



## Our commitment to the UK Stewardship code

The UK Financial Reporting Council's (FRC) Stewardship Code (the "Code") aims to enhance the quality of engagement between institutional investors and companies to help improve long-term risk adjusted returns to shareholders and the effective exercise of governance responsibilities. It sets out good practice on engagement with investee companies to be applied by firms on a "comply or explain" basis. The Code is directed at institutional investors with equity holdings in UK listed companies. The FRC recognises that not all parts of the Code will be relevant to all institutional investors and that smaller institutions may judge some of the principles and guidance to be disproportionate.

Discretionary investment management from abrdn does not formally commit to the Code due to the nature of its business primarily being retail based. However as outlined below we take stewardship seriously and complies in many material respects with the principles set out in the FRC Code.

Further, Financial Conduct Authority (FCA) rules beginning 10 June 2019 outline similar requirements on firms to disclose an "Engagement Policy" on interactions with investee companies or alternatively explain why have they have chosen not to produce one.

Similar to the FRC Code, Discretionary investment management from abrdn does not have a formal Engagement Policy, however we do comply in many material respects with the concepts and principles set out in the FCA rules.

Discretionary investment management from abrdn's ability to directly influence companies on a standalone basis is limited since generally the portion of shares held in a company is lower than those held by major institutions. However, our clients benefit from the significant insight and activities of the wider abrdn group. abrdn has embedded stewardship principles for over 25 years and is considered a leader in the field. Through abrdn, we have access to company management on a global basis, providing us with unrivalled insight.

Stewardship and investee engagement principles are at the heart of everything abrdn does. This includes consideration of environmental, social and governance principles which is embedded in our investment process.

Discretionary investment management from abrdn does not currently undertake securities lending activities.

abrdn always acts in clients' best interests and do not favour any client/group of clients over any other client/group of clients and this includes any conflicts arising from engagement activities. For the types of conflicts that may arise in relation to engagement activities, please see [abrdn's Stewardship Code](#). For details on how we manage conflicts, please see [Conflict of Interest Policy](#).

Discretionary investment management from abrdn votes on its clients' investments. Voting outcomes are based on the principles of good governance and stewardship. We appoint Institutional Shareholder Services (ISS) to vote on behalf of us. Broadly, discretionary investment management from abrdn will vote in line with abrdn stewardship voting although occasionally we will vote differently, but always in line with agreed good governance standards. For more information please view the [Proxy voting report](#).

