taken to identify and prevent any conflicts of interest. However, if a conflict cannot be prevented then we take appropriate steps to mitigate and manage it.

We have policies and procedures to address conflicts of interest that may arise from:

- Personal account dealing and outside appointments ensuring, where required, these are recorded and approved.
- Providing or receiving gifts and hospitality – strict limits on what is acceptable with all gifts above a defined value requiring approval and to be registered.
- Information exchange – putting in place adequate procedures to prevent or control the exchange of information between relevant persons engaged in portfolio management activities, where the exchange of information between these persons may negatively impact the interests of one or more clients.
- Voting at investee company AGMs – the funds we manage on behalf of our clients will be eligible to vote at general meetings where there is a potential conflict of interest, including:
  - An investee company that is also a significant client.
  - An investee company where an executive director or officer of our company is also a director of that company.
  - An investee company where an employee is a director of that company.
  - An investee company with which we have a strategic relationship.
  - A significant distributor of our products.
  - A significant supplier any other companies that may be relevant from time to time.

Where actual or potential conflicts are identified, these are reported to our Risk and Compliance team and recorded on a central register, which is maintained within the function and escalated appropriately. As a general principle conflicts of interest are managed at a local level. However, in instances where it is deemed necessary the conflict is escalated to the Executive Leadership Team. Key details recorded include the type of conflict of interest and who the conflict relates to, the measures taken to manage the conflict of interest and the senior individual who is responsible for overseeing the management of the conflict of interest.

In line with the requirement to manage conflicts at a local level, our Proxy Voting team maintains a list of companies which are exposed to the list of conflicts noted above. Our conflicts of interest list for 2024 comprised 555 companies. For companies on this list held in our active portfolios, when a voting decision is taken, the analyst responsible is required to record the fact that the conflict of interest has not impacted the voting decision made. In situations where it is not possible to demonstrate an impartial vote, we will decline to make a voting decision.

Steps taken by Aberdeen to manage actual, potential and perceived conflicts can include, but are not limited to:

- Procedures to prevent or control the exchange of information between relevant persons engaged in activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more customer or client.
- Clear and segregated reporting lines.
- Processes to separate conflicting activities for clients to ensure that individual employees are prevented from performing activities where conflicts could arise.

Any actual, potential or perceived conflict of interest that cannot be effectively managed, and which poses a material risk of damage to a client's interests, are disclosed to the client before undertaking the business.

All our employees are required to complete our Your Conduct mandatory training module every two years. 99% of employees completed the course in 2024. This training is designed to provide employees with an awareness and understanding of conflicts of interest and their responsibilities towards these. Where appropriate, further training is provided and tailored to targeted business areas and to specific roles.

Case study

Examples of conflicts of interest

There are several different scenarios that can create a conflict of interest.

1. Potential conflicts can arise between intra-group Aberdeen entities, who provide services and/or receive services from each other. As an example, a potential conflict of interest exists where Portfolio Management activities are delegated to other Aberdeen group entities.
2. An employee of Aberdeen has been offered a position as a trustee for a charity. The conflict is raised on My Compliance Office (our internal compliance system) prior to accepting the role. Appropriate mitigants are put in place and compliance are comfortable to approve based on the controls identified.
3. Potential conflicts can occur when an employee holds a regulatory or legal responsibility across entities. In this instance, compliance will engage to ensure the appropriate identification and management is in place. If the conflict cannot be mitigated it will be avoided.

Our corporate influence

Working with policymakers

Why it matters

We want to share our knowledge, insights, and ideas to help shape policy and contribute to better outcomes for our clients, shareholders, people, and society.

Governance

Our Public Affairs team supports the implementation of our strategy through engagement with policymakers, regulators, and trade associations. The team work closely with the Executive Leadership Team and subject matter experts on public policy issues which affect our stakeholders. This may take the form of responding to public policy consultations, as well as managing relationships with connected industry bodies. The Public Affairs team are embedded within our Legal function, with oversight from our Group General Counsel.

Policy and standards

Aberdeen is an apolitical organisation. As a global investment company, we engage regularly with governments and policymakers on issues relevant to our business, our stakeholders and wider society. However, this engagement takes place within strong parameters to ensure our apolitical status is not compromised.

Our guiding parameters

The following principles summarise the parameters we adhere to in order to ensure our apolitical status:

- We do not make political donations to parties, campaigns, any candidates, or their agents.
- We do not provide non-financial support that could compromise our apolitical status.
- We do not make public statements that could be seen to endorse an individual, party, or organisation.
- We do not permit any external consultants to engage with policymakers on our behalf.
- We work with industry bodies who engage with policymakers, but such bodies are non-partisan.

Engaging with trade associations

We work closely with industry bodies, as valuable mechanisms to connect with peers and to put forward perspectives on issues of importance to our stakeholders. This enables us to engage on positions such as the future of sustainable finance and responsible investment in the UK. We also play an active role in other trade bodies and initiatives, with further examples on page 74.

