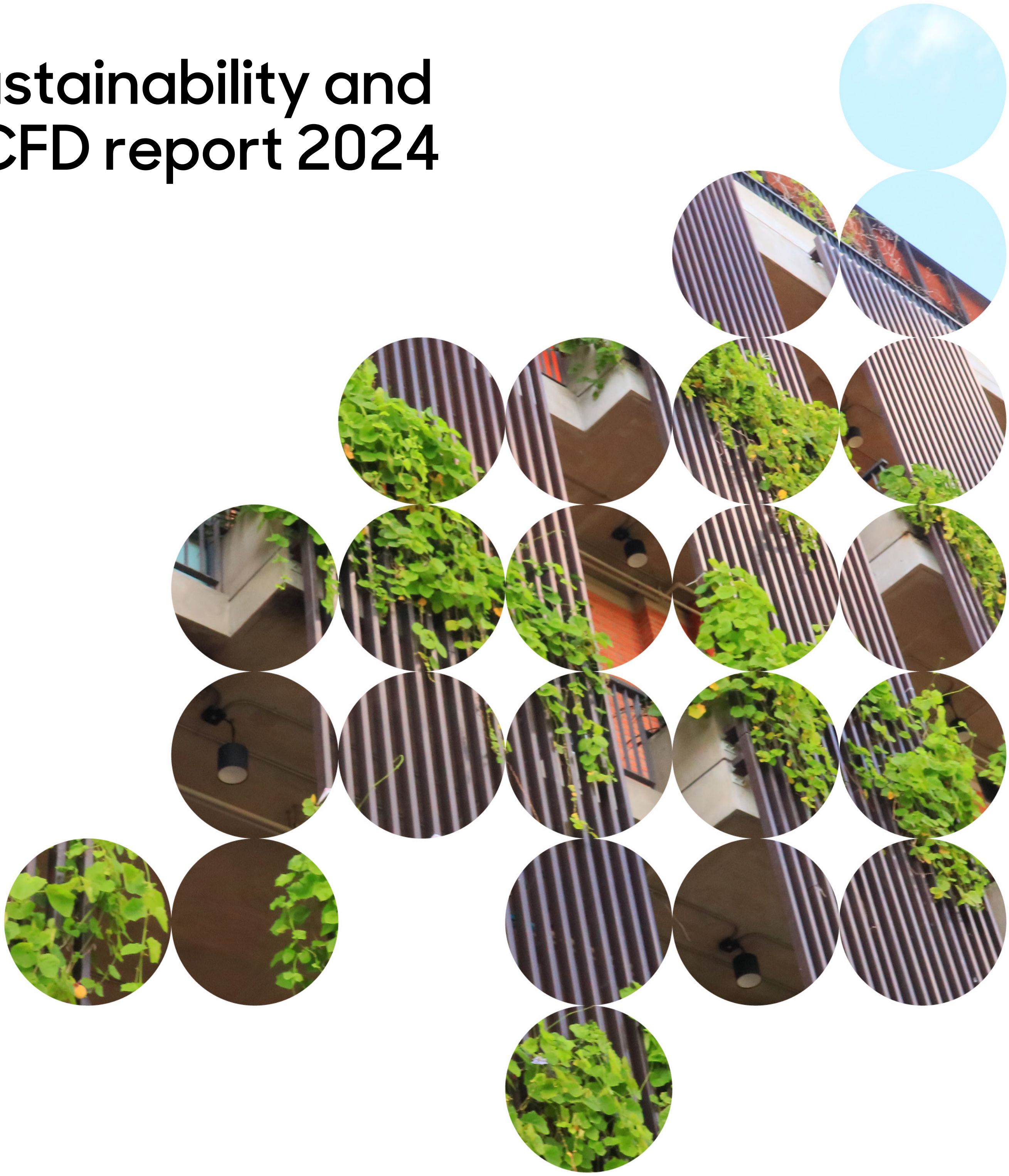
aberdeen

# Sustainability and TCFD report 2024



abrdn plc Sustainability and TCFD report 2024

In 2024, we have reset our sustainability strategy and ambition.

We are aligning the Group around three pillars: inclusive growth, environmental transition and responsible business. We are implementing an operating model to ensure sustainability risks and opportunities are identified and considered across abrdn and that we report transparently on their impacts.

△ Where indicated by the triangle figure, the selected 2024 data has been extracted from pages 50 and 56 of our Annual report and accounts 2024. Selected information subject to Independent Limited Assurance in accordance with ISAE(UK)3000 and ISAE3410 by KPMG. Assurance statement included on pages 300-301 in the Other information section of the Annual report and accounts 2024.

The purpose of this report is to provide 2024 sustainability-related disclosure for abrdn plc. There is particular emphasis on climate- and nature-related matters, diversity, equity, and inclusion, and other common areas of focus for our industry.

This document and wider reporting suite is published on our website. Access to the website is available outside the UK, where common practice may be different.

abrdn is subject to mandatory sustainability disclosure requirements in the UK and other jurisdictions, alongside increasing stakeholder expectations relating to voluntary, or emergent, disclosure standards.

This report provides additional information to the non-financial disclosures provided in our Annual report and accounts; in particular to requirements relating to the Task Force on Climate-Related Financial Disclosures (TCFD), as required by FCA UKLR 6.6.6(8)R. We believe this reflects the expectation of our stakeholders and common market practice. The information should, however, be read in conjunction with our reporting suite and not as the primary mechanism to meet a specific disclosure obligation.

The disclosure landscape for sustainability-related information has yet to settle and we expect that the nature of this report will evolve over time.

The information in this document should not be taken as applicable to a particular product or investment strategy, and rather as indicative of our wider approach as abrdn plc.

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## Our annual reporting suite

This report forms part of our reporting suite.

### Annual report and accounts

Includes our strategic report, financial highlights, and consolidated accounts.

### Stewardship report

Sets out our application of the principles of the UK Stewardship code.

### Modern slavery statement

Disclosure in line with the UK Modern Slavery Act, detailing our work to mitigate related risks.

### UK pay gap disclosures

Our report on our gender and ethnicity pay gaps, as applicable to UK colleagues.

# 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

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

**AUMA**
**£77.5bn** (2023: £66.0bn)

**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

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

**AUMA**
**£75.2bn** (2023: £73.5bn)

**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

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

**AUM**
**£369.7bn** (2023: £366.7bn)

**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.

# Chief Executive Officer's review

**Jason Windsor**
Chief Executive Officer

## A collective responsibility

We are an organisation of over 4,000 people, with clients and customers across the globe and c.£510bn in AUMA. We recognise that we have a collective responsibility to minimise negative outcomes and make a positive impact for our clients, our shareholders, our people and the communities we live and work in. With this in mind, we refined our sustainability strategy in 2024, with a renewed focus on ensuring transparency, accountability and clarity of purpose.

Our renewed approach comes at a time of significant developments across the sustainability landscape. In 2024, for the first time, global warming exceeded 1.5°C above pre-industrial levels. However, global alignment on how to address climate issues appears to be more difficult to achieve than ever. Meanwhile, growing disparity in wealth, increased inflationary pressures, technological advancements and a shift in political sentiment continued to shape the landscape. Elections in over 70 countries revealed widespread anti-incumbent sentiment, while the rise of AI prompted reactionary frameworks and a trend towards prioritising cyber security.

As a company, we have demonstrated a long-standing commitment to sustainability and sustainable investing. Our commitment to inclusion was highlighted again last year, as our gender pay gap further reduced, and we have also published ethnicity pay gap data for the first time. Going into 2025, we plan to further develop our inclusive growth pillar with a strategy focused on the 'lifelong ladder' of saving and investment. Financial education and fair work are at the heart of this strategy as we believe these are issues on which we and our partners can have the greatest impact.

As an investment manager, we have factored Environmental, Social and Governance considerations into our investment approach for many years. We manage around £88bn in sustainability-related strategies[1], including several award-winning funds. We will continue to adapt our sustainable investment approach to meet our clients' evolving needs as the changes to the global policy backdrop for sustainability continues to unfold.

## An evolving global context

From an environmental perspective, the two highest-profile events in 2024 were the COP16 summit for biodiversity in Colombia and the COP29 conference for climate in Azerbaijan. As investors, these events provided us with the opportunity to understand policymakers' priorities and their appetite to participate in the energy transition, decarbonisation, and attempts to slow the degradation of nature.

We believe the lack of progress and high level commitment at both COPs was indicative of a larger problem. A combination of geopolitical issues and domestic political pressures for many countries is pushing climate and nature issues down the agenda.

Neither COP summit resulted in agreements to reiterate and embed change from the 2023 global stocktake on transitioning away from fossil fuels, and a lack of National Biodiversity Strategies and Action Plans (NBSAPs) leaves an unclear policy landscape on biodiversity.

We understand and appreciate that differing political views on climate, alongside the societal impacts of transitioning to a more sustainable economy, raise uncertainty for our stakeholders. However, we remain steadfast in our objective to prioritise the interests of our clients, shareholders, employees and the communities in which we operate by creating long-term value and positive impacts, where we can.

## Refreshing our sustainability strategy

We need decisive action from global policymakers in the form of the right long-term and coherent incentives to enable the energy transition and support inclusive growth. There are real challenges ahead and we cannot address them alone. We are a global business, working in regions with diverging views on sustainability.

At a Group level, we have taken the opportunity to refresh our sustainability strategy. We focus on three pillars: inclusive growth, environmental transition and responsible business. We are also working to ensure a culture of sustainability is embedded throughout our business, practised by our employees and supported by a rigorous governance structure, operating model and accountability framework. This structure correlates with our focus on creating a sustainably profitable business to consistently deliver results for our clients and shareholders.

Our sustainability approach also supports our company's wider strategy. In 2024, we introduced abrdn's three strategic priorities: to transform performance, improve client experience and strengthen talent and culture. Ensuring we are transparent with all our stakeholders, while continuing to effectively capture sustainability-related risks and opportunities, is intended to help us drive sustainable, long-term performance. We know that sustainability credentials help us to attract and retain talent and foster pride within our organisation. We will, therefore, continue to communicate our approach with clarity and conviction, both internally and externally.

1. Sustainable AUM is based on our internal sustainable investing framework - this includes funds with sustainability binding criteria.

Within our asset management business, we are led by client mandates and fiduciary duty, and meeting our client promise will always be paramount. We continue to evolve and enhance our approach to sustainable investing to ensure we are future fit and can meet the challenges ahead, and we remain committed to providing opportunities to invest in a more sustainable future.

## Delivering inclusive growth

We are proud of our history of supporting social mobility and advocacy, and our inclusive growth pillar is central to our sustainability strategy.

Funding innovative projects through the abrdn Charitable Foundation enables us to have an impact beyond our direct operations. This year, we launched our partnership with WorkingRite, an employment charity working with young people in Scotland to bridge the gap between education and employment, helping them to access opportunities and take their first career steps.

Our inclusive growth pillar also recognises that social mobility depends not only on employment and fair work, but adequate financial education from a young age. In 2024, we published our Savings Ladder campaign, highlighting the need for the UK to embrace a culture where saving, investing and pensions play a bigger role in how people view their finances.

As part of this campaign, our research found that 44% of respondents were classified as having poor financial literacy. Our support of MyBnk, through the abrdn Charitable Foundation, attempts to tackle this issue head-on by offering financial education programmes across the UK. We believe that better financial education is essential for our future society, and this requires policy interventions to support financial education.

We have published an open letter to the UK Government setting out our concerns, and we will continue to address financial literacy and education through our own business conduct by ensuring we breakdown financial jargon and simplify our solutions wherever we can.

## Looking ahead to another important year

We have begun 2025 with a refreshed sustainability strategy. Moving forward, we will continue to rely on the support of our sustainability subject matter experts, while recognising that our progress depends on sustainability being embedded in every colleague's way of thinking and working.

This will be an ongoing process. We are working to embed our sustainability model across the Group to ensure we take a shared responsibility in effectively implementing our environmental transition planning, our inclusive growth strategy and our responsible business framework. With our strong foundations in climate, social mobility and sustainable investing, we look ahead to the rest of 2025 with grounded optimism, determination and an appetite to make a difference wherever we can.

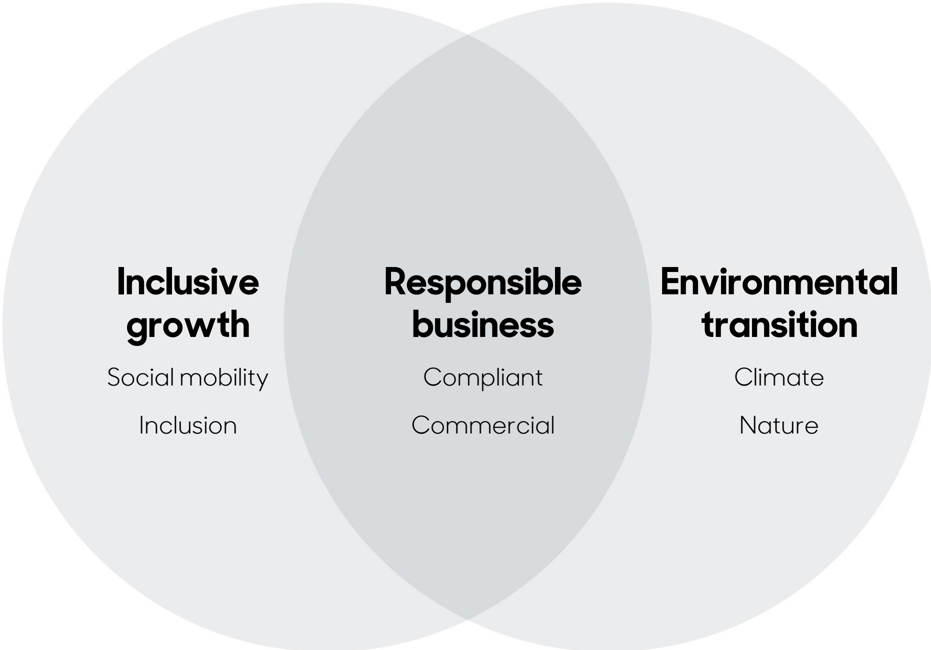
## Compliance statement

The disclosures included in our Sustainability and TCFD report 2024 comply with the requirements set out in 'ESG 2.2 TCFD entity report', as also set out in the FCA Policy Statement 21/24 and other relevant sections of the FCA ESG Sourcebook.

**Jason Windsor**
Chief Executive Officer

# Sustainability strategy

## Taking a three-pillar approach to risks and opportunities




**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.**

We aim to consider sustainability when determining our corporate strategy and commercial initiatives. Our disclosure is aligned to recognised guidance frameworks and considers the interests of our various stakeholders.

We support our clients and customers to manage the long-term risks and opportunities associated with the environmental transition and inclusive growth. We analyse sustainability opportunities to ensure a balance between short-term costs and long-term benefits. Our strategy is not static and will be iterative in response to the changing landscape: macro-economic, regulatory and scientific.

Our strategy is supported by measurable metrics, with progress evaluated and verified:

**Jason Windsor, CEO**

"Building a sustainable business helps us to achieve our purpose: to enable our clients to be better investors. Sustainability is not only about managing risks, but also capturing opportunities. It supports our strategic priorities to transform performance, improve our client experience and strengthen talent and culture. Strong corporate citizenship is an important foundation of our business. Our sustainability strategy focuses on the areas where we can make the greatest material impact and aligns to long-term value creation."

### Highlights

#### Gender

**40%△ female representation at senior leadership**

**6ppts increase in female representation in our global senior leadership population (CEO-1 and 2) to 40%**

#### Ethnicity

**7%△ ethnic minority representation at UK senior leadership**

**On track for our 2027 target for UK senior leadership ethnic minority representation**

#### Social mobility

**£2.2m total charitable contribution**

**including donations to charities and in-kind giving**

#### Environmental transition

**74% reduction in operational emissions versus 2018 baseline**

**45% reduction of in-scope public markets[1] portfolio carbon intensity versus 2019 baseline**

△ Subject to Limited Assurance by KPMG. See page 300 of the Annual report and accounts 2024.

1. Includes a subset of in-scope assets across equities, fixed income, and active quantitative strategies. See page 63 for more detail.

# Sustainability progress

In 2024, building on our strong foundations as shown below, we focused on discovery, aligning goals, and establishing and embedding a strategy that can adapt with the dynamic sustainability landscape. In 2025, we will continue to progress against all three of our sustainability strategy pillars, with a strong focus on maintaining and maturing our approach to inclusive growth. We also aim to deliver meaningful impact on the environmental transition by setting new medium-term targets on climate and further maturing our approach to nature.

**Pre 2020**

- An accredited UK Living Wage employer since 2014
- Operational emissions baseline (2018)
- Entered Bloomberg Gender Equality Index, and Equileap top 200 companies for gender (2019)
- Six employee inclusion networks, three regional networks comprising 2,000+ colleagues (2019)
- Portfolio emissions intensity baseline (2019)
- Published climate change approach document for Investments (2019)

**2020**

- One of the first companies to be accredited as a Living Hours employer
- First annual diversity, equity and inclusion (DEI) client report
- Published our first TCFD-aligned report
- First reported portfolio emissions intensity for equities and fixed income
- Launch of our carbon foot-printing tools for investment desks

**2021**

- Published 'Human Rights – Our approach for investors'
- First year climate scenario analysis research published
- Published our first real estate net zero investment framework
- First roll-out of carbon metrics reporting for clients
- Published our first Stewardship Report

**2022**

- Announced a three-year partnership with UNESCO via abrdn Charitable Foundation (aCF)
- Strengthened accountability by increasing DEI metrics in executive scorecards
- Strengthened accountability by increasing climate metrics in executive scorecards
- Launch of engagement strategy focused on highest financed emitters
- Published 'Preserving Natural Capital – Our approach for investors'
- ii ACE40 list launch

**2023**

- Partnered with The Alan Turing Institute (via aCF)
- Became a Disability Confident Employer
- 100 Women in Finance EMEA Industry DEI award
- Year 2 of engagement with our top suppliers on their approach to net zero targets
- Net Zero award from Scottish Financial Enterprise for our research identifying climate transition leaders
- ESG fixed income fund of the year award from Environmental Finance
- ii wins AIC Shareholder engagement award, supporting retail investors to engage with their investments
- Group Double Materiality Assessment performed

**2024**

- Launch of new Senior Leadership (UK) ethnicity target
- Scottish Diversity Awards – Diversity campaign of the year
- Completed two-year engagement programme with our top 20 largest financed emitters
- 74% reduction in operational emissions versus baseline
- 45% reduction for in-scope public market portfolio carbon intensity versus baseline
- 34% reduction for in-scope real estate portfolio carbon intensity versus baseline
- Adviser launch ESG Hub
- ii named 'Shareholder Engagement Champion'

**2025**

- Target date for 50% reduction in operational emissions versus 2018 baseline

**2030**

- Target date for 50% reduction of in-scope portfolio carbon intensity versus 2019 baseline

**2040**

- Target date for operational net zero

**Key**

- Inclusive growth (light grey)
- Environmental transition (dark grey)
- Responsible business (black)

# Sustainability approach

Our overall sustainability strategy is underpinned by the approach taken across our three businesses – Investments, ii and Adviser

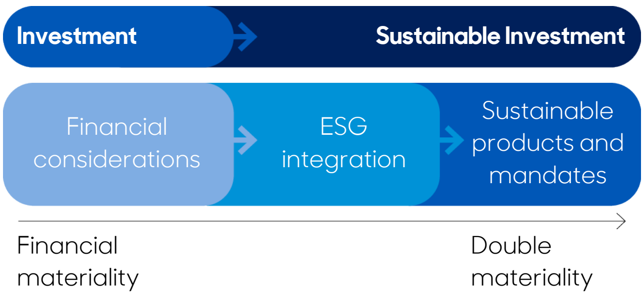
## Investments

Utilising our experience of sustainable investing that has evolved over 30 years, we specialise in adding value to clients through:

– A sophisticated approach to climate change and the energy transition that provides our investment teams with bespoke and nuanced insights and tools to help clients credibly meet their climate-related ambitions.
– A mature active ownership approach, focused on creating and protecting long-term value for clients through company engagement, and through engagement with regulators, government and industry to advance policy centred on supporting client best interests.
– Our central sustainable investment team is complemented by subject matter experts and analysts embedded within asset classes and other functional areas, to deliver sustainability expertise where it is needed.

### Sustainable Investment Framework

As a global asset manager, we are aware that clients, depending on their location, are at different stages of their sustainability journey. As a result, we manage a number of funds and mandates with varying degrees of sustainable investment criteria. This is captured by our Sustainable Investment Framework:




Our framework begins with the integration of environmental, social and governance (ESG) through to strategies with an explicit sustainable investment objective, where the sustainable investment criteria is material to the investment strategy. This helps to ensure we are delivering for our clients, to enable them to be better investors.

## ESG within our investment approach

We believe that ESG factors can be financially material, and can meaningfully impact the financial performance of the assets we invest in.

Integration of ESG considerations into investment analysis is a fundamental part of the investment process at abrdn. Our ESG integration approach equips us to better identify risks and opportunities. Active ownership and ESG considerations are a driver of our investment process, investment activity, client journey and corporate influence.

### Climate and nature considerations

Climate change and the energy transition pose potential risks and opportunities to our investors. As such, we have developed and deployed best practice frameworks to support our risk management and decision-making processes when integrating climate-related considerations.

Asset managers have a role to play in financing the climate transition and investing in climate change adaptation through our products and investment decisions. This requires a supportive policy background and demand from clients.

We cannot achieve a successful transition to a low carbon world without the protection and restoration of nature. As investors, we believe there are material financial risks linked to the depletion of the ecosystem services we are reliant on. This is why we have developed an investment approach to natural capital and engage with companies on their nature impact.

### Active ownership

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. Our engagement activities broadly focus on climate change; labour and employment; human rights; diversity, equity and inclusion; and business ethics.

For our engagements we have a wide pool of resources to draw from. In 2024, we aimed to improve our engagement transparency with the introduction of our Equities and Fixed Income Engagement Roadmaps; setting out their thematic priorities over a three-year period.

# Sustainability approach

### Sustainable Investment expertise

Across investments, our sustainable expertise is embedded within most of our investment, product and sustainable investing teams. Our centralised sustainable investment team is split across four areas of focus: active ownership, process and policy, commercialisation and sustainable insights. This structure facilitates the exchange of research, insights and experiences, enhancing our collective understanding and application of sustainable practices.

**ii**

Through ii's services, we aim to help people achieve a better future for their money, and for the people they care about. ii also offers sustainable investment portfolios with the aim of matching our client's environmental preferences, e.g. the Managed ISA offers five sustainability portfolios, as well as the ACE40 list and Sustainable Fund Screener.

At ii, we seek to support our customers to invest in their futures. We believe investment platforms can be a powerful force for good, when they put customer interests at the heart of their pricing, and ii's flat-fee platform make it cost-effective for many different types of people.

## Adviser

Our Adviser business helps advisers and their customers to create and monitor investment portfolios with the aim of matching their environmental preferences. In 2024, a new ESG solution – a fully integrated ESG Hub – was launched on our Wrap platform. This new functionality enables advisers to plan, review and analyse client portfolios and identify suitable ESG-aligned options for their clients.

The ESG Hub was developed with advisers to support their existing advice process and aid client conversations on specific ESG themes.

The ESG Hub is fully integrated with existing client information to assist advisers with identifying and recording client ESG preferences. This allows advisers to evaluate their client's ESG preferences against their live holdings on Wrap and generate personalised ESG reports, aiding richer discussions regarding ESG themes and investment impact.

**Jonny Black**
Chief Client Experience Officer, Adviser

"While advisers plan to deepen the responsible and sustainable investment support they offer their clients, real barriers remain, including when it comes to easily identifying suitable assets and all-important client reporting.

Our ESG Hub is designed to help tackle these challenges that they're sharing with us head on, and in doing so support better outcomes for clients, as well as unlocking efficiencies for advisers themselves and supporting their compliance efforts.

It's another example of how we're more than just a platform – we're a broad business helping to solve a variety of our customers' needs."

# Sustainability governance

## Oversight and management of identified risks and opportunities

### Roles and accountabilities

#### Our framework

We use a governance framework aligned to the UK Corporate Governance Code's (2018) principles. Our Board oversees the implementation of the Group's business model and the activities of our three businesses: ii, Adviser and Investments. This includes oversight of material sustainability matters relating to our business model and strategy.

#### Board and its Committees

Our Board approves the Group sustainability strategy, with the Audit Committee providing oversight of sustainability reporting, and the Nomination and Governance Committee providing oversight of our Talent agenda, including DEI.

#### Executive Directors

The Board delegates responsibility for sustainability matters to the Chief Executive Officer who, alongside our Chief Financial Officer, is incentivised through our Executive Remuneration Policy to achieve sustained performance against our public sustainability targets.

#### Executive Leadership Team

Our sustainability ambition, plan and actions are led by our Executive Leadership Team (ELT) and progress is measured through the ELT scorecard.

#### Executive Sustainability Committee

In 2024, the Committee – comprising executive representatives from our businesses and corporate functions – met to discuss and provide recommendations to the Chief Executive Officer on sustainability matters. In 2025, we have elevated sustainability to become a standing item at ELT meetings to ensure strategy input from the full executive team. The Committee has been repurposed into a Group Sustainability Strategy Forum.

#### Embedded sustainability expertise

Our Group General Counsel, Group Head of Sustainability, and corporate sustainability team lead the management and delivery of our sustainability plans and actions. Our Investments business has a central sustainable investing team, led by our Chief Sustainable Investment Officer, as well as dedicated asset class specialists. Our Chief People Officer, Colleague Experience Director and colleague experience team manage the Group's culture plans and actions.

#### Colleague networks

Our Colleague Council, established in 2024, brings together all aspects of our colleague voice. Our colleague networks support colleagues to play a role in shaping our culture. Our ELT provides sponsorship for the Colleague council and each network.

#### Our people

Our global Code of Conduct describes the principles and standards to which we hold ourselves. We ask all of our colleagues to consider these principles in every decision and action they take.

### Illustrating Board oversight in 2024

Timeline of engagement:

**Jan**
- Remuneration Committee: non-financial scorecards reviewed, including climate metrics

**Feb**
- Board: review and approval of ARA / Sustainability and TCFD report
- Remuneration Committee: non-financial scorecards reviewed, including climate metrics

**Apr**
- Remuneration Committee: non-financial scorecards reviewed, including climate metrics

**Jun**
- Audit Committee: review of evolving sustainability reporting requirements

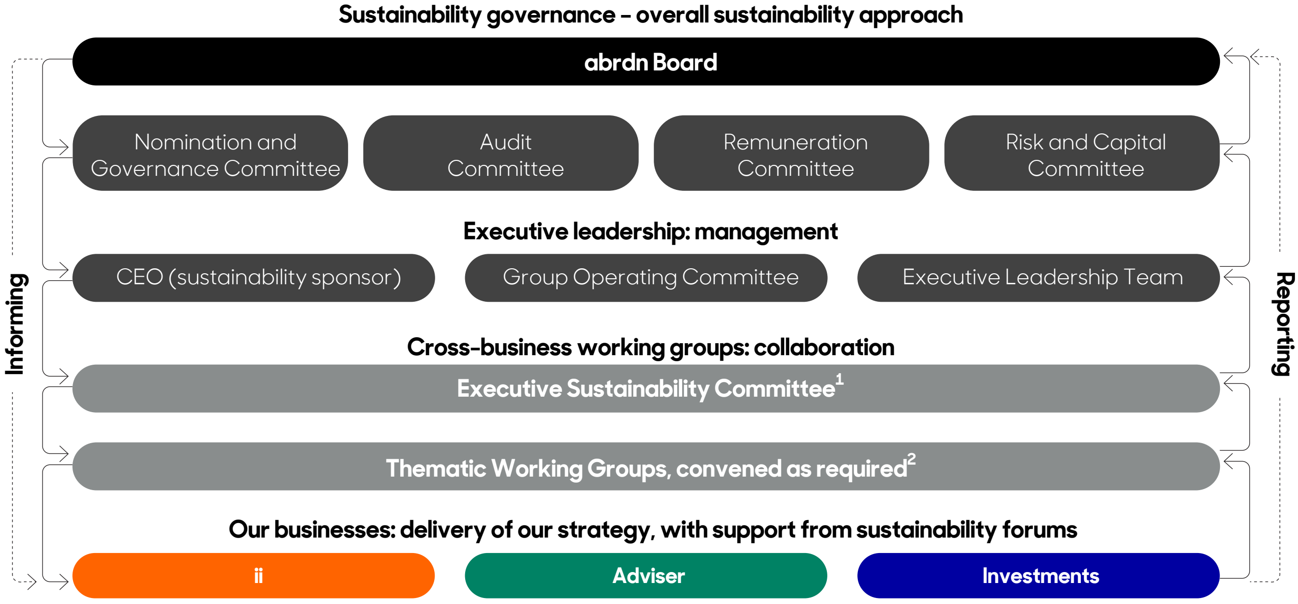
**Aug**
- Board: sustainability update
- Remuneration Committee: non-financial scorecards reviewed, including climate metrics

**Sep**
- Board: sustainability update as part of CEO report

**Oct**
- Audit Committee: sustainability reporting update
- Board: sustainability update as part of CEO report

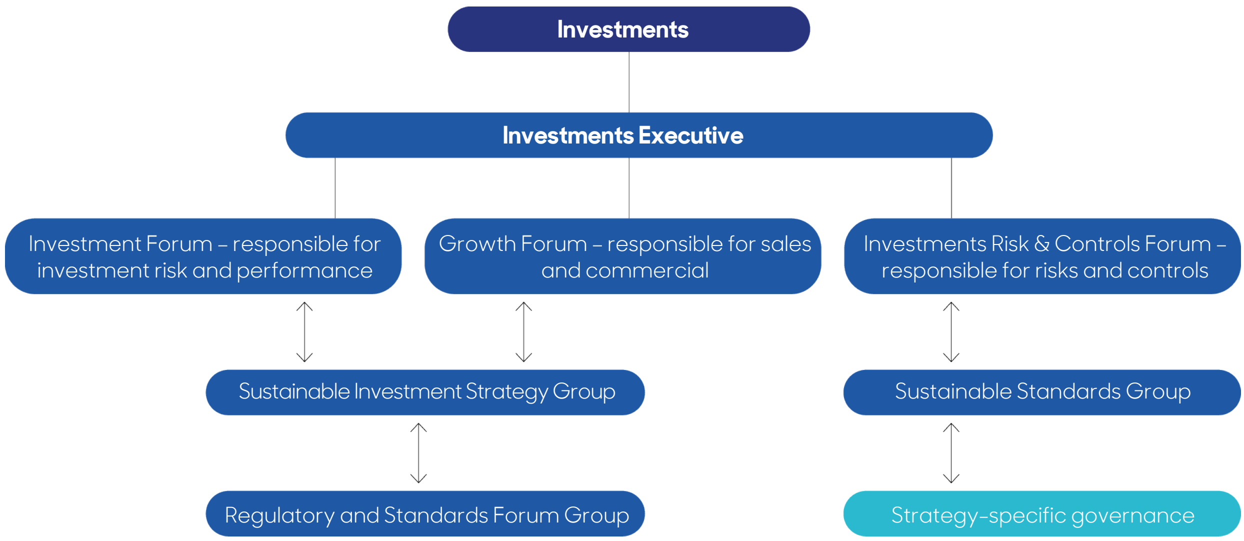
**Dec**
- Nomination and Governance Committee: talent update

# Sustainability governance




1. In 2025, our Executive Sustainability Committee was replaced by the Group Sustainability Strategy Forum.
2. For more on the specific working groups related to DEI and environmental matters, see pages 25 and 43, respectively.

**Our Investments business has additional governance bodies in place, as outlined below:**



# 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 Corporate Sustainability Reporting Directive (CSRD) and the International Sustainability Standards Board (ISSB) are subject to implementation. We will disclose our approach, aligned to these disclosure frameworks, in future periods.

## Our 2024 strategy review

In 2024, we took a refined sustainability strategy, aligned with our three pillar approach (page 7), 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 wellbeing
- Waste, consumption, and circularity

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

# Inclusive growth

## Social mobility and inclusion

The information in this section is intended to summarise the actions we are taking across abrdn to create a more inclusive and engaged organisation for our people, and to illustrate how we apply those principles for our wider stakeholders.

We are committed to transparency, and this report provides the opportunity to update on our actions and areas of focus, in addition to complementing the disclosures we make in our Annual report and accounts.

