Core Infrastructure
Sustainability Update 2023

Infrastructure: investing for the long term

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Contents

abrdn is a **long-term, responsible and direct** infrastructure investor. We are focused on creating **sustainable** value through **proactive** asset management.

Introduction

Sustainability is at the heart of creating long-term value

Dear Stakeholders

There has been an unprecedented focus on sustainability across finance in recent years. Globally, greenhouse gas (GHG) emissions have continued to rise, the physical impacts of climate change are being felt more acutely, and there is increasing concern about the impacts of resource use and biodiversity loss. The role of the financial industry in contributing to and solving these problems is in sharp focus. Around the world, sustainability disclosure and taxonomy regulations are increasing in number and complexity. The very notion of considering environmental, social and governance (ESG) factors in investment decisions is the subject of polarised debate in some regions.

As long-term direct investors in infrastructure, sustainability is an inherent part of our approach. Infrastructure provides heat and power, mobility, clean water, waste treatment, and digital connectivity – all services that underpin the functioning of society. It also has the potential to enable change: improve livelihoods, reduce inequality, improve productivity, and support environmental outcomes. But infrastructure assets can also be affected by policy intervention, shifting demand, extreme weather made worse by climate change, cyber threats, social unrest, and geopolitical tensions.

As a society, we can't resolve our challenges without investment in new and existing infrastructure. Indeed, much of the current and emerging policy response – whether on climate change, the circular economy or water resources – is designed to encourage this investment.

For infrastructure investors and managers, identifying and assessing environmental and social risks and opportunities are a crucial part of creating long-term value. As part of this, we look for ways that our assets can reduce their impact, and support environmental and social outcomes.

Of course, there are challenges: geopolitics, policy and technological uncertainty create risk, and there are still trade-offs to be navigated between financial objectives and sustainability outcomes. But the direction of travel is clear, and the role of infrastructure investment in securing a sustainable future is key.

Since 2015, our strategy has provided investors with access to core/core-plus, small- to mid-market infrastructure. Our approach to sustainability has evolved over this time as our understanding of the issues and opportunities has grown. There has been a lot of activity in the last 18 months. Among a large number of initiatives, we launched our third fund as an Article 8 product under the Sustainable Finance Disclosure Regulation (SFDR); we implemented an improved approach to greenhouse gas emission accounting for our investments; and we completed our first physical climate risk assessment.

This update provides an insight into why and how we think about sustainability – our philosophy, our processes and the contribution that our assets make. We hope you find it useful, and we look forward to working with our stakeholders as our approach continues to evolve.

Dominic Helmsley

Head of Core Infrastructure

Who we are

We are long-term investors in essential small- to mid-market European infrastructure. We take a hands-on, proactive approach to asset management to drive long-term value for our clients.

Our strategy provides essential services for the functioning of society across four main sectors: energy, utilities, transport and digital.

Seasoned leadership and experienced team

20
experienced investment and asset management professionals

11
dedicated infrastructure finance, legal and tax experts

12
years' average experience across the investment team

13
senior industry advisers across Europe

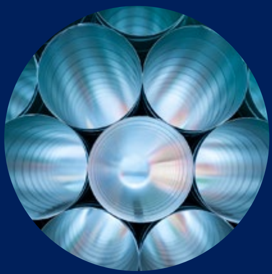
100+
additional staff from the wider abrdn business across risk, regulatory, marketing and sustainability functions

Long-term trusted partner

- 10+ year investment horizon means we take a long-term view
- Successful relationship with Rock Rail, with five deals completed over six years
- Preferred partner for Finnish municipalities to divest utilities and heat network assets

Sector expertise

Internal sector specialists and senior advisers in Europe, supporting origination and asset management across our four target sectors:



