



The Power of Investment

Sustainability Report 2021

abrndn.com

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Q&A with Stephen Bird



2021 was a critical year for sustainability, with COP26 putting climate change front and centre of global priorities and the ongoing implications of the pandemic disrupting businesses, governments and highlighting areas of inequality globally. Our 2021 Sustainability Report sets out our principles, focus areas and progress against our ambitious targets. abrđn's new Chief Sustainability Officer, Amanda Young, sat down with Chief Executive Officer, Stephen Bird, to find out more about our material sustainability principles and projects from 2021.

Here we are, in a post-pandemic, post-COP26 world – and sustainability continues to be top of everyone's agenda. What role do financial services and, in particular, asset managers, play in a sustainable future?

We have a huge influence here – and it can be either for good or for bad. If we invest in the wrong things, it perpetuates the cycle that we have been in for the course of the 20th century – massive increases in carbon industries, the commensurate damage to the planet and the resulting warming cycle that we are trying to reverse.

By investing in companies that understand and that have the technology and business models that can thrive in a low or no carbon environment, we invest in a better future.

As a company, we have been serious and concerned about climate change long before COP26. We are also focussed on the loss of biodiversity which has been massively impacted in recent years. Finally, we recognise that we are living in an unequal world where in some places, for example, we are steaming ahead with technological advances yet 40% of the global population do not have internet access.

Following COP26, what do you think the key takeaways are from the conference, given a continued focus on climate change is required going forwards?

I think COP26 was successful as it made the world recognise that we are not on track, and if you added up all the country commitments around the world, it would not help us limit the global temperature increase to 1.5 degrees. I think we have a higher awareness now, but that awareness needs to translate into action.

I believe we are not on track mathematically, but I think principally it is because carbon is mispriced and comes with a long tail of unknown charges due to the damage it creates. I believe we have to reprice carbon assets – governments are now seeing this and trying to figure out how to take action. We already have a myriad of subsidies available, like winter fuel allowances for the elderly, but ultimately if we implement a carbon tax, alternative energy sources become more attractive and we will see a better energy mix over time. That is the kind of action that needs to come from our heightened awareness.

We recently announced our charitable partnership with Hello World – can you tell us a bit more about that and what it means?

Of course. I was incredibly excited when I met the Hello World team. They have a fantastic vision – to be able to go to parts of the world that have no electricity or internet and to implement this brilliantly designed kit which provides solar electricity and satellite connection to the internet. They engage the community to help build the kit – and once they invest time and energy into it you can see a ripple effect and it gets looked after well. The first abrđn hub recently opened in Uganda and we are doing over sixty more of these in the spots with the highest of inequality.

Hello World is a great force for beginning to address the huge digital divide. To be part of that, to be able to create these ripple effects is fantastic. It was the first thing that we did as abrđn – it is very important when you have a new brand and identity to show what it stands for. abrđn stands for technology. It stands for making the world a better place because we are in it. It stands for opportunity for people who do not have it. That's exciting and we're very excited about Hello World.

Q&A with Stephen Bird



Can we touch on diversity and inclusion? There is immense pressure for organisations to influence real diversity and inclusion, enable fair work and provide increased access to opportunities.

It is a phenomenally important issue and I like to be judged by action in this space. This year, we used our influence to vote against over 100 directors where we felt they were not focussed on creating the right outcomes and opportunities across the employment arena.

Throughout the year, there are moments of truth which help both myself and the business reflect and challenge our diversity. For example, when you hire a new Chief People Officer, Chief of Staff and promote a new Chief Sustainability Officer – all very visible appointments – we have a choice to make our leadership more diverse. I am incredibly proud to say we have got more senior women who were the absolute best candidate for the job.

Diversity and inclusion leads to better teams, different perspectives and uncomfortable conversations. If it does not feel uncomfortable and it is not different then you are not changing and that's a problem for a business. Our job is to advance the company and create positive change. We are a growth company that has to answer new questions and we need the best brains and talent in an inclusive operating manner so that people feel they can contribute. The next great discovery can be filtered out by blocks which can result from a lack of diversity – our job is to create an environment where people have access and can contribute to a successful business.

Looking forward, what are our strategic priorities?

Our number one priority, and the thing that unites us as a company, is enabling better investment. It is not just about financial return – it really depends on the client. That is why we need to clearly understand the answer to the question of 'what is your investment goal' for each of our clients – as a suitable investment is one that delivers the objectives of the investor, and only from that can we enable better investment. That is the thing that connects us.

The new abrdn is about better investment, focusing our time on client wants, needs and aspirations and applying our talent and technology to meet and exceed those. That is who we are. When you get that right for clients, you will get a sustainable pattern of growth.

We obviously have ambitions to contribute positively towards the world, but we can't do it on our own. Are there any specific frameworks that are useful for us?

We are signed up to the UN Global Compact and have an ongoing commitment to its principles. It is a valuable and serious commitment to 10 different areas. Our alignment to the UN Global Compact allows us to advocate for other organisations to sign up, report and track on progress and deepen our understanding of the principles. Having a greater commonality of reporting metrics is essential for us all to move forward together.



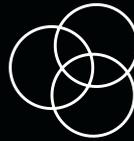
Our purpose



Enabling our clients to be better investors



Technology and insight help empower clients to make better decisions



Powerful partnerships help to enhance the expertise that we offer



Enabling clients to invest responsibly helps us to build a better world

Our connected global team

Clients worldwide trust us to find future-fit investment opportunities globally to deliver the outcomes they want.



We manage and administer £542 billion of assets for clients



We have around 5,000 employees globally



We have 800 investment professionals in over 30 locations

 Learn more about our business online visit www.abrdn.com

Our business



Our business is structured around three vectors, focused on the constantly changing needs of our clients.



Investments

Across markets globally, we build investment solutions to enable clients to create more opportunities for their futures.

Our investments solutions are built on the strength of our insight, generated from wide-ranging research, worldwide investment expertise and local market knowledge. Our teams collaborate across regions, asset classes and specialisms, connecting diverse perspectives, working with clients to identify investment opportunities that suit their needs.

Fee based revenue

£1,231m

£464bn AUM



Adviser

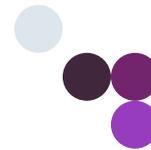
Our platform technology and tools help UK wealth managers and financial advisers create more opportunities for their clients and their businesses.

We provide technology, expertise and support to make it easy for our clients to run their business and deliver the outcomes their clients want. We offer content and experiences that can be personalised to suit every type of business and client, giving advisers powerful data and insight to make better decisions.

Fee based revenue

£178m

£76bn AUA



Personal

Our personal wealth business offers tailored services to help individuals in the UK create financially secure futures in a way that works for them.

We integrate a full range of services from high-quality financial planning and discretionary investment management capabilities, through to hybrid advice and digital investing tools. Our proposed acquisition of interactive investor transforms and broadens these capabilities.