This section is focused primarily on our actions as a corporate entity but provides supporting examples showing how our principles are applied to active engagement, and to our wider products and services.

The information reflects the latest available as at 31 December 2024, and signposts to other information where relevant to specific topics.

# 2024 in review

**Tracey Hahn**
Chief People Officer

"I am proud of the strides we are making to develop our talent and culture. We remain focused on establishing an even more engaged business as part of our mission to deliver great outcomes for clients and customers."

## 57%

Colleague engagement score from our annual engagement survey (2023: 54%)

## £1.1m

Donated to charities aligned to breaking down barriers to employment and financial wellness (2023: £0.7m)

## 40%△

Female representation at senior leadership (2023: 34%)

# Inclusive growth

We believe that everyone – our clients, customers, people and communities – should have the ability and confidence to achieve financial security. By bringing diverse perspectives and ways of thinking into our workplace, we are well-positioned to support our clients and customers who face increasingly complex financial challenges.

## Social mobility

We are committed to building a business that supports social mobility and financial well-being for our clients, people, communities and tomorrow's generation. We believe we can achieve our ambition through supporting financial education, community impact, fair work and ensuring our offerings are accessible to all.

**For more on social mobility, see pages 17-20.**

## Inclusion

We are committed to creating a more inclusive organisation that attracts brilliant talent, where all our people can thrive, where they belong, and can learn, develop and do their best work.

**For more on inclusion, see pages 21-37.**

**Kristina Church**
Group Head of Sustainability

"We are dedicated to helping our clients and customers secure their financial futures through effective planning, saving, and investing. By championing inclusive growth, we aim to break down barriers and create equal opportunities, supporting our stakeholders to achieve their potential. We do this through our partnerships with leading charities, attracting brilliant talent, creating a diverse supply chain, and through the products and services we provide to our clients."

## £2.2m

Total charitable contribution including donations to charities and in-kind giving (2023: £2.1m)

## 3,301 hours

Our colleagues recorded 3,301 hours of volunteering time, a 2% increase versus 2023 (2023: 3,248 hours)

## 31%

Proportion of minority ethnic representation in recruited graduate positions (UK) (2023: 19%)

## +6ppts senior female representation

Female representation in our global senior leader population (CEO-1 and 2) increased by 6ppts to 40%[Δ] (2023: 34%).

# Social mobility – accessible offerings and fair work

Supporting our customers, clients and colleagues to achieve financial security

## Accessible offerings

### ii

We believe that investment platforms can be a powerful force for good, when they put customer interests at the heart of their pricing. ii's flat-fee structure differentiates it from many other investment platforms and can make its services more cost-effective and accessible to a broader range of investors.

In the latest iteration of ii's Great British Retirement Survey 2023, we found there is a self-employment crisis - three quarters (76%) of the self-employed are paying nothing into a state pension, and 38% don't have a pension at all. This highlights the urgent need in the market for more accessible and cost-effective retirement products.

Our Pension Essentials, launched in 2023, is an entry-level plan for UK savers, aimed at bringing self-invested pensions to the mass market. As higher living costs continue to challenge peoples' ability to save for a comfortable retirement, this product is an example of how investment platforms can make pensions more accessible to a broader range of investors.

### Adviser

### Support for customers in vulnerable circumstances

We support advisers to achieve the best outcomes for their clients, which includes additional support for customers in vulnerable circumstances.

The FCA identifies four key drivers of vulnerability: health, life events, resilience, and capability. Through our Client Engagement Hub, we aim to provide support and tools for clients with vulnerabilities and aim to make processes as accessible and effortless as possible.

We have a team of specialists who are trained to provide additional help when a vulnerability is identified. Our accessibility services also support additional needs. We can translate certain documents into braille, or large print, and we can accept calls from registered sign language interpreters, or through RelayUK, which enables users to type to talk.

Through our proactive focus on training, technology and collaboration, our goal is to provide best-in-class support for our customers and clients who find themselves in vulnerable circumstances.

## Fair work

### Living Wage and Living Hours

We have been an accredited UK Living Wage employer since 2014. In 2020, we were one of the first companies to be accredited as a Living Hours employer. We ensure all our UK colleagues (over 80% of our global workforce) are paid above, or in line with, the UK Living Wage and that all colleagues are paid above the minimum wage in their country of work. In the UK, we extend this commitment to third-party suppliers working on our premises and our Global-Third Party Code of Conduct details our linked expectations for any global third-parties that we work with.

Also overseen by the UK Living Wage Foundation, the Living Hours accreditation provides greater security for workers. Living Hours are intended to help combat insecure work across the UK.

## Case study

### Living Wage advocacy

We continue to play a leading role in advocating for the Living Wage through our participation in three working groups of the Living Wage Foundation, in support of both the Living Wage and Living Hours. In 2024, we joined a working group with a leading sustainability ratings agency to support discussions aimed at raising awareness of, and expanding engagement with, the Living Wage accreditation scheme through their networks.

# Social mobility – supporting financial education

## Powerful charitable partnerships

Across the UK, we are directly supporting organisations championing financial education and inclusion through the abrdn Charitable Foundation, a registered charity in Scotland (SC042597). We have committed to multi-year partnerships with MyBnk and WorkingRite, which are delivering financial education and employability programmes designed to address systemic barriers and to support financial inclusion for young people. We see this as integral to our inclusive growth sustainability approach, as our contributions empower tomorrow's generation to secure their financial futures.

## £1.1m

Donated to charities aligned to breaking down barriers to employment and financial wellness (2023: £0.7m)

## Delivered with MyBnk

**3,869**
participants and 231 programmes delivered

**62%**
improvement in financial mindsets and attitudes

**Kirsty Brownlie**
Senior Social Impact and Partnerships Manager

"Many young people continue to face systemic barriers to achieving financial security. Acknowledging and addressing these challenges is essential if we want tomorrow's generation to fulfil their potential. Better financial education is vital if we are to encourage a culture of investing for the long-term, with our research suggesting that poor financial literacy is hampering people's long-term financial health."

### Case study

### The Savings Ladder

In 2024, we launched our 'Savings Ladder' campaign to get Britain investing. Our campaign highlights the growing need for the nation to embrace a 'savings ladder' culture where saving, investing and pensions become a bigger part of how people view their finances.

We have measured this through the development of a 'Propensity to Save and Invest' score, with our first 'Index', published in July 2024, finding that the UK's average is 45/100. This is further supported by our research, with 44% of poll respondents classified as having poor financial literacy, based on answers to questions developed by the Global Financial Literacy Excellence Centre.

This translates to millions of people potentially heading for a less financially comfortable retirement, which we believe must be remedied by policy interventions to support financial education. Our open letter to the UK Government set out our concerns and urged action to boost financial literacy.

## Our Savings Ladder Index results

Highlighting the need for urgent action to support financial education in the UK

**45/100**
propensity to save and invest

**44%**
of respondents with poor financial literacy

**To read our open letter, visit www.abrdn.com/annualreport**

# Social mobility – community impact

## 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[1]**: 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[1]**: 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).

1. Funding since 2023 has reduced as a result of lower headcount through transformation.

## Spotlight on: abrdn 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.

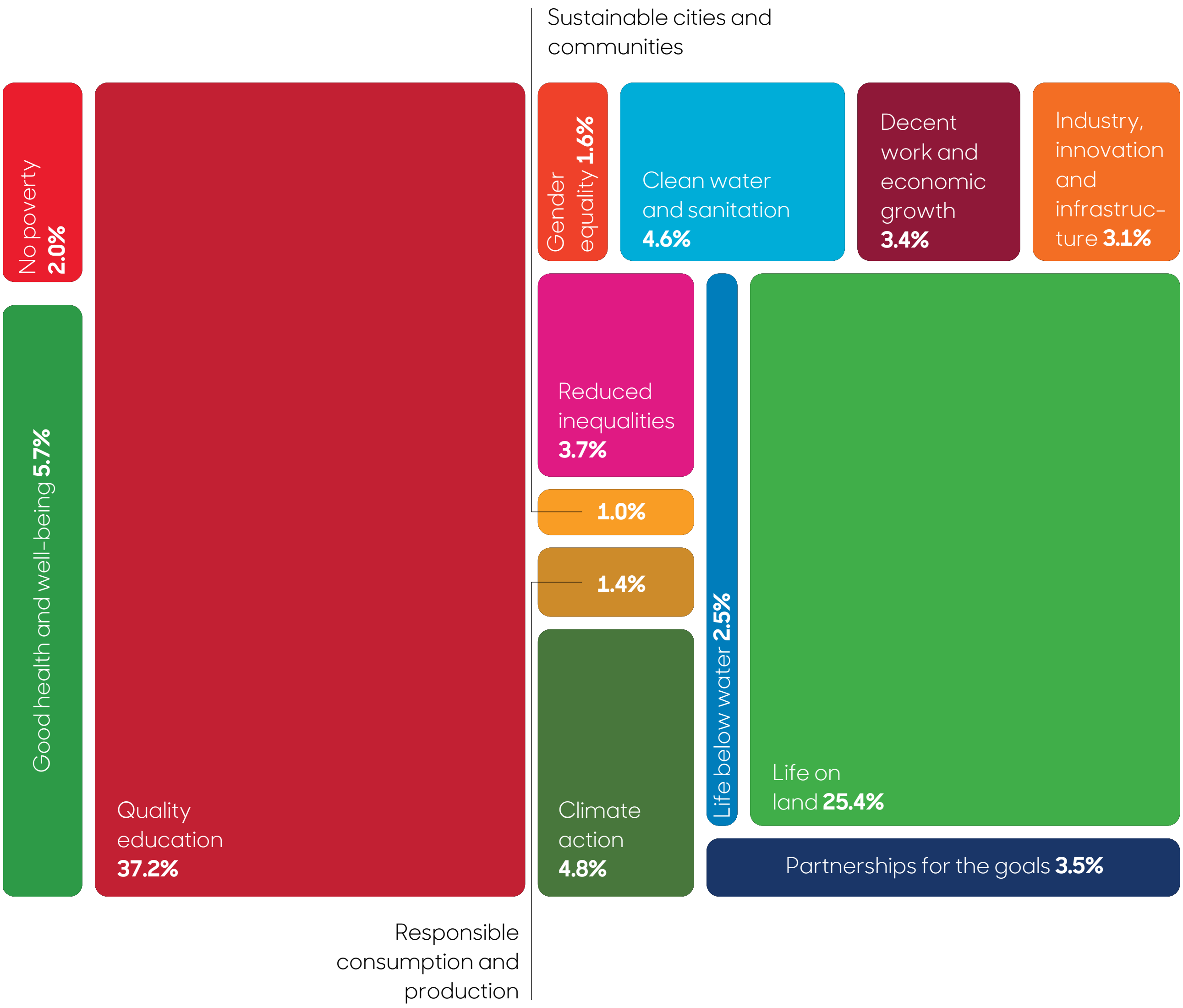
# Social mobility – community impact

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



# Diversity, equity and inclusion (DEI)

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 abrdn.

## 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

**See page 22 for more information**

Increase of diversity data disclosure to 76% for race / ethnicity

**See page 29 for more information**

Actions across all five areas of 2024 reset: Client RFPs; data; partnerships; networks; priorities

**See page 30 for more information**

12 real-life colleague stories shared via award-winning internal campaign – 'What you see and the real me'

**See page 23 for more information**

# Resetting our approach

## 'Diversifest' – Bringing our ambition to life

Following our reset work, in September 2024, we relaunched our six global networks during National Inclusion Week. Colleagues from across abrdn attended our 'Diversifest' events where we relaunched and reinvigorated our networks.

We delivered 19 events across the week, including coffee sessions; in-person and hybrid Meet the Networks events; a female roundtable including our Non-executive director of abrdn plc, Hannah Grove; as well as a focus on the 'What you see and the real me' campaign. Local events in our regions supported the week, further embedding and highlighting our global networks.

**20-50%**
increase in network membership

**19**
events globally over 5 days

**13ppts**
increase in race & ethnicity disclosure in six months

**One in three**
colleagues across abrdn attended an event

### Coffee sessions and female roundtable

During Diversifest, we held five coffee sessions both virtually and in-person. These sessions gave all colleagues the chance to connect with senior leadership, alongside the networks, to discuss topics of importance to colleagues across the business.

These sessions, and the feedback received, highlighted colleague appreciation of both the activity and the opportunity to gain a greater understanding of our ambition, as well as demonstrating a shared passion for the success of our colleague networks.

As part of these sessions, abrdn's non-executive Director for Board Employee Engagement, Hannah Grove, co-hosted an in-person female roundtable with our Chief People Officer, Tracey Hahn, leading to an engaging discussion with female talent across all levels of the business.

### Meet the networks

Colleagues came together globally through both in-person and hybrid events, with stalls featuring our six networks, information about data collection, and myth-busting. Strong senior leadership visibility and messages from our CEO and leadership team further supported raising awareness of our ambition.

These global events – three in the UK, one in the Americas, one across Asia Pacific, and one across Europe – offered all colleagues the opportunity to join, learn, and celebrate, wherever they were based.

# Encouraging psychological safety

## Our 'What you see and the real me' campaign


### The campaign

Gordon's story is part of our inspiring, award-winning campaign, 'What you see, and the real me.' This heartfelt movement has touched many lives and nurtured a culture of openness and belonging at abrdn. Launched in May 2024, during Mental Health Awareness Week, the campaign aims to create a transparent and psychologically safe workplace by encouraging colleagues to share their true selves beyond their professional facades.

### The concept

The campaign has two key elements: 'What you see' (visible aspects like names and job titles) and 'the real me' (hidden aspects like personal challenges and unique experiences). At its core are personal stories from colleagues on a huge range of topics, including, for example, mental health, socio-economic backgrounds, LGBTQ+ journeys, menopause, ethnicity and surrogacy.

Each story showcases the courage, vulnerability, and resilience of our colleagues. Gordon's story, and the many that have followed since, have received an overwhelming response, highlighting the campaign's profound impact on our workplace culture.

### Impact

To enhance its reach, we aligned personal stories with key dates such as Pride Month, Armed Forces Reserves Day, and Suicide Prevention Week. This strategy has raised awareness and provided timely support for colleagues. The campaign's success lies in its emotional connection with colleagues across regions, business areas, and organisational levels. While the campaign's reach is impressive, with thousands of views and interactions, its true success is measured by the change in mindset it has promoted. Colleagues are now more open to sharing their stories, seeking support, and embracing a culture of inclusion and belonging. The campaign has also driven strategic outcomes, increasing confidence among colleagues to share their personal data, enabling abrdn to take a more nuanced view on the actions we take across our ambition.

12 Stories Launched since May 2024

Average 3,500+ views per story internally

40+ comments and direct messages per story

Positive shift in comments left by colleagues

# Integrating DEI into our investment offerings

## Investments: active ownership

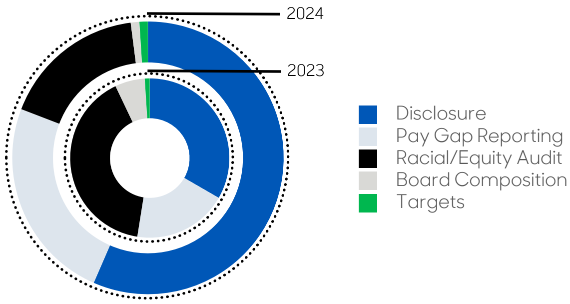
### Overview of our voting

DEI is an important and growing theme for shareholder resolutions. Recently, resolutions have focused on racial equity audits, pay gap reporting, transparent disclosure of DEI metrics and assessments of the efficacy of DEI programmes. We recognise the necessity of adopting a regional approach to DEI, allowing us to account for variation in the needs and requirements of the company based on geography.

We are supportive of shareholder proposals on pay gap reporting as it can be an important tool in assessing how companies are addressing inequality, as well as helping to remain ahead of the regulatory curve. We will allow discretion on pay gaps in a way that adequately reflects the demographics and legal variations between jurisdictions, and consider existing company disclosure to ensure that proposals requesting this reporting are not duplicative, prescriptive, or onerous.

### Shareholder resolutions

We continue to assess DEI resolutions tabled and instruct votes in the best interests of our clients.




| Shareholder resolutions on DEI | 2024 | 2023 |
|---|---|---|
| Resolutions voted | **75** | 67 |
| Votes in favour | **35%** | 46% |
| Votes against | **65%** | 54% |

### Case study

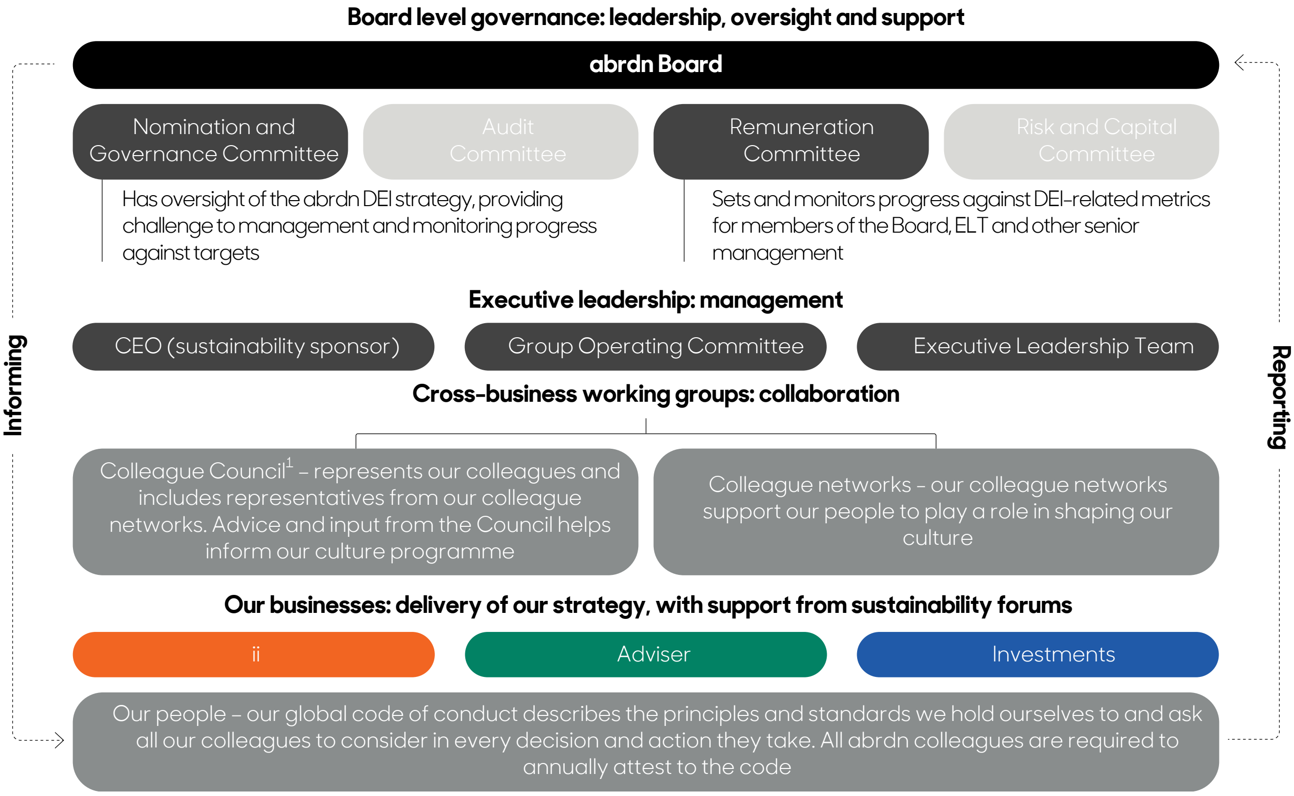
#### Diploma, UK listed entity, industrials sector

After the 2023 AGM, female representation on Diploma's board was 29%; however, it was positive to see that throughout the remainder of 2023, 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 felt 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.

# DEI – governance




1. Our Colleague Council was established in 2024.

## Illustrating Board oversight in 2024

Timeline of engagement:

**Jan**

Remuneration Committee review of performance against culture-related measures.

Nomination and Governance Committee noting and input of the refresh of the abrdn DEI strategy 2024 – 2027 across the five key areas of focus: clients & RFPs, data & reporting, partnerships & pledges, networks & allyship, plans & priorities.

**Feb**

Nomination and Governance Committee approval of updated board diversity statement.

Nomination and Governance Committee review of data trends and progress.

Remuneration Committee review of performance against culture-related measures.

**Apr**

Remuneration Committee review of performance against culture-related measures.

**Aug**

Nomination and Governance Committee noting and approval of updated DEI ambition, framework, and priorities.

Remuneration Committee review of performance against culture-related measures.

**Oct**

Remuneration Committee review and discussion of UK Pay gaps.

**Dec**

Nomination and Governance Committee noting and input of 2024 progress against ambition, impact of reset (including Diversifest) and update against the five key areas of reset.

# Gender as a priority

## Our 2025 objectives and supporting actions

It is our belief, and experience, that a diverse and inclusive workplace enables our people to be themselves and deliver the best possible outcomes for our clients and customers. We focus on gender as a priority to drive progress based on the right data, engaging with colleagues, and setting stretching but appropriate targets.

### Actions from 2024

Through the design and implementation of our progressive Gender Action Plan – in place since 2017 – we are pleased with the progress we have made but understand the need to accelerate this. In 2024, our gender actions were refreshed as part of the reset work, allowing us to continue and to accelerate this progress.

We have continued to recognise and raise awareness through days-of-note. For example, during International Women's Day our leadership team spoke about the importance of sponsorship, of encouraging diversity of talent into financial services, and the positive impact that diverse teams and strong culture have on performance.

During 2024, abrdn continued our involvement with several key industry-leading initiatives, including our third annual involvement in the Diversity Project's Pathways programme for female fund manager development. We also joined Moving Ahead's cross-company mentoring programme, Mission Gender, with 46 colleagues participating to help strengthen the senior talent pipeline.

In November 2024, abrdn co-hosted, alongside Deloitte, a panel event with senior leaders across Scottish financial services, discussing progress to date and the challenges women face in progressing their careers.

### Making progress

We are pleased to report that we are on-track for our Board gender target, as well as our senior leadership gender target. We remain committed to making progress in our workforce representation through our plans and through our focus on gender.

### Gender as a priority

Our new ambition includes gender as a priority, with four key focus areas: Reinvigorate the Balance network (Gender); mentoring and sponsorship; continued action to closing the UK Gender Pay Gap; and establishing communities of support.

We believe that these actions, combined with other activities including building inclusive leadership skills, active sponsoring and mentoring, and further embedding our ambition across the colleague lifecycle, will accelerate our progress.

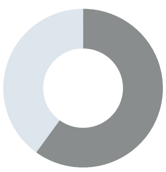
### Case study

#### Women in Fixed Income

We know that different business areas and asset classes have different perspectives, with different challenges and opportunities to lean into. The creation of our 'Women in Fixed Income' group has driven local actions and progress. Actions include focused support of goal setting for female talent to have powerful career conversations, sharing knowledge, such as board experience, and presentations training. We also aim to enhance career progression through opportunities such as reverse mentoring, analysis of career blockers, and giving visibility to women through internal speaking and external media opportunities.

### abrdn plc Board

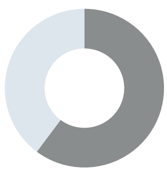
Target: 40% women



| | Women | Men |
|---|---|---|
| **2024** | **40%$^{\Delta}$ (of 10)** | **60% (of 10)** |
| 2023 | 40% (of 10) | 60% (of 10) |

### Senior leadership (CEO-1 and 2)

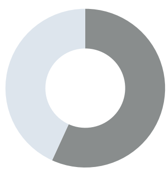
Target: 40% women



| | Women | Men |
|---|---|---|
| **2024** | **40%$^{\Delta}$ (of 93)** | **60% (of 93)** |
| 2023 | 34% (of 96) | 66% (of 96) |

### Global workforce

Target: 50% gender balance (+/- 3% tolerance) by 2025



| | Women | Men |
|---|---|---|
| **2024** | **43%$^{\Delta}$ (of 4,396)** | **57% (of 4,396)** |
| 2023 | 43% (of 4,742) | 57% (of 4,742) |

# Closing the UK gender pay gap

## Our actions and progress to date

There is a long-standing imbalance between men and women in the labour market, with gender pay and bonus gaps being a critical indicator. We are committed to reducing these gaps.

### Our UK gender pay and bonus gaps

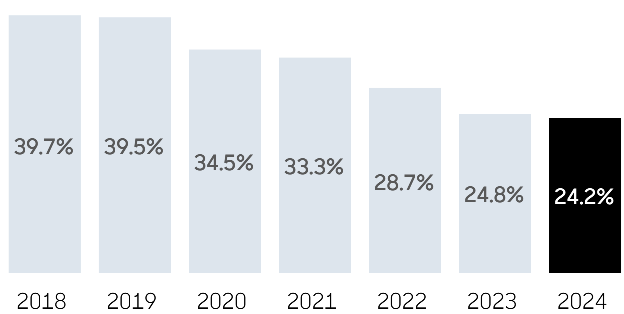
There has been a consistent and positive downwards trend in both measures of the gender pay gap over the past six years. It is important that we look at the long-term trend and are clear on where this progress is coming from, in order to inform our current and future actions.

In 2024, our UK gender pay gap reduced due to a number of changes, including promotions and salary changes for existing colleagues and the positive impact of new starters (with a long-term positive impact for gender balance and pipeline). Some of this progress was partly offset by the change of our CFO.

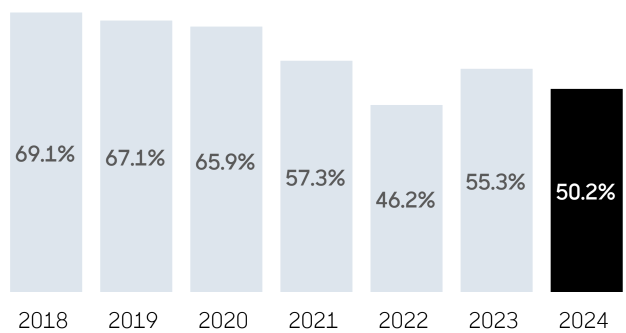
### Our actions to address this imbalance

| | | |
|---|---|---|
| 1 | **Representation targets** | Delivering our senior leadership targets will have the greatest impact on the UK gender pay gap. |
| 2 | **Industry collaboration** | Supporting the Diversity Project's goal for firms to reduce their UK gender pay gap by one-third from 2019 levels. |
| 3 | **Accountability** | With oversight from our Nomination and Governance Committee, our ambition is led by our ELT and includes tracking of progress against culture-related metrics. |
| 4 | **Career framework** | Providing greater transparency of the skills and expectations of people at each career level within our job families. |
| 5 | **Keeping gender as a priority across our Talent and Culture agenda** | Our progressive plan has been in place since 2017 and we continue to shape and refine our actions based on our data, colleague voices and by working with our Balance network. |

### Our UK mean gender pay gap




### Our UK mean gender bonus gap




### Scope of disclosure

Data is reported for UK colleagues only and uses a snapshot date of 05 April 2024. This information is disclosed to provide additional transparency under the requirements of the UK Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. The data has not been subject to independent assurance and is reported in a manner consistent with prior periods.

**View or download our standalone UK pay gap report at www.abrdn.com/annualreport**

### Combined pay and bonus gaps for abrdn employing entities with >250 employees

| | Median 2024 | Mean 2024 |
|---|---|---|
| Gender pay gap | **18.0%** | **24.2%** |
| Gender bonus gap | **34.6%** | **50.2%** |
| **Pay quartiles** | **Women** | **Men** |
| Q4 (Upper) | **27%** | **73%** |
| Q3 (Upper Middle) | **40%** | **60%** |
| Q2 (Lower Middle) | **49%** | **51%** |
| Q1 (Lower) | **48%** | **52%** |
| Proportion receiving bonus | **59%** | **71%** |

# Ethnicity as a priority

## Aiming to improve outcomes for ethnic minority colleagues

We consider ethnicity a priority, based on our increased data disclosure and insight, close engagement with our Unity network, and continued focus on our 2027 UK senior leadership minority ethnic representation target, launched in 2024.

### Actions from 2024

In 2018, abrdn published its first ethnicity action plan, focused on actions to drive progress on race and ethnicity. While we have seen an improvement in disclosure by colleagues, and representation globally, there is further to go. In 2024, our ethnicity actions have been refreshed as part of our reset work to continue and accelerate this progress.

We have continued a strong relationship with the 10,000 Interns Foundation, including involvement in their 10,000 Black Interns programme to help reinforce our strong early careers pipeline of ethnic minority talent.

Throughout 2024, we have focused on increasing colleague race and ethnicity disclosure through our internal data and storytelling campaigns. We believe that our 'What you see and the real me' campaign, combined with an internal data disclosure campaign, helped to drive an 18% increase in race and ethnicity disclosure among colleagues.

During 2024, abrdn has, for the third year, continued our involvement in Moving Ahead's cross-company mentoring programme, Mission Include, that focuses on the development of our talent.

### Ethnicity as a priority

Our new ambition includes ethnicity as a named priority, with three key focus areas: supporting and growing the Unity (race/ethnicity) network; publishing our UK ethnicity pay gap; and working with a new ethnicity partner.

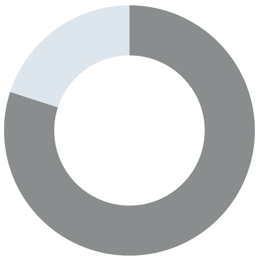
We believe that these actions, when combined with other activity, high quality data, storytelling, recognition, and allyship, will continue to drive progress in this agenda.

**Devan Kaloo**
Global Head of Equities

"I'm proud to sponsor our Global Unity network. Our passionate community works hard to improve the experience of all our colleagues – we made progress in 2024 and have big plans for 2025. Ethnicity is a key focus for us at abrdn, and I am very pleased to be able to work with the Unity network, the Leadership team and all our colleagues to help drive meaningful change."

### abrdn plc Board

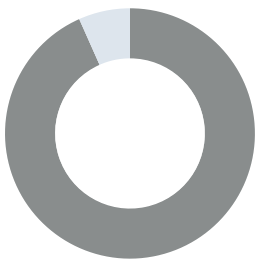
Two Directors identified as minority ethnic in 2024 (measured using UK census data categories)



| | Minority |
|---|---|
| **2024** | **20%$^{\Delta}$ (of 10)** |
| 2023 | 10% (of 10) |

### UK Senior leadership (CEO-1 and 2)

**Target:** 6% UK senior leadership identifying as minority ethnic by 2027



| | Minority |
|---|---|
| **2024** | **7%$^{\Delta}$ (of 83)** |

**We provide further disclosure on page 96.**

# Disclosing our UK ethnicity pay gap

## Our first year of disclosure and our ongoing priorities

### Our UK ethnicity pay gap

This is the first time we are publishing our UK ethnicity pay gap, which we hope indicates our commitment to action and sustainable change.

This data represents a baseline from which we can track the impact our actions are having. Ethnicity is a core focus of our ambition, and we recognise that there is a long way to go to create a truly equitable world of work – across the financial services industry and at abrdn. But we are committed to playing our part in making progress.

### Understanding the drivers for our pay gap

Our 2024 UK ethnicity pay gap is impacted by the representation of ethnic minority colleagues at each pay quartile, with a higher representation of ethnic minority colleagues at lower pay quartiles impacting our results.

### Everyone can play a part

We encourage all our employees to share their personal data on our internal systems and keep it updated. The accuracy of this data – alongside insights from other sources such as our regular colleague surveys, Colleague Council and Colleague Networks – enable us to make more informed decisions about the actions that will make the biggest difference to our people, and ultimately to our clients.

### Looking at the impact of intersectionality

We are mindful that data like this can disguise the impact of intersectionality. We understand that certain populations such as women of colour are doubly impacted. For this reason, our ambition focuses on the importance of data, storytelling, and an increase in disclosure rates to allow greater, more robust anonymised analysis.

### Actions we are taking

| | | |
|---|---|---|
| 1 | **Representation targets** | We have set targets specifically at UK senior leadership level that will have the greatest impact on the UK ethnicity pay gap. |
| 2 | **Career framework** | Providing greater transparency of the skills and expectations of people at each career level within our job families. |
| 3 | **Data collection and accuracy** | We are focused on data disclosure and gathering the right insight from our people. |
| 4 | **Making ethnicity a priority** | Based on our increased data disclosure and insight, and close engagement with our Unity network, we are driving more targeted actions. |

### Case study

#### Improving our data

During 2024, we ran an internal campaign to ask colleagues to voluntarily disclose their diversity data to enable us to more completely understand characteristics, including ethnicity, which enables us to conduct representative analysis and understand the drivers of our UK ethnicity pay gap. Our ethnicity disclosure rate as at 31 December 2024 was 76% (2023: 58%). This is an important step forward and actively supports the delivery of our ambition.

