



Group Risk Policy

Conflicts of Interest

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Policy Owner	
Policy Implementation Manager	
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Introduction

This policy sets the standards that the business must adhere to in relation to conflicts of interest.

This policy recognises that the effective management of conflicts of interest is at the core of good customer and client outcomes, and a key point of the global regulatory and legislative conduct risk agenda. It is central to building and maintaining trust and confidence in our business and the way we conduct business in the markets we operate in.

Conflicts of interest may manifest themselves in several different ways across the value chain of our business. The format of this policy draws a distinction between those conflicts that generally apply to individuals in a personal capacity, and those that generally apply and require to be managed at business unit level, most notably to ensure compliance with specific local legislative/regulatory requirements.

abrdn must ensure that:

- all customers and clients are treated fairly in cases where actual, potential, or perceived conflicts of interest arise as a result of the company providing services to those customers or clients
- appropriate steps are taken to identify and prevent any conflicts of interest that may arise or have the potential to arise in the course of providing services to its customers or clients. If a conflict cannot be prevented appropriate steps must be taken to mitigate and manage such conflicts
- sufficient organisational and structural measures are in place to:
 - provide procedures, mechanisms, systems, and other controls to manage or resolve any conflicts of interest
 - ensure that when a conflict cannot be avoided, abrdn and its people always act in the best interests of its customers or clients
 - maintain complete records of any actual, potential, or perceived conflicts
 - as a last resort, where organisational and administrative arrangements are not sufficient to ensure, with reasonable confidence, that the risk of damage to the interests of a customer or client will be prevented, or where required by local regulation, the conflict is disclosed to the affected customer(s) and/or client(s).

The management of conflicts of interest may include the need to restrict the exchange of information and / or the need for information barriers within or between business units, and the need for specified roles not to be discharged by the same individual within abrdn.

This policy sets the standards that all Businesses, Functions, Business Regions and Legal Entities must adhere to in relation to managing abrdn's conflicts of interest; including how we approach the identification and management of conflicts of interest whilst ensuring compliance with applicable legislation and regulatory requirements.

The policy must be read in conjunction with the Risk Policy Framework to ensure that the context and application of the policy is understood and the processes for policy creation, implementation, compliance monitoring and reporting set out within the framework are followed.

Application

This policy applies to abrDN and all its subsidiaries across all Businesses, Business Regions and Functional Areas. It is applicable to all directors, executive managers, permanent and temporary employees within abrDN, as well as secondees, external consultants, contractors, and agency personnel whilst they are working with us. This policy applies in all cases unless a specific exemption has been granted.

The policy can be issued to external parties such as regulators, auditors, depositaries, trustees, customers or clients or potential customers or clients. The policy can be issued to other parties with the permission of the Group Chief Risk Officer.

For the avoidance of doubt, this policy does not include conflicts of interest as defined under the Companies Act 2006 (the 'Act'). Conflicts of interests under the Act are only in relation to Directors of Companies (those which hold statutory director positions). Further information on conflicts of interest under the Act can be obtained from abrDN Company Secretariat.

This policy sets minimum standards for dealing with conflicts of interest at abrDN. There may be rare instances where this policy is at variance with the local laws of a particular country in which case local law will apply.

Risk Appetite

The risk appetite is set and reviewed centrally by the abrDN Board, and this policy should be applied in line with those risk appetites.

abrDN has no appetite for unfair customer outcomes or poor market conduct, whether through deliberate or negligent actions. Consistent with our values, where unfair outcomes arise, the company will put it right in a fair and prompt manner.

abrDN has no appetite for any breach of laws, regulations or prescribed codes that would impact clients, customers, shareholders, market integrity or financial stability. Where breaches are identified, abrDN will ensure that these are resolved in a timely manner considering (where relevant) the interests of customers, clients, shareholders and other stakeholders.

Where laws require interpretation or where regulations or codes are ambiguous or untested, abrDN will take reasonable steps to determine their applicability, including seeking legal advice where necessary.

Definitions

Conflicts of Interest

A conflict of interest can include situations that arise, have the potential to arise or where a reasonable person may perceive there to be a conflict whether or not one actually exists. An actual, potential, or perceived conflict of interest can arise where abrDN and/or any of its employees are subject to influences which might adversely affect decision-making or outcomes in the course of conducting business. A conflict can be due to the competition of legitimate influences such as acting for multiple customers or clients, or the presence of harmful ones such as personal gain.