Utilities

Transport

Energy

Digital

Our portfolio – a pan-European reach

€2.7bn

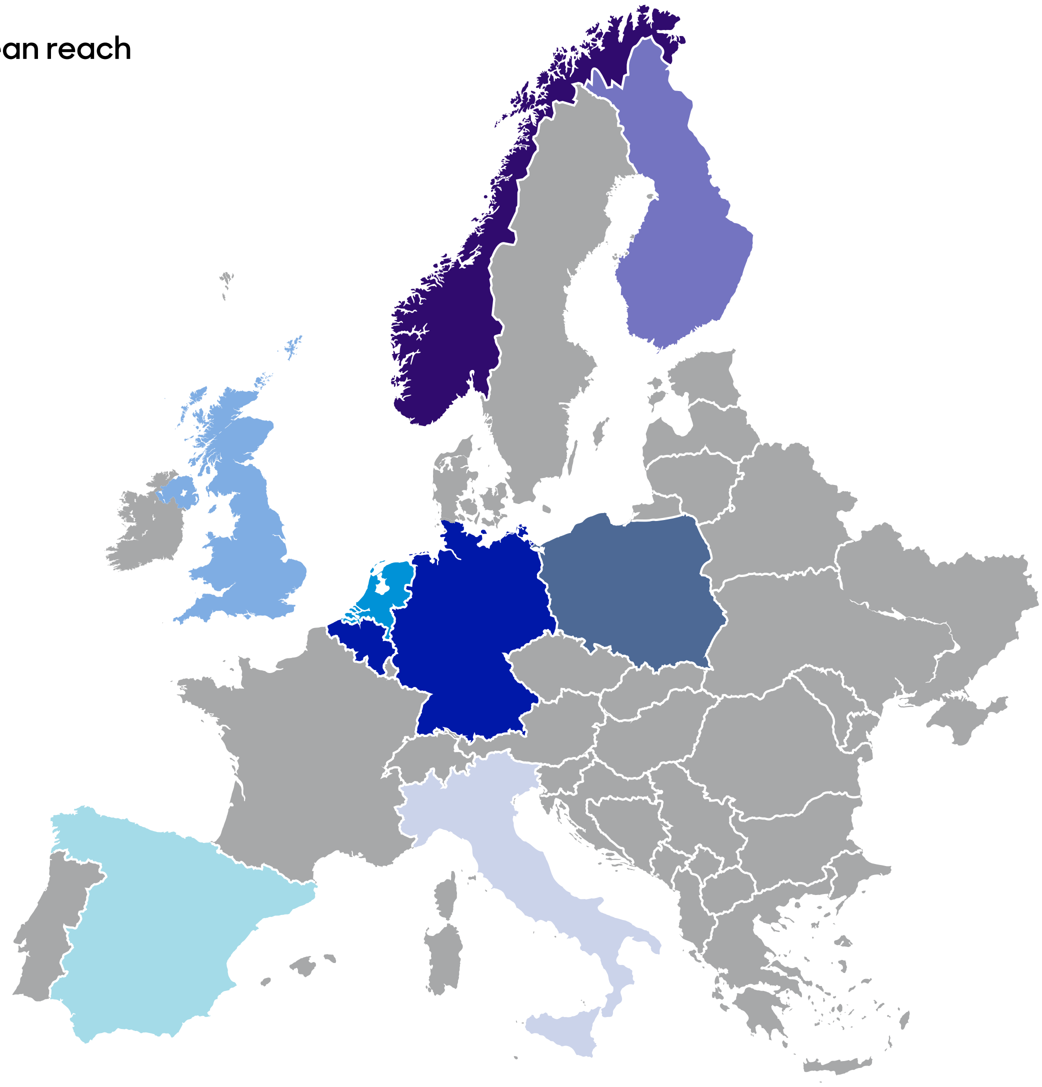
assets under management

18

investments to date (over 20 add-ons) across Europe

>350

opportunities reviewed since 2015



UK

2016

Rock Rail East Anglia
Rolling stock

Rock Rail Moorgate
Rolling stock

2017

Rock Rail South Western
Rolling stock

2019

Rock Rail West Coast
Rolling stock

Oikos Storage
Liquid bulk storage

2020

Airband
Rural fibre broadband

2022

Wessex Internet
Rural fibre broadband

Netherlands

2017

Noordgastransport
Natural gas transport

Germany/Belgium

2019

Unitank
Liquid bulk storage

2022

Rock Rail Main-Weser
Rolling stock

Poland

2019

Central European Renewables Investments
Solar electricity generation

Norway

2015

aventron Norway
Hydroelectric power generation

Finland

2015

Auris Energia
Gas distribution

2019

Riihimäen Kaukolämpö Oy
District heating

Loimua Oy
District heating

2020

Outokummun Energia Oy
District heating

Spain

2023

Nispero FibreCo[1]
Fibre network

Italy

2023

Italian Biomethane Platform[2]
Renewable gas production

[1] Investment signed in March 2023 and first transaction due to complete by early-October 2023.
[2] Investment signed in August 2023 and first transaction due to complete in late-September 2023.

Industry engagement

We are members of a wide range of industry groups and committees on sustainability, and we participate in several voluntary benchmarks. abrdn looks to proactively collaborate with industry stakeholders to improve how sustainability performance is measured and benchmarked.

abrdn is a member of the Principles for Responsible Investment (PRI). We achieved a score of 84/100 for direct infrastructure in the latest 2021 assessment.

abrdn joined the Partnership for Carbon Accounting Financials (PCAF), and is committed to measuring and reporting emissions in line with the standard. The Core Infrastructure team reports financed emissions, in line with the PCAF standard, annually in fund reports.

We are members of the Institutional Investors Group on Climate Change (IIGCC). We have been active participants in the development of the Net Zero Investment Framework (NZIF) guidance for the infrastructure sector. We have also been closely involved in other industry initiatives on climate resilience, including the development of the Physical Climate Risk Assessment Methodology (PCRAM).

We are participating members of GRESB and we have submitted to the infrastructure asset and fund assessments since 2020. Our Head of Sustainability, Ruairi Revell, sits on GRESB's global Infrastructure Standards Committee, which sets the direction of the GRESB standards. We are also members of the GRESB Expert Resource Group for infrastructure and we have supported its net-zero working group. All our funds and assets achieved improved scores in the most recent 2022 assessment, with our Rock Rail Moorgate asset achieving the highest five-star rating.

2022: sustainability highlights from our infrastructure investments

804 GWh
renewable electricity generated in 2022

...equivalent to the annual demand of around

220,000

European households

...avoiding around

296,000

tonnes of CO_2e

Provided

1.3 million m³

of critical fuel storage, supporting the resilience of the transport sector

GWh = Gigawatt hours MW = Megawatt CO2e = Carbon dioxide equivalent M3 = Cubic metres

>540 MW

of installed renewable electricity generation capacity

18,000

homes in England connected to high-speed internet, supporting improved rural internet provision and digital inclusion

>50 million

journeys taken on our trains...

...which travelled more than

14 million kilometres

1,093 GWh
heat delivered

to over
100,000
customers by our heat network assets

>90%
from renewable or low-carbon sources

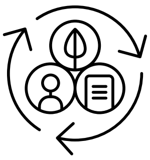
Our third fund launched in 2022. We are committed to making **100% of investments** in assets that support the energy transition or those that can be re-positioned to do so.