### Scope of disclosure

Data is reported for UK colleagues only and uses a snapshot date of 05 April 2024. This information is disclosed voluntarily and under no specific regulatory framework. The data has not been subject to independent assurance. This information is also disclosed in a standalone UK pay gap report, published in March 2025. The purpose of this disclosure is to support transparency on a critical area of focus for abrdn and our industry.

**View or download our standalone UK pay gap report at www.abrdn.com/annualreport**

### Combined pay gap for abrdn employing entities with >250 employees

| | **Median 2024** | **Mean 2024** |
|---|---|---|
| Ethnicity pay gap | 15.7% | 12.4% |
| **Pay quartiles** | **Majority** | **Minority** |
| Q4 (Upper) | 90% | 10% |
| Q3 (Upper Middle) | 88% | 12% |
| Q2 (Lower Middle) | 86% | 14% |
| Q1 (Lower) | 81% | 19% |

# Colleague networks

## Helping make progress towards a diverse, equitable, and inclusive business

Colleague Networks bring together people with the passion, energy and influence to deliver the changes that make abrdn a more equitable and inclusive place to work.

### Our networks are critical to our success

Our global colleague networks are built on shared characteristics and experiences. These networks support our colleagues to play a role in shaping our culture, with active sponsorship from our executive team. They are designed and led by colleagues, for colleagues. Each network is global, with a clear strategic statement, priorities and plan. Their actions are underpinned by the data we gather and share across the business.

In 2024, alongside our strategic review, we revitalised our long-standing networks through direct engagement with our colleagues and executive team, and through internal networking events to ensure each network has the platform to reach our global colleagues.

The relaunch of the networks during Diversifest in September 2024, had one in three colleagues across the Group attending at least one event during the week and resulted in a 20-50% increase in each network's membership. A score of 81% in our all-colleague survey to the question "I feel included by the people I work with" highlights a positive shift to global, actionable, and engaging steps being taken and recognised by colleagues.

Through continued support, sponsorship and embedding of our networks into 2025, we are looking to support each network's strong strategy, committee structure, and communication of priorities to further boost awareness among colleagues of how our networks can positively impact our culture.

**balance**
**working together towards gender equality**

**unity**
**celebrating the differences that cultural diversity brings**

**generations**
**championing intergenerational working**

**ability**
**enabling all our colleagues to thrive, recognising disability, health conditions and neurodiversity**

**lighthouse**
**championing allyship for LGBTQ+ people**

**armed forces**
**advocating for veterans, reservists, cadet instructors and military families**

### Colleague-led communities

In addition to our colleague networks, we also support safe spaces for colleagues to find people with a shared characteristic or identity, through informal colleague communities. We have supported communities with a focus on, for example, neurodiversity, faith, menopause, and carers and parents. Communities can also be set up locally, complementing our colleague-led networks, which are designed to be global.

### Our business-specific networks

Other topic-specific groups come together to support subject- and business-specific conversations, such as our Environmental Champions network and our Cyber DiverseIT group in Technology. Our ii colleagues continue to maintain networks focused on wellbeing; social; environmental; and diversity, equity and inclusion topics. Colleagues in these networks meet periodically to connect in a way that continues to support a strong sense of community within ii and enable discussion in a business-specific environment.

# Colleague engagement

## Building momentum and launching a new colleague council

### 2024 engagement results

While acknowledging that there is room for improvement, we are 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 abrdn. 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.

Colleague engagement score

**57%**

(2023: 54%)

“I can voice a contrary opinion without fear of negative consequences”

**67%**

(2023: 53%)

“I know how my work contributes to delivering abrdn’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 abrdn.”

# Talent

## Focus on inclusive recruitment

### Our tools to enable more inclusive recruitment

Identifying and attracting the best talent for our organisation involves minimising bias and removing potential barriers to our processes. We use several tools, partnerships and approaches to prioritise inclusive recruitment at all levels of our business.

We have an experienced talent acquisition team managing these processes, ensuring hiring managers are supported and identifying where further training and guidance is required.

We continue to extend our outreach via diversity partnerships, such as Girls Are Investors (GAIN) and the Disability Confident Scheme, and we look to utilise technology to help us reach as wide a pool of diverse candidates as possible.

### Case study

**Global outsource of talent acquisition**

In June 2024, abrdn outsourced all talent acquisition activity, excluding executive level hiring. This extended our relationship with a global partner who understood our specific DEI strategies, bringing their perspective and expertise to help ensure they fit the cultural and regulatory contexts of the different regions we hire in. They have access to extensive networks allowing them to source candidates from diverse and under-represented backgrounds to help ensure diversity at all stages of the recruitment process. We leverage the partner's recruitment technologies and data analytics to track metrics and identify gaps, as well as help develop DEI recruitment campaigns for interviews as part of Disability Confident. We committed to offering internships via the Able Intern Programme in our 2024 intern intake – a programme which seeks to address the under-representation of disabled talent in the UK.

#### Diversity partnerships

We work with partners to help us reach diverse talent pools. Our early careers partnerships include GAIN and 10,000 Black Interns. In addition, all our executive search partners are obliged contractually to provide diverse shortlists.

#### Augmented writing

We continue to use an online tool to review our role profiles to make sure they are attractive to a wider range of candidates. The tool helps us to avoid language that could suggest gender bias, flags jargon that may not be easily understood and helps us create compelling job posts.

#### Diverse interviewers

We continue to refresh and expand our diverse interviewer pool, which includes colleagues across different specialisms and locations. Our objective is to ensure that our interview panels are representative and that our assessment of candidates is robust and fair.

#### Training for hiring managers

We have a bespoke training programme called Hiring for Success. This is available in multiple formats and equips our hiring communities to identify and mitigate against biases and micro-behaviours, and to advocate for DEI at every stage of our process.

#### Informative data

We track diversity characteristics to inform each stage of our recruitment process. This helps us to identify potential drop-off points for candidates to help inform our approaches to increase gender and ethnic representation over time.

#### Interview templates

Our interview templates help us to provide a consistent experience and fair assessment for candidates. We have taken steps to ensure this extends to neurodivergent candidates, with specific guidance for hiring managers on our templates.

# Talent

## Early careers

### Monitoring diversity characteristics

Our objective is to improve the diversity of candidates globally and our inclusive recruitment tools support this goal. Each year we recruit graduates, interns, and trainees into our business, and we continue to track diversity characteristics. We believe that the tools and processes we have in place are supporting better outcomes in this, but also acknowledge that the challenges associated with representation and inclusion in our organisation cannot be solved solely through early careers recruitment. The relative size of these groups also means that percentages may be subject to significant changes from one, or two, individual outcomes each year. While we acknowledge there is still progress to be made, we are working towards increased representation over time and hope that our early careers colleagues will stay in the business and help co-create an inclusive culture.

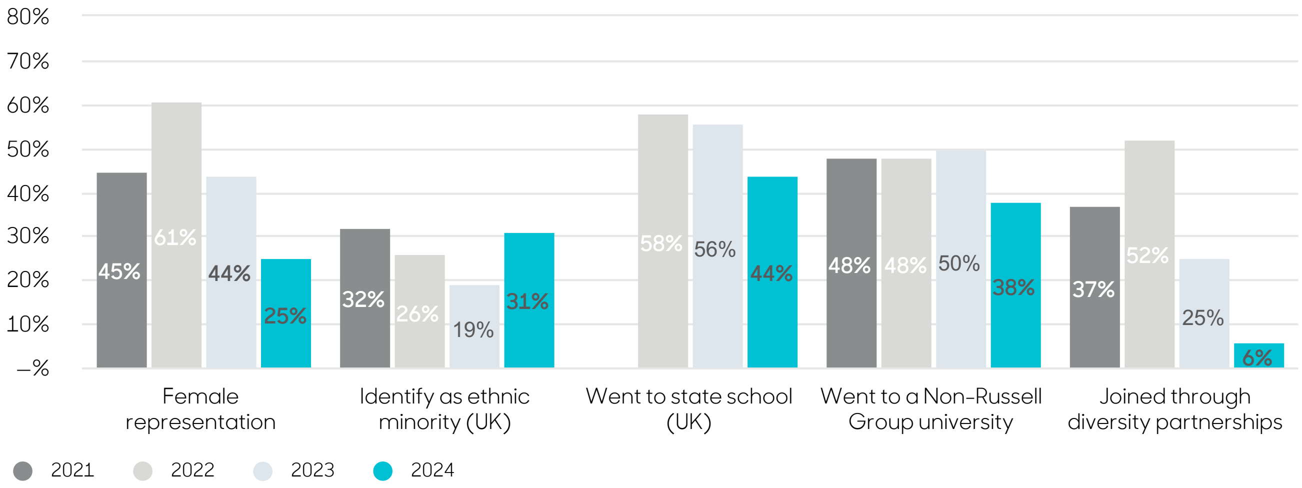
### Case study

#### Driving an inclusive pipeline

We work closely with industry partners to encourage historically under-represented groups into financial services. One partner we have worked with for many years is Future Asset, an organisation that educates girls across Scotland about investment management and enthuses them about rewarding careers in financial services. Following our long-standing involvement with Future Asset, where our colleagues mentored their members and formed part of the judging panel in an annual competition, abrdn is proud to be entering a membership with Future Asset for 2025/2026. Cynthia Cardosa, abrdn Investment Manager, and a judge of the competition said "The passion, critical thinking and enthusiasm displayed by all participants was truly impressive. I can't wait to see where their talents take them. It was a pleasure to collaborate with Future Asset".

### Overview of diversity indicators for successful graduate candidates over time

In 2024, we recruited 16 graduates, with gender and UK ethnic minority representation ahead in those characteristics versus our wider workforce. The chart below shows representation changes over time for this population[1].




### Indicators for intern and trainee recruitment (UK)

| | Interns (14 total in 2024) | | Trainees (9 total in 2024) | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| Female representation | **36%** | 35% | **44%** | 33% |
| Identify as ethnic minority | **36%** | 24% | **0%** | 0% |
| Joined through diversity partnerships | **36%** | 46% | **0%** | 22% |
| Went to a state school | **21%** | 51% | **89%** | 78% |

1. Note that no data is available for the proportion of recruited graduates in 2021 who attended a state school. This is reflected on the chart as a null value.

# Talent

## Mid- and senior-careers

### Mid-career

**Identifying a strong talent pipeline**

At mid-career stage, we aim to identify a strong talent pipeline and demonstrate the value of growing our internal talent, with around 38% of our roles being filled internally.

We recognise that career journeys are not limited to vertical career progression and, in 2024, we launched our Career Framework to enable colleagues to better understand career opportunities available to them.

Our mid-career development programme, Accelerate, is available to all mid-career colleagues globally. We continue to collaborate with diversity partners to build attraction, promote our vacancies and further improve the diversity of our talent pipelines.

### Senior-career

**Sourcing and succession**

We ensure that our ELT succession pipeline has the breadth and diversity of experience to bring the thought leadership required in an effective team. All our executive search partners are also contracted to provide diverse lists as part of sourcing activity. The importance of recognising and developing our existing talent is critical to this objective and is reflected in our strategy to develop talent focused on areas of strategic importance to our business, such as leadership, clients, and strategic mindsets.

### Case study

**Career Framework**

We deliver for our clients by supporting our talented people to perform at their best. Our people want to grow and progress, so we developed and launched our Career Framework to help them do just that.

The framework provides clarity on where a colleague's current role sits within abrdn. It explains what is needed for the role and what is expected of them, as the individual who currently holds that role. It sets out globally consistent and transparent descriptions of our Career Families and Career Levels.

Colleagues use the framework to take charge of their development. As well as helping colleagues to understand where their role fits within the business, the framework helps them identify how they want to develop their career, supporting a performance culture and guiding personal development plans to help colleagues to achieve their career goals at abrdn.

As a business, we will use the framework to plan for the future and consider what people and skills are required to meet the needs of our clients – and deliver our strategy. While the framework has been optimised for our business today, we will continue to evolve it in the future.

# Benefits and wellbeing

## abrdn Active Benefits + Wellbeing Programme

During the 2024 UK benefits enrolment period, we introduced an Active Benefits + Wellbeing Programme; a comprehensive and holistic initiative designed to support employee wellness across four key pillars:

### Physically active

Developing physical fitness and habits to lead healthier lives and keep up with everyday challenges.

### Emotionally active

Providing resources and strategies that support and promote emotional wellbeing.

### Financially active

Committing to sustainable financial outcomes to help focus on professional and financial goals.

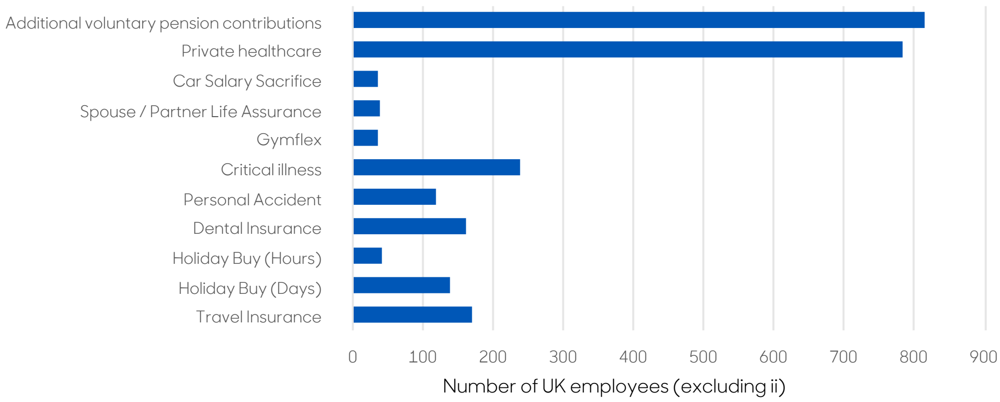
### Lifestyle active

Achieving a happy work-life balance to enable agility in meeting personal needs and development.

Our robust benefits and wellbeing programme ensures clarity and ease of access to support through our MyBenefits portal. We operate global and regional policies to support colleague wellbeing in the widest sense. This includes our parental leave policies, delivered on a regional basis to encourage balanced primary and secondary caregiver leave; our special leave policy in the UK allowing for volunteer leave; compassionate and bereavement leave; domestic abuse leave; reservist leave; and study leave. Our approach to wellbeing includes our Employee Assistance programme – delivered through regional providers – for colleague support across a range of personal and professional issues, including health, financial, retail, and other wellness topics.

## UK programme metrics

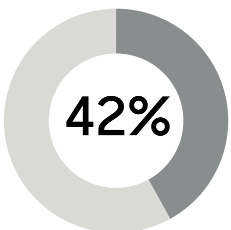
**2024 UK employees who have opted to contribute to additional benefits**




**156**

employees have taken or booked parental leave in 2024

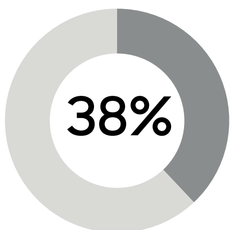
**UK Partnership & Matching Shares Plan Share Incentive Plan (SIP)**




% of eligible employees[1] actively contributing at 31 December 2024.

1. ii services limited employees are not eligible to participate in the SIP.

**UK Save As You Earn (SAYE)**




% of eligible employees actively contributing at 31 December 2024.

# Learning and development

In support of our business transformation, we have taken the opportunity to refresh our learning strategy and encourage greater diversity in how we approach learning and development

## Our refreshed learning strategy

The drive behind our learning strategy is to focus on building capability and enabling careers, ensuring this is sustainable, cost-efficient and engaging. The three pillars of our strategy are:

- Leaning into leadership. Our Leadership Academy is central to our employee learning proposition and supports the development of leadership and career skills at all levels.
- Unleashing social learning. We are leveraging our internal expertise and capability to share knowledge and skills through a range of social learning initiatives, including masterclasses and mentorship programmes.
- Supporting self-directed learning. Through technology, we continue to open up opportunities for colleagues to take control of their career and development, and we are evolving the tools and resources we offer to make this easier.

In our Leadership Academy, we have increased our focus on helping participants to learn through applying and embedding newly developed skills. This has been received positively by those participating and was reflected in programme feedback. As we continue to embed this new approach, we expect to be able to measure the longer-term impact.

Our most successful social learning initiative of 2024 has focused on Tech Enablement. Through short, weekly sessions, colleagues have been able to learn about new technology and AI applications from our internal experts in a practical and informal way. With technology continually evolving, this approach has complemented the formal training offered through our Digital & Data Academy.

We have taken a number of steps to improve access to learning, including introducing simpler and secure log in processes, promoting development opportunities through our internal social channels, and aligning our Leadership Academy with our new Career Framework to provide more guidance on the relevance of programmes for each career level.

### Case study

### Strategy masterclass series

This new series of masterclasses is offered through our Leadership Academy and was introduced to develop our leaders' ability to understand, develop, manage and communicate strategies.

The series consists of four masterclasses:

- Strategy made simple
- Embracing complexity
- Unlocking potential
- Your strategy story

Feedback from participants has been positive. Across the series, 92% of participants reported that they feel confident applying what they learned and 95% felt that in doing so they would improve outcomes for clients.

"I like the academic nature of this and found the concept and framework very interesting. This is quite different from other courses that are on offer."

**Senior leader, Investments business**

### Case study

### Qualified Leader

Qualified Leader is a programme aimed at leaders with three years or more experience of leading teams. It is accredited by the Institute of Leadership & Management (ILM) and is designed to enhance leadership knowledge, strategic insights, and practical expertise.

The programme was created to help abrdn leaders continue their development and achieve recognition for applying good leadership practice. Combining online learning, live virtual classrooms and written assignments, participants learn how to drive results through effective leadership practice, develop their ability to lead, motivate and inspire, and gain skills for both day-to-day management and strategic decision-making.

On successful completion of the programme, participants attain ILM's Level 5 Leadership & Management qualification.

# Learning and development

## Our outcomes and impact

### Monitoring metrics linked to our learning strategy

We continue to monitor the implementation of our learning strategy using a set of core metrics linked to our investment, colleague commitment and the impacts of our programmes.

The average amount of time our colleagues have spent on learning has increased. This can be attributed to the introduction of new programmes that are delivered over a longer time frame and regular, bite-sized sessions that focus on industry skills and knowledge.

We also know from our engagement surveys and anecdotal feedback that colleagues find it hard to spend time on their development. However, with an increased focus on short sessions delivered by internal subject matter experts, we have seen an increase in the volume of development being undertaken.

Making access to learning more flexible is one of the ways we can address this trend. Going forward, we plan to increase our focus on self-directed learning tools, such as digital and online content. This will help our colleagues to learn at a time and place that suits them.

### Reporting and transparency

We also believe in the principle of reporting relevant information publicly. The information here is reported as at 31 December 2024 and reflects common industry metrics relating to learning and development.

### Our investment

| | |
|---|---|
| **£2.3m**<br>2023: £2.8m | **Total spend**<br>Our learning programmes support talent at all stages of development, and we continue to invest significantly in our content and capabilities. |
| **£635**<br>2023: £670 | **Total spend per FTE**<br>Based on 2024 average FTE figure of 3,566[1]. |

### Our commitment

| | |
|---|---|
| **22.5hrs**<br>2023: 18.3hrs | **Average time spent (total)**<br>Average learning hours has increased and our analysis shows that 71% (2023: 70%) of colleagues engaged with some form of developmental learning. |
| **21.9hrs**<br>2023: 17.9hrs | **Average time spent (male)**<br>Colleagues identifying as male increased their average learning time in 2024, with time spent across developmental and compliance related learning. |
| **23.4hrs**<br>2023: 18.8hrs | **Average time spent (female)**<br>Colleagues identifying as female increased their average learning time in 2024, with time spent across developmental and compliance related learning. |
| **49**<br>2023: 46 | **Average Net Promoter Score (NPS)**<br>Positive colleague feedback has increased, with high levels of recommendation. |

### Our impact

| | |
|---|---|
| **91%**<br>2023: 88% | **Learning relevance**<br>Our Academies continue to provide highly relevant learning, as colleagues develop their leadership, change, data and digital skills, and their wider career development. |
| **92%**<br>2023: 90% | **Learning confidence**<br>With many new skills being learned in a transforming business, it is critical that learning can be transferred into the workplace. |

1. Excludes ii employees and contingent workers.

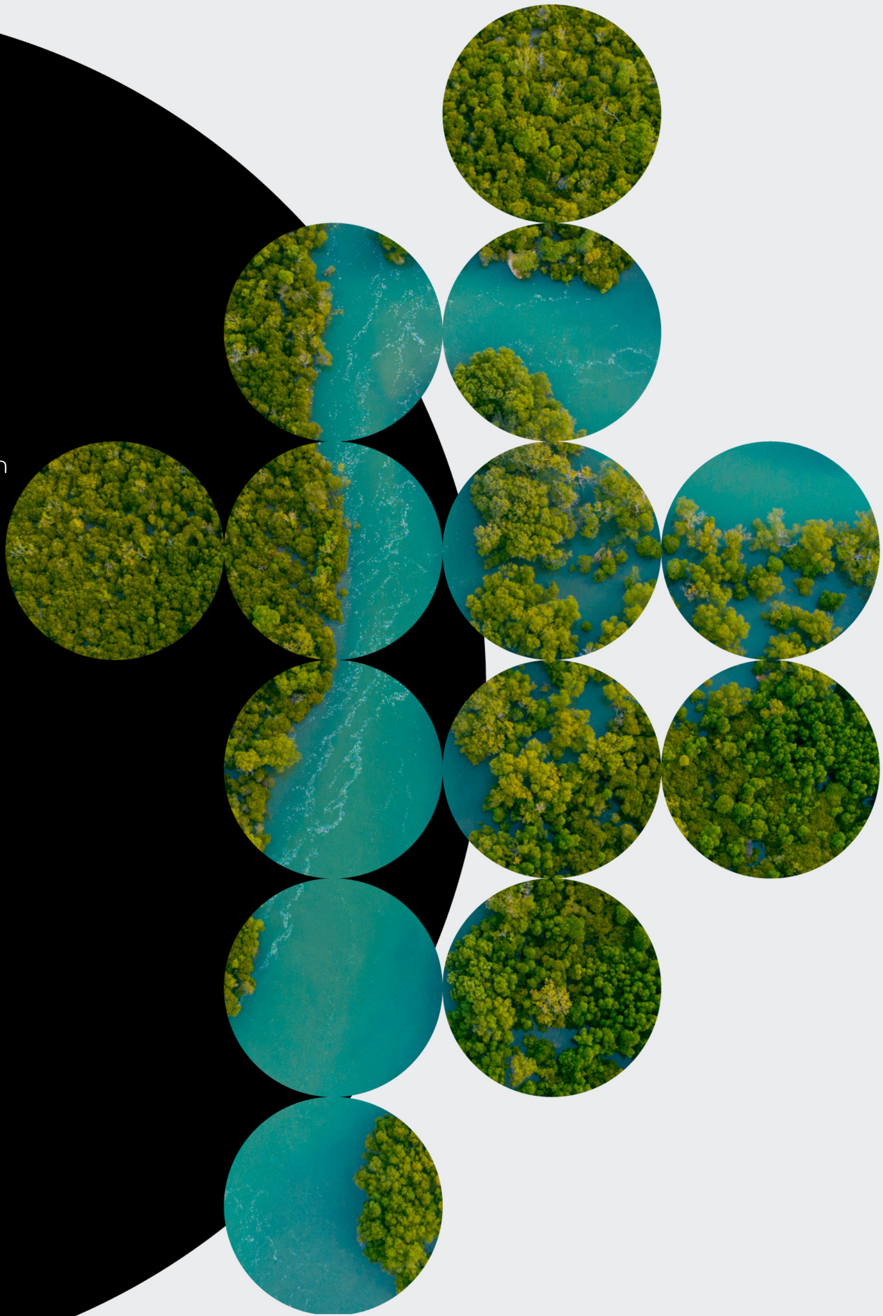
# Environmental transition
## Climate and nature impacts

The information in this section is intended to summarise abrdn's approach to identifying, assessing, and managing environmental impacts. Our climate change disclosures are prepared in line with the TCFD framework.

We provide mandatory climate-related disclosures in the abrdn plc Annual report and accounts, and the information in this document is intended to complement these disclosures, as well as provide additional information for users particularly interested in environmental matters.

We also publish standalone entity and product disclosures, as well as a variety of research and other information on our websites, and other forms of media. It is therefore important to understand the purpose of the information in this document, as it relates to our other environmental disclosures.

The information reflects the latest available as at 31 December 2024. The disclosure should not be taken as applicable to a specific product, or investment strategy, and should rather be considered indicative of our wider approach as abrdn.



# 2024 in review

**Holly O'Donnell**
Head of Corporate Environment Strategy

"The environmental transition is a crucial part of our sustainability strategy. We aim to support our clients to become better investors by managing the increasing risks associated with the interlinked climate and nature crises, and analysing the opportunities presented by the environmental transition, balancing between short-term costs and long-term benefits. As a corporate, we believe it is important to understand the impact of environmental issues on our business and the impact our business has on the environment, and we endeavour to minimise our impact, prioritising those that are most material and controllable."

## 74%

Reduction in operational emissions versus 2018 baseline (2023: 69%)

## 45%

In-scope public markets portfolio carbon intensity reduction versus 2019 baseline (2023: 41%)

## 34%

In-scope direct real estate portfolio carbon intensity reduction in 2023 versus 2019 baseline (2022: 25%)

Read more on pages 48 and 63.

# Environmental transition – approach

## The environmental transition is a key part of our Group sustainability strategy

In 2024, for the first time, global warming exceeded 1.5°C above pre-industrial levels. However, global policy support and the regulatory landscape for climate is fragmented and not always aligned. Environmental risks (transitional, physical, reputational and legal) are increasing but equally this also presents market opportunities. Our environmental transition pillar supports us in managing these risks for our clients and for our business, while also unlocking the opportunities presented by the environmental transition, through different solutions across our three businesses.

### Managing our operational impacts

#### Our approach to monitoring and influencing our operational emissions

Our operational emissions intensity is comparatively small versus the intensity of the investments we manage on behalf of our clients. We aim to lead by example, where possible, and believe that our actions must mirror our expectations as investors and reflect the ambition of our clients. Additionally, we are alert to the growing expectations of our wider stakeholders, and we continue to manage the risks of a broadening regulatory landscape.

For these reasons, we have set challenging operational emissions targets and have implemented tools to monitor our progress and expand our reporting capability. We are targeting operational net zero by 2040, and we are also continuing to integrate nature into our wider environmental transition approach.

As well as our 2040 operational net zero target, we have an interim objective to achieve a 50% absolute reduction by 2025, versus a 2018 baseline. To track progress towards this target, we set interim targets for 2025 by scope.

Achieving our targets requires the support and engagement of colleagues from across the business. Our operational toolkit therefore extends to how we engage with our colleagues to communicate our strategy and influence carbon-conscious change.

### Our Investments approach

#### Enabling clients to achieve their environmental transition goals

We are constantly evolving our understanding and capabilities through our approach which is based on six focus areas:

##### Research and data

We provide insights on how evolving policy and physical changes will impact sustainable investment themes and the data required to best support client expectations.

##### Investment integration

We develop tools and frameworks to support the integration of environmental considerations into investment decision-making where there is a client interest in doing so.

##### Client solutions

We develop investment solutions and engage with clients to support their environmental objectives.

##### Active ownership

We engage our highest financed emitters to seek transparency against transition milestones, as well as with priority companies to understand how they manage their nature-related risks.

##### Collaboration and influence

We enhance our own, and the markets, knowledge of material financial implications of the environmental transition, supporting our understanding of the evolving expectations around sustainable investment.

##### Disclosure

Disclosure helps us to better understand how effectively assets are managing their financially material environmental risks. In return, we know that clients benefit from our disclosures.

# Environmental transition – approach

We have been developing our environmental approach for many years, with a continued focus on the inter-linked topics of climate and nature

## Environmental transition progress across abrdn

**Pre 2020**

- Operational emissions baseline (2018)
- Published portfolio emissions intensity baseline (2019)
- Launched investments climate working group (2019)
- Published climate change approach document for Investments (2019)

**2020**

- First reported portfolio emissions intensity for equities and fixed income
- Launch of our carbon foot-printing tool for investments desks
- Published our first TCFD-aligned report

**2021**

- First year climate scenario analysis research published
- First roll-out of carbon metrics reporting for clients, in-line with SFDR
- Joined the Net Zero Asset Managers (NZAM) initiative
- Published our first real estate net zero investment framework
- Published our updated climate change approach for investments
- Scenario analysis tool made available to our fixed income and equity desks
- abrdn join the newly launched TNFD[1] forum

**2022**

- Launched engagement strategy focused on highest financed emitters
- Took part in pilot biodiversity study with Natural History Museum and TNFD LEAP assessment
- Committed to Finance for Biodiversity pledge
- Published 'Preserving Natural Capital – our approach for investments'
- Published our second climate scenario analysis research
- Announced a three-year partnership with UNESCO via abrdn Charitable Foundation (aCF)

**2023**

- Completed engagement with our top suppliers on their approach to net zero targets.
- Net Zero award from Scottish Financial Enterprise for research identifying climate transition leaders
- ESG fixed income fund of the year award from Environmental Finance
- Published our third climate scenario analysis research
- Partnered with The Alan Turing Institute (via aCF)

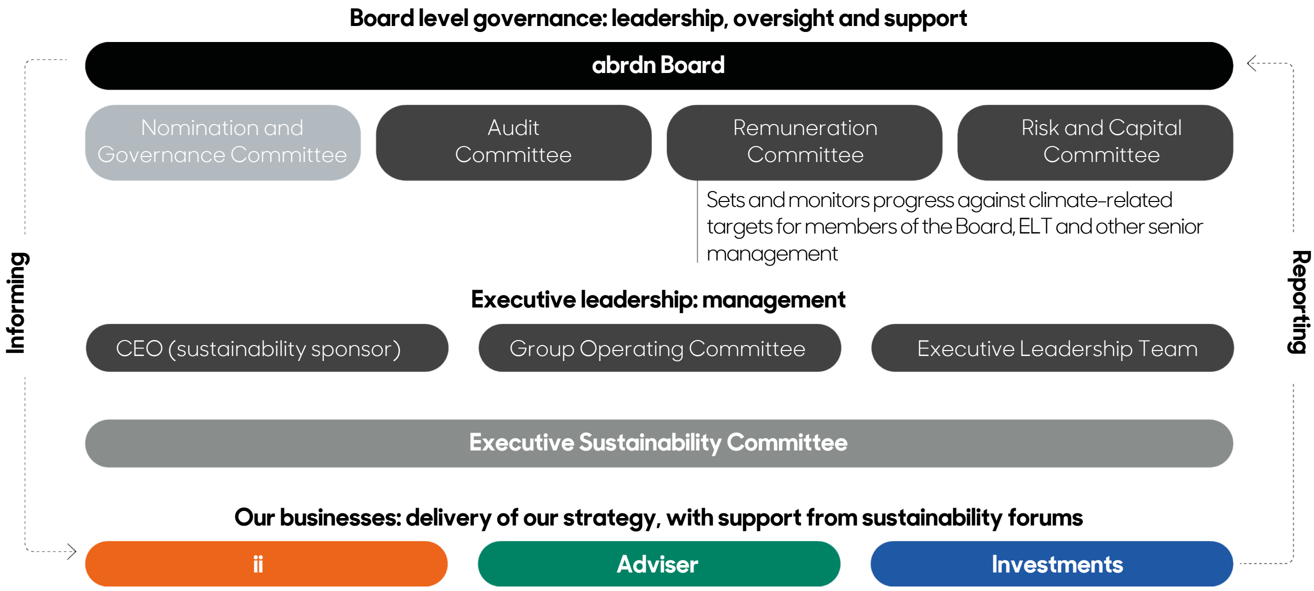
**2024**

- Completed engagement with our top suppliers on their approach to net zero targets.
- Started to engage with priority investee companies
- Published our fourth climate scenario analysis research
- Published 'How abrdn is gearing up for the TNFD's implementation'
- Provided tailored solutions to help clients with their climate commitments

1. The Taskforce on Nature-related Financial Disclosures (TNFD)

# Environmental transition – governance

## Sustainability governance – Climate change and nature[1]




1. For more information on management oversight of climate change and nature, see page 43.

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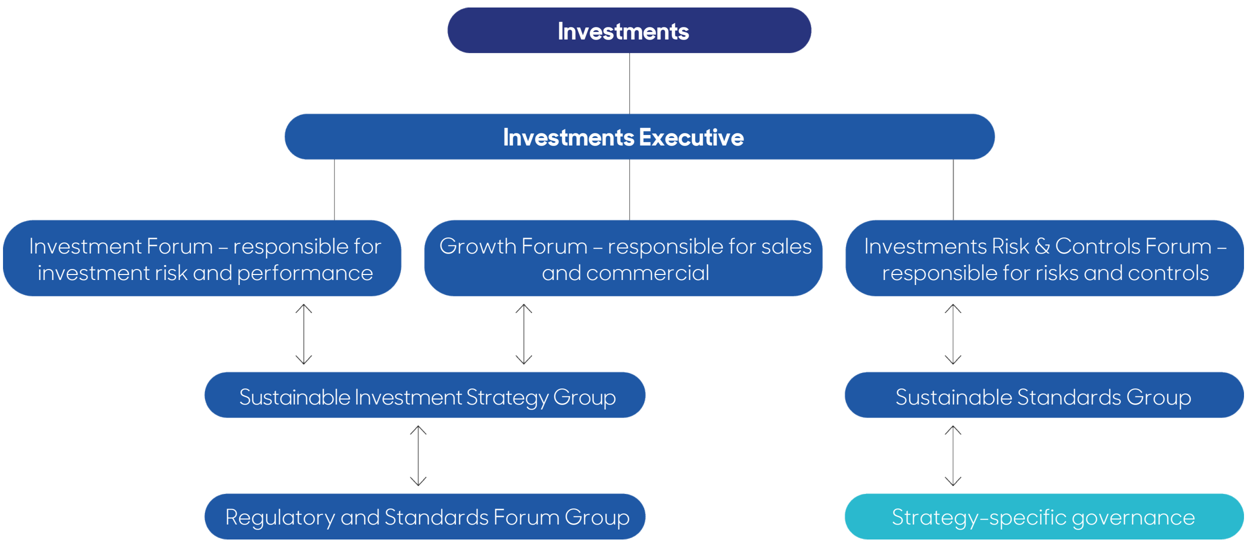
**Our Investments business has additional governance bodies in place, as outlined below:**



# Environmental transition – governance

## Management's role in the assessment of climate- and nature-related risks and opportunities

### Information flow to enable oversight

Our Chief Executive Officer delegates authority from the Board to our Executive Leadership Team (ELT). The ELT, in turn, delegate authority to the Group Sustainability Strategy Forum (replacing the Executive Sustainability Committee in 2025) and environment-related working groups, to support the assessment of climate- and nature-related risks and opportunities and to provide related recommendations.