As abrDN provides a wide range of services it may from time to time have interests that conflict with its customers and clients interests or with the duties that it owes to its customers and clients.

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Conflicts generally fit into one of two categories:

- Conflicts that arise while conducting business for abrdn and on behalf of our customers or clients – those between:
 - our business (or one of its subsidiaries) and a customer, client, employee or supplier
 - an employee and a customer or client
 - one customer or client and another
 - one part of our business and another.
- Conflicts resulting from personal activities and relationships of employees inside and outside of abrdn, such as:
 - personal relationships or friendships– including those with suppliers, clients, customers or colleagues
 - second jobs
 - business ventures
 - outside appointments
 - involvement in public affairs.

Business

Any business area within abrdn i.e. Investments, Adviser, Personal.

Functional Area

Functional area means any function within abrdn; e.g. the Risk function.

Business Region

Business region means any regional area of the business of abrdn; e.g. EMEA.

Defined Reporting

The process for reporting attestations of policy compliance are set out within the Risk Policy Framework, along with the process of granting any exemptions or derogations granted by the policy owner.

Where any local processes and procedures exist within Businesses, Functional Areas, Business Regions, or Legal Entities across abrdn, these local processes and procedures must operate within the broader framework of standards set out within this policy.

Where any local policies are required within Businesses, Functional Areas, Business Regions, or Legal Entities across abrdn, these local policies must operate within the broader framework of standards set out within this policy and must be approved by the Group Chief Risk Officer prior to implementation.

Policy Standards

Conflicts of interest arising from business activities

The following standards apply to conflicts of interest that may arise or have the potential to arise while conducting business for abrdn. As such, these conflicts may arise or have the potential to arise when the interest of abrdn conflicts with customer or client interests, or when customer or client interests conflict with another customer or client interest. Conflicts of interest may also arise or have the potential to arise across abrdn's business units or functions.

Identification of conflicts of interest

1. All Businesses, Business Regions and Functional Areas must identify any conflicts of interest that may arise or have the potential to arise across business units or functions.

Management of conflicts of interest

2. Business, Regional and Functional Heads are responsible for overseeing the management of conflicts of interest for their area of responsibility on an ongoing basis. As such, Business, Regional and Functional Heads, working with their relevant second line business partner leads, should:
 - assess new conflicts and take appropriate mitigation steps;
 - undertake a periodic review, on at least an annual basis, of their conflicts of interest.
3. Where an actual, potential, or perceived conflict of interest cannot be prevented, Businesses, Business Regions and Functional Areas must take steps to manage the conflict and prevent any risk of detriment to its customers, clients or other business interests.

Reporting and recording of conflicts of interest

4. Where actual, potential, or perceived firm conflicts of interest are identified these should be reported to the Conduct, Conflicts and Training Team to ensure the conflict is accurately recorded on the Central Conflicts of Interest Register.

Disclosure of conflicts of interest

5. Where there is residual risk of a conflict of interest that has been accepted and approved (with input from the second line), where appropriate, the nature of the conflict or source of the conflict of interest, or both, must be disclosed to the stakeholder in writing, before undertaking any new or further business, to facilitate an informed decision on whether they wish to proceed.

Training and awareness

6. Each Business, Business Region and Functional Area must raise awareness of the standards of, and responsibilities under, this policy with their directors, employees and contractors. This includes ensuring that key roles have the requisite levels of training.

Conflicts of interest arising from personal activities

The following standards apply to conflicts of interest that may arise from personal activities undertaken outside of abrdn (e.g., personal relationships or close friendships, second jobs, business ventures, outside appointments, involvement in public affairs).

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Reporting and recording conflicts of interest

7. All Businesses, Business Regions and Functional Areas must have in place processes and procedures for recording personal conflicts i.e., an internal compliance system.
8. All employees are required to report all conflicts of interest that may arise from their personal activities undertaken outside of abrdn to their line manager for approval, and where applicable, to Risk and Compliance.