Fee based revenue

£92m

£14bn AUMA

Our year in review



Top 3%

in our sector for
DJSI World and
Europe

9%

ethnic minorities
on our Board

Net zero

target in our
operations by
2040

62%

reduction in our
operational
emissions
compared to our
2018 baseline

45%

women on our
Board, and 36% in
Senior Leadership

Ranked

in Bloomberg's
Gender Equality
Index 2021

AA

score from MSCI

Our year in review



A+
for strategy and
governance by PRI

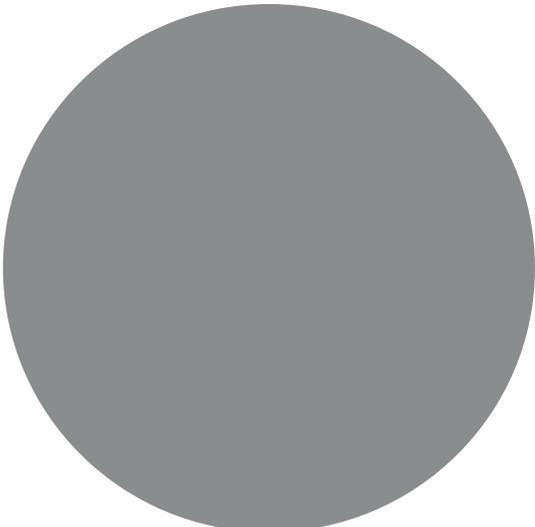
Commitment

to reduce the carbon
intensity of the assets we
invest in by 50% by 2030



30%
of our AUM is committed
to be managed in line
with net zero 2050

Net Zero
Asset Managers
initiative signatory



293 ESG
specific engagements
with investee companies

Creating more **confidence**





Governance: Creating more **confidence**

**We are building trust and enhanced transparency
in everything we do**

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It is vital that we have integrity and transparency in how we operate as a business – it protects our reputation and the interests of our stakeholders, builds trust, and reflects the expectations we have of investee companies.



Ethical conduct

Our global code of conduct describes the principles and standards that we hold ourselves to and ask all our employees to consider in every decision and action they take. Our code has been independently assessed by the Institute of Business Ethics and listed as one of their best practice examples. All our employees receive training on the content and meaning of the code and are required, at least annually, to confirm that they have read and agree to abide by its principles. In 2021 we also introduced face to face scenario-based training which involves posing, and discussing, ethical issues and how to resolve.

If our employees have any concerns, we encourage them to report this to their manager. Concerns can also be raised with Designated Recipients outside of normal reporting lines and an independently managed confidential Speak Up hotline and web reporting is available if employees would like to raise a concern anonymously. All concerns raised are taken seriously and any victimisation, harassment, discrimination or bullying of anyone will not be tolerated and will be considered a disciplinary matter. We also advertise this hotline to our suppliers who can use this in the same way. All concerns raised are investigated and outcomes can result in changes to processes and, where appropriate, disciplinary measures and dismissal. Our audit committee has oversight of our whistleblowing arrangements, with the chair acting as our whistleblowing champion.

Our ethical conduct further extends to treating our clients fairly, which means our products and services are communicated clearly and we are positioned to act on any dissatisfaction due to any element of our service. Our detailed commitments to our clients are further highlighted in both our Annual Report and Stewardship Report.

 [Stewardship Report](#)

 [Annual Report](#)

Conflicts of interest

Effective management of conflicts of interest is at the core of good ethical conduct, and a key aspect of the global regulatory and legislative conduct risk agenda.

We ensure that all appropriate steps are taken to identify and prevent any conflicts of interest. Our policies and procedures address conflicts that may arise from: personal account dealing, gifts and hospitality, information exchange, and through our voting as investors.

All abrdn employees are required to complete a conflicts of interest e-learning module every two years, with tailored training also targeted to specific business areas and roles. This training is designed to enhance employee understanding and detail individual responsibilities in relation to conflicts of interest. The most recent module was completed by 99% of abrdn employees. In addition, all colleagues are required to complete annual attestations related to personal account dealing and potential conflicts of interest.



We want to understand how colleagues feel about the availability of reporting channels and the openness of managers to receiving employee concerns or issues, particularly with the increase in remote working. We carried out pulse surveys in 2020 and found that 77% of respondents agreed there are sufficient channels and opportunities to openly raise any concerns, and 81% agreed that their manager creates an environment whereby team members can comfortably share concerns or issues.

Our Operations

24
Countries

Offices in over

40
locations globally

98%

of colleagues have completed code of conduct training and attestation

10 calls

to the whistleblowing hotline, and investigations carried out

Responsible tax



Responsible tax

As a large business, we make an important contribution to public finances through our payment of taxes. We pay taxes directly to tax authorities, as well as collecting them on their behalf, in a wide range of countries across the globe. These taxes relate to our business operations, our clients, our people and the assets we manage or administer. We want to operate responsibly in all our tax matters and recognise its importance across our stakeholders, from our clients and employees to our shareholders and the contribution we make to society more widely. Our approach to tax is closely aligned to our strategy to create sustainable clientled growth. We have clear principles that are aligned to the standards of behaviour we expect from all of our colleagues.

You can find out more about our approach within our Tax report [here](#)

Total contribution

£190m

Total taxes paid in 2021

+£257m

Total taxes collected 2021

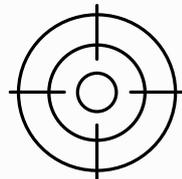
=£447

Our total tax contribution for 2021



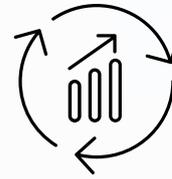
Responsibility

We take into account the needs of all our stakeholders in the way we manage our tax affairs



Purpose

We do not seek to apply an aggressive interpretation of tax legislation and we will not undertake any transaction whose sole or main purpose is the creation of a tax benefit greater than that intended by legislation



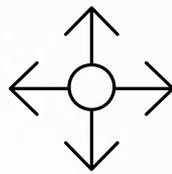
Sustainable tax development

We discuss tax policy and regulation development with tax authorities, government and international organisations to ensure the sustainable and effective development of tax rules



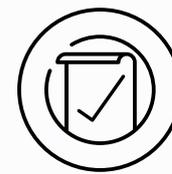
Transparency

We work cooperatively and transparently with HMRC and other tax authorities



Control

We operate a strong governance framework in managing and controlling our tax risks



Compliance

We ensure that we meet our tax compliance and reporting obligations



Financial crime

Tackling financial crime is not just about adhering to laws and regulation, it is also about preventing harm to people and society. We have a zero-tolerance approach to bribery and corruption, money laundering, and terrorist financing. We provide colleagues with tools that enable them to be aware of financial crime risk, to know what to look out for, and to understand both their and the company's responsibilities.

Policies and procedures

- Our Anti-Financial Crime and Anti-Bribery policy, and corresponding procedures, aim to prevent and detect money laundering. The standards, which must be complied with, include maintaining appropriate records for the minimum prescribed periods.
- This policy also covers bribery in all its forms, direct or indirect political contributions, facilitation payments and our risk appetite. A senior manager has overall responsibility for ensuring adherence.
- Our gifts and hospitality policy and register are designed to support the avoidance of actual or perceived conflicts of interest. All gifts and hospitality above a threshold must be registered and are monitored by our Compliance department. Hospitality or gifts valued above our defined limit require specific approval and may be rejected unless there are special circumstances which justify the exception.
- We have operating guidelines for record keeping approval procedures and appropriate behaviour.

Internal control systems

We monitor and review implementation of procedures designed to prevent money laundering and bribery and make improvements where necessary. Internal control systems and procedures are subject to regular audits to provide assurance that they are effective in countering bribery and corruption.

Training

We provide various training formats for colleagues including an annual mandatory e-learning module on financial crime, tailored face to face training for key departments, and a hub on our intranet with everything that colleagues need to know including how to raise any concerns via our whistleblowing mechanism. We also have a company-wide network of compliance managers and local Money Laundering Reporting Officers (MLROs) in each region.