### Executive Leadership Team

Our Group Head of Sustainability provides regular updates to the ELT on climate- and nature-related matters, with the 2024 focus being to define and refine our strategic ambition levels across the Group and three businesses.

### Executive Sustainability Committee

This Committee met throughout 2024 to discuss and provide recommendations to the ELT on significant sustainability matters, including climate change and nature. The Committee focused on topics including our non-financial reporting model and sustainability strategy development. Climate-specific discussions took place in the context of strategy development, and for matters including our long-term approach to carbon credits. From 2025, we have elevated sustainability to become a standing item at ELT meetings, and so the Committee will stand down and has been replaced by the Group Sustainability Strategy Forum.

### Environmental working groups

Our network of subject matter experts within the business meet in regular environment working groups, including climate-specific working groups to progress our operational net zero pathway. The Investments business' Technical Climate Working Group supports discussion on a number of topics including investment integration of climate change and data governance of key metrics. These groups are key forums for identifying matters to be escalated through our governance structure.

## Incentivising progress

### 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 abrdn 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.

### Technical Climate Working Group

The group sits within our Investments business and consists of cross asset-class representatives from the business who address technical (methodological and data) issues that arise in the implementation of our climate change approach for investments.

The group does not make decisions on our climate approach, but does make recommendations, which are taken to our Sustainable Investing Strategy Group (SISG) on a quarterly basis.

# Environmental risks and opportunities

## Our approach and methodology

### Overview of climate- and nature-related risks and opportunities

In terms of our climate- and nature-related risks and opportunities, our business is predominantly exposed to transition risk as markets and policies increasingly support a lower carbon world. Climate transition risks and opportunities are of most significance to our Investments business, as it has the potential to impact the financial performance of investments. Our ii and Adviser businesses do not face the same level of exposure, in part because they are platform based; however, they are still included in our wider environmental risk assessment and opportunity analysis.

In 2024, for the first time, we integrated nature-related risks into our Environmental risk workshop. In this forum, our climate and nature subject matter experts discussed evolving environmental risks that had the potential to adversely impact the business. We then conducted a Group-wide Environment risk assessment using our Enterprise Risk Management Framework (ERMF) risk impact matrix to ensure a cohesive view of climate- and nature-related risks and opportunities.

### Identifying and assessing environment-related risks and opportunities

Our ERMF allows each first line area to identify potential sustainability risks and opportunities which are then discussed and disseminated in a process managed by our Risk team, with subject matter expertise input from the Corporate Sustainability team. The Corporate Sustainability team have responsibility for ensuring cross-group information sharing, with our Risk team responsible for the oversight of sustainability risks for the business. Our Group Head of Sustainability ensures alignment to, and delivery of, our sustainability strategy, including our environmental transition strategy, across the Group.

Periodically, we conduct Group environmental risk assessments using our ERMF risk impact matrix to ensure a cohesive view of environment-related risks and opportunities for the business.

Residual risk assessment is determined based on a number of factors, including: the likelihood of the risk materialising; the timeframe of onset; the scale of the potential impact of each identified risk; the controls we have to mitigate impact; and business continuity plans aligned to each risk, all of which help determine vulnerability. The assessment considers inherent risk and the quality of controls to determine a residual risk score of low, medium, high or very high, depending on the impact and likelihood attributed to the risk.

Following the Group environmental risk assessment conducted in November 2024, climate- and nature-related risks are described on page 45, and opportunities are noted on page 46.

### Testing Group resilience

Climate change is considered among our principal risks and uncertainties, specifically sitting within our 'Sustainability' principal risk.

We consider climate risk to be material and acknowledge its relationship with financial, regulatory, legal and operational risk, but note that it is also a standalone risk. For example, we consider the resilience of our strategy to climate-related risks by exploring what shocks to financial markets could mean to our revenue base, and ultimately our capital and liquidity.

abrdn's Business Continuity Management (BCM) provides a comprehensive contingency plan that covers all key aspects of our operations, outlining framework and processes to ensure that key services continue at pre-determined acceptable levels in the event of any operational disruption. It ensures risks to business continuity are identified, assessed and managed, and that appropriate controls are in place and operating effectively.

Our Group stress testing and scenario analysis programme explores this in the context of our business planning time horizon, which our Directors determine as three years. This reflects the timescale by which changes to major regulation and the external landscape for abrdn typically take place.

Our latest stress testing exercise explored a range of severe but plausible stresses. These included exploring macro-economic shocks and flow stresses which, in aggregate, resulted in the Group's AUMA falling by 17% at the low point, with additional once-off costs of £70m also assumed. These stresses are deemed to capture possible market and client responses, and any additional costs that the Group might incur, due to adverse climate change over the planning horizon. The results of the stress testing showed that the Group had sufficient capital and liquid resources to remain above its regulatory requirements and supported the view that the Group is resilient to the possible impacts of climate change over the planning horizon.

More information is available at **www.abrdn.com/annualreport**

# Environmental risks and opportunities

## Identified environment-related risks – climate and nature

The table below illustrates our risk assessment of abrdn's environment-related risks. With input from the first line and Corporate Sustainability, we consider applicability and expected likelihood across our business. This is an illustrative view, which is expected to evolve over time.

| Identified environmental transition risks | | Potential financial impact to abrdn | Mitigation strategies | Applicability to business areas | Time horizon | Residual risk |
|---|---|---|---|---|---|---|
| Policy and legal | Evolving regulatory and reporting landscape, with regional variants | Costs to gather, analyse, and publish data | Reporting tools and efficient processes | Group | 0–5 yrs | Medium |
| | | Costs of inadvertent non-compliance | Horizon scanning and engagement supported by governance frameworks | Group | 0–5 yrs | High |
| Market | Changing client/customer preferences | Reduced revenue from decreased demand for products and services | Market research to inform commercial decisions. Thought leadership and client engagement | Investments | 0–10 yrs | Medium |
| | | Potential for missed opportunities due to lack of products and services | Product development to meet this demand | Group | 0–10 yrs | Medium |
| | Lack of clarity regarding the pace, direction, and evolution of public policy | Market uncertainties and associated impacts on returns | We have multiple ways to assess potential impacts including on-desk analysts, insights from the central investment team and our Global Macro Research team | Group | 0–10 yrs | Medium |
| | Environmental events impact the financial markets | Volatility reducing revenue and impacting financial performance | Investment research to understand and quantify the potential impact on returns and build more resilient portfolios | Investments | 0–10 yrs | Medium /High |
| | | Reactive policies leading to potential market instability | Horizon scanning and, where applicable, proactive advocacy with policy makers | Group | 0–10 yrs | Medium /High |
| Reputational | Increased stakeholder concern or negative sentiment | Reduced revenue from decreased demand for products and services | Enhanced reporting and transparency, and implementation of controls to mitigate marketing risks | Group | 0–5 yrs | High |
| | | Costs associated with potential litigation due to investment decisions | Proactive engagement with stakeholders to ensure clear understanding of regulatory landscape | Investments | 0–5 yrs | High |
| **Identified environmental acute and chronic physical risks** | | | | | | |
| Acute physical | Increased severity of extreme weather events and location-specific loss of ecosystem services | Costs related to damage to operational infrastructure, technology, and disruption to power networks. Supply chain disruption and increasing resource constraints | Infrastructure insurance, a business continuity process, remote working technology, distributed infrastructure with backup power, and climate sensitivity analysis for office locations | Group | 0–10 yrs | Medium |
| | | Costs and operational impact of non-office-based disruption to colleagues/third-parties | Business continuity and remote working support, provision of staff support platforms, and requirement for third-party services to provide resilience plans | Group | 0–10 yrs | Medium |
| | | Costs of physical damage to investment assets, including real estate | Physical climate risks are assessed, mitigated and managed as part of due diligence for new investments and on an ongoing basis as part of asset management | Investments | 0–10 yrs | Low/ Medium |

# Environmental risks and opportunities

## Identifying climate- and nature-related opportunities

### Our Group approach

Across our Group, we aim to support clients in meeting their own sustainability ambitions. This means supporting our clients to meet their own sustainable investment goals and navigating the financial implications of the environmental transition on their investments. We also identify climate- and nature-related opportunities at both a Group and business level.

At our Climate Risk Workshop in 2023, subject matter experts identified two over-arching opportunities, which remain unchanged in 2024. These are the opportunities from developing decarbonising investment products and services across our three businesses, and reducing operational costs by using more efficient buildings, technology and transport. The development of specific products is individual to each business.

We continue to actively manage our transition planning and have developed a Climate Transition Plan internally. This plan is evolving as frameworks and data mature. We hope to be in a position to publish our plan externally in the near future.

### Operational approach

We identify resource efficiency as a climate opportunity in our operations. By using more efficient buildings, technology and transport, we anticipate reduced operational costs. Examples of this include using virtual conferencing facilities where practical and continuing to reduce our data centre footprint through greater use of the cloud.

### Investments' approach

We continue to experience strong demand for sustainable investing opportunities. As such, sustainability and, in particular, climate change remains a long-term strategic focus for our Investments business. We provide investment solutions, capabilities and insights to enable our clients to meet their sustainability and financial objectives.

It is important to be clear that climate-related considerations are not integral to every investment, or strategic decision, nor are tools without limitations. We aim to improve our capabilities each year, as new data becomes available and the needs of our clients evolve.

### ii and Adviser's approach

Our ii and Adviser businesses provide information, insight, and access to a range of sustainable investment solutions.

**Dan Grandage**
Chief Sustainable Investment Officer

"We integrate sustainability and environmental considerations into our investment strategies where they align with our clients' objectives. We believe sustainability and environmental factors can be financially material, and we have extensive capabilities to manage the related risks and opportunities. We continue to develop our sustainability investment offering while navigating the continually evolving regulatory environment."

# Climate – risk management

## Managing climate-related risks

Our management of climate-related risks and opportunities is led by our first line business teams.

Our ERMF allows each first line area to identify potential sustainability (including climate-related) risks and opportunities which are then discussed and disseminated in a process managed by our Risk team, with subject matter expertise input from the Corporate Sustainability team. The Corporate Sustainability team have responsibility for ensuring cross-group information sharing, with our Risk team responsible for the oversight of sustainability risks for the business. Our Group Head of Sustainability ensures alignment to, and delivery of, our sustainability strategy, including our environmental transition strategy, across the Group.

Our Investments business has a sustainable investment team, led by our Chief Sustainable Investment Officer, with embedded sustainability specialists on each of the assets class desks.

In addition to dedicated sustainability professionals, we have developed a range of proprietary tools, capabilities and processes to support our investment approach, and to better enable our clients and customers. In our Investments business, our climate building blocks (discussed further on page 50) are designed to be complementary and support top-down and bottom-up analysis of portfolio-level climate-related risks and opportunities.

It is important to be clear that climate-related considerations are not integral to every investment, or strategic decision, nor are tools without limitations.

We aim to improve our capabilities each year, as new data becomes available and the needs of our clients evolve.

### Integration into overall risk management

Climate-related risk is integrated with our ERMF, which is subject to Board oversight. We operate 'three lines of defence' with defined roles and responsibilities.

- **First line:** Day-to-day risk management, including identification and mitigation of risks and maintaining appropriate controls.
- **Second line:** Oversight from our Risk and Compliance function, which reports to the Chief Risk Officer.
- **Third line:** Our Internal Audit function, reporting to the Chief Internal Auditor, independently verifies our systems of control.

Climate change is considered among our principal risks and uncertainties, specifically sitting within our 'Sustainability' principal risk. We consider climate risk to be material and acknowledge its relationship with financial, regulatory and legal risk, but note that it is also a standalone risk.

## Cross-group implementation

### Group & Corporate Sustainability

The Corporate Sustainability team's primary focus is understanding the impact of sustainability issues on abrdn and the impact abrdn has on the environment and society, for the benefit of our shareholders. Our Group Head of Sustainability ensures alignment to, and delivery of, our sustainability strategy, including our environmental transition strategy, across the Group.

### Sustainable Investing

Our Investments business has a dedicated sustainable investment team, led by our Chief Sustainable Investment Officer. This central resource includes specialists who lead and execute our sustainable investment strategy. This team's primary focus is our clients and ensuring their sustainability expectations, including climate, are met.

### Asset class specialists

We have sustainability experts embedded within our global investment teams. Our specialists support the day-to-day consideration of sustainability-related risks and opportunities relevant to each asset class, including those related to climate change.

### Climate change working groups

Our network of subject matter experts meet in regular climate-specific working groups to progress our operational net zero pathway. The Investments' business Technical Climate Working Group supports discussions.

# Operational climate approach and targets

We are targeting operational net zero by 2040 and have set out clear milestones to measure our progress, with our interim objective being to achieve a 50% absolute reduction by 2025 versus our 2018 baseline

## Impacts from our business

Across the abrdn Group, with offices in over 20 countries, our operational climate impact is largely generated from energy use in our premises and business travel.

We are focused on driving long-term absolute reductions for material sources of reported emissions. To track progress towards our operational net zero target of 2040, we set interim targets for 2025. We have reported our progress against these below and, in 2025, we will reset our interim operational targets.

## Impacts from our supply chain

We are committed to improving our monitoring of emissions associated with the goods and services we receive. We explore this in further detail as part of our 'Responsible Business' pillar, as our sustainable procurement strategy is focused on three key themes: climate change and nature; labour and human rights; and diversity, equity and inclusion. For more, see pages 84-85.

## Long-term objectives

We recognise that achieving our operational net zero target by 2040 will require absolute emissions reductions and, in addition, we are committed to compensating for our annual residual emissions. In the past, we compensated for our emissions by purchasing carbon credits through a broker but, in 2024, we reviewed our approach and defined our key principles. These principles, informed by the Oxford Principles for Net Zero Aligned Carbon Offsetting and the Integrity Council for the Voluntary Carbon Market (ICVCM) Core Carbon Principle, were formed in collaboration with expertise from across the Group and presented to the Executive Sustainability Committee in the second half of 2024. We are in the process of reviewing long-term solutions that meet the requirements of our key principles. We hope to be able to prioritise nature as part of our corporate approach to emissions reduction.

## Targets and progress[1]

| Operational climate targets | | Base year | Target year | Definition | Progress |
|---|---|---|---|---|---|
| Absolute emissions reductions | Operational net zero | – | 2040 | Beginning with absolute emissions reductions, we are targeting net zero operational emissions across Scopes 1, 2, and material Scope 3 categories | |
| | 50% reduction in operational emissions | 2018 | 2025 | Absolute reduction in reported Scope 1, 2, and 3 emissions. This does not include some Scope 3 categories for which data remains unavailable | 74% reduction |
| | 50% reduction in Scope 1 emissions | 2018 | 2025 | Reduction in Scope 1 emissions including: natural gas; company-owned vehicles used solely for business; fluorinated gas; and stationary fuel | 74% reduction |
| | 60% reduction in Scope 2 emissions[2] | 2018 | 2025 | Reduction in Scope 2 emissions including purchased electricity and district heating emissions sources | 79% reduction |
| | 72% reduction in Scope 3 emissions | 2018 | 2025 | Reduction in reported Scope 3 emissions including: business travel; transmission and distribution; UK-based waste; and homeworking emissions | 73% reduction |
| Energy efficiency | 50% reduction in total kWh usage | 2018 | 2025 | Reduction in total consumption, in kilowatt-hours (kWh), from: purchased electricity; natural gas; company-owned vehicles used solely for business purposes; stationary fuel; and district heating | 69% reduction |
| Energy sourcing | Procure 100% renewable electricity | 2018 | 2025 | Procurement of electricity via green tariffs, where we have procurement responsibility | 97% on green tariffs |
| Emissions intensity | 50% reduction in emissions intensity per FTE | 2018 | 2025 | Reduction in the intensity of Scope 1 and 2 emissions divided by number of full-time equivalent employees[3] | 69% reduction |
| Supply chain | 50% of suppliers by spend with a net zero target | – | 2025 | Proportion of our third party suppliers by £GBP spend with net zero, or equivalent, targets in place | Page 84 for an update |

1. Please refer to the operational emissions reporting criteria on pages 88-89.
2. Scope 2 emissions definition is location based.
3. Emissions intensity reporting based on FTE at 31 December 2024 of 4,409 (2023: 4,719 and 2018: 6,192). In 2024, we improved our FTE coverage to include contingent workers.

# Operational progress in 2024

## Delivering against our interim emissions reduction objective

### Progress in 2024

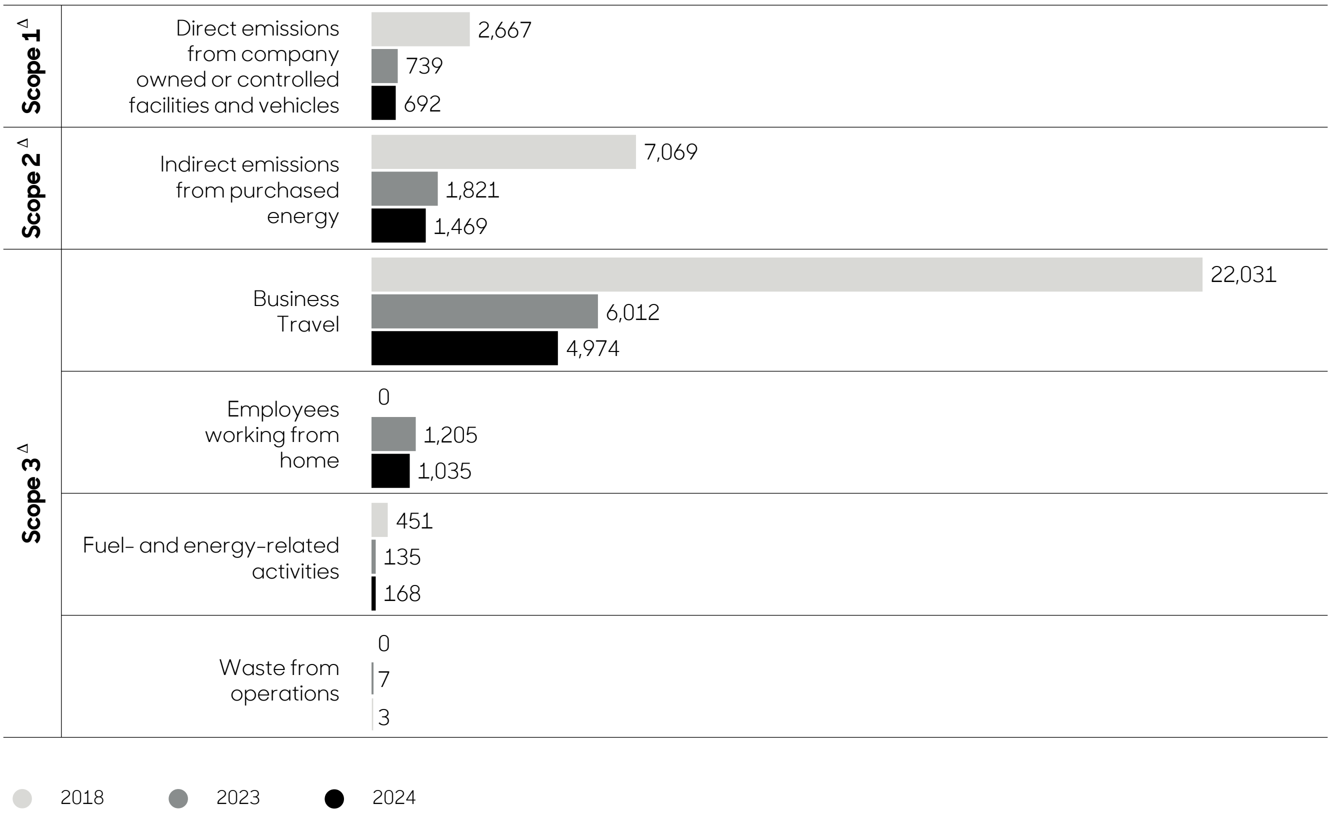
In 2024, we remained on track to meet our interim objective of a 50% reduction in reported operational emissions by 2025[1]. We report a 74% reduction versus our 2018 base year. This reduction continues to be driven largely by a fall in our business travel since 2018 and office consolidation.

### Actions and initiatives from 2024

Each year, we take action to refine our processes, engage colleagues and deliver meaningful impacts. In 2024, we carried out net zero audits for some of our major offices. We engaged with relevant stakeholders required to deliver the energy efficiency initiatives identified in these audits, and this process will continue in 2025. This forms part of our work to address our material operational impacts, such as energy use in our offices. We also remain committed to addressing broader environmental impacts, as sources of emissions considered to be less material can still intersect climate and nature, or may present an opportunity for engagement with colleagues. For example, in 2024, we launched a waste reduction initiative, which encouraged colleagues to understand their individual day-to-day impact. See more on page 65.

### Operational emissions reductions[2, 3, 4]

This chart illustrates reported categories of operational emissions over time. We have reduced emissions from 32,218 $tCO_2e$ in 2018, to 8,341 $tCO_2e$ in 2024; a 74% reduction.




1. Operational net zero and interim reduction targets are based on reported Scope 1, 2, and 3 absolute emissions ($tCO_2e$) reductions.
2. Scope 1 emissions include natural gas, fluorinated gas, company-owned vehicles, and stationary fuel.
3. Scope 2 emissions are location based and include purchased electricity and district heating.
4. Scope 3 reported emissions do not include some emission categories deemed to be material, but where data is currently unavailable. Refer to page 89.

# Investments – climate approach

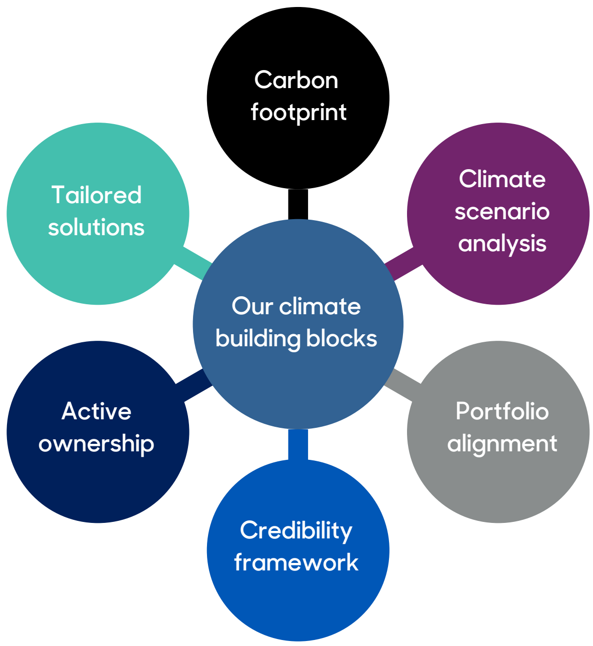
## Using our climate building blocks to inform our investment approach

### Our building blocks

Our building blocks are proprietary tools and frameworks that enable our investment approach, supporting the integration of climate-related risk and opportunity into our decision-making processes. Tools, such as carbon metrics and scenario analysis, are available on-desk to our fund managers, with the objective being to enable climate resilient portfolio construction and solutions development, working in addition to the expertise of dedicated sustainability and ESG professionals. We note that the use of available tools is not mandatory and may not be applicable to all investment decisions.

### A complementary approach

For clients with carbon targets, a robust carbon footprinting tool is necessary to monitor progress against the objective. However, forward-looking tools also play a critical role in delivering targeted outcomes. As climate investment integration matures and becomes more sophisticated, we are seeing a greater range of integration methods and objectives, which we strive to deliver for our clients. Climate scenario analysis provides an important forward-looking, top-down assessment of financial impacts, as well as emissions pathway projections. These assessments can be combined with bottom-up portfolio alignment and credibility frameworks to enable company-level views of decarbonisation. This combined insight informs our thematic active engagements, enabling us to take a holistic approach to climate integration within portfolio construction. This can be tailored to be bespoke to each client, who may have different objectives.




- **Carbon footprint**
  Utilising the core carbon metrics to manage carbon exposures, identify carbon risks and meet decarbonisation ambitions.
- **Climate scenario analysis**
  Forward-looking analysis using a bespoke scenario framework to identify asset- and portfolio-level climate risks and opportunities, and projected decarbonisation pathways.
- **Portfolio alignment**
  Proprietary methodology to identify climate solution and transition leaders to support research and portfolio construction.
- **Credibility framework**
  Assessment of company ambition levels versus their actions using a six-factor scoring scale to support investment integration.
- **Active ownership**
  Targeting our highest financed emitters to set clear and relevant milestones focusses on assets that could have the biggest impact.
- **Tailored solutions**
  Supporting investors on their journey to integrate climate change into their investment and reporting process.

# Investments – climate approach

## Applicability and coverage of our climate building blocks across asset classes

Our climate building blocks support decision-making across our investment process at different levels of integration. The matrix below maps our core building blocks against asset classes to give a view of applicability for various investment strategies. It is important to note that our building blocks enable a wider process, and insights may not be material to every investment decision.

We have made progress expanding the scope of our portfolio alignment building blocks and integrating our previous 'climate policy index' into our alignment metric for sovereign bonds, as well as expanding our framework of credibility assessments to include sovereign bonds.

| Asset class | Portfolio carbon footprinting | Climate scenario analysis | Credibility assessment framework | Portfolio alignment | Active ownership | Tailored solutions |
|---|---|---|---|---|---|---|
| Equities | Full scope | Full scope | Enabler | Full scope | Full scope | Full scope |
| Corporate Credit | Full scope | Full scope | Enabler | Full scope | Partial scope | Full scope |
| Quantitative Strategies | Full scope | Full scope | Enabler | Full scope | Partial scope | Full scope |
| Real Estate | Full scope | Full scope | Not applicable | Full scope | Full scope | Full scope |
| Multi-asset | Partial scope | Partial scope | Not applicable | Partial scope | Partial scope | Full scope |
| Sovereign bonds | Full scope | Out of scope | Enabler | Partial scope | Partial scope | Full scope |
| Infrastructure | Partial scope | Partial scope | Not applicable | Partial scope | Partial scope | Full scope |
| Private credit | Full scope | Partial scope | Not applicable | Not applicable | Partial scope | Full scope |
| Cash | Not applicable | Not applicable | Not applicable | Not applicable | | |
| FX | Not applicable | Not applicable | Not applicable | Not applicable | | |
| Derivatives | Not applicable | Not applicable | Not applicable | Not applicable | | |
| Passive funds | Not applicable | Not applicable | Not applicable | Not applicable | Partial scope | Full scope |
| Third party funds | Not applicable | Not applicable | Not applicable | Not applicable | | |
| Execution only funds | Not applicable | Not applicable | Not applicable | Not applicable | | |

| Key: | Definition: |
|---|---|
| Full scope | The asset class is in scope of the tool or metric |
| Partial scope | A proportion of the asset class is in scope to utilise the tool, or metric, or is in development |
| Out of scope | The asset class is out of scope for the reporting year, but tool development is being explored |
| Not applicable | The tool is deemed to be not applicable for the next 1-2 years, or deemed not relevant to the asset class |
| Enabler | The tool or processes better enables or enhances the outputs of another complementary tool |

The purpose of this matrix is to provide an illustrative view of investments climate building blocks applicability to asset classes. This is intended to inform stakeholders of how our tools can support climate-related risk management in our investment processes. This illustration is not a reflection of a particular product or investment strategy, and applicability should not be interpreted as a reflection of all investment decisions. There are many factors that drive decision-making, and our building blocks aim to inform cases where climate-related risks are material to specific circumstances and supports the aggregate delivery of our climate strategy. This matrix also does not capture bespoke pieces of investment analysis.

# Investments – climate scenario analysis

## Understanding climate-related risks and opportunities

### Beliefs driving our analysis

We believe climate scenario analysis is a critical tool to enable 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 doing so will support increased resilience, enabling us to encourage positive change at the companies in which we invest, and support client objectives. One of our key research questions is to understand the relative 'winners' and 'losers' under potential future energy transition pathways and temperature rises. The outputs of climate-scenario analysis help answer this question and support decision-making in our investment processes for our clients.

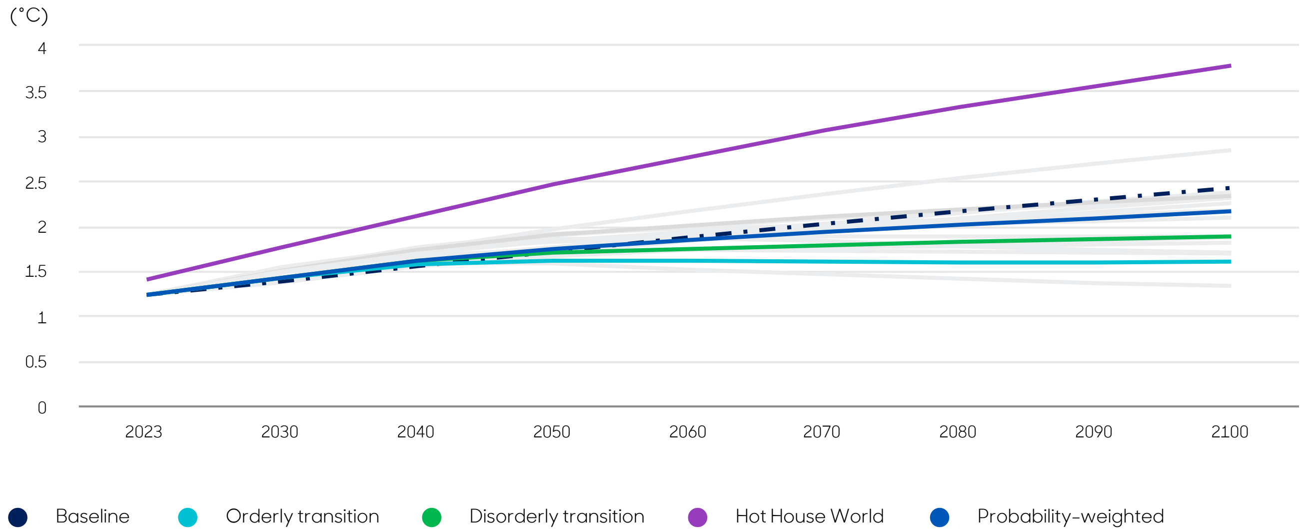
### Our bespoke approach

We take a bespoke approach with the aim to integrate climate scenario analysis with our investment processes and enable solutions for our clients:

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.**

### Illustrating the temperature trajectories across our climate scenario suite

Our suite of 16 scenarios allows us to consider the impact of a range of climate futures from Paris-aligned scenarios of well-below 2°C to a 'hot-house world', with projected temperature rises ranging from 1.3°C to 3.8°C by 2100. But our bespoke scenarios allow us to provide enhanced insight in the more probable middle-ground.