These activities include but are not limited to:

- undertaking some form of outside appointment that either conflicts or may have the ability to conflict with their role. For example, you wish to undertake a directorship, second job, business venture or Board Appointment. The applicable outside appointment policy and procedures must be adhered to
- having an immediate family member who is a connected person to abrdn e.g., they work for abrdn or is affiliated to a service provider or supplier, client or competitor
- having an immediate family member affiliated with a Government body
- when you have been identified by Risk and Compliance as being in scope of the personal account dealing requirements you should ensure that the personal account policy is adhered to in terms of requiring pre-approval.

Roles and responsibilities

The policy framework sets out the respective roles of Risk and Compliance, policy owners and policy implementation managers.

Group Chief Risk Officer

The Group Chief Risk Officer is owner of this policy. The Group Chief Risk Officer has responsibility for ensuring adherence to the conflicts of interest identification, management and reporting standards of the policy pertaining to business units as well as providing assurance that the relevant business unit policy has been implemented and complied with.

Business, Regional and Functional Heads

Business, regional and functional heads are responsible for overseeing the identification, documentation, escalation and management of all conflicts of interest that arise from the business activities within their areas of responsibility at the abrdn. Business, Regional and Functional Heads are required to:

- be engaged in the implementation of procedures and arrangements for the identification, documentation, escalation, management and ongoing monitoring of conflicts of interest
- promote and encourage a culture which emphasises the importance of the fair handling of conflicts of interest.

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Attestations

This policy must be made in line with the Risk Policy Framework. Functional attestations demonstrate and ensure functional heads support the overall framework. In addition, there is a regional attestation overlay to help identify any concerns specific to that region. Where there is a specific conflict which arises at a Business or Regional level, Business or Regional Heads must ensure the conflict is managed in line with the policy standards.

Corporate Conflicts of Interest Owner

The owner of an identified conflict of interest is responsible for ensuring it is notified and escalated appropriately in a timely manner. The owner is accountable for the implementation and the effectiveness of the controls put in place to manage the identified conflict of interest. In addition, the owner will be responsible for the ongoing management of the conflict.

Conduct, Conflicts and Training team – Risk and Compliance

Our Conduct, Conflicts and Training team has primary responsibility to support the Group Chief Risk Officer in the day-to-day discharge of their responsibilities in respect of this policy, and will be responsible for the enforcement of this policy and all queries relating to this policy across abrdn. The Conduct, Conflicts and Training team will provide oversight in relation to the implementation of Conflicts of Interest Policy and Handbook. In addition, the Conduct, Conflicts and Training team will be responsible for maintaining the Central Conflicts of Interest Register and will provide information to support additional entity level governance requirements.

Executive Leadership Team – Controls meeting

This meeting will endorse the Conflicts of Interest Policy. Consideration will be given to conflicts of interest issues escalated to the meeting and review and challenge the status of the most significant conflicts impacting abrdn. This meeting will also consider any risk events with significant conflict of interest implications.

Applicable Laws and Regulations

Each Business, Business Region and Functional Area in implementing this policy, or formulating its procedures and practices, must take into consideration the guidance given in any relevant regulations.

Where there is a conflict between the standards of the Conflicts of Interest Policy and local legislation/regulation, it must be managed in line with the risk policy framework. The policy owner, along with relevant business and/or business regional leaders, must determine the appropriate way to manage the difference.

Links to Other Documents

Key documents that must be read in conjunction with this policy are:

The Risk Policy Framework

Provides details of the processes for policy creation, implementation, compliance monitoring and reporting and explains how the Conflicts of Interest Policy fits with the overall framework.

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The Risk Policy Framework also sets out the process for reporting attestations and evidence of policy compliance, along with any exemptions or derogations granted by the policy owner. In addition, the relevant associated policies can be found within this document.

An individual's Contract of Employment, Service Agreement, or Letter of Appointment

The contracts of employment or service agreements of employees and contractors within abrdn and the letters of appointment for non-executive directors within abrdn, contain provisions relating to conflicts of interest which support this policy.

The Global Code of Conduct and Local Addendums

The Global Code of Conduct and any local addendums set out guidance to individuals on conflicts of interest and market abuse.

Conflicts of Interest Handbook

The purpose of this document is to provide guidance to employees in respect of the abrdn Conflicts of Interest Policy. It covers corporate conflicts, personal conflicts, and outside appointments