Our approach to sustainability

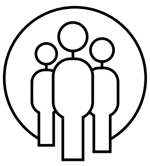
As long-term infrastructure investors, we need to understand and assess the risks and opportunities presented by a dynamic and changing world. This has many dimensions, such as markets, policy, politics, technology, demographics and the physical environment. These factors are material to creating long-term value. Having the tools and expertise at our disposal to analyse and price assets, and to drive change during ownership, are key to delivering the best outcomes for our clients.

Our funds are not impact funds. But infrastructure investment is vital to address many societal and policy imperatives. While our focus is on financial performance for our clients, the nature of our strategy means that our assets provide essential services for the functioning of society and can support the delivery of environmental and social goals. In this sense, our assets contribute to sustainability outcomes.

Our approach is underpinned by two fundamental principles.



Environmental and social factors are material to long-term value. We treat them in the same way as other issues when assessing risks and opportunities.



Active ownership and board representation enable us to directly influence long-term value during ownership. We always have board representation, we appoint an independent non-executive, and we work proactively with management teams.

"ESG is both extremely important and nothing special."[3] This is the basis for our approach. These issues can be highly relevant to long-term value, so they should not be treated any differently to other material factors when we make decisions.

Ruairi Revell

Head of Sustainability – Core Infrastructure

Infrastructure is a natural home for sustainability. Given the obvious financial materiality of many of these factors, it is a central part of our investment and asset management process.

Roger Pim

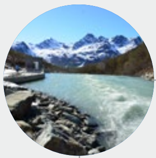
Senior Investment Director

[3] Alex Edmans, 2023.

Our journey so far – at the forefront of sustainability in infrastructure investment

From the team's inception in 2014 and the launch of our first fund in 2015, assessing environmental and social factors and using strong governance principles have been part of our approach for each investment. Since then, how we do this has evolved and matured. We've formalised our policies and decision-making tools, added specialist resource and engaged in industry sustainability initiatives.

2015



Investment in Nordic Power: a portfolio of run-of-the-river hydro schemes in Norway, subsequently merged with aventron to create a 155 MW portfolio.

- Launch of our first fund.

Auris Energia is a stable utility with a strategy to grow a low-carbon, energy-services business. Twelve value-add bolt-ons have been completed subsequently.

2016

First of five investments in partnership with Rock Rail in bi-mode and electric trains.

2017

2018

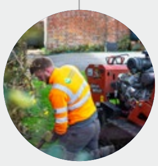
Investments in gas transport and fuel storage, supporting security of supply and decarbonisation of downstream sectors.

2019

Three investments in Finnish heat networks fed by sustainable biomass.

First investment in Polish solar power, which we have built in-to a 385 MW portfolio.

2020



First investment in the digital sector, supporting rural digital connectivity through fibre roll-out.

2021

First submission to GRESB Infrastucture Assessment.

2022

- Launch of our third fund, classified as Article 8 under SFDR.
- Appointment of our Head of Sustainability – Core Infrastructure.

2023

Deep pipeline of opportunities, with strong sustainability characteristics across target sectors.

Sustainability throughout the investment lifecycle

Our investment and asset management process integrates the analysis of environmental and social factors, alongside all other material considerations. We also ensure strong governance structures are in place. An important element of this is collecting, monitoring and reporting sustainability data. This supports continuous improvement and compliance with our (and our clients') reporting and disclosure obligations.

Pre-investment

01 Research, insight and industry engagement

We work with our advisers to monitor sector and policy trends in our key markets. We engage with industry groups and track wider sustainable finance and policy developments.

02 Investment screening

Our ESG screening tool guides us through 14 indicators to efficiently identify any dealbreakers. It informs our view about how to price risks and opportunities, and highlights areas for detailed due diligence.

03 Due diligence

We define a transaction-specific scope of work and engage expert consultants to support and refine our understanding of risks and opportunities.

04 Approval and completion

Prior to review by the investment committee, the team ensures that all material risks and opportunities are addressed and mitigated if necessary. We set clear objectives and define a value creation plan with management.

05 Active ownership

- **Governance**
  At the outset, we review governance, management structures and remuneration to ensure alignment. We also assign responsibility for sustainability to management and the board.
- **Monitoring and action planning**
  Throughout ownership, we collect data on material environmental and social issues to monitor performance and to identify opportunities to create value.
- **Reporting and disclosure**
  Performance against agreed sustainability key performance indicators is reported to the board of each portfolio company. At the fund level, we report in line with international standards where applicable.
- **Exit**
  Our active asset management aims to deliver our business plan and to position assets on a sustainable long-term pathway to maximise value at point of exit.