Client due diligence

We verify clients before investment funding is allowed – this includes certifying documents, and formal searches against known or suspected terrorist lists as well as Politically Exposed Persons (PEP) lists via external screening providers. PEP clients are subject to enhanced due diligence and Senior Management and the MLRO must sign off PEP clients or other clients from countries, businesses, and products with the greatest risk of money laundering or terrorism financing. We also gather an in depth understanding of a client's business and investment objectives and activity for ongoing monitoring to identify potentially suspicious activity. If a colleague believes a client's activity to be suspicious, they must report this to the designated MLRO.

The International Consortium of Investigative Journalists (ICIJ) Pandora papers prompted a review of our approach to ensure all those listed were captured in our PEP and sanctions screening approach.



Case study

Tackling fraud

During 2020-21 there was a significant increase in fraudulent investment products being offered to clients. The selling of fraudulent investment and pension products often uses cold calling techniques to target victims and attempts to pressurise them into making quick decisions. Price comparison websites, social media advertising and search optimisation are methods also being used to attract victims.

We wanted to take action to both raise awareness and support clients that have been impacted by these scams. We produced a victim assistance document, which sets out how they may attempt to recover funds, how they can report the scam, and how to protect themselves and their information in the future. We have also taken action to bring down fraudulent email domains and websites and have been reporting the phone numbers being used by any fraudsters to the police, so that these numbers can be taken down too. We have notified Action Fraud and the FCA, who have added warnings to their website, and we are also part of an Investment Association working group that shares best practice in tackling investment scams. We hope that collectively we can help prevent others being impacted.



Data privacy

All colleagues, as part of their day-to-day jobs, will collect and use personal information. It is vital that they can demonstrate they are processing this information in line with abrdn's statutory obligations under various privacy and data protection laws and internal policies. We have a three-pillar approach that: helps everyone understand their responsibilities and abrdn's obligations; enables us to easily collate evidence of compliance and conduct the necessary assessment of potential privacy risks; and tracks local compliance by first line teams with the required minimum standards.

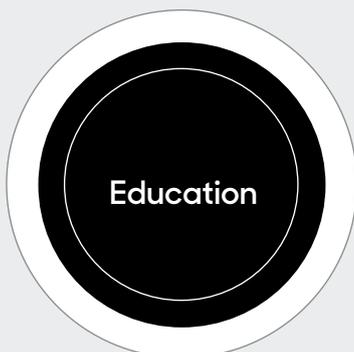
Education of colleagues is the foundation of our approach – we have a new hub on our intranet with practical information and tools to support all colleagues, which supplements our mandatory annual online training. The hub provides information on local data protection laws, colleague responsibilities and the latest data protection news from around the globe. We have also put in place data protection champions across our business to further strengthen local awareness and to embed and evidence compliance.

We have a Privacy Management Framework – this is an external web-based solution that is managed centrally by the Data Privacy Office – it enables horizon scanning of new laws or changes to existing laws; is a central repository for analysis, collation and evidence of compliance; and provides a holistic, consolidated view of all personal data processing across the business.

It also supports the assessments required to identify and manage any privacy related risks associated with new or changes to existing business processes or solutions.

Policy and standards – a new company wide Privacy & Data Protection Policy has been implemented with a clear set of minimum standards to be met by first line teams as evidence of their compliance with applicable local laws. Our data protection policy is signed off on a biannual basis by our Data Protection Officer – any exceptions to the policy are addressed with the first line teams required to attest e.g., high risk areas such as HR, or client facing operational teams.

So that our clients, shareholders and colleagues understand what personal data we process and for which purposes, we have published relevant privacy notices on our external websites and other supporting collateral including product literature. These explain: what personal information we collect; the purposes for which we use personal information; who we may share personal information with and why; how we protect personal information; and the rights of those individuals whose personal information we collect and use, and how they can exercise their rights.



Cyber and information security



Cyber and information security

It is vital we take steps to protect company, client and employee information from cyber-attacks, data breaches and any other form of mis-use. We have a robust Information Security framework with an ISO27001-based information security policy, covering all aspects of cyber security including governance and policy, technical standards, management of regulatory requirements, and incident management. Security is everyone's responsibility and the oversight of the policy is led by our Chief Security and Resilience Officer with regular reporting to a Board-level governing committee. Our policy framework in combination with our Enterprise Risk Management (ERM) framework, provides a structure for an internal control system to manage risks to the confidentiality, integrity and availability of information and systems.

Security, resilience and protection (SRP)

Our SRP department drives the organisation's focus on security and resilience providing guidance and oversight across cyber, information security and business resilience, whilst also driving a risk-aware culture. SRP is a central function with a global responsibility that includes:

- Analysing cyber risks and threat intelligence, monitoring our network and infrastructure for any exceptions or signs of breaches, and responding to any cyber security incidents
- Maintaining a framework for a consistent approach to incident and crisis management across our global organisation. This framework can be applied during all incidents: from short term, low impact location specific incidents, through to potential strategic crises impacting our operations in multiple regions.
- Guiding, teaching and advising colleagues to help them understand their security responsibilities as well as the security risks which are most relevant to our business
- Developing policies and, with Risk, overseeing the framework and management of risks. In addition, leading the work that assesses our suppliers to ensure that their controls and procedures are appropriate to protect information and data, and to deliver resilient services.

Business resilience

Crisis and incident management, business continuity and disaster recovery are crucial to risk management. Whilst the likelihood of a disastrous event (such as a cyber-attack) may be low, we must be able to respond rapidly and effectively to protect the best interests of our clients, shareholders and our staff and to ensure the ongoing operation of our business. Our Operational Resilience and Business Continuity team is responsible for the resilience and continuity framework and processes including the underlying analysis and support as part of our ISO22301 certification. This is designed to ensure that the organisation can continue to function through an operational interruption.

Training and awareness-raising

Data privacy, information and cyber security e-learning training modules are mandatory for all employees including temporary employees and contractors.

The theme of phishing continued to be a key risk area in 2021. Our external threat intelligence sources confirmed that phishing remains the primary means of gaining a foothold to compromise an organisation. We focus on phishing resilience and conduct regular exercises that simulate phishing attacks and deliver focussed training to our employees. This ensures everyone stays vigilant and knows how to recognise and report suspicious emails alongside our technical security controls.





To meet the needs of our clients and key stakeholders, and create benefits for the economy, society and environment, we focus on the following areas:

Our investment process – we integrate and appraise ESG factors in our investment process, with the aim of generating the best long-term outcomes for our clients.

Sustainable factors can be material to our investments. These investments also have the ability to contribute positively to the environment and society.

High-quality research, including the understanding of ESG factors, forms the basis of all the investment decisions we make. We carry out detailed thematic analysis allowing us to fully understand the investments we are making, and creating a detailed knowledge of:

1. all financial and business drivers and metrics
2. the risks and opportunities that impact on these business drivers and metrics, including those that relate to ESG factors
3. the mitigating actions taken to address these risks

Our investment activity – we actively take steps as stewards to deliver long-term, sustainable value consistent with our clients' objectives

We are active and engaged owners of the assets in which we invest. Through our engagement we seek to improve the financial resilience and performance of investments, sharing insights from our ownership experiences across geographies and asset classes.

It is important for our engagement activities to lead to improvements in our investments. Any concerns or issues raised are addressed through our engagement lifecycle:

Periodically, we may encounter significant disagreements with our investments on matters relating to ESG and other factors, which will result in us escalating our engagement activity in these five ways:

1. Collaborative engagement – we may decide to join with other investors who are seeking to achieve similar change
2. Public statements – where we feel it is beneficial to do so we will make our views known publicly so that our view is clear to clients and our wider stakeholders
3. Voting – we believe that voting at company meetings is one of our most important activities when investing on behalf of our clients
4. Divestment – when we believe that concerns relating to ESG factors are significant and we have been unable to elicit the changes we believe are necessary to mitigate risks, we may divest from an investment.