### Projected energy demand, renewable energy share, and carbon price under different scenarios

The table below provides a summary of some of the latest scenario metrics for a selection of scenarios.

| Category | Measure | Baseline | Current policy | Probability-weighted mean | Paris-aligned mean |
|---|---|---|---|---|---|
| Temperature change | 2100 (compared to pre-industrial levels) | 2.4°C | 3.8°C | 2.2°C | 1.8°C |
| Share of non-fossil fuel power generation | Share in 2050 | 58% | 84% | 82% | 93% |
| Coal demand | Annual growth 2020-2050 | -2.6% | 0.0% | -3.3% | -5.9% |
| Gas demand | Annual growth 2020-2050 | 1.9% | -0.4% | -0.1% | -1.6% |
| Oil demand | Annual growth 2020-2050 | -0.1% | -0.3% | -0.8% | -1.6% |
| Electric vehicle sales | EV share of new vehicle sales in 2050 | 71% | 74% | 87% | 100% |
| Carbon price | $\$/tCO_2e$ in 2050 | 44 | 13 | 102 | 190 |

# Investments – climate scenario analysis

## Core conclusions and insights from our latest analysis

### Global insights

In general, global climate policy ambition continues to increase, but with delayed implementation, which is a feature of a 'disorderly' energy transition and will create nuanced consequences for investors. Our Probability-weighted mean scenario projects a global temperature rise of 2.2°C (2023: 2.3°C), and the probability we attach to global climate policies aligning with the objectives of the Paris Agreement has reduced to less than one-third.

### Investment insight

Valuation impairments for aggregate global equities are limited (-0.5%) under our Probability-weighted scenario, with sector leaders offsetting laggards. However, we continue to believe that climate-related risk and opportunity is both a sector- and stock-specific phenomenon, with dispersions within sectors being particularly significant. This suggests that actionable insights can be found by looking across and within sectors and implies that actively managed investment strategies can tilt portfolios towards climate transition 'winners', and away from climate 'losers', through careful consideration of projected exposures to climate-related risk and opportunity drivers. The chart below illustrates the within-sector dispersion of asset uplifts and impairments under our Probability-weighted scenario, with further insights noted below and on page 54.

Our framework allows us to generate forecasts on over 22,000 equity assets and 55,000 corporate bonds, enabling regional, sector, and asset specific analysis, which can be further refined with other complementary bottom-up analysis (page 50).

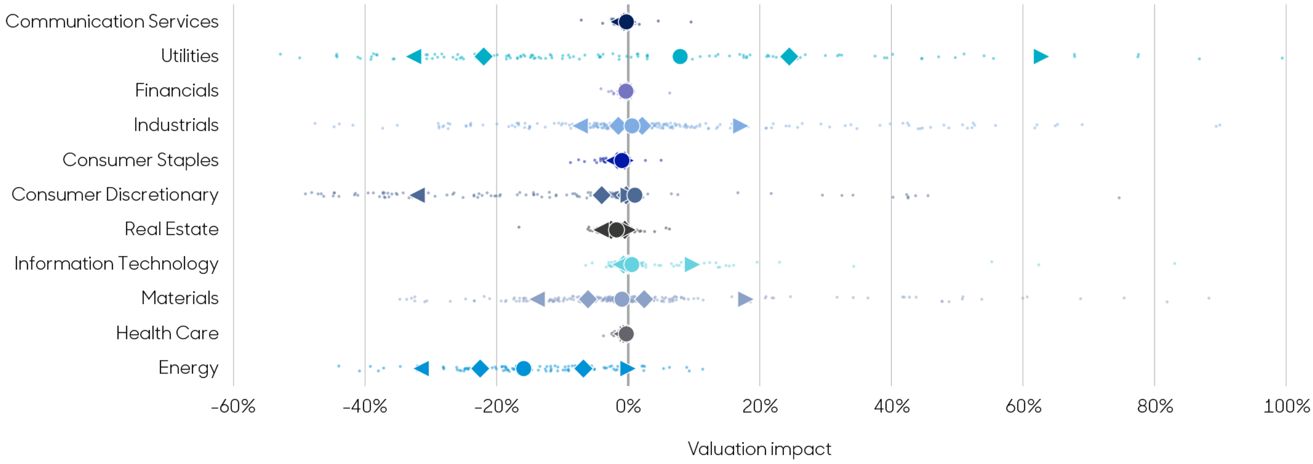
Further details on our latest climate scenario analysis can be found in our Year 4 update report available at **www.abrdn.com**

### Case study

#### Identifying potential opportunities

To illustrate dispersion in action, we can drill-down into a sub-sector to consider how the energy transition will differentially impact individual firms. For example, there has been significant focus on the semi-conductor industry during 2024, due to their role in generative artificial intelligence (AI) advancements. When we move upstream in the supply chain, we see a similar impact to the expanding climate-solutions investment universe. The energy transition, to a degree, is characterised by a transition away from a fossil fuel-intensive world to a material-intensive world. This creates a positive valuation impact for firms exposed to green 'future minerals' that are required to electrify sectors downstream.

**Projected impairments are highly dispersed within sectors**




Probability-weighted mean scenario. Circles show the sector mean; diamonds represent the 25th and 75th percentile; triangles represent the 10th and 90th percentile.

# Investments – climate scenario analysis

## Insights from analysis can be sector- and company-specific

### Focus on the energy sector

### Significant impacts expected from the energy transition

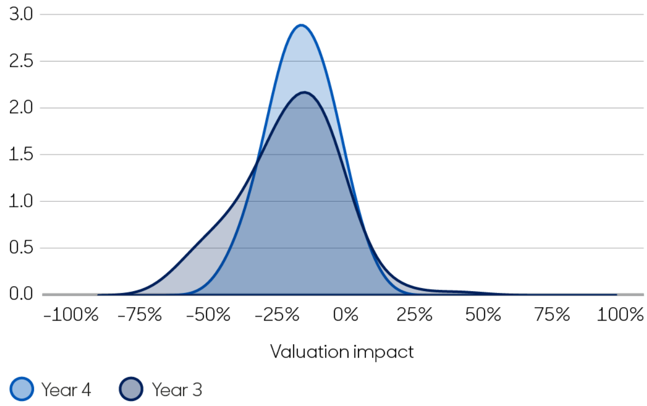
A transition to a lower-carbon energy system is likely to result in demand destruction for existing business models in the energy sector. Our latest analysis projects a 16% aggregate valuation impairment. This is an uplift from the 25% impairment identified in our previous exercise, due to slightly lower projected demand destruction and our baseline accounting for markets pricing in more ambitious policy. The implication is, therefore, that firms in this sector must adjust business models to mitigate long-term impairments.

### Transition plans can mitigate impairments

One of the primary challenges of standard scenario analysis is that it does not acknowledge that companies negatively exposed to the energy transition can alter their strategies. Our additional company target analysis takes a forward-looking view of company behaviour, utilising published company transition plans in the modelling process. We can also overlay our bespoke credibility assessment framework, which can be applied as an adjustment factor to our analysis to reduce the risk of overestimating the benefit of targets being achieved. We believe this helps to identify companies with the potential to be credible transition leaders.

### Energy sector valuation impact distribution

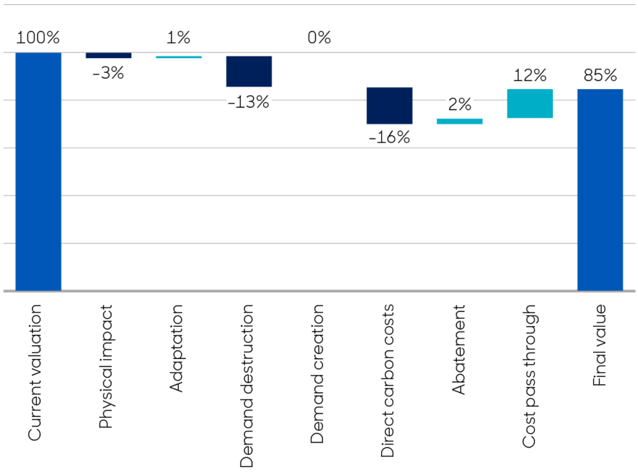
While our latest exercise projects less demand destruction for the energy sector, our Probability-weighted scenario suggests that more than a quarter of the sector would face an impairment of more than 25% with no changes to existing business models.



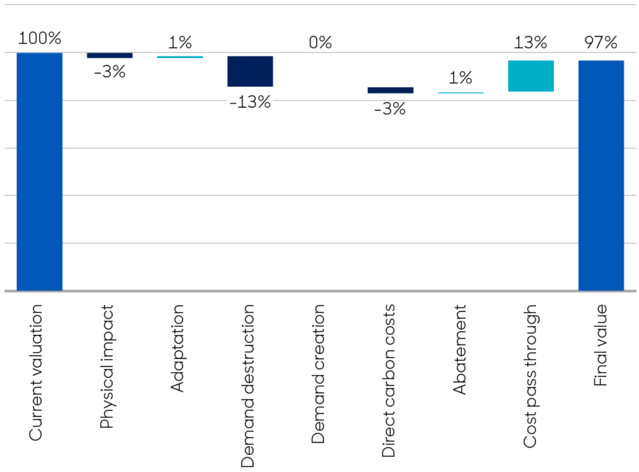

### Illustrating potential valuation impacts for an energy company with (and without) targets

The implementation of ambitious emissions-reduction targets may allow carbon intensive firms to gain a competitive advantage versus peers and mitigate long-term valuation impairments related to climate change. For this illustrative energy company, implementing their targets results in the costs they can pass through more than offsetting their direct carbon cost, although the company would still be affected by a significant reduction in demand for oil.

**Potential valuation impact without emissions reductions targets (net negative of 15%)**




**Potential valuation impact with emissions reductions targets (net negative of 3%)**




Company selected for illustrative purposes only. Projections based on abrdn's Probability-weighted scenario. Data as at October 2024.

# Investments – climate scenario analysis

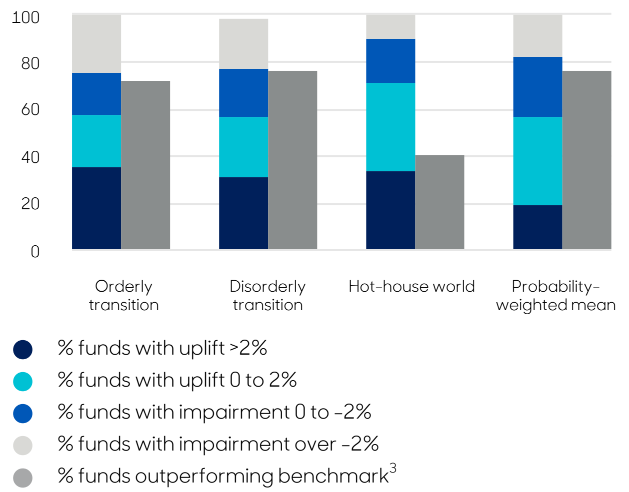
## Resilience of our strategy to climate scenarios

### Application to managed investments

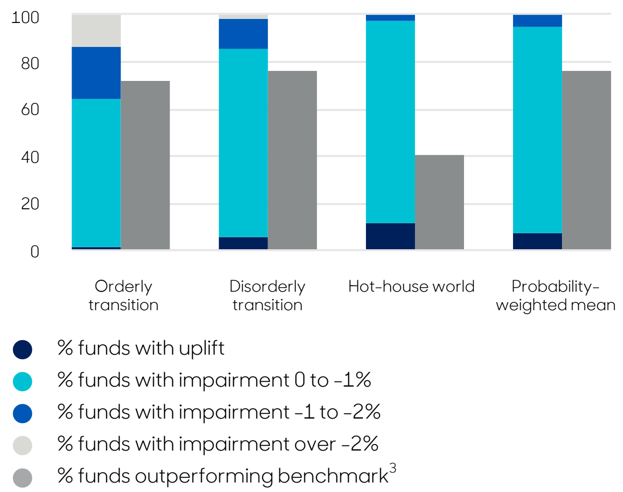
Our latest available analysis suggests that over three quarters of our existing equity and fixed income portfolios show a greater uplift, or less impairment, than their benchmarks when considered against our Probability-weighted mean scenario, as well as 'orderly' and 'disorderly' transition scenarios. Whilst a continuation of current policy (the 'hot-house world' scenario) results in the lowest transition risks (and lower financial impact overall), the financial impairment due to physical risks is far higher.

At aggregate fund level, climate impact can be minimal. Impairment due to physical impacts, demand destruction and carbon costs for some companies can be counterbalanced by demand creation and favourable market dynamics for others. Nearly two-thirds of our equity funds[1] have a +/- impact on value of less than 2% in our mean scenario. Effects are generally smaller in credit portfolios[1], due to debt being higher in the capital structure. Credit securities also have a time-limited duration, which reduces the impact in the later years of our modelling horizon. However, aggregate fund impacts typically hide significant uplift or impairment for specific sub-sectors and individual securities.

**Equity portfolio resilience[2]**




**Fixed income portfolio resilience[2]**




1. Funds in-scope are all public market equity and fixed income funds. Assets in-scope within those funds are public market equity and fixed income assets only. Funds have only been included in the statistics where climate scenario data was mapped to at least 50% of assets in-scope.
2. Resilience is measured in terms of the weighted aggregate valuation (NPV) impact on a fund. This is not a measurement of past performance and is a projection of potential future financial impact on funds under different climate scenarios.
3. Comparison to benchmark only applies for funds where a benchmark has been defined.

### Resilience of abrdn as a firm

The financial sector faces limited direct exposure to climate-related risks, with an average equity valuation impairment of 0.5% under our Probability-weighted mean scenario. However, climate-related risk has the potential to be material indirectly, due to portfolio- and security-level exposures, and other risk types explored on page 45. It is therefore critical that we understand and quantify climate-related portfolio risks, to better enable the objectives of our clients, as the owners of the assets we manage. We explore the resilience of the abrdn Group within the Viability statement in our Annual report and accounts (page 80) but consider our direct exposure to climate-related risks to be low.

# Investments – climate scenario analysis

## Limitations of modelling

Our climate scenario analysis framework has limitations inherent to forward-looking analysis and assumptions. We provide specific detail below, but the overriding limitation is that our exercise is a simplification of the real world and must be complemented by other analysis to support effective decision-making. Climate scenario analysis is only one tool amongst a wider set of building blocks and the outputs do not inform every investment decision. Examples of these limitations include:

- Results are sensitive to the assumption that the market is currently pricing based on the selected baseline. For some companies (for example, pure-play low carbon technology startups), this assumption may be complicated by the market pricing in a scenario that is different from the baseline for these companies.
- With the exception of the company-target analysis, the results do not consider company commitments to transform business models and abate emissions.
- The results are sensitive to current company revenues. Companies without revenues and/or negative net income (startups) are particularly sensitive to even modest carbon-cost shocks, which can reduce profitability to zero.
- Demand creation analysis captures growth in demand for mature and high-growth clean-tech products which are already in commercial production or proven at scale. The analysis does not capture demand growth for more nascent technologies.
- The physical risk modelling accounts for expected average annual damages and impacts from temperature rise on economies. The changing tail risks of extreme events, supply-chain interruptions, and indirect societal impacts on health, migration and conflict are not captured.
- A smooth linear pricing of risk is assumed, which may not be the case. Abrupt pricing changes are not considered in the model.
- The company-target approach currently assumes that companies can achieve their stated transition targets at no additional cost or loss of efficiency. Targets are also analysed in isolation, and thus do not account for the way that one company's transition can affect another's, or the effect on overall sector/region emissions profiles. As a consequence, this represents an upper bound on the benefits companies can derive from transitioning.

### Sources of data

Our industry standard scenarios are primarily based upon those created by the Network for Greening the Financial System (NGFS). We also source data from a variety of third-party vendors and are reliant on the quality of that information. Multiple sources enable us to refine our approach but do not solve for all data gaps or remove risk associated with modelling assumptions.

### Asset class coverage

Our bespoke analysis is primarily focused on equity and fixed income assets. We also perform analysis on real assets and sovereign bonds, but this is not completely embedded in our existing platform. Our climate scenario analysis for real assets provides assessment of both transition and physical risk that is highly location and asset specific. Other asset classes are currently excluded primarily due to data availability and maturity of methodologies.

### Applicability across abrdn

Our climate scenario analysis framework has been developed to better enable our active Investments business. Though the insights may be beneficial more widely, the specific outputs are not currently used as part of our Adviser or ii businesses. These businesses face less direct exposure to climate transition risks and opportunities due to the nature of being investment platforms, versus active investment managers.

### Looking ahead

We continue to be committed to taking a proprietary approach to developing climate scenarios that allows us to bring our own research-driven political, policy and technology insights into the analysis. This approach not only supports regulatory compliance but also aims to deliver added value to our clients through enhanced investment insights and decision-making capabilities. In 2025, we plan to delve deeper into the insight that can be derived regarding the physical impacts of climate change, focusing on the sectors and regions most at risk.

# Investments – active ownership and the environmental transition

## Voting on climate

We vote on both management and shareholder proposals. In 2023, we updated our voting policy to reflect our intention to use indicators within the Carbon Disclosure Project (CDP) to identify companies that are not fulfilling their climate commitments. We publicly announced our focus on voting action at the AGMs of companies which we defined as climate laggards. We defined a climate laggard to be a company which responded 'No' or did not respond to the question on board level oversight of climate related issues in its most recent CDP questionnaire.

In 2024, we took voting action at the AGMs of 15 companies. In line with our policy, we have taken voting action against company financial statements or another appropriate resolution, such as voting against the Chair of the Audit Committee. We do not evaluate a company's climate strategy in isolation. Our approach recognises the links between corporate governance, strategy and climate approach. Where a company's operational response to climate change is inadequate, the effectiveness of board oversight and corporate governance may also be called into question. In 2025, we will continue to apply this approach and work with companies to encourage robust methodologies and, where required, improved reporting and disclosure.

## Climate change shareholder proposals

In 2024, we voted on 148 climate change proposals tabled by shareholders. We are committed to transparency and publicly disclose all our voting decisions on our website.

In 2024, we voted on a range of climate themes, including the sub-themes below:


## Voting on nature and biodiversity

The risks and opportunities associated with the use of natural capital (the world's natural resources, which underpin our economy and society) are becoming increasingly financially material. Reporting on these issues, and how they are managed, has historically been poor and difficult to compare.

There has been a significant increase in resolutions focused on biodiversity and nature in recent years, with more disclosure on efforts to reduce plastic and the subsequent financial implications, reporting on waste and the circular economy, and increased reporting on environmental policies.

The Taskforce for Nature-related Financial Disclosure (TNFD) was established to develop and deliver a risk management and disclosure framework. While it is not currently mandatory, the TNFD framework is likely to become the default standard for companies to promote disclosure of nature-based risks. abrdn is supportive of TNFD and we will encourage companies to focus on the disclosure and reporting of natural capital as we believe better disclosure can help support abrdn's analysis of nature-related financially material risks and opportunities.

## Climate change resolutions

We are members of the Net Zero Asset Managers Initiatives and this is reflected in our active ownership approach. We encourage the companies in which we invest to demonstrate a robust methodology underpinning Paris-aligned goals and targets, and are supportive of resolutions that will help companies to achieve this.

We do not evaluate resolutions in isolation. Our approach recognises the links between corporate governance, strategy and climate approach. We expect and encourage companies to:

- Demonstrate that a robust methodology underpins Paris-aligned, net zero goals and targets.
- Set targets for absolute emission reduction, not just carbon intensity, to show a clear pathway to net zero.
- Report in alignment with the TCFD framework.
- Link targets to remuneration and ensure they are reflected in capital expenditure and research and development plans.
- Carefully manage climate-related lobbying by ensuring appropriate oversight, transparent disclosure of activities, and alignment of activities with the company's strategy and publicly stated positions.

# Investments – active ownership 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

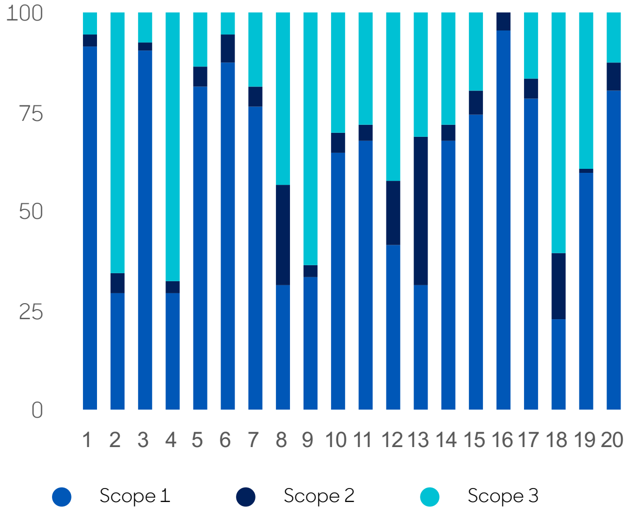
In 2022, for our public market investments, we launched a two-year engagement programme with our top 20 largest financed emitters. Focusing on our top 20 financed emitters enables meaningful engagement over time and reflects our objective to work with our investee companies to support real-world decarbonisation. 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[1] and Rio Tinto[1], 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, in 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.

**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 emissions. Total emissions represented (Scope 1 & 2): 4,831,068 $tCO_2e$. Underlying data snapshot as at 31 December 2022.

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

# Investments – active ownership and the environmental transition

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

### Active ownership 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 active ownership can help the net-zero credibility gap

abrdn'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 abrdn'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.

# Investments – active ownership 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[1] and Engie[1], 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[1], 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[1], 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.

1. 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.

### 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.

# Investments – approach to real estate decarbonisation

## Achieving our objective of decarbonising our direct real estate funds through our delivery framework

Our direct real estate portfolio is diverse, with around 800+ individual assets and we are enabling bespoke pathways to enable this transition at scale. Our delivery framework sets out our strategic actions that we expect to take for each of the funds we manage, subject to investor approval. It prioritises actions and provides a process that should be followed to create a pathway for each fund to define its own decarbonisation pathway, accounting for its structure, investment objectives, client objectives, sector and geographical allocations. The framework follows the principles of the energy hierarchy, and we aim to assess the transition pathway for each in-scope fund by no later than the end of 2025. This excludes indirect real estate investments at this stage.

This process involves:
- Data collection and validation.
- Baselining.
- Asset benchmarking.
- Intervention and scenario modelling including identifying capital expenditure requirements and residual carbon.

We have further work to undertake before all studies are complete, but each study enables the learnings to be carried forwards and applied to the next fund. We expect that some funds will ultimately move faster than others and acknowledge that there are meaningful industry challenges to transition the built environment to net zero.

Learn more about our approach and progress in 'Our blueprint for addressing climate change: Global direct real estate approach to assessing transition and physical risks' available at **www.abrdn.com**

### Monitoring our carbon intensity

Our direct real estate assets are in-scope for our portfolio decarbonisation target outlined on page 62 and reported on page 63. This means that we are targeting a 50% reduction in the carbon intensity of assets by 2030, versus a 2019 baseline. It may be that direct real estate performs differently to other asset classes in aggregate, but our progress will be continually guided by the delivery framework.

### Case study

### Refurbishment supporting net zero objectives

**Following our energy hierarchy to refurbish real estate**

Reducing the impact from existing assets is essential to achieve long-term climate objectives. We have established Sustainable Design Guidelines, which we apply to all major renovations and development projects.

A practical example of the application of these guidelines was during the recent redevelopment of a logistics unit in Maarsen, The Netherlands. The asset originally had poor sustainability credentials and was nearing lease expiry. Guided by our energy hierarchy, the asset was redeveloped to a high standard, achieving BREEAM Excellent and WELL Silver certifications.

The design also included features intended to promote transparent decarbonisation, nature and wellbeing, and included 26 EV charging points, green walls, and an outdoor gym.

### Decarbonisation actions

**Energy demand reduction**
Efficient all electric design inclusive of LED lighting

**Energy efficiency**
EPC AAA++ certification

**Renewables**
We installed 3,650 roof solar panels designed to generate 1,570 MWh annually

# Investments – portfolio decarbonisation targets

## Targeting a 50% reduction in the carbon intensity of in-scope assets by 2030, versus a 2019 baseline, within our Investments business

### Scope of our target

Our portfolio decarbonisation target is applicable to approximately 29% of our AUMA as at 31 December 2024. The target reflects our objective as abrdn plc and does not reflect specific client or fund objectives. The underlying data is based on Scope 1 and 2 emissions sources. This limitation is driven by data availability, maturity of methodologies and control over decision-making. More information on scoping on page 90.

### Measurement

Our target is set in line with the original recommendation of the TCFD, using Weighted Average Carbon Intensity (WACI) as the metric. We source emissions data from a specialist provider and use proprietary tools to apply the data to our portfolios and enable aggregate reporting.

We selected WACI following our assessment of a range of portfolio carbon metrics. We found that the absolute change in Partnership for Carbon Accounting Financials (PCAF) Financed Emissions is largely determined by AUM flows and was, therefore, not suitable for target-setting. Moreover, the related intensity metric uses enterprise value which introduces more non-emissions variables, resulting in increased volatility compared to the use of WACI. Nonetheless, we advocate a dashboard approach for monitoring purposes, and so WACI is not the only portfolio carbon metric we monitor. See page 90 for more details.

### Our 2019 baseline year

We measure our progress against a 2019 baseline year. The baseline is constructed using benchmark data, which was compiled in 2022. There are two reasons for setting a baseline using benchmark data. The first is to ensure that portfolios which have already achieved significant decarbonisation against their benchmark are not penalised. The second is that more carbon intensive portfolios must decarbonise at a faster rate to be in line with the baseline carbon target.

### Challenges to overcome to achieve our target

Investors cannot unilaterally allocate capital to achieve net zero. Divestment from carbon intensive assets does not automatically equate to real world impact. There are significant challenges to overcome including:

- **Client demand:** We are highly reliant on clients increasing demand for carbon targets and net zero products.
- **Policy gaps:** There are highly significant public policy gaps before a credible and just transition can be realised.
- **Lack of data:** Climate data for many assets and regions remains lacking, or nascent, despite progress in recent years.

We are advocates for change. Learn more at **www.abrdn.com/annualreport**

### Improved attribution analysis

We have a four-stage annual monitoring process for our portfolio decarbonisation target. Launched in 2023, this is intended to support the ongoing management of the target as our underlying investment exposures change. The process is designed to better enable the attribution of carbon intensity in our portfolios and to identify points of any conflict between mandates and decarbonisation progress. Should this be the case, the team will inform the office of our Chief Sustainable Investment Officer to support timely and proportionate action.

### Implementation timeline for our portfolio decarbonisation target:

| 2021 | 2022 | 2023 | 2024 | 2025 | 2030 |
|---|---|---|---|---|---|
| Our original commitment date | Baseline exercise performed | Improved attribution analysis capability | Progress assessed and action taken, if required, to decarbonise assets | Interim checkpoint | Target year |
| | First year of progress reported | Second year of progress reported | | | |

# Investments – portfolio decarbonisation progress

## Public markets: progress to date

This is our third year of reporting against our target, with a 45% reduction in the carbon intensity of in-scope public market assets versus our 2019 baseline in (2023: 41%). In-scope assets include specific funds and mandates within equities, fixed income and active quantitative strategies, with demonstrable decarbonisation achieved across each of the asset classes. We continue to note momentum in an increase in client mandated decarbonisation in segregated accounts, which has continued to act as an enabler to achieving our target, along with client inflows into low-carbon quantitative strategies over the last four years.

## Real-world decarbonisation

There remain significant challenges to overcome to achieve real-world decarbonisation, including favourable policy environments, data availability, and client demand. Reductions in portfolio carbon intensity may not be attributable to real-world impact due to the limitations of portfolio carbon metrics.

Our strategy is focused on having the best possible climate building blocks and frameworks to enable our clients to integrate climate change considerations into their investments (page 50).

The combination of our top-down climate scenario analysis and bottom-up portfolio alignment and credibility framework help support our forward-looking evaluation of emissions and climate-related risks and opportunities. These frameworks are also deeply integrated into our active ownership approach to enhance our considerations of climate risks and opportunities.

## Real estate: progress to date

Between 2019 and 2023, we note a 34% reduction in Scope 1 and 2 carbon intensity by floor area. This can be attributed to the ongoing decarbonisation of UK and EU energy grids, and the continued evolution of the in-scope portfolio towards assets with a lower Scope 1 and 2 carbon intensity. This included an increased allocation towards industrial assets, which typically have a lower Scope 1 and 2 carbon intensity compared with other asset types (e.g. offices).

Our analysis of the 2023 calendar year has considered 74% of direct real estate AUM (4% of abrdn AUMA at 31 December 2023). Of the 74% of direct real estate AUM considered, 27% has associated Scope 1 and/or Scope 2 carbon emissions. The remaining in-scope assets with no associated Scope 1 and/or 2 carbon emissions are those that have no landlord energy procurement (i.e. all energy is procured by the tenant, and therefore all emissions are Scope 3 emissions that fall outside of the scope of the 50% reduction target). While no Scope 3 emissions are disclosed for the purposes of reporting against the above target, it should be noted that we collect extensive Scope 3 emissions data for our real estate investments, which is typically disclosed at the product-level.

## Transition pathways for direct real estate

We continue to implement our decarbonisation framework to support the decarbonisation of our real estate assets and the delivery of our carbon targets and financial objectives. This helps us to understand transition pathways for our assets, and importantly the associated cost.

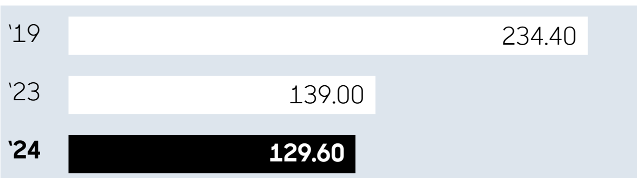
**Public market decarbonisation**

### (29% AUMA)

WACI: $tCO_2e$/\$m Revenue (Scope 1 and 2)

### 45% reduction

(2023: 41% reduction)




Weighted average carbon intensity (WACI) is our method of tracking public market decarbonisation, in line with the original recommendations of the TCFD. In-scope assets include equities, fixed income, and active quantitative strategies.

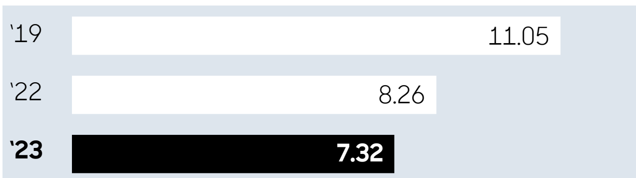
**Real estate decarbonisation**

### (4% AUMA)

Carbon intensity: $kgCO_2e/m^2$ (Scope 1 and 2)

### 34% reduction

(2022: 25% reduction)




Emissions for in-scope direct real estate are divided by floor area and, along with AUMA, are reported for the 2023 financial year. There is a significant lag to the collection of data from individual assets, preventing reporting to 31 December 2024.

# Nature – approach

A healthy planet is critical to the global economy and our way of life and, in recent decades, the world has experienced significant levels of nature loss. With this loss comes increased potential environmental economic risks from supply chain disruptions, regulatory restrictions and costs, and changing client demands.

## Looking ahead to nature

In the second half of 2024, the Board discussed our Group sustainability strategy, which included environmental transition as a strategic area of focus. The directors recognise the importance of managing the risks and opportunities linked to climate change, nature and the wider environmental transition. The Board also supports our business to reflect this strategic focus in a way that best serves our customers and clients.

We are continuing to evolve our Group approach to nature, acknowledging our negative impacts while looking for opportunities to protect and restore nature. We do this, inter-alia, through our partnerships in the abrdn Charitable Foundation and via colleague engagement, including our colleague networks and volunteering policy. For more on our support of nature through philanthropy, see page 66.