Responding to public consultations

Policymakers will often seek views from stakeholders, including companies like Aberdeen, on important policy and regulatory developments. Sustainability reporting continues to be a significant focus for many governments, regulators, and other industry groups, and we are strong supporters of efforts to establish global standards. This supports our work as investors and represents long-term transformation for corporate disclosure. We monitor opportunities to provide our perspective, and contribute both directly as Aberdeen, as well as through our trade associations.

Case study

Sustainable Disclosure Requirements

A key issue for Aberdeen and the wider industry in 2024 was implementation of the Sustainable Disclosure Requirements (SDR) and labelling regime for investment funds set out by the Financial Conduct Authority (FCA). The proposals emerged from extensive consultation to which Aberdeen contributed directly and through our trade body as part of a wider industry response, including the more recent consultation on extending SDR to portfolio management (CP24/8). While the industry was broadly supportive of efforts to improve consumer-facing disclosure, adoption of the new labelling regime was more challenging and slower than generally anticipated, hence the need for further consultation and engagement to clarify the regulator's expectations of product manufacturers and distributors in complying with the new rules.

Looking ahead

Engagement and dialogue with policymakers and regulators is likely to intensify in 2025, in line with further sustainable finance reforms, such as regulation of ESG ratings providers, development of a UK Green Taxonomy and aligning economically significant companies with future UK Sustainability Reporting Standards.

Our corporate influence

We have an important role in the development of public policy, industry standards and general practice. We want to ensure that each of these develop in a manner that is aligned to the best interests of our stakeholders, including our clients, and the delivery of the best outcomes for them.

To meet this responsibility, we focus our activities in four key areas as described in the table below.

Policy applying to our investments[20]

Includes shareholder rights, accounting standards, auditing, climate policy, labour policy, tax, fiscal and monetary policy.

Methods used include:

- Published thought pieces.
- Board and senior executive engagements.
- Direct input to governments and regulators.
- Membership of trade and industry bodies.

Policy applying to Aberdeen

Includes corporate activities and disclosures such as climate change and employee issues, global financial services regulation and regulation applying to suppliers.

Methods used include:

- Input through industry associations.
- Direct input on consultations.
- Senior executive engagements.

Policy applying to clients

Includes pension funds, insurance company legislation and regulation.

Methods used include:

- Input through industry association.
- Direct input on consultations.
- Senior executive engagements.

Industry standards

Includes development of best practice across all activities such as Principles for Responsible Investment (PRI), climate analysis, transparent disclosure and market infrastructure.

Methods used include:

- Published thought pieces.
- Board and senior executive engagements.
- Direct input to governments and regulators.
- Membership of trade and industry bodies.

[20] Investments business only.

Our corporate influence

Impact of policy and standards on our investment

We use the expertise we have across our business to analyse and assess the impact of policy on the investments we make for our clients, and to provide our view on where we believe policy change may be needed. We aim to be involved in policy change impacting our investments where appropriate and ensure that our views are aligned with the best interests of our clients and wider society.

Impact of policy on Aberdeen

We seek to play a role in assisting policymakers as they develop legislation and regulation that applies to our business. We recognise the importance of a well-regulated financial services sector and the need to ensure that our clients receive the products and solutions they expect. There are a number of ongoing policy and regulatory developments that are relevant to our business, including evolving sustainability disclosure standards, green taxonomies and transition pathways. We believe it is imperative that these regulations are well thought out and carefully implemented in order to ensure that clients can be comfortable that the products and solutions they use do deliver the outcomes they expect, and we will continue to work to assist the development and delivery of these regulations. We also work closely with governments, third sector and other organisations to develop policies and standards that benefit our other stakeholders, including our employees and communities.

Impact of policy on our clients

Many of our clients also operate in a regulated environment and the services we provide assist them in meeting their regulatory obligations. We believe that it is important for us to understand the legal and regulatory frameworks that apply to our clients. Although we cannot closely monitor all of the regulatory change which may become applicable to them in the future, we endeavour to maintain a close enough relationship with our clients to assist them in understanding the impact of the changes to the regulations that apply to them.

Industry standards

We seek to play a leading role in the markets and regions in which we operate to develop and uphold the highest standards relating to our industry. We believe that it is imperative that our industry operates to the highest standards. In an industry that relies on trust, the role we play in setting and achieving these standards are integral to the service we provide to our clients.

How we get involved

We are willing to act collectively with other investors in seeking to protect and enhance shareholder value, or to otherwise address issues that are relevant to our clients' best interests. Common topics for collective engagement include: succession planning, board composition and nominations processes, remuneration, audit and audit tenders, strategy and performance, risk appetite and risk management, human rights, labour concerns and the environment.