Our client journey – we clearly define how we act in our clients' interests in delivering our stewardship and ESG principles and transparently report on our actions to meet those interests

In our reporting, we aim to demonstrate the outcomes-orientated stewardship and responsible investment activities we undertake and to report on the exposures in the portfolios we manage on behalf of clients. Transparent disclosure allows our clients to understand the portfolios and to hold us to account for our consideration of ESG factors and our actions to hold to account those to whom we allocate our clients' capital.

Our corporate influence – we actively advance policy, regulation and industry standards to deliver a better future for our clients, the environment and society

We have an important role in the development of public policy, industry standards and general practice. We want to ensure that each of these develop in a manner that is aligned to the best interests of our clients and other stakeholders, and the delivery of the best outcomes for them.

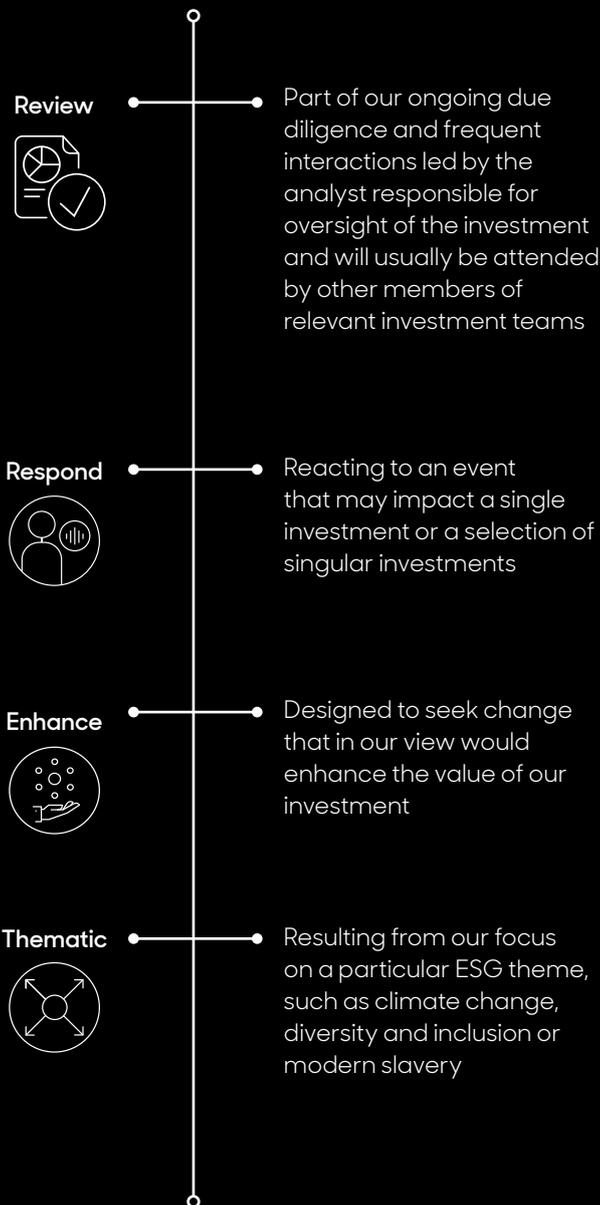
We take action directly, through collaborations with other investors, and through our membership of trade bodies and associations.



Sustainable investing



Our engagements are categorised into four interlinked areas:



Engagement lifecycle:



Sustainable procurement



We purchase goods and services from a large number of suppliers. We want to work with suppliers that share our commitment to sustainability. Our programme of sustainable procurement activity is designed to help create a long-term positive impact on business and society.

We pledged to work with our top 50% of suppliers by spend, asking them to put in place net zero targets by 2025.

Our expectation is that all our suppliers pay a fair wage, specifically a living wage where the accreditation exists.

Sustainable procurement



Accessing a more diverse supplier base

We want to work with diverse suppliers and encourage opportunities for diverse businesses (at least 51% minority owned) and SMEs to engage with us. Supplier diversity is one of the commitments we have made under the US Corporate Call to Action CEO Coalition. Through this we have agreed to focus on investing in underserved communities.

Managing material sustainability risks

In 2021 we refreshed our risk assessment and due diligence questions, ensuring we are focusing on the material sustainability risks for the various suppliers that we work with – in terms of sector and geography – and asking them how they identify and manage issues such as climate change, biodiversity, human rights, diversity and inclusion, and fair wages.

Minimum standards expected of suppliers when working with us

We launched our Global Supplier Code of Conduct in 2017. Our Code sets out the principles we require all third parties to follow when they do business with us – and that we expect them to demand from their own supply chains. This includes complying with all applicable laws and regulations, protecting human rights, providing a safe place of work and minimising our direct and indirect environmental impact. We expect our third parties to adhere to the same high standards and behaviours that we ask of our colleagues.

We also shared with our suppliers our key areas of focus from an environmental and social perspective, and how we would like them to support us in achieving our aims.

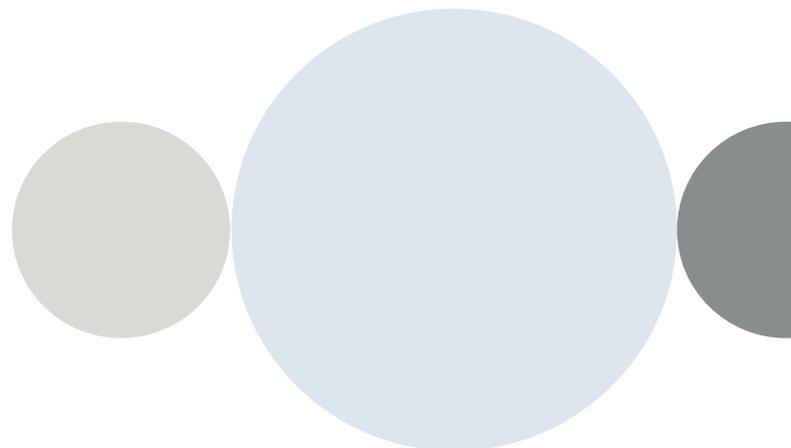
How we measure our progress

We pledge to establish a baseline understanding of our supplier base and put in place targets.

We have a sustainable procurement working group, which meets regularly to review progress made, and to keep pushing ourselves forwards to constantly evolve our impact.

"Sustainability is a cornerstone of working with our Third Parties and our expectations of our partners and suppliers are clear. Sustainability is incredibly important to us and we encourage our Third Parties to embed the ESG ethos into their work practices and with their own third parties."

Sam Donaldson,
Chief Procurement Officer







Environment: Creating more **impact**

We are taking real world action to tackle the climate and biodiversity crises

Our progress in 2021	24
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The last couple of years have represented a big shift in awareness and understanding of the impacts of climate change and biodiversity loss - with protests, new regulation, and extreme weather events across the globe, plus the gathering of leaders at COP26 in Glasgow in 2021. Across all our areas of impact and influence we want to drive change that helps to tackle these interlinked crises.

As an investor, we have a responsibility to deliver positive financial outcomes for our clients, and to also contribute to the sustainability of the world we all live in. And change starts with us, that is why we have clear targets and strategies to reduce our own environmental impacts and to collaborate with others to drive positive change and support the transition to net zero.