> Some of our most detailed discussions in the investment committee are about sustainability-related factors. Understanding how these trends will develop in years to come is central to how we assess investment opportunities and manage them post-completion.
>
> **Graeme Dunbar,** Senior Investment Director

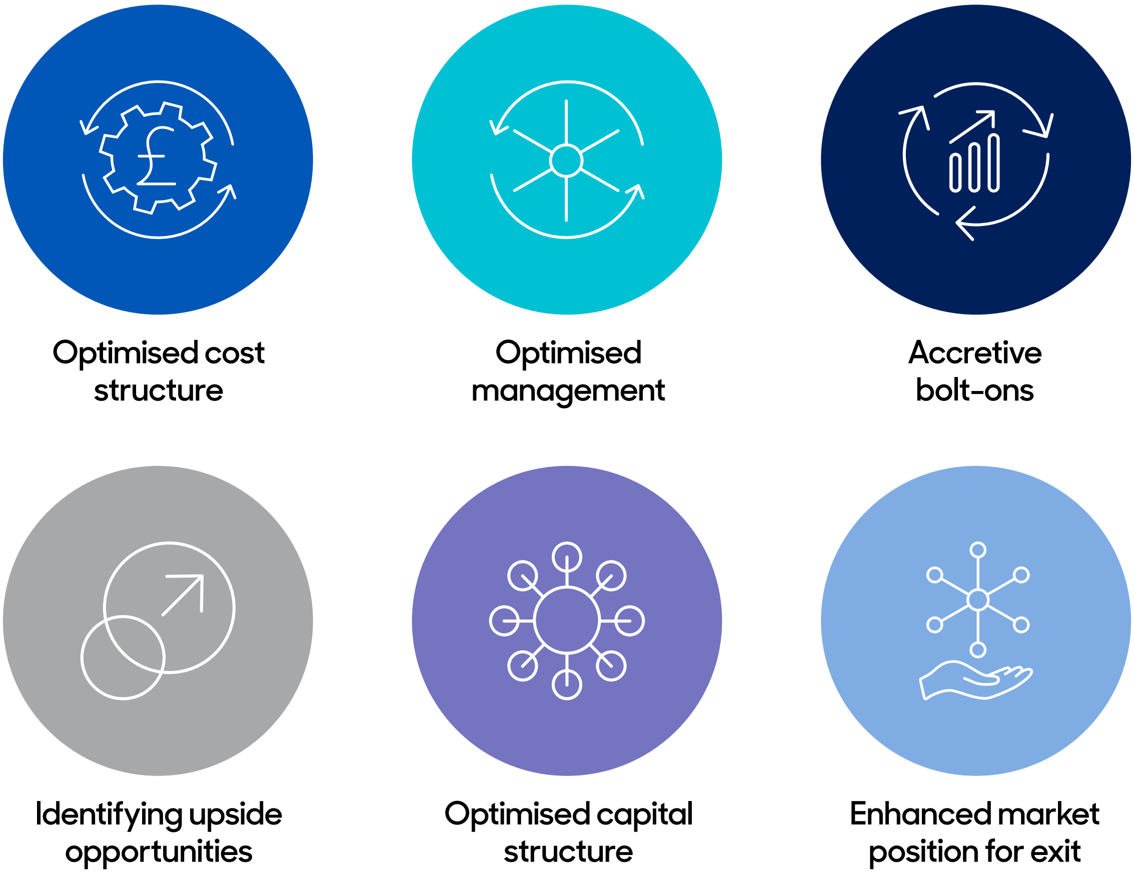
Active ownership and strong governance

Strong and effective governance structures help us to create value during ownership. We take a majority or significant minority position in all investments. We are always represented on the boards of our portfolio companies and we appoint an experienced, external non-executive director in each case.

We employ several key levers to create value across the portfolio during ownership. We have been highly successful in completing accretive bolt-on acquisitions – over 20 completed to date, representing over EUR 250 million of value. We undertake regular management reviews, optimise cost and capital structures, and employ a conservative approach to debt financing.

We use a range of operating models to ensure appropriate governance. Some investments have a local management team on the ground (e.g. our heat network and utilities businesses) and others employ an operating or development partner (e.g. our operational renewables and rolling-stock assets). Across each operating model, we establish a clear strategy at acquisition, with early non-executive expertise. We then work closely with the management team and/or operational providers to implement the plan.

Our Asset Management Committee, chaired by Graeme Dunbar (Senior Investment Director) is responsible for overseeing all asset management activities.



Infrastructure and sustainability policy – untangling the acronyms

The infrastructure sector is directly affected by many climate and sustainability standards and regulations. Given the central role that infrastructure must play in supporting decarbonisation, these measures present risks and opportunities for assets, which can affect capital expenditure, operating expenses, revenues, and ultimately valuations and liquidity. Some sectors, technologies and companies will benefit from these measures while others will suffer.

The number of initiatives and regulations (and the acronyms that come with them) can be bewildering, but we can simplify them into two main categories: the important 'show-and-tell' initiatives to increase disclosure of standardised sustainability data; and the government-led 'carrot-and-stick' measures that are designed to directly influence technology and investment decisions.

We continually monitor this policy landscape. Assessing the implications of current and future policy measures are an important part of how we consider climate transition risk throughout the investment process.

The financial effects of climate policy and voluntary standards

	Show-and-tell	Carrot-and-stick
Examples	• Sustainable Financial Disclosure Regulation (SFDR) and the EU Taxonomy • Corporate Sustainability Reporting Directive (CSRD) • Taskforce for Climate Related Financial Disclosures (TCFD)	• EU Net Zero Industry Act • EU Emissions Trading Scheme • Contracts for difference/feed-in tariffs • Natural gas boiler and combustion engine bans
Mostly affects	• Investors/asset managers • Banks • Investee companies	• **Negatively:** emissions-intensive sectors, technologies and companies • **Positively:** low-emissions technologies and climate solutions
Type of impact	• Market perception • Shifting demand • Access to capital	• Relative pricing • Shifting demand • Costs and revenues