As a Group, we recently became a Taskforce on Nature-related Financial Disclosures (TNFD) adopter, building on our early membership of the TNFD Forum and our commitment to the Finance for Biodiversity pledge. Our Group approach centres on materiality: both our Adviser business and ii have less direct material interactions with nature, and we have also assessed our operational physical impacts on nature and found these to be small in comparison to the potential indirect impact in our Investments business. This confirms that our key area of focus for nature lies within our Investments business.

## Investments nature approach

As investors, we believe there are material financial risks linked to the depletion of the ecosystem services we are reliant on. This is why we have developed an investment approach to natural capital and engage with companies on their nature impact.

Read more on our Investments approach to nature on page 68.

# Nature – operational approach

## Recognising our operational impact and nature-related opportunities

Our operational impacts on nature are relatively small compared to those connected with our investments. Therefore, our corporate approach can be grouped into two broad categories: minimising our operational impact; and addressing our Group impact on nature by activating opportunities to protect and restore nature. Our operations have an impact on nature through the locations of our offices, our use of resources and the waste we produce.

## Analysing our office locations

In 2024, we conducted an analysis of our office locations to understand where we have an impact on nature. One aspect of this was considering the biodiversity sensitivity of our office locations, as part of our commitment to developing our approach in line with TNFD. We reviewed each location against three metrics: the IUCN Red List of Threatened Species that potentially occur within 50km of the site; Protected Areas within 50km; and Key Biodiversity Areas within 50km.

In our environmental risk table, we describe the office location analysis we undertake, and which forms part of our evolving operational nature strategy. As part of this analysis, we understand that three of our offices operate in areas we consider to be of high water stress. Our operations are not water-intensive due to the nature of our business, and the number of our FTE working in those areas is small. However, water is a key natural resource that we do consume and we will build the monitoring of this into our operational water management through our evolving environmental management system.

**Kristina Church**
Group Head of Sustainability

"Our recent 'Spotlight on Nature' event is part of the work we are doing to engage colleagues with our Environmental transition pillar. The event demonstrated our interconnected approach to sustainability at abrdn, with some of the key issues we face presented by our Investments colleagues, such as the lack of reliable biodiversity and nature data. We are combatting this, in part, through the abrdn Charitable Foundation funding the Alan Turing Institute and Project AMBER, to develop and deploy novel technologies to gather biodiversity data."

### Case Study

### Waste – Caulibox scheme

We monitor the waste produced in our offices and our reported emissions related to this can be found on page 49. One of the ways that we can minimise our operational nature impact is through subsequently working to reduce this waste. In our Edinburgh offices, we have waste reduction initiatives through our supplier ISS. ISS have implemented a 'CauliBox' scheme, which involves colleagues borrowing reusable lunch boxes from our office canteens, instead of single-use alternatives, and then depositing the CauliBoxes at the designated points within the office to then be reused. Since the scheme's launch across our Edinburgh offices, colleagues borrowed these CauliBoxes' over 15,000 times, which otherwise would have been goods purchased in single-use packaging. This, in turn, supported cost-efficiency savings for our supplier.

### Case Study

### 'Spotlight on Nature' event for colleagues

Part of our approach is to continue to educate and inform colleagues on the nature crisis and our Group nature strategy, as it evolves. Furthermore, we recognise that the degradation of nature and loss of biodiversity has the potential to engage a wide variety of colleagues with our Environmental transition strategy, outside of those already engaged with climate change. This year, we hosted a 'Spotlight on Nature' event open to all colleagues, bringing together our Group Head of Sustainability, Investments nature lead and scientists from our charity delivery partner, the UK Centre of Ecology and Hydrology (UKCEH). This gave colleagues the opportunity to hear more about our partnership with the Alan Turing Institute, and their delivery partner UKCEH, and the progress that had been made this year, with UKCEH analysing the first data set from Project AMBER (see page 66).

# Nature – support through philanthropy

Our charitable foundation and our colleague volunteering scheme also provides us with an opportunity to protect and restore nature.

## abrdn Charitable Foundation

Our giving strategy is divided into two themes: People and Planet. This year, we have continued our partnerships with The Alan Turing Institute and UNESCO. We believe creating partnerships through the abrdn Charitable Foundation (aCF) is one way for us to have a meaningful positive impact.

### The Alan Turing Institute

In 2022, we committed £1,000,000 to support The Alan Turing Institute in its mission to change the world for the better using data science and artificial intelligence research. We are enabling a global research programme to monitor and collect biodiversity data – called Project AMBER – with the goal of bridging the knowledge gap between insect populations and ecosystem impacts. The partnership brings together the experts from UKCEH and The Alan Turing Institute who are developing the use of automated sensors, bioacoustics, and computer vision to monitor insects, bats, and birds.

There are now more than 40 monitoring systems deployed via Project AMBER, across multiple countries such as Kenya, Costa Rica, Thailand and Panama. In 2024, ecologists from UKCEH began to analyse the data coming from our Costa Rica sites, and conducted outreach with relevant universities and local authorities surrounding the sites.

### Case Study

#### Environmental Champions

Our Environmental Champions Network is a long-standing colleague-led global network. Its purpose is to connect like-minded colleagues to inspire environmental practises and conservation at work and beyond. Members take part in local environmental volunteering, engage with environmental charities and host environmental spotlight speakers at their monthly meetings. In 2024, the network hosted 10 spotlight speakers, which ranged from topics such as sustainable procurement, ESG investee engagement and invertebrate conservation, as well as hearing from our Powerful Planet Partners at UNESCO and UKCEH, through Project AMBER.

### UNESCO

In 2022, we announced a 3-year partnership between the aCF and UNESCO. The partnership focuses on the promotion of research and education through innovative approaches to environmental safeguarding and climate action at 15 UNESCO-designated sites in Europe and North America. Our commitment of €750,000 is supporting UNESCO to implement pilot programmes across these sites, with a thematic focus on biodiversity, water, oceans earth science, and climate change. In 2024, UNESCO and the aCF launched the third and final cycle of the project, announcing a further five sites, four across Europe and one in Canada.

### Case Study

#### Engaging colleagues through the aCF

We have multiple grants available through the aCF and these are distributed via a cycle of two-year regional partnerships. The theme of these partnerships are decided by our regional charity forums, and a shortlist is presented to all colleagues for a colleague vote to decide their regional charity partner. Our charity forums representing the UK, EMEA, the Americas and APAC all voted for partnerships aligned to our 'Planet' strategy.

In January 2025, we entered into partnerships with:
- UK – RSPB Scotland, supporting a project focused on peatland restoration.
- EMEA – UNICEF UK, with a donation to support UNICEF's Global Climate, Environment, Energy and Disaster Risk Reduction (CEED) fund.
- US – The Academy of Natural Sciences of Drexel University, to support their initiative to help remove plastics from Philadelphia's waterways.
- APAC – we renewed our partnership with WWF Singapore, supporting two new projects: 'Wildlife Connectivity Monitoring' and 'Wetlands Immersion Programme.'

The charity forums' consensus to support 'Planet' projects shows the ongoing desire to protect nature among our colleagues.

# Nature – Investments

## Understanding and managing nature-based risks and opportunities to help support our clients' objectives

### TNFD

The TNFD has developed a set of disclosure recommendations and guidance that encourage and enable businesses to assess, report and act on their nature-related dependencies, impacts, risks and opportunities. The recommendations and guidance should support us in better understanding and integrating nature risks and opportunities. The aim of TNFD is to support a shift in global financial flows away from nature-negative outcomes and toward nature-positive outcomes. abrdn plc intends to publish TNFD-aligned reporting in 2026, for the 2025 financial year.

### Exposure to TNFD priority sectors

The chart below details the percentage of our fixed income and equity holdings[1] that align with the TNFD's priority ISIC[2] classes within each sector, compared with overall exposure to that sector[3]. Issuers categorised as High Priority are not necessarily high risk but are found in sectors that have the potential to be. Individual issuers may be managing impacts and dependencies well.

### Nature targets

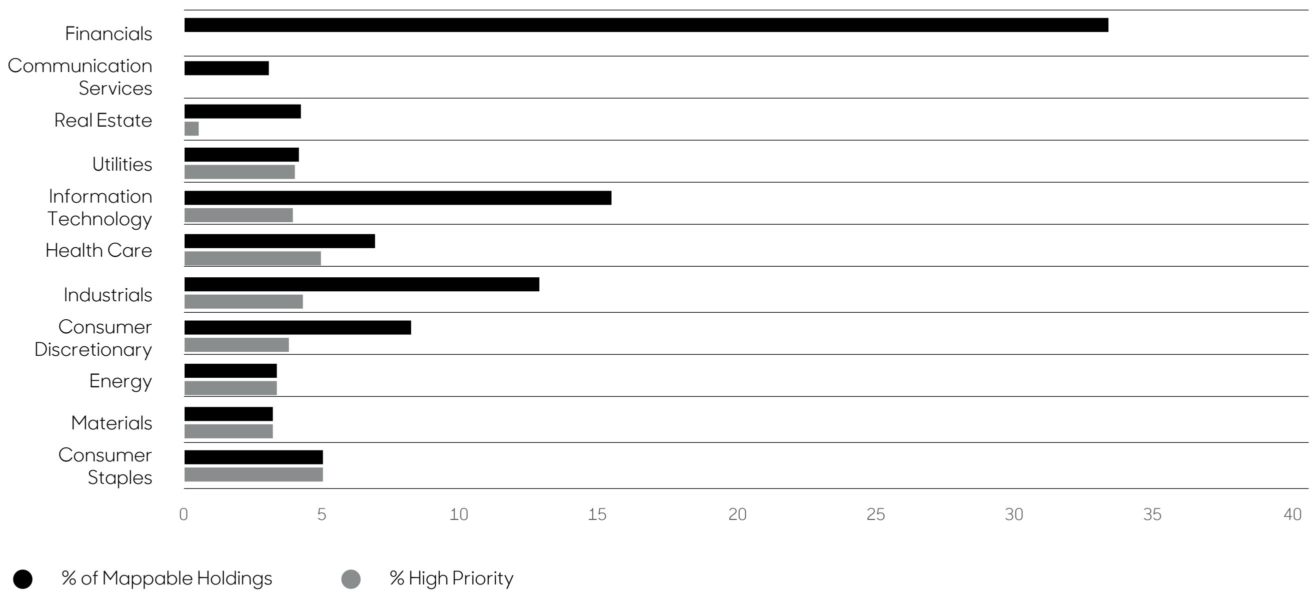
We believe it is too early to make commitments on nature-related risks, particularly related to AUM alignment targets.

We do believe engagement is a powerful tool to better understand how holdings in these sectors are managing the potential risks and help us identify transition leaders. See page 68 for more on our targeted engagement approach.

### Active ownership – shareholder resolutions

We have seen a significant increase in resolutions focused on biodiversity and nature in recent years. The focus of these resolutions has varied; however, we have seen particular attention to reporting on efforts to reduce plastic use, reporting on waste and the circular economy, and increased reporting on environmental policies. In addition, across our real estate portfolio, we actively identity opportunities to promote nature. Such initiatives can involve habitat creation, the development of ecological management plans, as well as partnerships and engagement initiatives to involve communities and tenants in the promotion of nature.

### Fixed income and equity exposure to TNFD priority sectors




1. c. 45% of all fixed income and equity holdings (by value) were able to be mapped via NACE code to an ISIC and GICS industry.
2. ISIC – International Standard Industrial Classification of all economic activities, where entities are classified in accordance with activity.
3. Using GICS – the Global Industry Classification Standard – an industry taxonomy used by the global financial community.

# Nature – Investments

## Prioritising engagement on nature-related risks and opportunities

### Sector insights and engagement

In 2024, we continued to develop our understanding of potential nature-related risks and opportunities in our portfolios. To support our company engagement activities, we also developed a nature-focused engagement framework.

Using insights from the Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) tool, we prepared a top-10 priority list of companies, based on sub-industry potential impacts and dependencies, internal fund requirements, evolving regulatory risks, and our financial exposure.

While the list of ten priority companies may evolve as our exposure and fund priorities change over time, the seven sub-industries identified in 2024 include: paper and forest products; real estate development; water utilities; food products; textiles, apparel and luxury goods; pharmaceuticals; and industrials.

### Our engagement framework

Our nature-focused engagement framework was developed using the TNFD's core metrics, which are aligned to four of the key drivers of nature loss:

1. Climate change
2. Land use change
3. Pollution
4. Resource use

ENCORE data was combined with in-house subject matter expertise to assess potential material environmental risks for the top-10 priority holdings.

Desk-based assessments were undertaken on the priority holdings to determine whether publicly disclosed data meets, or partially meets, TNFD core metric disclosure requirements. We are now engaging with these companies on the potential gaps identified. Where we believe that these areas present financial risks and initial engagements do not provide assurance that these are being managed, we will set milestones for future engagement.

### Identifying opportunities in the nature-based solution market

Through our internal analysis, involving our real estate, private market solutions and sustainable investment teams, we have continued to mature our understanding of nature-based opportunities and solutions where we believe the investment sector has a critical role to play.

Utilising a range of internal and external resources, we have assessed the role carbon markets will need to play to support the energy transition. It is clear that carbon removals will become necessary to mitigate the physical impacts of climate change; a view we have formed through our internal scenario analysis emissions trajectories, the bottom-up assessment of hard-to-abate sectors, and the technology readiness level of decarbonisation solutions.

Alongside a positive emissions impact, a robust carbon market opens up the opportunity for nature and social co-benefits, enhancing ecosystem services and improving adaptation to climate-related physical risks. We believe that carbon removal projects can support an improvement in local biodiversity intactness, support local employment and enhance flood resilience.

Our Investments business has recently announced the establishment of the Nature Investment Partnership with NatureScot, Palladium and Hampden Bank. Through this partnership, we have identified a range of landscape-scale restoration opportunities underpinned by the UK Woodland Carbon Code and Peatland Code, supporting the UK and Scottish Government in their ambitions to meet woodland and peatland targets.

# Responsible business

The information in this section is intended to summarise the policies, procedures and actions we have in place to ensure we have a robust corporate governance framework across the business. It is important to note that governance is foundational to all our work and the information in this section should not be interpreted as exhaustive. abrdn plc reports in line with the UK Corporate Governance Code on an annual basis in our Annual report and accounts.

We are also signatories to the UK Stewardship Code and produce a standalone report against the 12 principles. Other policies and reports are also referenced throughout the section.

Our focus here is to provide meaningful summary information on common areas of focus and illustrate how we apply sustainability strategies and principles in context. The information reflects the latest available as at 31 December 2024.

# 2024 in review

**Jason Windsor**
CEO

"Our refined sustainability strategy brings a renewed focus on ensuring transparency, accountability and clarity of purpose. Our comprehensive set of policies and standards, supported by rigorous governance structures, help us to manage and mitigate risks, as well as ensure that we uphold the commitments we make to all our stakeholders."

## 99%

Completion rate of mandatory compliance learning by colleagues (2023: 99%)

## AA

MSCI ESG Rating (2023: AA)

## 95%

Of our top suppliers have net zero targets (2023: 91%)

# Client and customer outcomes

## Delivering good outcomes

### Why it matters

Our purpose is to enable our clients and customers to be better investors; we do this through products and services that meet their needs and provide the outcomes they might reasonably expect. Core to this is the recognition that we must treat clients and customers fairly and ensure that the voice of the customer is brought into every conversation.

### Governance

Treating clients and customers fairly is embedded in our ERMF, which is subject to Board oversight. Our Chief Executive Officer has delegated authority for the development, delivery and management of Conduct Risk, including in relation to clients and customers. Our ELT implement our framework, which ensures our 'client-first' culture and that appropriate processes and procedures are in place to deliver our strategy. We have no appetite for unfair or poor customer outcomes and seek to offer fair value, as well as the provision of appropriate service and support across the firm. In cases where a proposition, procedure or process has been identified as not performing as intended, we commit to do the right thing for our customers and clients and rectify in a prompt manner. More information on the application of our ERMF is available in our Annual report and accounts.

### Policy and standards

– Client and Customer Policy: This policy sets the minimum standards that we adhere to in relation to clients and customers and aims to ensure that the governance and oversight arrangements for products and services across abrdn are consistent with regulatory standards. The policy is applicable to all products and services offered by all regulated legal entities within the abrdn group of companies.
– Global Code of Conduct: Our publicly available code of conduct describes the standards of behaviour expected from all abrdn colleagues. It provides guidance for colleagues about doing the right thing for our clients and customers.
– Conflicts of Interest Policy: This policy sets the standards that the business must adhere to in relation to conflicts of interest. The policy recognises that the effective management of conflicts of interest is at the core of good customer and client outcomes.

### abrdn conduct outcomes

Our conduct outcomes provide a common language to support our conduct framework and deliver good outcomes.

| | |
|---|---|
| **Products and services** | – Products and services are fit for purpose and meet the needs of consumers.<br>– Propositions are designed to promote and build valuable relationships with customers and clients, paying due regard to their interests and meeting their needs, and are sold appropriately. |
| **Price and value** | – Ensure that consumers receive fair value.<br>– Customers and clients are provided with services that are of a standard in line with expectations set. |
| **Consumer understanding** | – Consumers understand the products and services they are buying.<br>– Information provided is appropriate, balanced and suitable to their needs and circumstances and enables them to make informed decisions. |
| **Consumer support** | – Customers receive appropriate support after purchasing a product or service.<br>– Customers do not face unreasonable barriers to change product, switch provider, submit a claim, access services or make a complaint or express dissatisfaction. |

# Health and safety

## Our approach to workplace health and safety

### Why it matters

The health, safety, and wellbeing of the people who work with us is of paramount importance. We ensure that appropriate processes are in place to protect those we work with.

### Governance

Our Board has overall responsibility for health, safety, and wellbeing throughout abrdn, with our Chief Executive Officer responsible for oversight on behalf of the Board. The operational responsibility is delegated to a member of our ELT. Our UK Health and Safety and Workplace team meets weekly and highlights any material health and safety matters, including the effectiveness of existing policies and practices. The Board maintains oversight on an annual basis through the review of a health and safety report, which includes a summary of significant activities, by region, for the reporting year. Related risks are also embedded within our ERMF.

Our approach to Health and Safety is guided by robust policies, ongoing training and commitment to continuous improvement, allowing us to proactively address potential hazards and enhance our safety culture.

### Policy and standards

- Health and Safety Policy: Our policy is applicable to all abrdn colleagues and includes individuals working on our premises. The policy sets out the standards for the business to ensure appropriate monitoring, controls, training and procedures are in place to create a safe and healthy working environment.
- Global Third-Party Code of Conduct: Our expectation is that any work undertaken on our behalf is within a safe, and healthy work environment. This applies to our premises and supplier working environments.

### Training and education

All abrdn colleagues are required to complete biennial health and safety training to understand how to maintain safe and healthy working environments, whether working remotely or in the office, and to become familiar with applicable laws and regulations. Our most recent training was conducted in 2024, with a completion rate of 99%.

### Monitoring and systems

All colleagues work in comparable office environments. The highest volume of our people are based in the UK (approximately 81%), which is therefore our highest risk. We employ an external consultancy to visit all our UK offices on an annual basis to review our health and safety approach and fire safety compliance. Identified risks are logged as actions and addressed based on the noted severity by our third-party workplace team. We also conduct risk assessments for our work activities. Our goal is zero reportable workplace accidents and 95% of risks to be controlled at the point of audit. All accidents and incidents are investigated.

### Reporting and transparency

Though our colleagues work in low-risk environments, accidents can and do happen, and we believe in the principle of reporting relevant information publicly.

Workplace fatalities

**0**

Workplace accidents

**0**

reportable workplace accidents in 2024.

Workplace absence

The coverage is 72% of colleagues

**1.9%**

# Human rights

## Why it matters

Our role as global investors, employers, and service providers, means there is potential for significant impact and influence on human rights issues. We are alert to these issues across our business and have policies and actions in place to help mitigate risk and deliver positive outcomes. We have a critical role to play and work to tackle industry issues and promote best practice.

## Salient human rights issues

### Overview of our areas of focus

We look at a range of potential human rights impacts resulting from activities we are involved in and prioritise those likely to be the most severe, were they to occur. This is based on the level of impact to the rights holder, how widespread the issue could be, and the complexity of remediating the issue. We view our salient human rights issues through the eyes of the rights holder, drawing on internal expertise and conversations with external bodies. The table below identifies these salient issues and the relevant Group and Business policies in place where more information can be found.

| Rights holder | Salient human rights issue | Policies, Statements and Accreditations | Actions we are taking | Find out more |
|---|---|---|---|---|
| **Clients** | Data privacy | – Privacy and Data Protection Policy<br>– Privacy Notices<br>– Cookie Policy<br>– Social Media Policy<br>– Global Code of Conduct<br>– Client and Customer Policy<br>– Anti-corruption and Anti-bribery<br>– Anti-Financial Crime Policy<br>– Sanctions Policy<br>– Conflicts of Interest Policy | We maintain records of processing activities and regularly monitor compliance with our policies to evidence compliance with applicable laws. Privacy notices are published to inform subjects what personal data is processed by abrdn and how to exercise their rights under laws. | Pages 81–82 |
| | Protection from discrimination; vulnerable customers | – Global Code of Conduct<br>– Client and Customer Policy | We listen to the needs of all of our clients and consider their diverse requirements within our products. | Pages 17 and 71 |
| **Colleagues** | Protection from discrimination, bullying and harassment | – Global Code of Conduct<br>– Speak Up Policy<br>– Bullying and Harassment Policies (region-specific)<br>– Diversity, Equity and Inclusion Policy (global)<br>– Disciplinary Policy (region-specific)<br>– Grievance Policy (region-specific) | Our policies ensure we meet legal requirements, but our framework for action goes beyond this to create a diverse and inclusive workplace. | Pages 21 and 74 |
| | Safe and secure work | – Health and Safety Policy<br>– Global Blended Working Policy<br>– Holiday Policy (region-specific)<br>– Special Leave Policy (UK-specific)<br>– Parent Leave Policy (UK-specific) | Blended working is our default way of working globally. We continue to support safe working in the office and at home, requiring the majority of colleagues to work from their local office at least three days per week. | Page 72 |
| **Supply chain** | Fair wages | – Global Third-Party Code of Conduct<br>– Procurement, Outsourcing and Third Party Management Policy<br>– UK Living Wage and Living Hours Employer | We are an accredited UK Living Wage and Living Hours employer.<br><br>Our supplier code of conduct sets out what we expect from suppliers. | Pages 17 and 83–85 |
| | Preventing modern slavery and forced labour | – Global Third-Party Code of Conduct<br>– Procurement, Outsourcing and Third-Party Management Policy<br>– UK Living Wage and Living Hours Employer<br>– Modern Slavery Statement<br>– Human Rights Statement | Our Modern Slavery Statement details the steps we have taken to help prevent modern slavery in our operations, supply chain and investment approach. | Modern Slavery Statement; Human Rights Statement<br><br>Page 85 |
| **Communities** | Inequality | – Community engagement and charitable giving approach | Action through the abrdn Charitable Foundation. | Pages 18–20 |
| **Impacts linked to investments** | Dependent on country and sector | – Human Rights Approach | Human rights considerations are integrated into our investments approach. | Approach document available on our website. |

# 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 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 abrdn 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 abrdn, 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, third-parties 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.

# Compliance training

## Why it matters

In addition to our learning and development strategy, we provide colleagues with mandatory training to ensure a clear understanding of critical regulatory and legal obligations. Our objective is to ensure our colleagues are supported to deliver on our businesses obligations.

## Governance

Mandatory training completion rates are monitored as part of our assessment of Conduct Risk, which is subject to Board oversight and embedded in our ERMF. Information to enable oversight is provided on a recurring basis to the Risk and Capital Committee, by the Chief Risk Officer in a 'Views on Risk' report, which covers the principal risks and uncertainties faced by abrdn. More information is available in our Annual report and accounts.

## Policy and standards

- Global Code of Conduct: Our publicly available code of conduct describes the standards of behaviour expected from all abrdn colleagues and includes the expectation that mandatory training is completed upon joining the business, and then periodically as required.

## Monitoring compliance and completion

Colleagues are expected to complete mandatory training in a timely manner, with some exceptions for cases where individuals may be out of the business for extended periods. Actions linked to non-compliance may lead to disciplinary action, with potential consequences up to and including dismissal.

## Ensuring training remains relevant

Our suite of mandatory compliance training remains under review to ensure changes to regulations and business requirements are reflected. We have training relevant for specific regions and teams, and endeavour to ensure that colleagues benefit from the learning provided and that their time spent on training is effective.

## Looking ahead

Ensuring that our colleagues are equipped to deliver on our obligations and regulatory requirements, will continue to be a critical focus, with training appropriately updated to reflect this.

## Topics covered by mandatory training

1. Anti Money Laundering
2. Client assets
3. Competition law
4. Conduct
5. Fraud prevention
6. Health and safety
7. Information security and cyber risk awareness
8. Operational resilience
9. Preventing discrimination and harassment
10. Privacy and data protection

**99%**

2023: 99%

**Mandatory training completion**

Aggregated percentage of mandatory training completed.

## Bespoke training

In addition to mandatory training for all colleagues, some roles are required to complete training to develop competencies for specific aspects of their responsibilities.

# Financial crime

## Why it matters

We are committed to protecting our client and corporate assets, with a zero-tolerance approach to bribery and corruption, money laundering, sanctions and terrorist financing.

## Governance

Our Board maintains oversight of all financial crime systems and controls, ensuring application across the business. The Chief Executive of each of the Group's three businesses is responsible for implementing the structure and procedures for the management of financial crime operationally. This is with the support of our second line teams, including the Chief Risk Officer and the Global Head of Anti-Financial Crime, who provides oversight of the Anti-Financial Crime Programme. Each regulated entity also appoints a Money Laundering Reporting Officer (MLRO), with specific responsibilities, including ensuring that policies and standards are in line with local laws and regulations.

abrdn colleagues are required to follow the policies and standards issued by abrdn and relevant operating procedures and guidance applicable to their business area. Financial crime risks are managed by the business through conducting risk assessments and obtaining due diligence on clients and customers. Fraud and financial crime risks are embedded within our ERMF as a principal operational risk. More information is available in our Annual report and accounts.

## Policy and standards

- Anti-Financial Crime Policy: Our core policy is to set the standards and define clear principles for the management of financial crime risk.
- Anti-Money Laundering Policy: Outlines our approach and principles for combating money laundering and terrorist financing, including the procedures for reporting any suspicious activity. It also details the role and responsibilities of designated MLROs.
- Anti-corruption and Anti-bribery Policy: Establishes a globally consistent approach to anti-bribery and anti-corruption, emphasising zero tolerance for any employee or Group involvement in related offences.
- Anti-Fraud Policy: Indicates our commitment to financial integrity and our approach to fostering an anti-fraud culture. It confirms colleague responsibilities and details procedures for addressing non-compliance.
- Gifts and Hospitality Policy: Sets out rules and limits for giving and receiving gifts and hospitality to ensure compliance with legal and regulatory requirements, and to avoid conflicts of interest. It also establishes expectations for reporting and escalation.
- Sanctions Policy: Our approach and the principles for mitigating the risk of sanctions breaches, including timely reporting and action where applicable.
- Global Code of Conduct: abrdn's public code of conduct describes the standards of behaviour expected from colleagues, including acting with honesty and integrity. It provides guidance on raising concerns about suspected financial crime.

All policies are applicable to all abrdn colleagues and subsidiaries.

## Training and education

abrdn colleagues are required to complete annual training on anti-financial crime topics, including anti-corruption and anti-bribery, money laundering and terrorist financing, fraud and sanctions. This is in addition to bespoke training for key departments. Our intranet offers a range of resources for colleagues, including guidance on specific policies and procedures, as well as information on how to report any concerns.

# Financial crime

## Internal control systems

We have controls to prevent financial crime in place that are designed to be proportionate, appropriate and tailored to the needs of our three businesses. Our ERMF supports the management and monitoring of effective control systems. First line teams operationalise our policies and procedures, with oversight from our anti-financial crime team. These internal control systems and procedures are subject to regular audits to assess effectiveness in countering financial crime.

## Client due diligence

Before establishing a business relationship, we verify the identity of our clients to prevent crimes like money laundering and terrorist financing. Our due diligence processes identify customers, checking against known terrorist databases, and identifying Politically Exposed Persons (PEPs). We utilise specialised screening tools for this purpose. Where heightened risk factors are identified, clients undergo additional scrutiny, including MLRO and senior management approval. Throughout the due diligence process, we gain a thorough understanding of our client's business and investment goals. We also have ongoing monitoring procedures to detect any potentially suspicious activities. Our colleagues are required to report any suspicious activities to the designated MLRO.

## Risk based approach

A fundamental aspect of our Anti-Financial Crime (AFC) Framework is the Risk Based Approach (RBA). This ensures that clients posing a higher Anti-Money Laundering (AML) and Counter Terrorist Financing (CTF) risk are subject to enhanced due diligence and monitoring. We allocate additional controls to higher risk activities and operations deploying more resources to areas where financial crime risks are highest. The RBA is underpinned by a detailed client risk assessment methodology, drawing on criteria such as entity type, jurisdictional, product channel and sectoral risk.

## Monitoring and oversight

Monitoring and oversight of financial crime risk areas is an ongoing area of activity for the AFC teams. This is driven by the Group's risk appetite and the RBA, including results from our Anti-Financial Crime Enterprise-Wide Risk Assessment. Second line teams regularly review first line operations and report on the results, including the effectiveness of controls.

## Reporting and transparency

We have a zero-tolerance approach to financial crime, and the conduct of our colleagues is essential in preventing potential incidents. We are also committed to transparency as an organisation and disclose common voluntary measures of business ethics.

**0**

**Incidents identified of bribery or corruption**

Confirmed instances of bribery or corruption by abrdn colleagues (2023: 0)

**£0**

**Losses from legal proceedings**

Losses from public legal proceedings relating to bribery or corruption by abrdn colleagues (2023: £0)

# Responsible tax

## Transparent disclosure with clear principles

### Why it matters

In meeting our responsibilities in the countries and communities where we live and work, our strategy is guided by our commitment to the highest ethical, legal and professional standards.

### Governance

Our tax risk policy, which sets out how we manage and operate tax risk across our business, is approved by our Board and reviewed annually, and sets the operational standards by which we manage tax risk across the business. The tax risk policy is part of our ERMF, the basis upon which we manage risk. Operationally, tax risk management and controls sit with the various regions and functions of the business, supported by our tax team. The tax department works closely with stakeholders to ensure that our approach to tax is consistently applied throughout the organisation.

### Policy and standards

- Tax strategy: Our approach to tax is closely aligned to our strategy to create sustainable, client-led growth. We publicly disclose our strategy in our annual tax report.
- Tax Risk Policy: Our policy sets out the standards and principles for our business in relation to tax risk. Our policy is applicable to abrdn plc and its subsidiaries and is reviewed annually, with the abrdn plc Board approving any changes deemed to be material.

### Tax strategy

Our approach to tax is closely aligned to our strategy to create sustainable, client-led growth. We seek to operate responsibly in all our tax matters and recognise its importance to our stakeholders, including our clients, customers, employees and shareholders, as well as the contribution we make to society more widely.

### The principles of our tax strategy

1. **Responsibility:** We recognise the importance of the contribution we make to public finances through our payment of taxes and take into account the needs of all our stakeholders in the way we manage our tax affairs.
2. **Purpose:** We do not seek to apply an aggressive interpretation of tax legislation and we will not undertake any transaction whose sole or main purpose is the creation of a tax benefit, greater than that intended by legislation.
3. **Sustainable tax development:** We discuss tax policy and regulation development with tax authorities, government and international organisations, to ensure the sustainable and effective development of tax rules.
4. **Transparency:** We work cooperatively and transparently with HMRC and other tax authorities.
5. **Control:** We operate a strong governance framework in managing and controlling our tax risks.
6. **Compliance:** We ensure that we meet our tax compliance and reporting obligations.

## £135m

### Taxes paid

These are the taxes our company pays to tax authorities where we have operations (2023: £201m)

## £227m

### Taxes collected

These are the taxes that we are obliged to collect and then pay to tax authorities arising from our global operations (2023: £248m)

## £362m

### Total tax contribution

This consists of the taxes paid by our company to tax authorities, and the taxes our company collects that are then passed on to tax authorities. (2023: £449m)

# Cyber and information security

## Safeguarding our clients, people, and business

### Why it matters

The misuse of confidential information, whether accidental or deliberate, can result in significant harm to people and society, and we must continually ensure its protection.