Our progress in 2021



We have been carbon neutral since 2020 through offsetting 110 % of our operational emissions

We implemented biodiversity improvements in our real estate investments

Net zero

target in our operations by 2040

30%

of our AUM is committed to be managed in line with net zero 2050

Net Zero

Asset Managers initiative signatory

Commitment

to reduce the carbon intensity of the assets we invest in by 50% by 2030

Our progress in 2021



We launched four climate-focussed funds to enable our clients to achieve their climate goals

We pledged to work with our top 50% of suppliers by spend, asking them to put in place net zero targets by 2025

We were actively involved in COP26 and contributed towards a range of climate industry initiatives

70%
of our Equity funds have a carbon intensity below their benchmark

We published our Real Estate Net Zero 2050 blueprint

Climate change: Operational



Climate change

We aim to lead by example, striving for the same high standards that we expect from investee companies. We are fully supportive of the goals of the Paris Agreement and are members of the Net Zero Asset Managers initiative, committed to decarbonisation to support the journey to net zero with real world impact.

In 2021 we set an ambitious interim science-based target to achieve a 50% reduction in operational emissions by 2025, against our 2018 baseline. This is five years earlier than the latest climate science deems necessary to meet the goals of the Paris Agreement and an important step towards our target to be Net Zero by 2040.

In 2021 we reduced our operational emissions by **62%** since 2018

We have always tackled the material aspects of our footprint first – historically, this has been energy use in our offices and business travel. However, as the nature of work has changed and working from home more is likely to be a lasting feature, we have incorporated these emissions into our footprint and into our reduction target.

We have outlined a strategy to reduce our Scope 1 emissions by 50% by 2025. We will achieve this by efficiency measures in our estate (focusing on sites with the highest natural gas use), changes to our fleet,

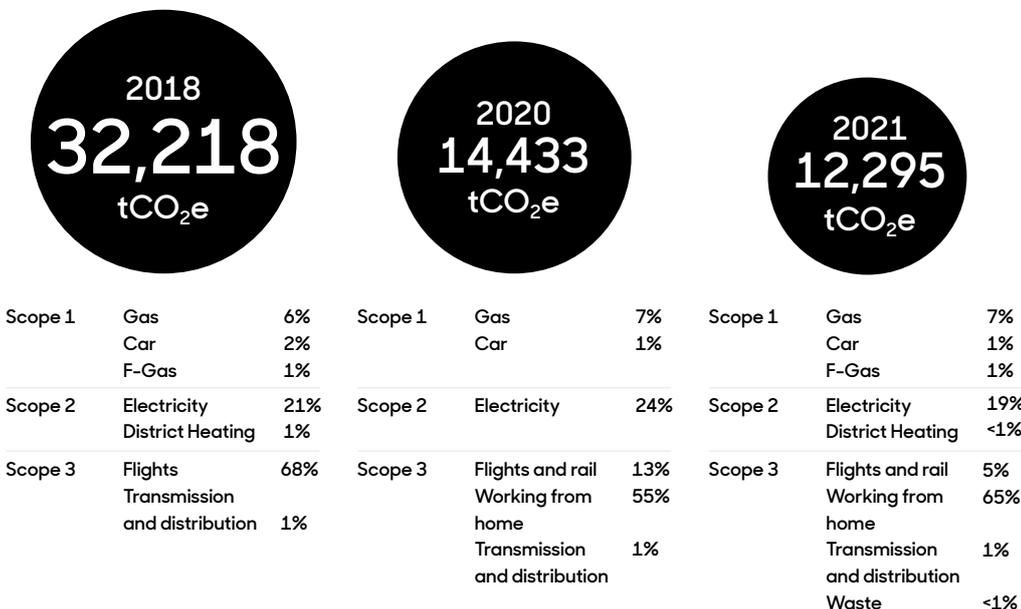
and improvements in refrigerant gas usage. Our strategy to reduce our Scope 2 emissions by 60% by 2025 is through efficiency measures in our estate (focusing on sites with the highest use). For Scope 3 emissions reductions we are focussed on reducing our business travel by 72% by 2025 and influencing a reduction in emissions associated with colleagues working from home.

We first reduce as much as we can and then we offset 110% of our residual emissions with accredited projects. This includes our working from home emissions.

We also want to empower our colleagues to take individual action. We are a pioneer partner of the eco-app Pawprint and make it available to all colleagues so they can understand their carbon footprint and take part in company-wide challenges to reduce it. Through our employee benefits scheme we also provide the option for electric car leasing. Our environmental champions are a colleague-led network with a purpose to encourage and inspire environmental practices in abrdn and beyond. Throughout 2021, they have been sharing blogs on making sustainable choices and have organised volunteer days in our local communities.

We also want to work with suppliers that are supportive of our aims and have committed to engage with our top suppliers – who equate to 50% of our spend – and ask that they set out their net zero alignment plans by 2025.

Our operational emissions¹



¹ Our operational emissions are externally assured on an annual basis, further information is available in our KPI definitions document.

[Link to KPI Document](#)

Climate change: Operational



Case study

Pawprint

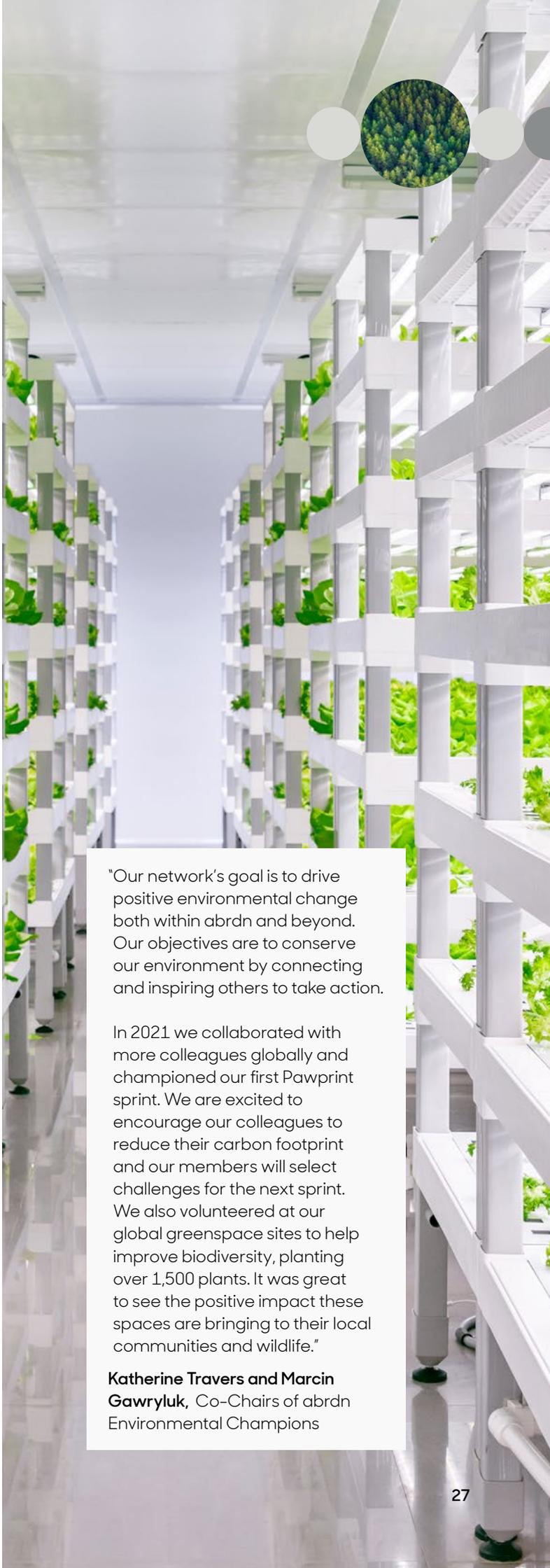
We make the Pawprint app available to all employees as a simple way of both understanding their personal emissions and reducing them. It also gives us valuable information about working from home emissions which will help to develop a more complete picture on colleague energy use.