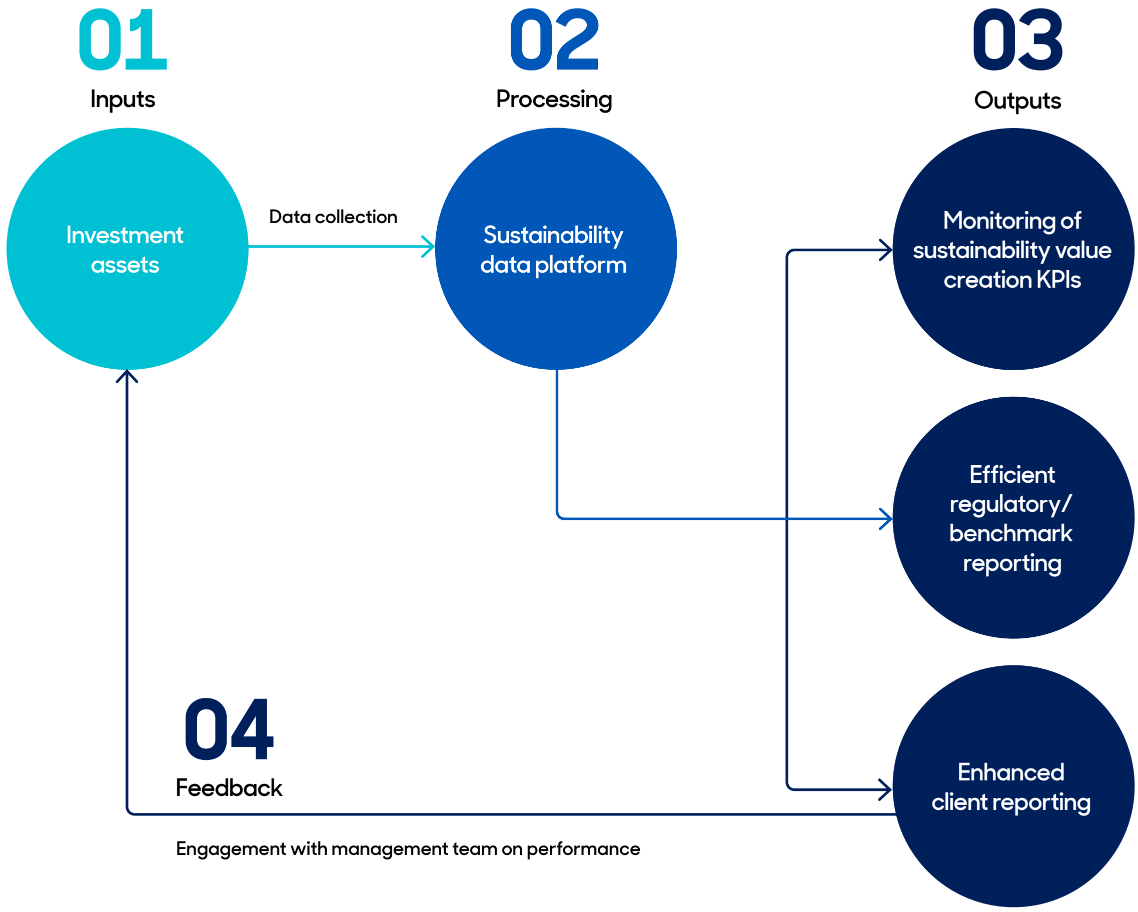
Impact on valuations/liquidity

Promoting and measuring sustainability outcomes – the importance of good data

Our objective is to deliver long-term financial performance for our clients. But, in doing so, we can support sustainability outcomes, such as decarbonising heat in Finland, solar electricity in Poland, or improved digital connectively in rural England. We believe that assets that promote sustainability outcomes will outperform those that don't over the long term.

Understanding and measuring these outcomes is important, especially in the context of the increasing number of sustainability disclosure regulations. In 2022, we established a sustainability data platform to support the collection and monitoring of data from portfolio companies. So far, our focus has been on the accurate and efficient accounting of greenhouse gas emissions.

This is in line with the requirements of the TCFD and the Partnership for Carbon Accounting Financials (PCAF) to enable disclosure and risk management activities. This will also allow us to improve our work with management teams and how we monitor value creation metrics for each asset.