### Governance

Information security is embedded within our ERMF, which is subject to Board oversight. Information security risks are applicable to a number of principal operational risks for the business, including those relating to technology, security and resilience. Our governance reflects this, with our Chief Security and Resilience Officer reporting to our Group Chief Operating Officer, a member of the ELT. Our Security Resilience and Protection (SRP) team supports oversight across the business and expertise on matters including cyber security. Information to enable oversight is provided on a recurring basis to the Risk and Capital Committee by the Chief Risk Officer in a 'Views on Risk' report, which covers the principal risks and uncertainties faced by abrdn. More information is available in our Annual report and accounts.

### Policy and standards

– Technology Policy: This Policy sets out the requirements for effectively managing and optimising our technology infrastructure, systems and resources at abrdn. This policy aims to foster a proactive culture of innovation, collaboration and continuous improvement across the organisation, ensuring that all employees, contractors and third-party partners understand their roles and responsibilities in leveraging technology to support our business goals and operations.
– Information and Cyber Security Policy: This Policy sets out the security and resilience requirements to maintain the confidentiality, integrity and availability of abrdn's information and IT assets. This policy aims to promote a proactive culture of security awareness and resilience throughout the organisation, ensuring that all employees, contractors and third-party partners understand their roles and responsibilities in safeguarding our assets and operations.
– Global Code of Conduct: Our public code of conduct describes the standards of behaviour expected from all abrdn colleagues, which includes using information responsibly. The code outlines what may happen in the event of a breach of applicable policies and standards. This could be disciplinary action, and potentially criminal or civil enforcement.

### Our information security framework

Our Information Security Framework is developed using industry standards, including ISO27001, ISF SoGP and the NIST Cybersecurity Framework. Our objectives are to:
– Protect our assets: people, physical and financial.
– Protect client and customer interests.
– Comply with related legislation and regulatory requirements.

The SRP team helps drive the implementation of the framework and supports the development of our risk-aware culture for the business. Areas of focus include:
– Analysing cyber risks and threat intelligence.
– Our incident and crisis management framework.
– Colleague training and awareness.
– Policy development and efficacy.

The team supports the wider business to implement key policies and maintain controls, where applicable.

### Case study

#### Testing for vulnerability

Proactively identifying risks to information security supports our ability to build resilience across the organisation, and to assess and remediate identified risks. Our approach to the identification and mitigation of cyber vulnerabilities is risk based and prioritises those areas which are critical to our business, or subject to greater threat, such as internet-facing services, like our websites. On a weekly basis, we run vulnerability tests to our internet-facing infrastructure, using a third- party scanning tool, to identify potential risks to remediate. We also employ third-party specialists to conduct enhanced testing on a quarterly basis, which supports the further identification of potential vulnerability in our core operating systems and databases. Critical vulnerabilities are logged on our risk management system and resolutions are tracked to completion by our SRP team and technical experts. In addition, our Operational Resilience team conduct business continuity testing programmes, which assess our ability to respond to and recover from threats.

This testing includes, but is not limited to, simulated cyber-attacks on our business.

# Cyber and information security

## Safeguarding our clients, people, and business

### Certification

abrdn holds ISO22301 Business Continuity certification and renews this annually. This certification requires that the organisation undergoes a formal external assessment of our Business Continuity management systems and demonstrates to internal and external stakeholders that abrdn is adhering to good practices in business continuity management.

### Independent monitoring

We thoroughly test our controls using independent procedures, both internally (through our ERMF internal audit team) and externally (through third-parties specialising in technical and process-focused testing, and regulator engagement) to ascertain the effectiveness of our control environment. Consequently, we can proactively identify potential enhancements, which may help prioritise items for investment in our annual cyber change programme.

### Training and education

As a minimum, all colleagues must complete training on information security and resilience at least once a year. This covers a range of regularly updated related topics such as password security, social engineering and information protection. The SRP team also delivers ad hoc training focused on threat trends and/or individual requirements and provides evergreen resources for colleagues on our intranet, including maintaining policies on topics, such as acceptable use. During 2024, the team implemented specific training for new joiners on phishing and cybersecurity risks. Education on phishing continues to be a key focus, as it remains one of the primary risks facing organisations.

### Third-party due diligence

Prior to procuring goods and services across abrdn, we complete a service risk assessment questionnaire, which informs the questions we ask during due diligence. Information security and resilience standards are embedded in this process, and identified risks are challenged by internal subject matter experts to determine proportionate mitigation efforts and decision-making.

### Policy applicable to third-party suppliers

- Global Third-Party Code of Conduct: Our public policy sets out the principles we require all third-parties to follow when providing goods or services to abrdn. This includes ensuring appropriate technical measures are in place to protect information. The policy is in addition to any specific contractual terms agreed.

### Reporting and transparency

The business monitors and internally reports a range of metrics to track the effectiveness of relevant policies, procedures and controls. These include outcomes from phishing training and exercises, but also comprehensive maturity, vulnerability and business continuity testing. We aim to increase the resilience of our business to security breaches, and to ensure our colleagues are equipped to manage risks. We disclose related voluntary metrics in support of transparency.

**0**

**Information security breaches**

Confirmed breaches of information security during the reporting period (2023: 0)

### Looking ahead

Cyber and information security remain critical priorities for abrdn, and we are making appropriate investment to ensure that we continue to improve our maturity. Our existing processes are designed to protect our assets, ensure operational resilience, and comply with industry standards and regulations. By continuously evolving our security measures against the most likely threats, we aim to provide our clients and notable stakeholders with the confidence that their data and investments are secure.

# Data privacy

## Privacy and protection policies and processes

### Why it matters

It is important we process personal data in line with privacy and data protection laws and is critical that our customers and clients trust us to take appropriate measures to ensure its security.

### Governance

Privacy and data protection risks are managed as part of our ERMF, which is subject to Board oversight. It is the responsibility of all colleagues to understand and adhere to privacy and data protection principles and to manage any privacy risks in line with the company's risk appetite and applicable laws. The role of our Data Protection Officer and Data Privacy Office is to provide the framework and guidance to support ongoing compliance with our policies and applicable data protection laws, and to report independently on compliance to the Board and relevant Control Forums. Information relating to the company's privacy and data compliance risks and key metrics is provided on a regular basis to the Risk and Capital Committee, by the Chief Risk Officer in a 'Views on Risk' report. More information on our ERMF is available in our Annual report and accounts.

### Policy and standards

- Privacy and Data Protection Policy: Our Policy is applicable to all abrdn colleagues and subsidiaries. The policy sets out the principles for colleagues to adhere to when processing personal data, including the identification, assessment, and management of risks. The Policy is reviewed annually by our Data Protection Officer.
- Protection of Information and Resilience Policy: This policy outlines measures to ensure the security of information, including personal data.
- Global Code of Conduct: Our code of conduct describes the standards of behaviour expected from all abrdn colleagues, which includes using information responsibly. The code outlines what may happen in the event of a breach of applicable policies and standards. This could include disciplinary action, and potentially criminal or civil enforcement.

### Guiding principles

Our Data Privacy Office provides an internal policy and standards to support the company to effectively process personal information in line with its obligations under applicable laws globally:

- We document personal data processing activities (with clear lawful bases) in a personal data inventory; this is reviewed and updated at least annually to reflect any changes.
- We will only process the minimum personal data necessary for the agreed purposes and will delete personal data in line with business retention schedules when we no longer have a lawful basis e.g., seven years after the end of our relationship with the data subject.
- Appropriate processes and controls are implemented to ensure personal data is processed fairly and lawfully; regular monitoring is in place to ensure these remain effective.
- We will consider potential privacy risks upfront ('privacy by design') when implementing any new or changes to existing processing activities. Data privacy impact assessments are undertaken for high-risk activities which require prior approval from the Data Protection Officer.
- Privacy notices, used to inform data subjects why and how we process their personal data, are published and are easily accessible. These are reviewed at least annually to reflect changes in processing activities.
- We have implemented controls to ensure access to personal data is restricted to only those employees who require this information to do their role. We review these regularly to ensure they remain effective to prevent unauthorised access to personal data.
- We have undertaken regular due diligence and have up to date contractual agreements in place, including relevant data protection and security provisions, with our affiliates and any external third-parties, and their sub-processors.
- We have implemented processes and controls to prevent breaches, but where these occur, we act promptly to identify the root cause, to take the required actions to minimise any harm to data subjects and prevent recurrence. We have processes to notify regulators and data subjects where required in line with laws.

# Data privacy

## Privacy and protection policies and processes

### Privacy notices

We follow our guiding principles and inform all data subjects, e.g. our clients, customers, shareholders, and colleagues, what personal information we process and for which purpose. One way we do this is through Privacy Notices published on our external websites, which are tailored to different purposes and regions. These explain:

- Personal information we collect and use.
- Where we collect personal information.
- Why we collect and use personal information.
- Where personal information is processed.
- Who we may share personal information with and why.
- How we protect personal information.
- How long we keep personal information.
- Data subjects' rights under law and how to exercise their rights.
- How to make a complaint.

### Monitoring and systems

Personal information is protected by processes and controls designed to minimise loss or damage through accident, negligence or deliberate actions. We apply appropriate measures to ensure the security and integrity of personal information. Processing activities and the nature and volume of personal data will vary across the business, but each area documents these within a Personal Data Inventory. This is then assessed by our Data Privacy Office to identify any compliance gaps requiring remediation. The Data Privacy Office uses an external solution for the collation of the required evidence from each area, which acts as a consolidated view of personal data processing across our global operations. This solution also supports regulatory horizon scanning. We believe our privacy management framework and third-party solution supports efficiencies in how we assess data privacy risks and associated business processes, and enables effective monitoring and reporting. Our controls are also tested periodically by internal and external audit specialists.

### Training and education

All employees complete mandatory annual training to ensure they understand their obligations when processing personal data. We take appropriate action (including potential disciplinary where necessary) to protect personal data and support compliance with our policy and the laws.

### Reporting data incidents

Data incidents are logged when identified and reported to management and relevant control meetings on a monthly basis. This process ensures visibility of the incidents and assurance that appropriate actions have been taken to address risks and to help prevent a recurrence. All reported data incidents are assessed either by local risk and compliance teams or with advice from the Data Privacy Office, if the data incident is considered high risk. The Data Privacy Office will assess materiality of risk to determine if it should be reported to the relevant regulator(s). This office will also oversee business handling of any incidents to ensure appropriate actions were taken to prevent recurrence.

### Reportable data breaches

There was one data privacy breach reported to the UK privacy regulator (the ICO) during 2024 (2023: 0). It was assessed as low risk internally, but was reported on a precautionary basis and the ICO closed the matter with no further action.

### Policy applicable to third party suppliers

Global Third-Party Code of Conduct: Our public policy sets out the principles we expect all third-parties to follow when providing goods or services to abrdn. This includes using information responsibly and with appropriate safeguards. The policy is in addition to any specific contractual terms agreed.

### Looking ahead

There are no planned changes to how we approach compliance. It remains a priority for abrdn to continue to demonstrate that its processing of personal data is in line with statutory obligations and meets regulator and data subjects' expectations.

# Procurement

## Focus on governance

### Why it matters

Our supplier relationships are significant and have the potential to have impacts on people and the environment. Our objective is to mitigate these impacts where they emerge.

### Governance

Third-Party Risk Management is embedded within our ERMF and is noted as a key operational risk. Our Board acknowledges that accountabilities remain within the business, while recognising that third-party relationships are essential to the delivery of our strategy. Third-parties are managed depending on the inherent risk of the service they provide and sustainability issues are considered throughout our third-party life cycle.

### Policy and standards

- Procurement, Outsourcing and Third-Party Management Policy: This policy is applicable to all abrdn colleagues and subsidiaries and sets the standards for the business in relation to managing supplier relationships and related risks.
- Global Third-Party Code of Conduct: Our Code sets out the principles we expect all suppliers to follow when providing goods and services to abrdn. Our minimum expected standard is that suppliers comply with all applicable laws and regulations, protect human rights, provide a safe place of work and minimise direct and indirect environmental impact.
- Responsible Sourcing Principle: Our responsible sourcing principle requires the business to equally consider environmental and social impacts when sourcing goods and services from suppliers.

### Sustainable procurement strategy

Our sustainable procurement strategy is focused on three key themes:

- Support our suppliers to address the challenges of climate change and nature loss.
- Support our suppliers to address labour and human rights issues and drive social value.
- Support our suppliers by encouraging greater diversity, equity and inclusion throughout our supply base.

To deliver our strategy, we need to develop a more complete picture of sustainability risks within our value chain. To support this, we have been partnered with EcoVadis since 2023, to enable greater awareness of our supplier risks and allow for better access to supplier information on sustainability issues that are relevant to the goods or services they provide. We continue to develop our understanding of sustainability risks in our supply base through increased data capability, as the foundation for long-term actions, targets, and processes.

### Application to our third-party lifecycle

Sustainability is embedded within our third-party risk management framework, in the following actions:

- Risk assessment: Sustainability themed questions are included within risk assessment questionnaires. This is supplemented with EcoVadis IQ insights.
- Sourcing: Standard sustainability questions are included in our sourcing process, with a minimum weighting of 5% - 10% being dictated by supplier ESG risk.
- Due diligence: We assess suppliers against the expectations of our global third-party code of conduct, which aligns to our sustainable procurement strategy.
- Engagement: Our terms include the expectation that suppliers align with our code of conduct, with specific clauses created to address identified sustainability risks.
- Ongoing monitoring: Services with heightened sustainability risk are subject to standardised monitoring questionnaires following our existing monitoring cycle.
- Renewals: Performance is subject to review at the point of renewal, and we will implement action plans for improvement where required.

# Procurement

## Focus on climate

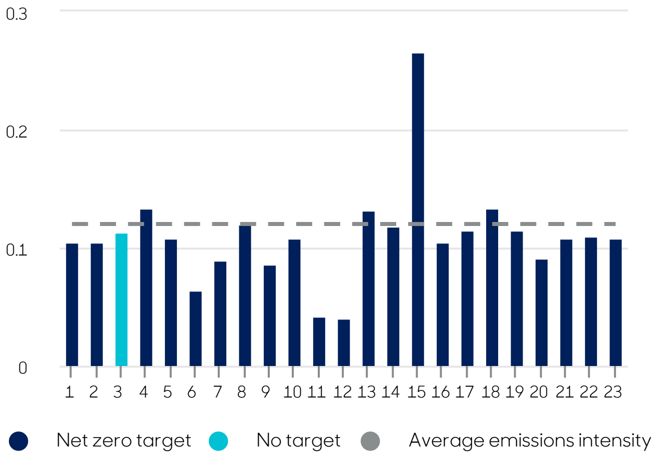
### Monitoring supplier emissions impacts

Emissions associated with our suppliers are potentially significant. For this reason, in 2020, we committed to reviewing our top suppliers for alignment with our operational net zero ambitions. To do this we set an expectation that our top 50% of suppliers by spend would have a net zero, or equivalent, target in place by the end of 2025. We have regularly monitored these suppliers and reported on their progress since then. As of 31 December 2024, we note that 95% (2023: 91%) of these suppliers have net zero targets, with the remaining 5% confirming their intention to develop an approach in 2025.

We are committed to improving our disclosure of emissions associated with the goods and services we receive. We have been working to estimate emissions associated with our purchased goods and services, using the spend-based method from the GHG Protocol, and have developed an initial understanding of our wider supply base impacts. During 2024, we worked to automate our internal reporting of these insights to support our operational emissions strategy, with our expectation being that we hope to be able to integrate estimated supply chain emissions within our Scope 3 disclosures in future.

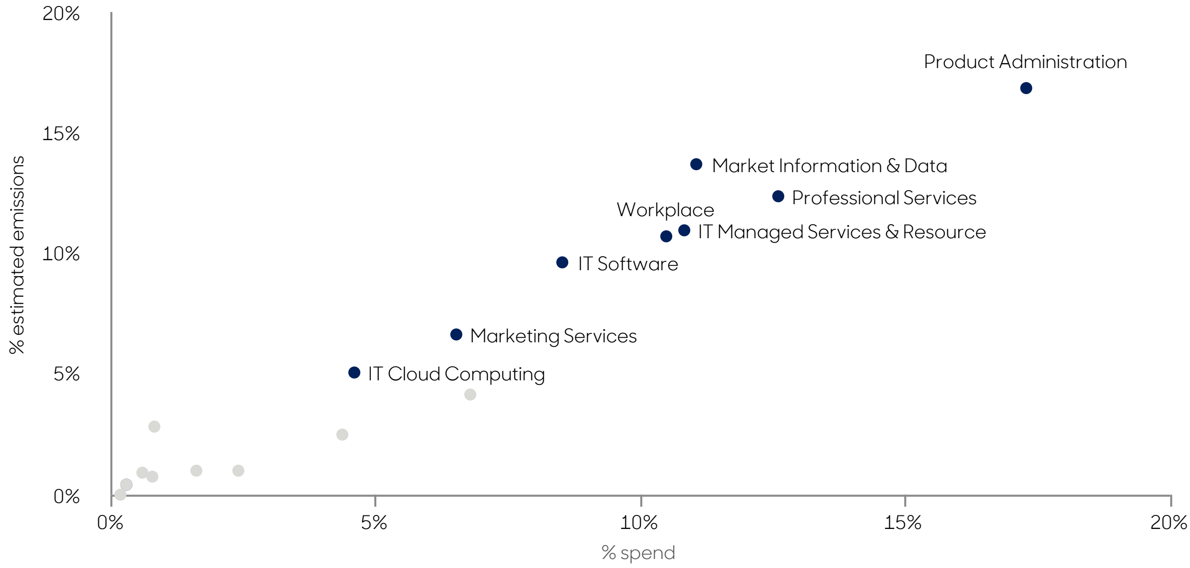
### Estimated emissions intensity of our top 50% suppliers by spend (kg$CO_2$e/£GBP)

This chart illustrates the estimated emissions intensity of our top 50% of suppliers by spend. Our analysis indicates that the emission intensities estimated for our top suppliers are largely below our supply base average. However, due to the amount of annual spend with these suppliers, the emissions associated with their services are material to our Scope 3, Category 1 emissions inventory.




### Estimated absolute emissions associated with procurement purchase categories

The chart below illustrates how different goods and services may translate to emissions impacts from our supply chain. In 2024, the top eight purchase categories accounted for around 86% of our estimated Scope 3, Category 1 emissions. This information provides important insights as we look to prioritise activities such as internal education, supplier engagement and data enrichment.



# Procurement

## Focus on human rights and diversity

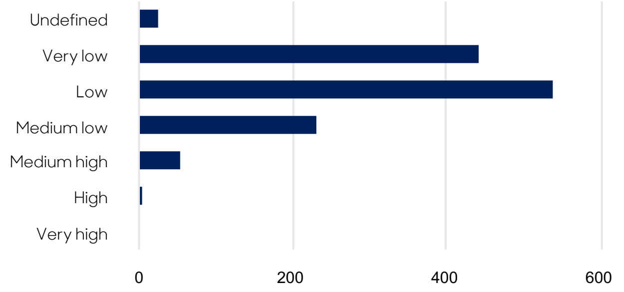
### Using data to highlight potential risks

We want to work with our suppliers to increase oversight of labour and human rights risks associated with the goods and services they provide and mitigate these should any be identified. Using our partnership with EcoVadis, we have enhanced our ability to assess labour and human rights risks associated with our third-parties. In 2024, our assessment, using EcoVadis data, indicated that 95% of our third-parties had very low to medium-low exposure to labour and human rights risks. However, the remaining 5% had medium-high or high labour and human rights risk associated with the services they provide.

Those suppliers identified as medium-high to very-high risk are further assessed via due diligence and assurance. We encourage our third-parties to be transparent and request that they raise labour and human rights concerns with us. If an issue is identified, abrdn will expect and support the third-party to act and provide effective remedy to any impacted stakeholders. Should the third-party fail to act and workers, or workers in their value chain, are still subject to, or at risk of, labour and human rights infringements, we will act accordingly and terminate our relationship.

### Labour and human rights risk

The chart below provides a high-level view of potential labour and human rights risks associated with our third-party relationships. It is important to note that this is a high-level view, intended to illustrate the output of initial risk assessments and does not reflect a detailed analysis of human rights performance of the underlying businesses. It is also important to acknowledge the role that country- or region-level risks can contribute to the overall risk profile.




EcoVadis assessment of potential human rights issues associated with third-party suppliers assessed via their IQ database. 'Risks' presented here are based on supplier location, industry and size. Figures reflect absolute number of suppliers assessed and is the latest information available as at 31 December 2024.

### Modern slavery risk

We did not find, nor were we informed of, any instances of modern slavery or forced labour in our supply base in 2024. However, we are aware that lack of detection, sadly does not mean lack of occurrence. We continue to be committed to identifying modern slavery risks in our upstream value chain and work with impacted third-parties and stakeholders to address the issue. Our modern slavery statement provides further detail on our efforts.

### Fair and equitable work

abrdn advocates for fair and equitable work for our employees and those working in our supply base. As a Living Wage and Living Hours employer, we expanded our scope to include third-party employees providing goods and services on our UK premises. We continue to support living wage and living hours initiatives and are actively engaged in working groups to further understand the challenges and work with peers to address these.

### Steps towards inclusive procurement

We have encouraged diverse suppliers, small/medium businesses, and social enterprises to work with abrdn for a number of years. We recognise the benefits of expanding the use of these types of businesses in our supply base and are committed to increasing opportunities.

In 2024, we spent an estimated 2% with diverse suppliers (those with a minority ownership of greater than 51%) and small/medium businesses. Our ambition is to increase this amount over the coming years, as data on diverse suppliers improves and internal awareness is increased.

### Treating third-parties fairly

We ask our third-parties to inform us if they have any issues or concerns – our anonymous grievance mechanisms are available to all those working with us – as outlined in our Global Third Party Code of Conduct. We also expect that our own commitments to UK Living Wage and Living Hours are reflected through employment contracts. Our objective is to support an equitable and inclusive working environment for our people and third-parties.

# Public affairs

## Shaping the policy landscape

### 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 ELT 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
abrdn 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 102.

### Responding to public consultations
Policymakers will often seek views from stakeholders, including companies like abrdn, 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 abrdn, as well as through our trade associations.

### Case study
#### Sustainable Disclosure Requirements
A key issue for abrdn 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 abrdn 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.

# Appendix:
## Data and disclosure

### Disclosure approach

The information in this section is intended as a repository for common industry data points and disclosures. Information is presented in tabular formats to support navigability and accessibility of specific data points. The scope of disclosure relates to abrdn plc and reflects the latest information available as at 31 December 2024. It is important to note that information presented in this format is often removed from full context, so users may need to refer to back to strategies, policies, and targets in other sections of this report for applicable narrative detail.

This section also includes important disclosures regarding forward-looking statements made in the wider report.

# Operational emissions disclosure

## Reporting boundary

Our methodology aligns with Greenhouse Gas (GHG) Protocol. We use an operational control boundary and exclude any joint ventures and associates. Emissions associated with our direct operations are therefore representative of abrdn plc and its wholly-owned and operated subsidiaries, reported as at 31 December 2024.

## Data collection and collation

Our Corporate Sustainability team collects activity data for Scope 1, 2 and 3 emissions categories from across the business[1] and use third-party software to support conversion, and aggregation of inputs to tonnes of carbon dioxide equivalent ($tCO_2e$)[2]. Note that receipt of information is varied in terms of KPI and sources. As such, the collection of data is varied, dependent upon the availability of such data. We are reliant on third-parties for the collection of some data.

## Scope 1 emissions

We report emissions from natural gas, fluorinated gas, company-owned vehicles used solely for business purposes, and stationary fuel[3]. Recorded metrics, such as kilowatt-hours (kWh), relate to energy use in our buildings and car mileage, and are converted to $tCO_2e$ using regional guidance on conversion factors. The recorded metrics are collected from various sources, e.g. meter readings and supplier invoices, and differ for each emission source (kWh, $m^3$, kg, litres).

## Scope 2 emissions

Consumption from electricity and district heating is metered and measured in kWh for in-scope operations and converted to $tCO_2e$ using regional guidance on conversion factors. The source for this information is typically energy bills from utility providers.

## Reported Scope 3 emissions categories

We report fuel and energy related activities (Category 3), waste from UK operations (Category 5), business travel (Category 6), and an estimate for employees working from home (Category 7). For each category we follow GHG Protocol guidance and prioritise the conversion of real data, such as: meter readings and supplier invoices (Category 3); third-party data provided by waste contractors (Category 5); and passenger kilometres travelled obtained by third-parties (Category 6), to $tCO_2e$ using applicable conversion factors.

## Energy consumption

We report energy consumption associated with purchased electricity, natural gas, company-owned vehicles used solely for business purposes, stationary fuel, and district heating in kWh. This data is reported in both aggregated and disaggregated forms.

## Estimating working from home emissions

### Our approach

To calculate our estimated emissions associated with colleagues working from home (part of Category 7), we revised our approach in 2023, in collaboration with our external partners, Pawprint. The basis of the approach is to use the Pawprint methodology to calculate the estimated emissions profile of an abrdn colleague working from home, which is aggregated to an annual $tCO_2e$ figure based upon inputs such as headcount[4] and assumed office occupancy. We are using the technical model developed by Pawprint[5], as we believe this has a strong basis for this purpose.

### Inputs from our colleague survey

We ask all colleagues to respond to a voluntary survey, with questions designed to enable the generation of an average emissions profile for abrdn colleagues. In 2024, we received an 18% response rate across global colleagues, which we use as the basis for the output.

### Average emissions profile

The applied method builds an average emissions profile based on survey inputs capturing home size, working patterns, heating, cooling, and equipment use. Consumption values are drawn and converted from regional averages sourced from guidance published by those such as the Department for Business, Energy & Industrial Strategy (BEIS).

### Office occupancy

Our colleagues are generally expected to work from our offices three days a week and we use this as our ratio to aggregate a 2024 average emissions profile. This is after making allowances for annual leave and part-time work. We also assume a seven-hour working day, based on standard contractual terms. In practice, we acknowledge that this will vary.

### Total colleagues

Our survey was conducted during September and October 2024, and we are using an average FTE across the year as the basis for our total population.

1. See page 48 for the number of countries we operate in.
2. Conversion factors applied differ by region and source of emissions data. Primary sources are DEFRA, IEA, NGA, UNFCCC, and www.carbonfootprint.com
3. Fluorinated gas and stationary fuel limited to 5 sites, with 50% FTE coverage
4. In 2024, we improved our FTE coverage to include contingent workers.
5. Pawprint emissions methodology available at www.pawprint.eco/methodology

# Operational emissions disclosure

### Key limitations to our approach

Our 2024 approach uses colleague survey inputs to create a more nuanced average emissions profile, paired with the third-party model from Pawprint. We believe this is a more robust approach for long-term utility but stress that the calculation of working from home emissions is inherently reliant on some key inputs and assumptions. The reported figure should be treated as an estimated value only. Figures such as the office occupancy ratio and employee headcount have significant bearing on the aggregate figures reported. This means that changes to policy, or our business, may result in higher or lower reported figures that are unrelated to real-world emissions changes.

### Improvements in 2024

Following the completion of our 2023 exercise, we implemented several refinements to the methodology, which allows for greater specificity in the calculations. For example, we now account for specific laptop models and types of lighting in use in the home.

## Limitations and exclusions

### Market-based emissions

We report both location- and market-based emissions, but note that our operational targets are measured using location-based emissions. We believe this to be best practice, with the outputs reflecting absolute emission reductions over time. Market-based emissions are not included as part of our external assurance engagement but are disclosed on page 56 of our Annual report and accounts.

### Use of estimates

We source primary data wherever possible, but if data is not available, we will estimate based on an equivalent time for the previous year, the average consumption for the facility, or a similar site within the portfolio, scaled according to energy consumption and relative FTE. The sites we estimate are immaterial in terms of our overall emissions impact.

If data is completely unavailable for a site, we may choose not to disclose a value rather than providing an estimate; for example, there are limitations linked to the completeness of some reported data such as waste disposal across all global office locations.

Due to the nature of our operations, we focus our efforts on the facilities with the largest proportion of FTE, and we aim for continuous improvement year on year.

## Other Scope 3 emissions categories

We do not currently report against all 15 categories of Scope 3 defined by the GHG Protocol. Our assessment is that some categories are not material due to the nature of our operations, but we acknowledge gaps related to purchased goods and services (Category 1), capital goods (Category 2), employee commuting (Category 7) and investments (Category 15). Scope 3 reported emissions do not include some emissions categories deemed to be material, but where data is currently unavailable. Refer to page 92.

During 2023, our procurement function worked to develop a Category 1 and 2 baseline, which we expect to report in future. We also carried out an employee survey which will enable us to establish a Category 7 baseline. In 2024, our focus has been to improve and refine these data sets in preparation for future disclosure. Our focus for Category 15 has been to enable our clients to understand emissions related to their portfolios and we disclose portfolio carbon intensity metrics on page 63, with scope limited by data coverage and availability. This does not currently include financed emissions associated with the assets on the abrdn plc balance sheet. Our intention is to disclose all material emissions categories over time. However, our priority is to ensure that abrdn's data capability meets our reporting requirements and to enable reporting of our emissions to our clients. We will continue to allocate resources with that view but expect to add to our disclosure in future. This may result in adjustments to our reported baseline and targets.

# Portfolio emissions disclosure

## Reporting criteria and methodology

### Public markets: Weighted average carbon intensity (WACI)

WACI is our method of tracking public market decarbonisation, in line with the original recommendations of the TCFD. We source emissions data from our specialist third-party provider and use our proprietary tools to apply the data to our portfolios and enable aggregate reporting. In-scope assets include specific funds and mandates within equities, fixed income and active quantitative strategies, with demonstrable decarbonisation achieved across each of the asset classes.

### Real estate: Carbon intensity by floor area

#### Calculation approach

Carbon emissions data for real estate is based on the energy consumed in the operation of real estate assets. Data is collated by asset class specialists and aggregated for reporting and disclosure purposes.

#### Existing scope

There is a significant lag to the collection of real estate metrics from individual assets. This prevents reporting to 31 December 2024, with disclosure on page 63 applicable to financial year 2023. The scope of carbon data disclosure reflects around 74% of direct real estate AUM as at 31 December 2023. This translates to approximately 4% of Group AUMA. Of this, 27% of direct real estate AUM has associated Scope 1 and 2 emissions. The remaining emissions are Scope 3 emissions, which fall outside the scope of this target.

#### Scope 1 and 2 emissions

Data from Scope 1 and 2 emissions categories is in-scope for our portfolio decarbonisation target (page 62). This is inclusive of activity data such as electricity, gas, and district heating, which is then converted to kg$CO_2$e using location-based emissions factors. These factors are average grid carbon factors, which are subject to change each year. Scope 1 and 2 emissions relate to energy which the landlord (the investment manager) procures and excludes energy procured by tenants, which is categorised under Scope 3. This is important, as procurement responsibility varies by individual asset. Assets, such as multi-let office buildings, typically have landlord procurement responsibility for the entire building, whereas for asset types, such as retail parks, the landlord may only procure energy for common areas and exterior lighting. The result is that some assets are more carbon intensive than others based on the subdivision of this responsibility.

#### Scope 3 emissions

Our team collects and collates available Scope 3 emissions, but this data is not readily available to a high level of completeness and accuracy. Scope 3 data is not included as part of our portfolio decarbonisation target, or subject to disclosure in this report.

#### Intensity by floor area

Our portfolio decarbonisation target uses floor area ($m^2$) as the denominator for carbon intensity across the in-scope real estate portfolio. We note that the availability of accurate floor area data across our entire portfolio is limited. We consider our confidence level in both this, and Scope 1 and 2 data, before including an asset as in-scope for our target. This is something we are working to improve over time.

### Portfolio emissions metrics

As investors we do not have access to real-time emissions data from companies and assets. There also remain significant reporting gaps across some regions and sectors, with Scope 3 reporting still to fully develop. We use Scope 1 and 2 data to track progress against our target and report core portfolio level metrics (page 63). The source for this data set in public markets is a specialist third-party provider, whereas data for real estate is collected directly from occupiers of those assets. Both routes include a lag associated with data being reported, collated, and made available to investors. Asset classes other than listed equity, corporate credit, and real estate remain difficult to accurately monitor due to data availability and nascent methodologies. Our portfolio metrics are based upon the original recommendations of TCFD, and methods established by the Partnership for Carbon Accounting Financials (PCAF), which we believe to be best practice. It is also important to recognise that portfolio carbon metrics are subject to volatility not related to changes in emissions, with revenues, asset values, and markets as key drivers. We believe that tracking and reporting these metrics is critical, but that tools such as climate scenario analysis (page 52) are also essential to support decision-making.