At the end of 2021, we set a challenge for colleagues, asking them to make slight changes each day to collectively result in a carbon saving that would send Pawprint's mascot – Bjorn the bear – between our international offices. Every change that was made, from turning down the heating thermostat to switching to a plant-based meal, earned colleagues points which translated to saved carbon.

At the end of the challenge, our carbon savings equated to Bjorn travelling between our Edinburgh and Singapore offices, which represented 2.34 tonnes of carbon saved.



2.34
Carbon tonnes saved



"Our network's goal is to drive positive environmental change both within abrdn and beyond. Our objectives are to conserve our environment by connecting and inspiring others to take action.

In 2021 we collaborated with more colleagues globally and championed our first Pawprint sprint. We are excited to encourage our colleagues to reduce their carbon footprint and our members will select challenges for the next sprint. We also volunteered at our global greenspace sites to help improve biodiversity, planting over 1,500 plants. It was great to see the positive impact these spaces are bringing to their local communities and wildlife."

Katherine Travers and Marcin Gawryluk, Co-Chairs of abrdn Environmental Champions

Climate change: Investments



Investing for positive change

We know that enabling our clients to be better investors and achieve their climate goals has the biggest role to play in encouraging a move to a net zero economy. That is why we have **set a target to reduce the carbon intensity of the assets we invest in by 50% by 2030** vs a 2019 baseline to support our net zero ambitions.

To deliver on this, we believe in real world decarbonisation. Decarbonising portfolios (divesting or avoiding carbon intensive assets) may be quicker but is likely to move the carbon problem to someone else with little impact on the real world transition to net zero.

To achieve this, we focus on investing in transition leaders, climate solutions and engagement with corporates to influence their ambitions and actions.

In our investments, we:

- Invest, or continue to invest, in companies who currently may have high carbon footprints but that have credible, leading transition strategies to reduce their emissions. We are engaging with our highest financed emitters across our equity and credit holdings seeking transparency on progress against clear transition milestones. We are using relevant standards such as the Climate Action 100+ net zero benchmark as input to assessing progress. However, we recognise that action is key. In line with this, we will divest from these companies where, after two years, we consider insufficient progress has been made against the transition milestones set, unless it is not in line with the mandate.
- Invest in new low and zero carbon solutions that can help shape the world of the future. This is where we can play a big part by investing in companies and ideas that can help solve the climate crisis. We look for innovative solutions and companies across four main pillars: how we source and power (i.e., clean energy, renewables); how we build (i.e., sustainable infrastructure, green buildings); how we transport (i.e., sustainable transport systems, fuel efficiency) and how we make and use (i.e., industrial efficiency, specialist materials).



Case study

Companies we invest in:

Autodesk

Autodesk provide computer-aided design software, which reduces the amount of material used in the construction of a building. The enhanced design also improves the energy efficiency once the building has been constructed.

DSM

DSM is a Danish animal nutrition company that is investing in research to come up with climate solutions. DSM has developed a new product called clean cow, which is a feed additive that reduces the amount of methane (which accounts for as much emissions as passenger vehicles). DSM need capital from firms like us to grow and make an impact on reducing emissions.

Our investments real estate: Optimus Point, Leicester

Plot 70 Optimus Point is let to DPD who use the site for last mile delivery services. We have put in place PV panels that will provide enough electricity for DPD's electricity using operations at Plot 70 to be carbon neutral. The tenants benefit from a reduced energy tariff, below that of the market rate and the Fund benefits from the premium of energy rent and any recharge from the National Grid.

Today **30%** of our AUM is committed to be managed in line with net zero 2050 goals and we are aiming to increase that over time. Irrespective of specific client mandates, we are also focussed on getting to our aggregate 50% carbon intensity reduction target through full integration of carbon analysis in our investment process.

During 2020 – across all our real estate assets – we generated approximately 6 MWh of energy from solar PV saving around **1,400** tonnes of carbon

Climate change: Investments



COP26

The 26th United Nations Conference of the Parties on climate change (COP26) took place in 2021 and was considered the most important climate conference since the signing of the 2015 Paris Agreement, focusing on keeping the internationally agreed 1.5C goals alive.

We took part in a programme of events to highlight the actions investors can take to help achieve real world decarbonisation – underlined by the urgent need for stronger climate policies to support net zero directed investing. **We were actively involved in:**

- *The Green Horizon Summit – We participated in discussions on climate scenarios and how to decarbonise portfolios with real world impact*
- *World Climate Summit – We delivered a breakout session exploring solutions for net zero*
- *The Global Ethical Finance Initiative's Path to COP26 workstream – We participated in a panel to discuss best practice around net zero for pension providers, with an additional session on climate scenario analysis*

The conference was seen by many as a last opportunity to put pledges into practice and to avert climate catastrophe. The role of Finance is recognised as an important pillar for the climate agenda; however what investors and companies can achieve remains heavily dependent on existing policy frameworks.

We urgently need ambitious and binding climate commitments from national governments – supported by widespread political buy-in, durable legislation, and higher carbon pricing. Our expectations are highlighted in our article 'COP26 – **Last chance saloon**, with our reflections on the outcome of the conference shared in our **full review**.

While some positive signals were sent during COP26 regarding intention, and willingness, to take stronger action, current binding policy pledges are expected to result in an average temperature rise of 2.4°C. This is not going to be sufficient to provide the right incentives for net zero 2050 aligned investing.



Read more about our climate approach in our Task Force on Climate-related Financial Disclosures (TCFD) report