Sustainability in action

Sector focus

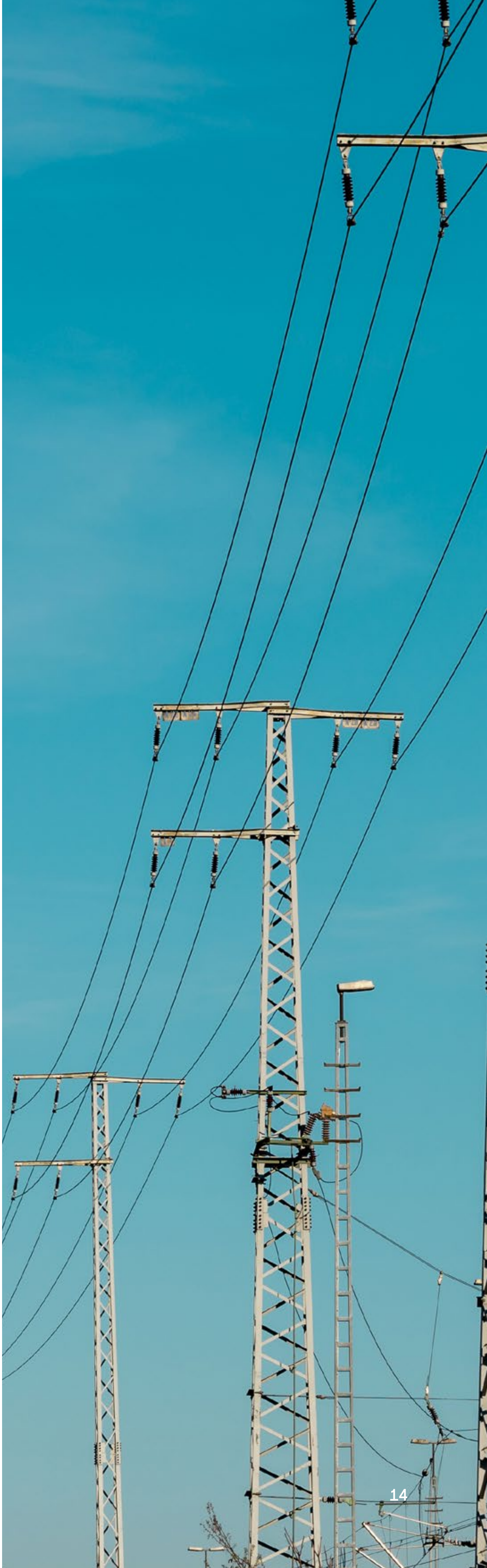
Energy

Summary

The energy sector is in the middle of an unprecedented low-carbon transition, while also balancing security of supply and affordability.

Emissions from electricity generation have steadily reduced since 1990, and progress is being made towards the binding target of achieving 40% of the energy mix from renewables by 2040. We have investments in renewable generation assets in Poland and Norway, and bulk liquid energy storage assets in the UK, Germany and Belgium. These provide strategic resilience and will play a key role in enabling the decarbonisation of the downstream sectors they serve.

While the transition is not without its challenges for infrastructure investors – not least because of competition, technological uncertainty and delays – we expect momentum to accelerate further. This is supported by policy incentives, advancing technology and shifting consumer demand. We see attractive opportunities developing in the biogas and biomethane, energy storage and hydrogen sub-sectors, in particular.



Energy

CASE STUDY
Supporting the decarbonisation of the Polish grid

Poland has one of the most emissions-intensive electricity systems in the EU and still relies heavily on coal-fired generation. In 2021, a kWh generated in Poland resulted in over three times the emissions of a kWh generated in the UK.

The transition is underway, though, and we are proud to have played a part over the last few years. We have become one of the largest investors in small-scale, ground-mounted solar power in the country.

We made our first investment in Polish solar photovoltaic projects in 2019. We worked with local developers to acquire assets at completion that benefit from stable 15-year, inflation-linked, contracts-for-difference tariffs. Through our strong relationships and presence on the ground, we have built a portfolio of 385 MW, which comprises 400 sites across the country. Since acquisition, the asset has generated over 912 GWh of zero-carbon electricity. Saving around 638,000 tonnes of carbon dioxide, compared with equivalent generation from the Polish grid.

Generated over

912 GWh

of zero-carbon electricity

Energy

CASE STUDY
Supporting resilience with strategic bulk storage

The day-to-day functioning of economies relies on the secure, affordable and safe supply of energy. Much of that energy, particularly for the transport sector, is in liquid form and is transported by ships, lorries and pipelines. It is stored in bulk terminals that provide vital resilience in the system. These terminals currently handle a range of products, depending on their location and customers: diesel, aviation fuel, gasoline, ethanol and other biofuels, for example.

Our bulk-storage investment in the Thames Estuary, Oikos Storage, is a critical infrastructure asset that ensures the secure supply of aviation and road fuels in the south-east of England. It benefits from a deep-water jetty and connections to the UK's major pipeline networks, resulting in a highly efficient and competitive operation.

Oikos has a vital role in ensuring security of supply and supporting decarbonisation. It also works closely with its customers as the sectors they serve move to lower carbon and renewable fuels. This is particularly the case for the aviation sector, with UK government mandates on sustainable aviation fuels due to increase steeply in the coming years. The management team is actively assessing a wide range of opportunities to ensure the asset is best placed to support the transition, including the manufacture and storage of renewable and low-carbon fuels at the site.

Sustainability in action

Sector focus

Transport

Summary

The transport sector is the second-largest source of greenhouse gas emissions in Europe.[4] Since 1990, the sector's emissions have risen by 32%, while overall emissions have reduced by 33%.[5]

There is a strong policy response emerging, which includes regulations on electric vehicles, renewable fuels and the inclusion of transport sub-sectors in emissions-trading schemes. Several sub-sectors are among the hardest to decarbonise – including shipping and aviation – and there are technological and economic challenges to overcome. Alongside decarbonisation, public transport assets play a vital role in addressing other challenges, including placemaking, local air quality and productivity (through efficient and affordable mobility).

The accelerated focus on decarbonisation and mobility will continue to create new investment opportunities to replace older, less environmentally friendly forms of transport. Alongside opportunities to fund the electrification of rail, bus fleets, and the charging network for vehicles, we see potential for attractive opportunities in other sectors. These include shipping, port infrastructure, and specialist areas, such as the electrification of ground-service equipment at airports.

[4] Greenhouse gas emissions by aggregated sector — European Environment Agency (europa.eu).

[5] Transport could burn up the EU's entire carbon budget – International Council on Clean Transportation (theicct.org).

Transport

CASE STUDY
The electrification of rolling stock

Since 2016, we have made five investments in UK and German rolling stock, consisting of 213 units and 1,485 carriages. These investments all deliver highly efficient, fully electric or bi-mode trains into service. They are replacing older, often diesel-only, trains.