# DEI – gender and ethnic representation

## Reporting criteria and methodology

### Outlining our reporting scope

#### Reporting boundary

Our reporting boundary for our global workforce and senior leadership populations is representative of abrdn plc and its wholly-owned and operated subsidiaries. Data is reported as of 31 December 2024, unless otherwise stated.

#### abrdn plc Board

The abrdn plc Board is comprised of one Chair, eight Non-Executive Directors, and one Executive Director. Diversity information for all Board members is self-reported at point of joining, with option of updating at any stage during tenure.

#### Global workforce

Our global workforce includes all full-time, part-time, fixed term, graduates, apprentices, secondees and intern employees. We do not make any adjustments for part-time working and count each person as one employee. As independent members of the Board, Non-Executive Directors are not included in total populations. All diversity characteristics are self-reported by all colleagues through our people systems at point of joining and self-service update at any stage during employment. This information is typically disclosed during onboarding processes, but colleagues do have the ability to change and update their own information, should this be required. Gender representation is calculated based on a total headcount of 4,420 as at 31 December 2024. This is reported as a percentage of the total workforce population.

#### Senior leadership

Our senior leadership is defined as those one and two reporting levels below the CEO of abrdn plc, excluding all administrative and support staff. This is a subset of our global workforce and follows the same self-reporting processes noted. Gender representation is calculated based on a total senior leadership population of 93 as of 31 December 2024. This is reported as a percentage of the total workforce population.

### Definitions and exclusions

#### Gender

Reported representation figures are based upon self-disclosed information from colleagues and Directors. This is split by male and female gender identities for the purposes of formal and regulatory reporting. We recognise and are supportive of colleagues who may choose to identify as a different gender to that assigned at birth, as non-cisgender, or as non-binary. We disclose the percentage of colleagues who have identified as non-cisgender on page 97.

#### Ethnicity

Our ethnicity data for the abrdn plc Board is based upon our Board members' self-reported ethnicity to our DEI team, compared with UK census data to identify ethnic minority backgrounds (all non-white groups). For our senior leadership population, data is self-reported via our people systems and is disclosed as the proportion of individuals identifying as being from non-white groups, in accordance with UK census data categories. The disclosure rate for this population is 82%.

#### Administrative roles

Colleagues in administrative and support roles are excluded from our senior leadership population for the purposes of our related target and reporting. These roles are defined by job title, or equivalent, with supporting information on our people systems used as the basis.

#### Leave

Colleagues on garden leave as at 31 December 2024 are excluded from the senior leadership population. In simple terms, this reflects colleagues in the process of leaving the business who remain on leave until the completion of a notice period. Other forms of leave are included.

#### Excluded data

When reporting aggregated gender representation, any colleagues without gender on our people systems as of 31 December 2024 are removed from the calculation. This related to 24 colleagues in 2024 (2023: 63). When reporting aggregated ethnicity representation, this is given as an overall percentage figure with no exclusions. Where possible, we report disclosure rate alongside ethnicity representation.

# Operational emissions disclosure
## Reporting per the Greenhouse Gas Protocol

| Category | Definition | Unit | 2024 | 2023 | 2018 (baseline) |
|---|---|---|---|---|---|
| Scope 1 operational emissions$^{\Delta}$ | Direct emissions from company-owned/controlled vehicles and facilities | $tCO_2e$ | **692** | 739 | 2,667 |
| Scope 2 operational emissions (location based)$^{\Delta}$ | Indirect emissions from purchased electricity and district heating | $tCO_2e$ | **1,469** | 1,821 | 7,069 |
| Scope 3 operational emissions (Total)$^{\Delta}$ | Total indirect emissions from reported Scope 3 categories (see below) | $tCO_2e$ | **6,180** | 7,359 | 22,482 |
| Total | Absolute total of reported Scope 1, 2, and 3 operational emissions | $tCO_2e$ | **8,341** | 9,919 | 32,218 |

| Scope 3 breakdown | Definition | Unit | 2024 | 2023 | 2018 (baseline) |
|---|---|---|---|---|---|
| Purchased goods and services | Emissions associated with purchased supplier goods and services | Not currently reported | | | |
| Capital goods | Emissions associated with capital goods purchased or acquired | Not currently reported | | | |
| Fuel and energy related activities | Emissions from transmission and distribution losses associated with electricity supply | $tCO_2e$ | **168** | 135 | 451 |
| Upstream transportation and distribution | Emissions associated with third-party transportation and distribution of purchased products and services | Not currently reported | | | |
| Waste from operations | Disposal and treatment of waste generated by facilities owned or controlled | $tCO_2e$ | **3** | 7 | – |
| Business travel | Transportation of employees for business-related purposes (in vehicles not owned or operated) | $tCO_2e$ | **4,974** | 6,012 | 22,031 |
| Employee commuting | Emissions related to colleagues travelling between their home and our offices | Not currently reported | | | |
| Upstream leased assets | Operation of assets leased by abrdn (not included in Scope 1 or 2) | Not currently reported | | | |
| Downstream transportation and distribution | Emissions from the transportation distribution of sold products | Not deemed to be applicable | | | |
| Processing of sold products | Emissions associated with the processing of sold products | Not deemed to be applicable | | | |
| Use of sold products | Emissions generated from the use of goods and services sold by abrdn | Not deemed to be applicable | | | |
| End-of-life treatment of sold products | Disposal and treatment of sold products at the end of life | Not deemed to be applicable | | | |
| Downstream leased assets | Operation of assets owned by abrdn (lessor) and leased to other entities | Not currently reported | | | |
| Franchises | Emissions associated with the operation of franchises | Not deemed to be applicable | | | |
| Investments (as asset owner) | Emissions related to investments made as an asset owner | Not currently reported | | | |
| Colleague working from home | Emissions generated by colleague remote working | $tCO_2e$ | **1,035** | 1,205 | – |

# Operational emissions disclosure
## Energy consumption and selected emissions intensity metrics

| Category | Definition | Unit | 2024 | 2023 | 2018 (baseline) |
|---|---|---|---|---|---|
| Electricity | Total electricity consumption | kWh ('000s) | **6,398** | 7,751 | 23,440 |
| Natural gas | Total natural gas consumption | kWh ('000s) | **3,772** | 3,840 | 10,109 |
| District heating | Total energy consumed through district heating | kWh ('000s) | **88** | 83 | 1,468 |
| Stationary fuel | Total energy consumed through stationary fuel | kWh ('000s) | **8** | 37 | 92 |
| Car mileage | Total energy consumed through car mileage | kWh ('000s) | **592** | 847 | N/A |
| Annual operational energy use[Δ] | Absolute total of disclosed energy consumption | kWh ('000s) | **10,858** | 12,558 | 35,109 |
| Energy consumption UK | Absolute total of energy consumption in the UK | kWh ('000s) | **8,841** | 10,746 | 26,658 |
| Electricity procured under a green and/or renewable tariff | Total electricity procured under a green and/or renewable tariff | kWh ('000s) | **5,503** | 6,201 | 15,856 |
| Proportion of renewable electricity | Proportion of electricity procured under a green and/or renewable tariff | % | **97.0** | 99.7 | 98.0 |

| Category | Definition | Unit | 2024 | 2023 | 2018 (baseline) |
|---|---|---|---|---|---|
| Total GHG emissions per FTE (location based) | Total GHG emissions per full-time employee equivalent (Scope 1 and 2) | $tCO_2e$/FTE | **0.49** | 0.54 | 1.57 |
| Total GHG emissions per FTE (location based) | Total GHG emissions per full-time employee equivalent (Scope 1, 2, and 3) | $tCO_2e$/FTE | **2** | 2 | 5 |
| Total GHG emissions per £m of total income | Total GHG emissions per £m of total revenue (Scope 1 and 2) | $tCO_2e$/£m | **2** | 2 | 5 |
| Total GHG emissions intensity by AUMA | Total GHG emissions per £bn AUMA (Scope 1, 2 and 3) | $tCO_2e$/£bn | **16** | 20 | 58 |

# Investments environment disclosure
## Selected emissions intensity and active ownership metrics

| Category | Definition | Unit | 2024 | 2023 | 2019 (baseline) |
|---|---|---|---|---|---|
| Weighted average carbon intensity | Carbon intensity related to in-scope equities, fixed income, and active quantitative assets | $tCO_2e$/$m | **129.6** | 139.0 | 234.4 |

| Category | Definition | Unit | 2023 | 2022 | 2019 (baseline) |
|---|---|---|---|---|---|
| Carbon intensity by floor area | Carbon intensity related to in-scope direct real estate assets | $kgCO_2e/m^2$ | **7.32** | 8.26 | 11.05 |

| Category | Definition | Unit | 2024 | 2023 |
|---|---|---|---|---|
| Total resolutions voted | Total climate-related resolution voted during the financial year | # | **149** | 162 |
| Votes in favour | Proportion of votes in favour of the proposed climate resolution | % | **29** | 40 |
| Votes against | Proportion of votes against the proposed climate resolution | % | **71** | 60 |
| Votes aligned with management | Proportion of votes aligned with managements recommendation | % | **54** | 45 |
| Votes against management | Proportion of votes against managements recommendation | % | **46** | 55 |

# Gender representation disclosure

| Regional breakdowns | Definition | Unit | 2024 | 2023 |
|---|---|---|---|---|
| Global[Δ] | Proportion of women across global workforce | % | **43** | 43 |
| United Kingdom | Proportion of women employed in the United Kingdom | % | **42** | 42 |
| United States of America | Proportion of women employed in the United States of America | % | **40** | 41 |
| Asia Pacific | Proportion of women employed in Asia Pacific | % | **56** | 55 |

| Role breakdowns | Definition | Unit | 2024 | 2023 |
|---|---|---|---|---|
| Board[Δ] | Proportion of women on the abrdn plc Board | % | **40** | 40 |
| Executive management | Number of women in the executive leadership team | # | **4** | 2 |
| Senior Leadership[Δ] | Proportion of women in senior leadership positions (CEO-1 & 2) | % | **40** | 34 |
| Management roles | Proportion of women in revenue generating management roles | % | **34** | 35 |
| People managers | Proportion of women that are people managers | % | **37** | 36 |
| Part-time roles | Proportion of women in part-time roles | % | **83** | 83 |
| Graduates | Proportion of women recruited as graduates | % | **25** | 44 |
| Interns | Proportion of women on internship programmes | % | **36** | 35 |
| Trainees | Proportion of women recruited as trainees | % | **44** | 33 |

| Departmental breakdown | Definition | Unit | 2024 | 2023 |
|---|---|---|---|---|
| Investments overall | Proportion of women in Investments | % | **41** | 42 |
| CIO | Proportion of women in the CIO office | % | **33** | 33 |
| Client group | Proportion of women in Client group | % | **48** | 49 |
| COO | Proportion of women in the COO office | % | **50** | 50 |
| Product | Proportion of women in the product team | % | **41** | 46 |
| Regional management | Proportion of women in regional management | % | **50** | 48 |
| Equities | Proportion of women in the equities team | % | **39** | 40 |
| Alternatives | Proportion of women in the alternatives team | % | **26** | 25 |
| Fixed income | Proportion of women in the fixed income team | % | **24** | 25 |
| Multi asset solutions | Proportion of women in the multi asset team | % | **27** | 29 |
| Quantitative | Proportion of women in the quantitative team | % | **22** | 20 |
| Real assets | Proportion of women in the real assets team | % | **34** | 31 |

# Ethnic representation disclosure

| Role breakdowns | Definition | Unit | 2024 | 2023 |
|---|---|---|---|---|
| Board[Δ] | Proportion of minority ethnic representation on the abrdn plc Board | % | **20** | 10 |
| Senior Leadership (CEO-1&2)[Δ] | Proportion of minority ethnic representation in senior leadership positions | % | **7** | – |
| Graduates | Proportion of minority ethnic representation in recruited graduate positions (UK) | % | **31** | 19 |
| Interns | Proportion of minority ethnic representation in internship programmes (UK) | % | **36** | 24 |
| Trainees | Proportion of minority ethnic representation in recruited trainee positions (UK) | % | **0** | 0 |

| Regional breakdown (UK) | Unit | 2024 | 2023 |
|---|---|---|---|
| Asian | % | **6** | 4 |
| Black | % | **2** | 1 |
| Mixed ethnicity | % | **2** | 1 |
| Other | % | **<1** | <1 |
| White | % | **63** | 48 |
| Prefer not to say | % | **1** | 1 |
| Not disclosed | % | **25** | 45 |
| Total minority ethnic representation | % | **11** | 6 |

| Regional breakdown (APAC) | Unit | 2024 | 2023 |
|---|---|---|---|
| Asian | % | **67** | 65 |
| Black | % | **0** | 0 |
| Mixed ethnicity | % | **1** | 1 |
| Other | % | **1** | 1 |
| White | % | **3** | 4 |
| Prefer not to say | % | **1** | <1 |
| Not disclosed | % | **27** | 29 |

| Regional breakdown (US) | Unit | 2024 | 2023 |
|---|---|---|---|
| Asian | % | **7** | 5 |
| Black | % | **4** | 4 |
| Mixed ethnicity | % | **1** | 1 |
| Other | % | **<1** | 1 |
| White | % | **76** | 71 |
| Hispanic or Latino | % | **6** | 6 |
| Prefer not to say | % | **1** | <1 |
| Not disclosed | % | **4** | 10 |
| Total minority ethnic representation | % | **19** | 18 |

| EEO-1 disclosure | Hispanic or Latino | | Not Hispanic or Latino | | | | | | Not Hispanic or Latino | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Male | | | | | | Female | | | | | | |
| Job categories | Male | Female | White | Black or African American | Native Hawaiian or Pacific Islander | Asian | America Indian or Alaskan Native | Two or more races | White | Black or African American | Native Hawaiian or Pacific Islander | Asian | America Indian or Alaskan Native | Two or more races | Overall totals |
| First/Mid Officials & Mgrs | 2 | – | 17 | – | – | 1 | – | – | 8 | – | – | 2 | – | – | 30 |
| Executive/Sr. Officials & Mgrs | – | – | 7 | – | – | – | – | – | 4 | – | – | – | – | – | 11 |
| Professionals | 5 | 3 | 65 | 2 | – | 5 | – | 1 | 32 | 3 | – | 7 | – | – | 123 |
| Technicians | – | – | 1 | – | – | – | – | – | – | – | – | – | – | – | 1 |
| Sales workers | 1 | 1 | 11 | – | – | – | – | 1 | 1 | 1 | – | – | – | – | 16 |
| Administrative support | 1 | – | 1 | – | – | – | – | – | 10 | 3 | – | – | – | – | 15 |
| **Total** | **9** | **4** | **102** | **2** | **–** | **6** | **–** | **2** | **55** | **7** | **–** | **9** | **–** | **–** | **196** |

# Additional disclosures

| Regional breakdowns | Definition | Unit | 2024 | 2023 |
|---|---|---|---|---|
| Global | Total number of employees by headcount | # | **4,420** | 4,805 |
| United Kingdom | Total number of employees in the United Kingdom | # | **3,588** | 3,914 |
| EMEA (non-UK) | Total number of employees across Europe, Middle East, and Africa (excluding the United Kingdom) | # | **256** | 268 |
| Americas | Total number of employees across the Americas | # | **210** | 229 |
| Asia Pacific | Total number of employees across Asia Pacific | # | **366** | 394 |

| Additional disclosures | Definition | Unit | 2024 | 2023 |
|---|---|---|---|---|
| CEO to median worker pay ratio (UK)[1] | Ratio of CEO to median worker pay for total remuneration of FTE UK employees | Ratio | **55:1** | 27:1 |
| Employee turnover[2] | Proportion of employees who left the company in the financial year | % | **19** | 22 |
| Voluntary turnover | Proportion of employees who voluntarily left the company in the financial year | % | **10** | 11 |
| Involuntary turnover | Proportion of employees who involuntarily left the company in the financial year | % | **9** | 11 |
| Full-time employees | Proportion of employees who are full-time | % | **94** | 93 |
| Contractors | Proportion of contractors as a percentage of total number of employees | % | **1** | 2 |
| Employees in pension schemes[3] | Percentage of abrdn UK employees in company pension schemes | % | **98** | 96 |
| Colleagues with a disability | Proportion of colleagues self-disclosing a disability (43% disclosure rate) | % | **5** | 2 |
| Non-heterosexual colleagues | Proportion of colleagues self-disclosing non-heterosexual orientation (57% disclosure rate) | % | **3** | 2 |
| Non-Cisgender colleagues | Proportion of colleagues self-disclosing non-Cisgender identification (56% disclosure rate) | % | **1** | <1 |

| Employee age groups | Unit | 2024 | 2023 |
|---|---|---|---|
| 22 and under | % | **3** | 3 |
| 23-35 | % | **34** | 33 |
| 36-50 | % | **44** | 45 |
| 51-60 | % | **17** | 17 |
| 61 and over | % | **2** | 2 |

1. The pay ratio has increased from 2023, which reflects the fact that the CEO has a greater level of remuneration at risk which is dependent on Company performance. The change of CEO during the year, the buyout awards for Jason Windsor and the transformation the company underwent in 2024 makes a year-on-year comparison more challenging. For more information, see page 137 of the Annual report and accounts 2024.
2. Note that employee turnover figures exclude acquisitions and divestments.
3. Note that pension scheme coverage excludes non-UK FTE, ii colleagues, contractors, and joint ventures.

| Learning and development | Definition | Unit | 2024 | 2023 |
|---|---|---|---|---|
| Employee training spend | External spend on employee training, including support through degrees and qualifications, and job specific training programmes | £m | **2.3** | 2.8 |
| Employee training hours | Average number of hours employees participated in training | hours | **22.5** | 18.3 |
| Training hours (men) | Average number of hours of training provided to men (on an FTE basis) | hours | **21.9** | 17.9 |
| Training hours (women) | Average number of hours of training provided to women (on an FTE basis) | hours | **23.4** | 18.8 |
| Total spend per FTE | Total spend per FTE | £ | **635** | 670 |
| Average Net Promoter Score | Describes the overall participant satisfaction of learning and development programmes attended and the likelihood participants would recommend | # | **49** | 46 |
| Learning relevance | The extent to which participants on learning and development programmes feel the content was relevant to them and their role | % | **91** | 88 |
| Learning confidence | The extent to which participants on learning and development programmes feel confident to apply the learning in their role | % | **92** | 90 |

| Responsible business | Definition | Unit | 2024 | 2023 |
|---|---|---|---|---|
| Workplace fatalities | Number of workplace fatalities | # | **0** | 0 |
| Workplace accidents | Number of workplace accidents | # | **0** | 8 |
| Absentee rate – data coverage | % of employees in workforce used to measure absentee rate | % | **72** | 83 |
| Absentee rate | Average number of absentee days per FTE as a percentage of total days scheduled | % | **2** | 2 |
| Speak Up service | Number of reports received via the Speak Up service | # | **4** | 8 |
| Mandatory training completion | Aggregated percentage of mandatory training completed | % | **99** | 99 |
| Incidents identified of bribery or | Confirmed instances of bribery or corruption by abrdn colleagues | # | **0** | 0 |
| Losses from legal proceedings | Losses from public legal proceedings relating to bribery or corruption by abrdn colleagues | £ | **0** | 0 |
| Taxes paid | These are the taxes our company pays to tax authorities where we have operations | £m | **135** | 201 |
| Taxes collected | These are the taxes that we are obliged to collect and then pay to tax authorities arising from our operations across the globe | £m | **227** | 248 |
| Total tax contribution | This consists of the taxes paid by our company to tax authorities, and the taxes our company collects that are then passed to tax | £m | **362** | 449 |
| Information security breaches | Confirmed breaches of information security during the reporting period | # | **0** | 0 |
| Reportable data breaches | Confirmed breaches of data privacy during the reporting period | # | **1** | 0 |

| Community impact | Definition | Unit | 2024 | 2023 |
|---|---|---|---|---|
| Charitable contribution | Total donations from the abrdn Charitable Foundation, company matching initiatives, and in-kind giving via volunteering time | £m | **2.2** | 2.1 |
| Charitable contribution | Donations from the abrdn Charitable Foundation aligned to breaking down barriers to employment and financial wellness | £m | **1.1** | 0.7 |
| Colleague donations | The amount colleagues donated voluntarily via payroll giving | £k | **174** | 191 |
| Payroll giving matching | The amount of colleague payroll giving matched by abrdn through our Give As You Earn scheme | £k | **86** | 103 |
| Colleague fundraising | The amount colleagues fundraised and donated voluntarily | £k | **121** | 195 |
| Fundraising matching | The amount of colleague fundraising matched by abrdn through our Fundraise Plus scheme | £k | **29** | 53 |
| Total volunteering time | Total number of hours employees have logged as volunteering time | hours | **3,301** | 3,248 |

| Early careers | Definition | Unit | 2024 | 2023 |
|---|---|---|---|---|
| Graduates: Attended a Non-Russell group university | Proportion of graduates recruited from a Non-Russell group university | % | **38** | 50 |
| Graduates: Attended a state school | Proportion of graduates who attended a state school | % | **44** | 56 |
| Graduates: came through a diversity partnership | Proportion of graduates who came through a diversity partnership | % | **6** | 25 |
| Interns: Attended a state school | Proportion of interns who attended a state school | % | **21** | 51 |
| Interns: came through a diversity partnership | Proportion of interns who came through a diversity partnership | % | **36** | 46 |
| Trainees: Attended a state school | Proportion of trainees who attended a state school | % | **89** | 78 |
| Trainees: came through a diversity partnership | Proportion of trainees who came through a diversity partnership | % | **0** | 22 |

| Colleague engagement | Definition | Unit | 2024 | 2023 |
|---|---|---|---|---|
| Employee engagement level | Colleague engagement score from our annual survey | % | **57** | 54 |

# Sustainability Accounting Standards Board (SASB)
## Disclosure to the Asset Management & Custody Activities standard

| Topic | Accounting metric | Disclosure against the framework |
|---|---|---|
| Transparent Information & Fair Advice for Customers | (1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated, private civil litigations, or other regulatory proceedings. | abrdn is aware of no employees subject to the proceedings described. |
| | Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product related information to new and returning customers. | abrdn sustained no monetary losses of this nature in the reporting period. |
| | Description of approach to informing customers about products and services. | abrdn provides comprehensive product literature, with our website providing further detail for specific products. |
| Employee Diversity & Inclusion | Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees. | Disclosure provided on pages 95-97, with supporting commentary on pages 26-29. |
| Incorporation of Environmental, Social and Governance Factors in Investment Management & Advisory | Amount of assets under management, by asset class, that employ (1) integration of ESG issues, (2) sustainability themed investing, and (3) screening. | Disclosure provided in tabular form below and relates to assets under management categorised using abrdn's sustainable product framework. The first table captures (1) integration only, which is our standard approach across all assets, where sufficient data and tools are available to enable our processes. The second table captures (2) sustainability themed investing, and (3) screening, but excludes (1) integration. |

| Asset class | 2024 (£bn) |
|---|---|
| Active equities | **33.2** |
| Fixed income | **29.7** |
| Multi-asset | **56.2** |
| Real assets | **23.7** |
| Quantitative | **11.4** |
| Liquidity | **10.2** |
| Alternatives | **18.4** |
| **Total** | **182.8** |

| Asset class | 2024 (£bn) | 2023 (£bn) |
|---|---|---|
| Active equities | **12.7** | 13.7 |
| Fixed income | **15.2** | 13.8 |
| Multi-asset | **30.6** | 19.5 |
| Private equity | **–** | 0.6 |
| Real assets | **5.8** | 4.4 |
| Quantitative | **5.6** | 2.0 |
| Liquidity | **17.6** | – |
| **Total** | **87.5** | 54.0 |

| Topic | Accounting metric | Disclosure against the framework |
|---|---|---|
| | Description of approach to incorporation of ESG factors in investment and/or wealth management processes and strategies. | Detailed descriptions of specific investment strategies and integration approaches are available on our website, product literature, and in standalone investment integration disclosures. |
| | Description of proxy voting and investee engagement policies and procedures. | Detailed descriptions provided in our Stewardship report and Listed Company ESG Principles and Voting Policies. |

| Topic | Accounting metric | Disclosure against the framework |
|---|---|---|
| Financed emissions | Absolute gross financed emissions, disaggregated by (1) Scope 1,<br>(2) Scope 2 and (3) Scope 3. | While we continue to build out our reporting aggregation capabilities to report financed emissions, we have prioritised aggregation requirements for meeting TCFD entity reporting. Presently, financed emissions metrics are produced at the fund-level in line with the Partnership for Carbon Accounting Financials (PCAF) standard. We have also leveraged this metric to periodically measure our top financed emitters, across public equities and corporate credit, as part of our active ownership activities. |
| | Total amount of assets under management (AUM) included in the financed emissions disclosure. | |
| | Percentage of total assets under management (AUM) included in the financed emissions calculation. | |
| | Description of the methodology used to calculate financed emissions. | |
| Business ethics | Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations. | abrdn sustained no monetary losses of this nature in the reporting period. |
| | Description of whistleblower policies and procedures. | Disclosure provided on page 74 of our Speak Up service, with additional information also included in our public Code of Conduct |
| Activity metrics | Total assets under management (AUM). | Refer to our Annual report and accounts for latest comprehensive disclosure. |
| | Total assets under custody and supervision. | |

1. Note that the information on pages 100-101 is intended to provide summary disclosure against the SASB framework and to signpost to relevant information where applicable. The table is intended as a summary and should not be interpreted as full adherence to the framework in isolation. Refer to our complete reporting suite for further information.

# Sustainability memberships and affiliations

abrdn plc and its businesses are members of, and affiliated to, a wide range of industry bodies, trade associations, and sustainability initiatives. This enables us to share knowledge, insights, ideas and perspectives. Selected examples of sustainability-related initiatives are outlined below, with the list intended to be representative, but not exhaustive.

| Name | Description |
|---|---|
| 10,000 Interns Foundation | Providing support for more black and disabled candidates into our industry at intern level. |
| Asia Investor Group on Climate Change (AIGCC) | The AIGCC aims to create awareness and encourage action about climate-related risks and opportunities and low carbon investing. |
| Business in the Community (BITC) | BITC is the leading organisation in the UK which fosters responsible business practices, supporting local communities through sustainable initiatives and impactful partnerships. |
| Climate Action 100+ | A collaborative initiative between asset owners and managers to engage with high-carbon emitters, influence increased disclosure, and encourage positive behaviour in relation to climate risk management. |
| Disability Confident | We are a Level 1 Disability Confident employer under the UK Government scheme. This means we have signed up to commitments about how we recruit, retain and develop people with disabilities. |
| Diversity Project | We are members of the Diversity Project, an initiative to champion a diverse and inclusive UK investment and savings industry. |
| Finance for Biodiversity pledge | The Finance for Biodiversity pledge aims to get support to action with financial institutions to reverse nature loss this decade. It aligns to the Global Biodiversity Framework. |
| Girls are Investors (GAIN) | GAIN aims to inform young women about our industry and helps build their professional networks. |
| Global Investor Governance Network (GIGN) | We were a founder member of the GIGN. This is an initiative which brings together governance representatives from major global investors in an informal network which considers global governance issues and developments. |
| Gold Defence Employer Recognition scheme | We signed the Armed Forces Covenant and are committed to supporting veterans, reservists, and their families, through quality employment and forces-friendly policies and community partnerships. |
| Institutional Investors' Group on Climate Change (IIGCC) | The IIGCC is a body for investor collaboration on climate change, with a mission to work towards a net zero and climate resilient future. |
| Investment 20/20 (I2020) | We have provided employment opportunities to young people through I2020 for a number of years. |
| Investment Association | Investment Association is a UK representative body for asset owners and asset managers. |
| Investor Alliance for Human Rights (IAHR) | As a member of the IAHR, we can access research and collaboration tools that support respect for human rights. |
| Investor Forum | We are members of the Investor Forum, which states a purpose to position stewardship at the heart of investment decision-making. |
| Living Wage Foundation | We have been an accredited UK Living Wage employer since 2014 and, in 2020, we were also accredited as a Living Hours employer. |
| Moving Ahead | Mission Gender Equity and Mission Include run as cross-company, cross-industry mentoring of high potential talent. |
| Nature Action 100 | Nature Action 100 is a global investor engagement initiative focused on driving greater corporate ambition and action. |
| Net Zero Asset Managers (NZAM) Initiative | We are a member of NZAM, which is an initiative for asset managers to collaborate with clients to achieve net zero by 2050 or sooner. |
| Powered by Diversity (PDB) | Our membership to PDB's Cultural Calendar brings access to speakers ranging from experts in their field to those with directly lived experiences across all areas of life. |
| Principles for Responsible Investment (PRI) | We are signatories to PRI, which is a UN supported network of investors that works to promote sustainable investment. |
| Race at Work | Making commitment to improving equality of opportunity in the workplace, including driving allyship and research-backed recommendations. |
| Task Force for Nature-related Disclosure Forum (TNFD) | TNFD is developing the global framework standard on reporting on natural capital impacts and dependencies. We are an adopter of TNFD. |
| UK Sustainable Investment & Financial Association (UKSIF) | UKSIF brings together the UK's sustainable finance community and supports members to expand, enhance and promote the sector. |
| UN Global Compact | We are a signatory to the UN Global Compact which encourages businesses worldwide to adopt sustainable and socially responsible policies. |
| WB Directors | Access and engagement with industry expertise working to increase diversity in executive and non-executive leadership including workshops, talks, learning, and masterclasses. |

# Forward-looking statements

This document may contain certain 'forward-looking statements' with respect to the financial condition, performance, results, strategies, targets (including ESG targets), objectives, plans, goals and expectations of the Company and its affiliates. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts.

Forward-looking statements are prospective in nature and are not based on historical or current facts, but rather on current expectations, assumptions and projections of management of the abrdn Group about future events, and are therefore subject to known and unknown risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

For example but without limitation, statements containing words such as 'may', 'will', 'should', 'could', 'continues', 'aims', 'estimates', 'projects', 'believes', 'intends', 'expects', 'hopes', 'plans', 'pursues', 'ensure', 'seeks', 'targets' and 'anticipates', and words of similar meaning (including the negative of these terms), may be forward-looking. These statements are based on assumptions and assessments made by the Company in light of its experience and its perception of historical trends, current conditions, future developments and other factors it believes appropriate.

By their nature, all forward-looking statements involve risk and uncertainty because they are based on information available at the time they are made, including current expectations and assumptions, and relate to future events and/or depend on circumstances which may be or are beyond the Group's control, including, among other things: UK domestic and global political, economic and business conditions; market related risks such as fluctuations in interest rates and exchange rates, and the performance of financial markets generally; the impact of inflation and deflation; the impact of competition; the timing, impact and other uncertainties associated with future acquisitions, disposals or combinations undertaken by the Company or its affiliates and/or within relevant industries; experience in particular with regard to mortality and morbidity trends, lapse rates and policy renewal rates; the value of and earnings from the Group's strategic investments and ongoing commercial relationships; default by counterparties; information technology or data security breaches (including the Group being subject to cyberattacks); operational information technology risks, including the Group's operations being highly dependent on its information technology systems (both internal and outsourced) and the continued development and enhancement of said technology systems (including the utilisation of artificial intelligence (AI)); natural or man-made catastrophic events; the impact of pandemics; climate change and a transition to a low-carbon economy (including the risk that the Group may not achieve its relevant ESG targets); exposure to third-party risks including as a result of outsourcing; the failure to attract or retain necessary key personnel; the policies and actions of regulatory authorities and the impact of changes in capital, solvency or accounting standards, ESG disclosure and reporting requirements, and tax and other legislation and regulations (including changes to the regulatory capital requirements) that the Group is subject to in the jurisdictions in which the Company and its affiliates operate. As a result, the Group's actual future financial condition, performance and results may differ materially from the plans, goals, objectives and expectations set forth in the forward-looking statements.

Neither the Company, nor any of its associates, directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. Persons receiving this document should not place reliance on forward-looking statements. All forward-looking statements contained in this document are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Each forward-looking statement speaks only as at the date of the particular statement. Neither the Company nor its affiliates assume any obligation to update or correct any of the forward-looking statements contained in this document or any other forward-looking statements it or they may make (whether as a result of new information, future events or otherwise), except as required by law. Past performance is not an indicator of future results and the results of the Company and its affiliates in this document may not be indicative of, and are not an estimate, forecast or projection of, the Company's or its affiliates' future results.