In deciding whether or not to act collectively with other investors, we take into account a range of factors, such as:

- Whether or not collective engagement is likely to be more effective than unilateral engagement.
- The degree to which the objectives of the other investors are aligned to our own.
- The need for confidentiality.
- The context of the investee company and, exceptionally, the wider economy.
- The country/jurisdiction the company operates in.

To help us effectively participate in collective engagement, we maintain good working relationships with other institutional investors. We also support collaborative engagements organised by representative bodies and others, when these are aligned with our clients' interests.

We work with a number of organisations in order to participate in collective engagement. Examples of the most significant of these organisations include:

- The Investment Association
- The Council of Institutional Investors
- The Investor Forum
- The Asian Corporate Governance Association
- The Principles for Responsible Investment
- The Institutional Investor Group on Climate Change
- Climate Action 100+
- The 30% Club Investor Group.

Transparency and reporting

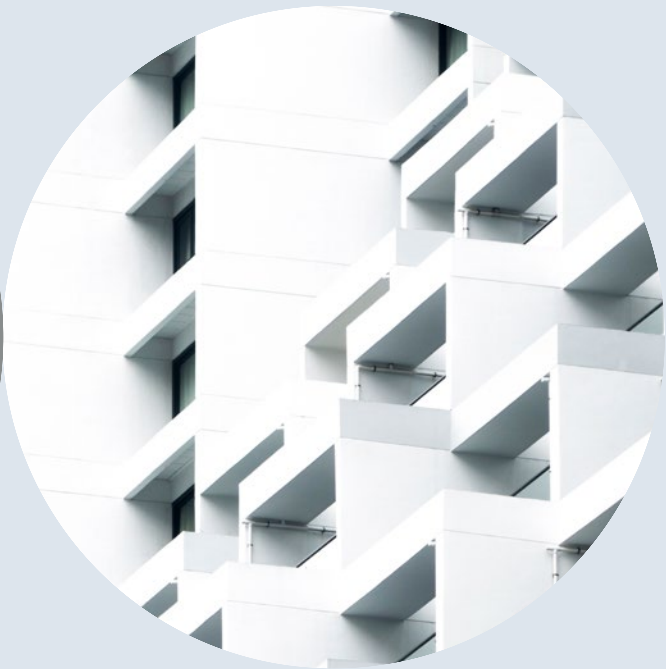
With increasing scrutiny and expectations from various stakeholders, it is vital that we are transparent about our stewardship activities and outcomes.

Our corporate purpose – enabling our clients to be better investors – drives us to achieve the highest standards in our operations and in the investments we make, and to achieve our clients' desired outcomes. In our reporting, we aim to demonstrate the outcomes-orientated stewardship and sustainable investment activities we undertake and to report on the exposures in the portfolios we manage on behalf of clients. Transparent disclosure allows our clients to understand their portfolios and to hold us to account for our consideration of sustainability factors and our engagement with investments.

We currently provide information on engagement activities through various regular reporting mechanisms, including:

- Our annual Stewardship Report, which contains a sample of engagements we conducted over the year, including information on the reasons for engagement and the outcomes delivered. We report on a range of stewardship activities to our global clients on a quarterly basis. This reporting is standard for all funds and clients and is produced alongside our investment reporting to give clients a holistic view of the impact of their fund holdings as well as their performance and risk analysis. We report carbon metrics on an annual basis through TCFD reporting both for regulatory purposes and to the vast majority of our clients via a discretionary carbon report.
- We are increasingly reporting more granular information relating to our engagement activities upon request and in-line with key industry initiatives, such as the Investment Consultants Sustainability Working Group (ICSWG) templates in the UK. We provide details of our engagement activity, the types of meetings held, progress through the engagement lifecycle and more information on the outcomes of our engagement. The regulatory environment relating to disclosure of sustainability activities and sustainability continues to evolve.

Appendix



Mapping to the UK Stewardship Code Principles

UK Stewardship Code Principle	Page Number(s)
Principle 1 Signatories purpose, investment beliefs, strategy, and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.	7-11, 14, 52-56
Principle 2 Signatories governance, resources and incentives support stewardship.	12, 17, 22-23, 57
Principle 3 Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first.	69-70
Principle 4 Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.	60-62, 65-68, 71-73
Principle 5 Signatories review their policies, assure their processes and assess the effectiveness of their activities.	5-6, 64, 74
Principle 6 Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.	58-59
Principle 7 Signatories systematically integrate stewardship and investment, including material environments, social and governance issues and climate change, to fulfil their responsibilities.	30-36
Principle 8 Signatories monitor and hold to account managers and/or service providers.	44-45, 63
Principle 9 Signatories engage with issuers to maintain or enhance the value of assets.	15, 18-19, 25-29, 37-42
Principle 10 Signatories, where necessary, participate in collaborative engagement to influence issuers.	24
Principle 11 Signatories, where necessary, escalate stewardship activities to influence issuers.	20-21
Principle 12 Signatories actively exercise their rights and responsibilities.	16, 44, 50

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