From our investments to date, our Moorgate and East Anglia fleets are in full service. In 2022, they carried an estimated 50 million passengers on London commuter routes and throughout the east of England. The fleets have consistently achieved high levels of reliability. In December 2022, the East Anglia 755/4 fleet was awarded the "most reliable train of its type" for the second year running in an independent industry award.

Electric trains in the UK are currently around 75% less emissions-intensive[6] than the diesel vehicles they replace, and this gap will increase in the future as electricity continues to decarbonise.

Our most recent rail investment is our first outside the UK. It provides 17 double-decker electric trains for the Main-Weser line in Germany on a long-term lease to Deutsche Bahn. The fleet is being manufactured by Alstrom and will be equipped with the latest technology to ensure energy efficiency, safety and cyber security.

[6] Office of Rail and Road, 2022.

Sustainability in action

Sector focus

Utilities

Summary

The utilities sector provides a wide range of essential services, including energy transmission and distribution, water management, and district heating. Utilities companies will often manage and maintain the infrastructure between the producer and the consumer, operating in a quasi-regulated or regulated environment and ensuring security of supply.

Trends like decarbonisation, electrification, the protection of biodiversity and water resources, and the circular economy are key for the utilities sector. Utilities are well-placed to offer solutions to these challenges. We focus on the small- to mid-cap segment of the market, where assets are best able to react quickly to changes in customer demand.

We have made several investments in the utilities sector. We have a strong presence in Finland, where we own a gas distribution operator, electricity distribution operator, and three municipal heat networks that supply renewable and low-carbon heat to residential, commercial and industrial consumers. Our gas distribution business, Auris Energia, is the largest in Finland and currently serves over 25,000 customers. It has a growing energy services business, alongside the distribution business, and has a path to decarbonising its supply mix by 2040.

We see a strong pipeline of further opportunities in district heating, regulated energy utilities and waste management.

Utilities

CASE STUDY

Towards zero-carbon heat in Finland

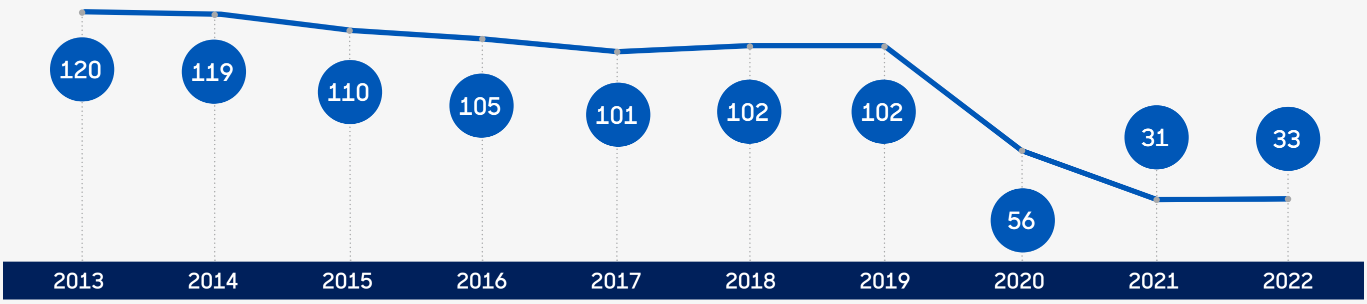
District heating plays an important role in Finland. It has an overall 45% market share for heating and hot water, which is much higher in densely populated urban areas. Across the sector in Finland, the fuel mix for heat production is still dominated by coal, natural gas and peat. This sits in the context of a national target for Finland to be net zero by 2035.

We currently hold three district heating network assets in Finland, all of which are substantially less emissions-intensive than the national average. They supply more than 90% of their heat from renewable sources or energy from waste facilities.

The largest network in the portfolio is Loimua Oy. The company owns and operates 760 MW of heat production capacity and 17 district heating networks across Central and Southern Finland. This covers over 500 kilometres of network, with over 85,000 end-customers. The company is on track to meet its target to fully decarbonise its heat supply by 2030, which supports the national net-zero target and protects against increasing carbon prices. It has gradually decarbonised its fuel mix by increasing the share of sustainable biomass it uses. It has also reduced its emissions intensity by over 60% since 2019, by accelerating the phase-out of peat. Given the scale of the forestry sector in Finland, there is a good supply of certified sustainable biomass feedstock from sawmill offcuts, sawdust and residues. In 2022, there was a small uptick in the use of peat because of the relative pricing in the aftermath of Russia's invasion of Ukraine, but we expect the long-term trend will continue in 2023 and beyond.

GHG intensity of delivered heat

(gCO_2e/kWh heat)[7]



[7] Grams of carbon dioxide equivalent per kilowatt hour.

