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Why do we have position statements?

Our position statements align to the **Principles for Responsible Investment (PRI's)** guidance on what constitutes a responsible investment policy. "Responsible investment can be integrated into investment policies in many ways, including high-level public statements, codes of business practice, a standalone responsible investment policy or by embedding responsible investment considerations into an organisation's main investment policy". They cover specific sustainability topics to help our clients understand our view on those topics and the actions we are taking.

The issue

The United Nations (UN) Sustainable Development Goals (SDGs) were adopted by UN member states in 2015 as part of the UN's wider 2030 Agenda for Sustainable Development. There are 17 SDGs, which provide a roadmap for addressing some of the most pressing global challenges, such as poverty, inequality, climate change, environmental degradation, peace and justice. The UN designed the SDGs to be universal, integrated and indivisible. The 17 SDGs are underpinned by a list of over 100 targets, tracked by over 200 indicators. More information can be found [here](#).

The SDGs cover a wide range of issues. The prominence of these issues and the ways in which they manifest themselves vary by country and region. Ultimately, however, these are global challenges that need attention and action from all levels of society to achieve lasting progress.

SUSTAINABLE DEVELOPMENT GOALS



Why is this important for investors?

While the goals are primarily directed at governments and policymakers, they also act as a compelling call to action for the private sector. International organisations estimate that an additional \$4 trillion of investment is needed annually for developing countries to achieve the SDGs.¹ Government efforts alone cannot achieve all of these goals. With global financial assets estimated to be worth over \$400 trillion,² investors are well positioned to help fill this funding gap and contribute to global efforts to achieve the SDGs.

Within investment decision-making, the SDGs can complement a more traditional approach to environmental, social and governance (ESG) integration and in many ways advance this type of analysis. Using the SDGs as a framework can help investors identify future risks and opportunities.

The SDGs are a useful tool to identify direction of travel, from both a macro and micro perspective. For example, climate change is increasingly recognised as one of the biggest threats to the global economy and is very clearly targeted in SDG 13. Extreme weather events now rank as one of the most severe risks in the short and long term in the World Economic Forum's list of global risks.³ Governments will find it increasingly difficult to ignore the effects of climate change, and most are starting to take policy action to mitigate climate change and to combat these risks. According to the Net Zero Tracker, at the beginning of 2025, net-zero or carbon-neutrality commitments covered 78% of the world's GDP and 76% of global carbon emissions.⁴

The mechanisms that governments use to achieve these targets will impact companies. Examples can include

restrictions on coal and internal combustion engines (ICEs), carbon pricing schemes, increasing bioenergy crops and facilitating the flow of low-cost capital to environmentally friendly projects. These mechanisms present a clear risk to companies that rely on coal and ICEs for revenue or have high carbon operations. They also bring opportunities for companies that produce bioenergy crops or need easier access to capital for green projects – as well as companies that can provide alternatives to coal and ICEs, for example through renewables and electric vehicles.

The issues raised by the SDGs are, unfortunately, not new. They are long-standing, complex, challenging global problems. However, the way in which the SDGs were designed and articulated highlights the links between environmental and social issues, and the ways in which these issues affect all of us. By emphasising these connections, the SDGs appeal to a wide range of global audiences and act as a rallying cry across industries, regions and levels of society.

Our view and approach to investments

Aberdeen supports the SDGs. We have been assessing ESG risks and opportunities for over 20 years, and we use the SDGs as an additional perspective in our ongoing ESG integration efforts. We recognise the valuable insights that the SDGs can bring to our investment analysis and decision-making.

Within our central Sustainable Investment Team, our research efforts and resources are organised around key themes. Each of these themes aligns to the SDGs, as illustrated in the image below.

Sustainability themes	Nature	Climate transition	Society		Governance and business ethics
Sustainable Development Goals	UN Global Compact: Environment		UN Global Compact: Labour	UN Global Compact: Human Rights	UN Global Compact: Anti-corruption
Topics	<ul style="list-style-type: none"> Natural capital data Biodiversity Deforestation Oceans, water Circular economy: plastics, sustainable packaging Food sector 	<ul style="list-style-type: none"> Climate scenario analysis Carbon metrics Net zero alignment Carbon offsets Credible transition leaders Climate policy Low carbon technology Fuels of the future 	<ul style="list-style-type: none"> Working conditions Health & safety Diversity, equity & inclusion Staff development and talent retention Labour relations 	<ul style="list-style-type: none"> Modern slavery Supply chain issues Inequality Land rights Food & nutrition Data privacy Community relations 	<ul style="list-style-type: none"> Anti-bribery & corruption Audit issues Board balance, diversity Remuneration Director independence Shareholder rights Accountability Cyber security Tax Digital assets

¹ Financing for Sustainable Development Report 2024 | DESA Publications

² Assets of global financial institutions 2023 | Statista

³ <https://www.weforum.org/publications/global-risks-report-2025/infographics-3e7161574f/>

⁴ <https://zerotracker.net/>

We recognised the value of the SDGs to investors early on. Shortly after the SDGs launched, we developed an assessment framework that translates the policy aims of the SDGs into a corporate context. In doing so, we identified specific actions that companies can take to contribute to global efforts to achieve the SDGs.

Combined with the expertise and research coverage of our investment professionals, this framework allows us to identify investment opportunities with potential to not only provide positive financial returns but also make a positive contribution to the SDGs.

SUSTAINABLE DEVELOPMENT GOALS	Pillars	Sub-themes
 	Circular Economy	Resource efficiency Material recovery and reuse
 	Sustainable Energy	Access to energy Clean energy Energy efficiency
   	Food & Agriculture	Access to nutrition Food quality Sustainable agriculture
  	Water & Sanitation	Access to water & hygiene Clean water Water efficiency
  	Health & Social Care	Access to healthcare & social care Enhanced healthcare Drug development
  	Financial Inclusion	Access to financial services
  	Sustainable Real Estate & Infrastructure	Affordable housing Eco-construction Improved access
   	Education & Employment	Access to education and skills development Quality employment and job creation

This SDG framework entails a significant amount of in-depth research and expertise across the wide range of issues that the SDGs aims to address. It plays an essential role in our impact and sustainable-development strategies. In these strategies, we allocate capital based on the extent to which investee companies demonstrate and execute a clear business strategy that makes a positive contribution to global efforts to achieve the SDGs. Thanks to our in-depth work in this area, we are well positioned to help clients align their portfolios to their SDG goals through their investments.

More recently, we've identified and started working with external data providers with a similarly robust approach to assessing SDG alignment and contributions. This enables us to understand the SDG positioning of our funds on a larger scale and provide bespoke mandates, services and insights tailored to our clients' needs. SDG assessments also support our approach to regulatory compliance, for example by providing a data input into our methodology for calculating Sustainable Investments as defined by the EU's Sustainable Finance Disclosure Regulation (SFDR).

Important Information

Investment involves risk. The value of investments and the income from them can go down as well as up and an investor may get back less than the amount invested.

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