

# How investors use TPI data



<b>Name of organisation</b>	abrdn
<b>Type of organisation</b>	Asset Manager
<b>AUM</b>	£505.9 billion as of 30 June 2024
<b>Asset class/s covered by case study</b>	
<b>Country/region of operation</b>	United Kingdom

## Introduction

We have developed our sustainable investing approach, from over 30 years of experience, starting from a focus on corporate governance to the more holistic approach we take today. Within climate integration we have developed a suite of tools and frameworks that are integrated into our investment processes.

## Why are you using the TPI data?

TPI data is unique in that it provides transparent asset level data in a simple and coherent way without sacrificing robustness. In connection to assessing a company's alignment and credibility both the TPI Carbon Performance and Management Quality data provides holistic insights. We have integrated these frameworks into how we engage with companies, having TPI data enriches the dialogue of company engagements by enabling our analysts to have very specific asset level data, which can also inform our setting of engagement milestones. The feedback loop to these engagements is critical, as companies respond to engagements we seek to gradually improve their alignment and credibility to achieving climate objectives.

## What do you do with TPI data?

At abrdn we have developed a net-zero alignment & credibility framework which uses TPI data as an input, the framework seeks to assess the alignment of portfolio companies and sovereigns to achieving net-zero along with a critical complimentary lens of credibility assessment, to inform our view of the company and sovereign's ability to meet its targets. Interestingly, we developed our credibility framework before alignment became a commonly used methodology, it was largely thanks to the granular level of TPI data across both quantitative and qualitative assessments which enabled and inspired our thinking on the topic of credibility. Today TPI data is complemented with a suite of other datasets but remains core to our approach.

## Example

The TPI Carbon Performance data is specifically an input in our alignment assessment. While elements of management quality enable us to better understand credibility drivers. For example, the management quality level 4

strategic assessment is utilised to inform our views on climate governance within our assessments of credibility. We have had successes using this granular data in engagements with companies such as SSE – which we believe are a transition leader but where we used TPI data to flag potential credibility concerns. We have also started to expand our alignment and credibility framework to include ASCOR data across sovereigns.

### **What were the outcomes?**

SSE has a strong TPI management quality score of 4/4\*. However, TPI identified some gaps, particularly in how SSE ensures consistency between its public climate stance and trade association positions. This issue is significant due to the growing focus on climate lobbying related resolutions field at AGMs. SSE has addressed this concern in its 2023 CDP Questionnaire response.