Waste and consumption

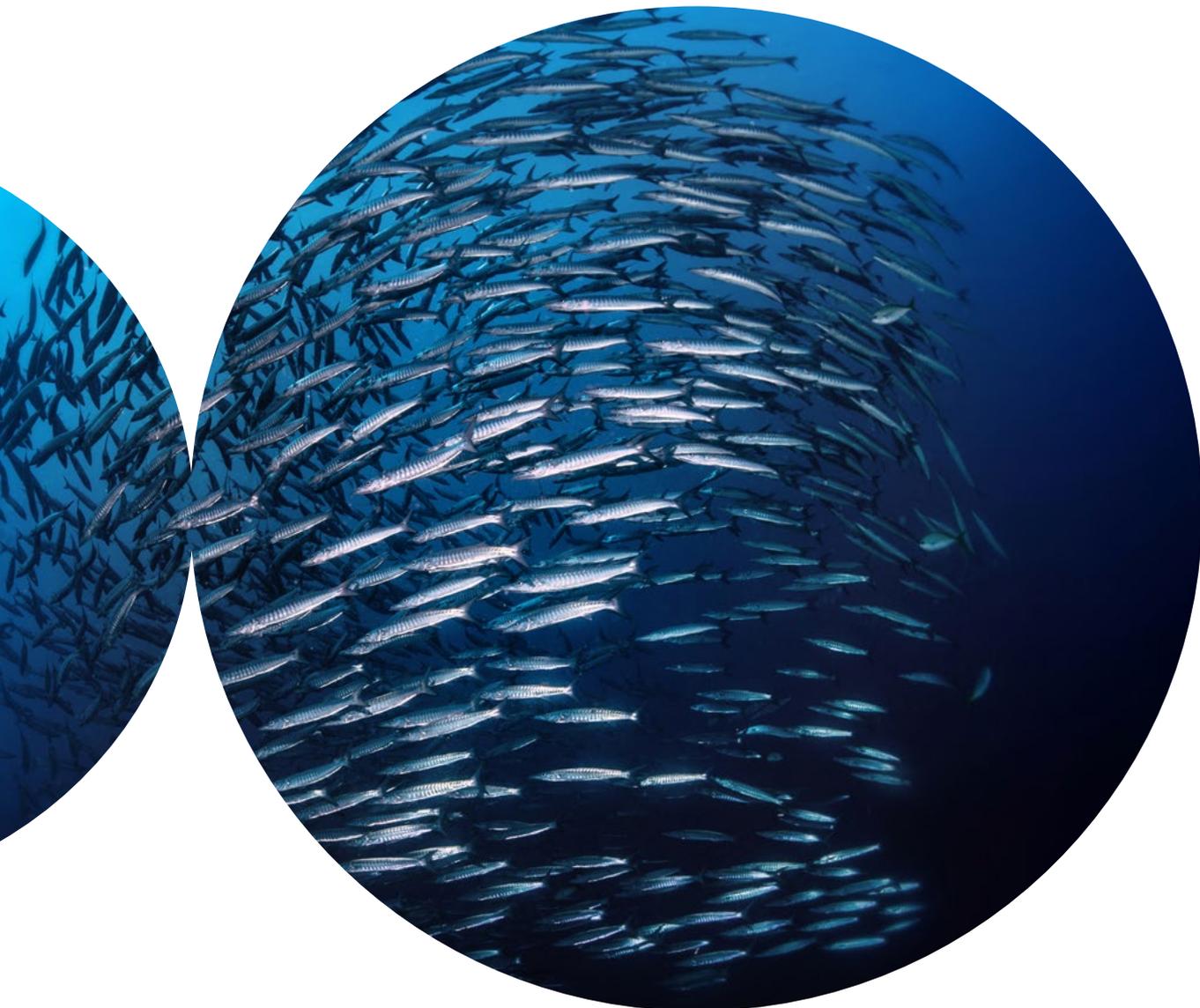


Waste and consumption

Over consumption of non-renewable resources and generation of waste adds to the environmental crisis. We reduce our use of energy and materials where possible and, in our operations, we have targets for removing single-use plastics and being a zero-waste to landfill business, and are focussed on minimising our use of non-renewable resources. In the UK, our procured cut-sheet paper is 100% sustainably sourced and we are taking this approach globally. In 2018 we made big steps in reducing our use of single-use plastics, committing to removing all single-use plastics from our offices where

feasible by 2020. We have tackled all our material sources of single use items and will continue to seek ways to further reduce.

We send no waste to landfill from the UK offices where we manage the waste and are working with our property owners at our other large sites.



Waste and consumption



In our investments, how and where we choose to invest can have implications for the well-being of society and our planet.

A spotlight on water

Water is one of the most valuable resources we have. It is also the most vulnerable to the effects of climate change. And, as populations rise around the world, demand for water is rising too. This means that water resources are under growing threat from pollution, increased urbanisation, and power-generation and food-production needs.

To help assess water risks, we focus on three key areas:

- **Physical risks:** These include potential disasters such as droughts or flooding. Other physical risks include a lack of sufficient infrastructure and a declining water supply.
- **Regulatory risk:** Policy changes by governments and increases in tariffs pose a threat.
- **Reputational risk:** This includes exposure to violations relating to water pollution, sanitation and consumer trust.

All these risks can affect a company's licence to operate. In addition, water has often been treated as a "free" commodity. Businesses may face financial costs once a real price of water is accounted for as part of business operations.

How do we ensure we consider water in our investment approach?

1. Investment analysis – We assess water risk through understanding each of our investments' operations and how water-reliant these are.

In addition, we seek to make investments in companies that are providing solutions to the global shortage of water. Here, we consider the following key drivers:

Water-resource dependency – understanding where water risks lie in an investment's value chain and understanding their financial implications

Water-resource security – understanding the contextual and geographic issues that create water risks

Management's response – assessing an investment's resilience to risks and its mitigation strategies

2. Engagements to encourage sustainable practices – Given the shared nature of water and the complex mix of social and environmental values involved, abrdn aims to capture the risks through engagement and target discussions within each exposed sector. We press for stronger disclosure of water risks to enable better adaptation and mitigation responses.

3. Voting and shareholder resolutions – Where engagement has limited success, we use our influence through escalation via voting and support of shareholder resolutions.





We face unprecedented species extinction rates. Not only are the species themselves at risk, so is everything connected to them, which includes us.

We work with charities and partners on projects which benefit nature and habitats. In 2020 we launched a community greenspace project, which aims to give back to local environments that have been crucial to individuals' wellbeing during the pandemic. Read more about how this project has progressed in 2021 on **page 70**.

Another way we support biodiversity is through our partnership with ClimateCare. We support accredited offset projects that help people to engage with and protect nature, and to support habitat and wildlife

restoration. This in turn promotes wellbeing, builds community and helps wildlife and ecosystems thrive for generations to come. Our business has pledged support to the Gola Rainforest in Sierra Leone, a global biodiversity hotspot, as well as a renewable wind and solar power project in India.

Through our investments we aim to ensure that we are going beyond just minimising harm, by looking at benefits that will enhance the local environment and community – including enhancing biodiversity.



Our investment approach to biodiversity

Human activities are causing a worldwide decrease in biodiversity. These actions include deforestation, encroachment on wildlife habitats, intensified agriculture and acceleration of climate change. Deforestation is one of the most imminent and direct threats to biodiversity. We have a particular focus on the risks and opportunities associated with the core four commodities – beef, soy, wood and palm oil – that drive the majority of the world's deforestation. Given our long-term focus, we are diligent in considering the environmental risks of our investments, as well as in pursuing opportunities that can generate a positive impact. Loss of biodiversity is an acute risk for many sectors: pharmaceuticals, drug development, agriculture and food, infrastructure, forestry, pulp and paper, mining, fisheries and agriculture. It can also have an impact on many other sectors to a lesser extent. So we consider biodiversity in relation to all the investments we make.

Opportunities:

Agricultural practices – through the practice of sustainable agriculture, negative outcomes can be mitigated and biodiversity enhanced. Sustainable agriculture and good stewardship of the natural capital base can result in a number of benefits for businesses. These include enhanced yields, cost savings, improved product quality and the creation of new products and business lines.

Circular economy solutions – these are valuable to drive innovations in waste management, encourage sustainable consumption patterns and reduce reliance on natural resource

Risks:

Legal and regulatory – when a business fails to integrate biodiversity considerations into its operations, it runs the risk of potential lawsuits and fines. This risk is heightening as governments and regulators request more disclosure and reporting of biodiversity impacts.

Reputational – damage to corporate reputation could stem from a variety of stakeholders such as the media, campaigns by non-governmental organisations or shareholder resolutions. For firms that are perceived negatively, changing client preferences may affect their ability to operate and therefore increase financial risks for investors

Operational – as a result of failing ecosystem services, natural resources may become inaccessible and therefore lead to production disruptions. This may result in broad supply-chain disruption and price volatility

How do we ensure we consider biodiversity in our investment approach?

1. Investment analysis – We recognise that we make investments that have high biodiversity risks that are highly dependent on ecosystems or that have high impacts on ecosystems. Poor risk management can result in the crystallisation of legal, regulatory, reputational and operational risks. In contrast, robust biodiversity management has the ability to unlock opportunities. We assess biodiversity risk through understanding our investments' operations and potential impacts. In addition, we seek to make investments in companies that are providing solutions and responding to the opportunities.