Koskinen heat plant

Sustainability in action

Sector focus

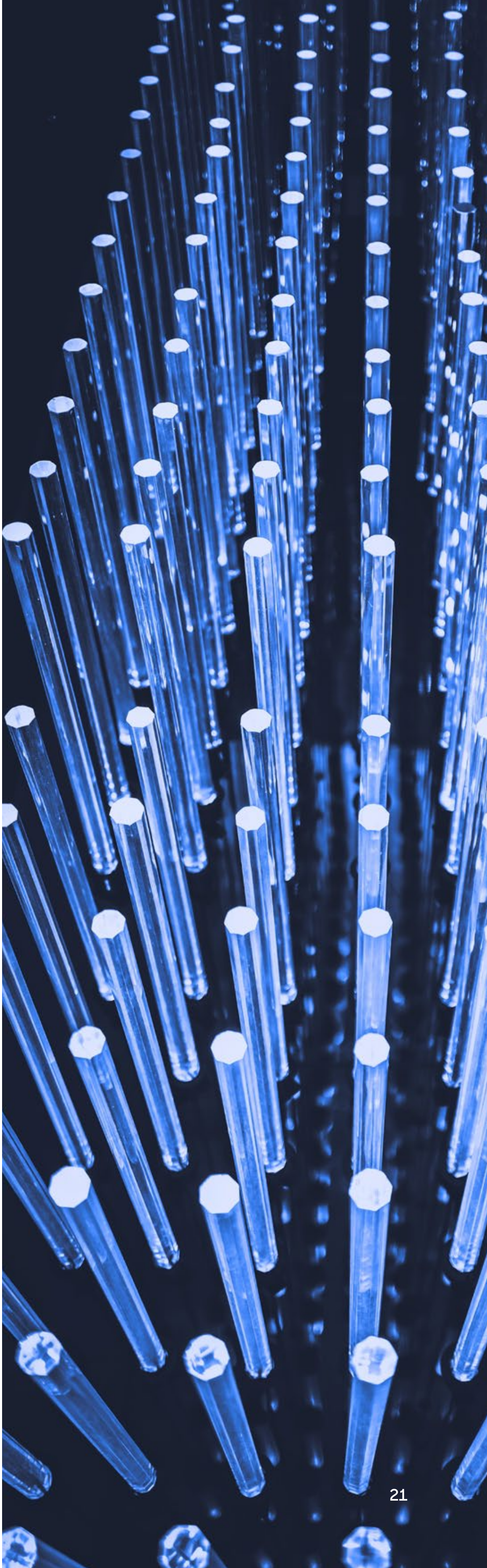
Digital

Summary

The digital segment covers broadcast/mobile towers, national/regional/subsea fibre networks, meters, data centres, and other technologies like 5G. These assets can present attractive infrastructure characteristics, given long-term confidence in revenues and, in some cases, subsidy-backing, which is available for fibre network roll-out in some countries.

From a sustainability perspective, digital assets are a key driver of productivity in economies. They can contribute to improved connectivity and digital inclusion, particularly for those living in rural locations. High-speed fibre broadband can also enable productive home and remote working in these areas, which reduces the need for commuting.

While some digital sub-sectors are subject to challenges at present, we continue to see a strong pipeline of opportunities in the fibre, towers and data centre segments, in particular.



Digital

CASE STUDY

UK fibre provider of the year 2023

We acquired a majority stake in Wessex Internet in late-2022. The company provides rural connectivity services in the south-west of England, historically through fixed wireless networks. The business has successfully pivoted towards providing 'fibre to the premises', driven by UK government-led initiatives, including subsidies. The company is promoting significant investment in fibre infrastructure for rural areas and it is targeting around 150,000 homes by 2026.

Wessex Internet has a strong local presence and identity and directly employs 134 people. It supports communities through discounted gigabit connectivity for community centres, and supports a wide range of local charities and organisations. Customer satisfaction is industry leading, with the company achieving 4.6 out of 5 in the most recent survey.

This leading approach was recently recognised by the sector at the UK Fibre Awards. The company was named Best Fibre Provider in the UK and Best Rural Provider for the second year running.

Its environmental impacts are minimised through advanced directional drilling techniques that avoid the need for large trenches during roll-out. Although not an emissions-intensive company, Wessex Internet has recently defined its decarbonisation strategy, setting an interim target to reduce absolute emissions by 50% by 2030, as a stepping stone to reaching net zero in 2050.

What's next?

This brief update has summarised why and how we think about sustainability in infrastructure investment. It also highlights several examples of the contribution that our assets have made.

The physical, economic, technological and political environment that directly affects the infrastructure sector will continue to evolve. In 2023, we have seen a huge range of regulatory and policy initiatives, from the array of voluntary and mandatory 'show-and-tell' disclosure standards, to the 'carrot-and-stick' approach reflected in the US and EU climate policy response.

In the coming year, we can expect this to accelerate further – whether in the form of updates to SFDR, proposed new standards for corporate disclosure and due diligence, the continued tightening of emission-trading schemes or shifting consumer expectations.

While the context we operate in will continue to change (and we learn and adapt accordingly), the basic principles that underpin our approach remain the same. We invest to deliver long-term value for our clients. Environmental and social factors can be material to this objective, alongside all other considerations. Strong governance structures and board representation enable us to directly effect change and to make decisions in the interests of long-term value.

At the time of writing, we have a number of initiatives underway to further improve what we do. To list only a few: we're expanding our client reporting to cover greenhouse gas metrics and to support our clients' own disclosure obligations; we're exploring new innovative ways to model climate risk and to support our decisions; and we are looking forward to working with industry colleagues on the GRESB Infrastructure Standards Committee to improve sustainability benchmarks for the sector.

And what's particularly encouraging is that our investment pipeline is full of exciting opportunities that combine the potential for attractive financial returns and sustainability outcomes.

We hope this update has provided a useful summary of our approach and we look forward to updating you throughout the year on our progress.

Ruairi Revell,
Head of Sustainability,
Core Infrastructure

Important Information

The value of an investment is not guaranteed and can go down as well as up. Past performance is not a guide to the future. This communication constitutes marketing, and is available in the following countries/regions and issued by the respective abrdn group members detailed below. abrdn group comprises abrdn plc and its subsidiaries:
(entities as at 01 July 2023)

United Kingdom (UK)

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