2. Engagements to encourage sustainable practices

– Corporate engagement is essential to outline our expectations and support biodiversity strategies. We expect our investments to seek to preserve natural habitats and take a prudent approach towards natural resources. We also expect them to have appropriate policies, risk-management systems and clear strategies and targets regarding environmental issues such as biodiversity.

3. Voting and shareholder resolutions – Where engagement has limited success, we use our influence through escalation via voting and support of shareholder resolutions.



We have been developing a number of projects through the investment real estate we manage.



Case study

Trafalgar Place

Trafalgar Place is a 250,000 sq. ft office complex comprising of five buildings which are multi tenanted. The entire complex is built over three levels of underground car parking and is next to Brighton Station in the heart of Brighton City Centre.

The aim of the environmental improvement project at Trafalgar Place was to encourage more wildlife in an urban development.

We installed planters around the complex, which is situated over an underground car park. Due to the location, the availability of natural resources is limited. Therefore, the aim was to introduce maximum planting possibilities using sustainable methods. Our goal was to attract as much nature as possible, so we added wildlife homes and log piles with the aim of attracting bees, butterflies, insects, and nesting birds.

Alongside this, we decided to incorporate a social value element, with the agreement of the tenants, and we donated the annual Christmas tree to charity instead of placing one in reception.

The project was completed early May 2021 and despite the limitations that the site structure brings, all planting has taken extremely well, and we have seen an overall increase in wildlife activity across the site.

Positive comments have been received from the site tenants on the overall presentation and improved environment created despite the site’s urban location.

Our donated, sustainably sourced, Christmas Tree was greatly received by the local Samaritans call centre and our tenants have agreed to donate a further tree to a local charity in 2021.

Biodiversity activity in investment real estate

<p>13</p> <p>Birds boxes implemented + 11 planned</p>	<p>11</p> <p>Bug/bee hotels implemented + 13 planned</p>	<p>13</p> <p>Drought tolerant planters implemented + 20 planned</p>	<p>29</p> <p>Properties with sustainable planting implemented + 13 planned</p>	<p>18</p> <p>Properties with wild flower areas implemented + 44 planned</p>
<p>29</p> <p>Properties with wildlife friendly hedging and shrubbery implemented + 14 planned</p>	<p>1</p> <p>Properties with habitat survey implemented +5 planned</p>	<p>3</p> <p>Water courses/ ponds planned</p>	<p>2</p> <p>Properties with composting area implemented + 4 planned</p>	<p>1</p> <p>Properties with recycled garden furniture +26 planned</p>

03. Environment

Biodiversity



Collaborating for change

In 2021 we saw positive statements towards the protection of our planet's vital support systems and look to the second phase of COP15 in Kunming, China, to turn positive statements into actionable frameworks for a path to recovery for nature by 2030. The key milestones and statements in 2021 included:

In June 2021 the Taskforce on Nature-related Financial Disclosures (TNFD) formally launched to widespread support from financial institutions, corporates, governments and civil society. TNFD aims to improve company disclosure on nature-related risks and opportunities enabling asset managers like us to make better assessments of how our investments could positively or negatively impact upon the biodiversity crisis. To help drive better disclosure we joined the TNFD Forum, a global multi-disciplinary consultative group of institutions with over 250 members.

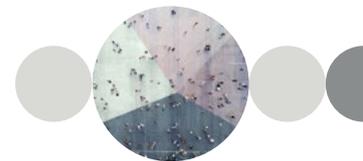
In November 2021 at COP26 120 countries committed to halt and reverse deforestation by 2030, those 120 countries represent 90% of the world remaining forested areas.

Also in November 2021, the European Commission released its proposal for a Regulation on deforestation-free products. It aims to prevent coffee, cocoa, cattle, palm oil, soy and wood, as well as derived products such as leather, chocolate and furniture from entering the European Union (EU) market unless they are legal and free from deforestation.



Creating more opportunities





Social: Creating more opportunities

We are enabling better outcomes for communities around the world

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Vulnerable customers	50
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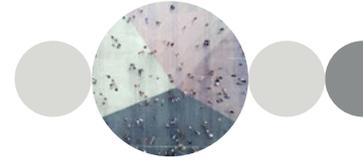
We aim to lead on diversity and inclusion. As part of our purpose, we are breaking down barriers by focusing on increased gender, and ethnic representation, and ensuring our people from all backgrounds are valued and included at all stages of their careers.

Our social mobility action plan drives our activity across abrdn and this extends to our supply chain and across our thinking as investors. We are a champion of fair work, which helps people achieve financial stability and look to

the future with confidence. And we are challenging companies to do more by setting clear expectations and taking action through voting and engagement.

Our actions are being led by our executive team and we use data to drive inclusion. Our framework helps us to make a positive impact through our operations and enables our clients to be better investors. We have achieved a lot in 2021 but recognise there is more we can do.

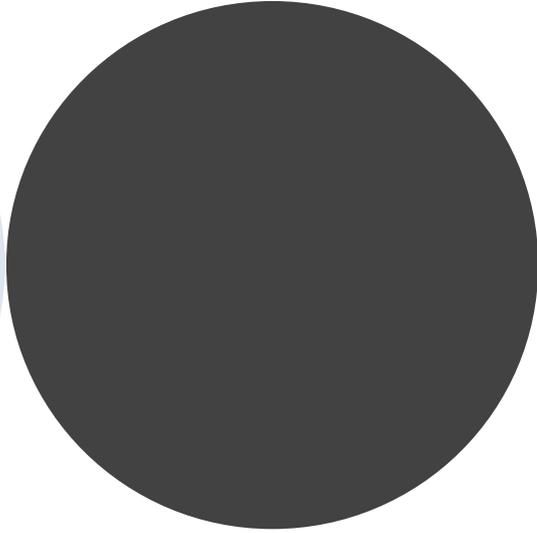
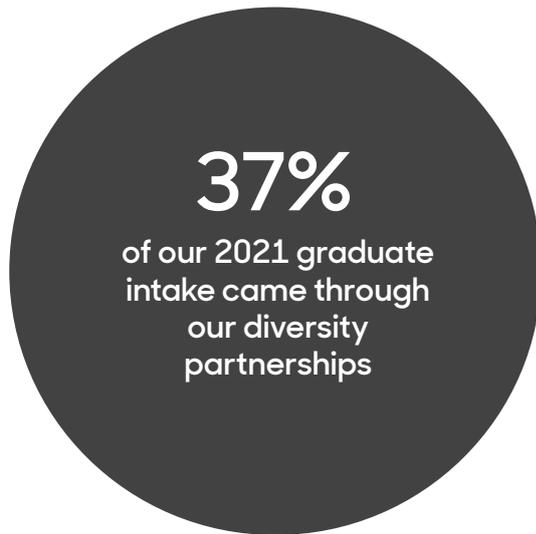
Our progress in 2021



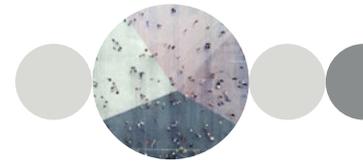
We are UK Living
Wage and Living
Hours accredited



£4.4m
invested in
Learning and
development



Our progress in 2021



45%

women on
our Board

36%

women in
Senior Leadership

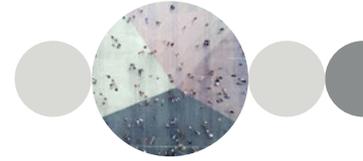
Ranked

in the Bloomberg
Gender Equality
Index 2021

Winner

of the European Thought
Leadership of the Year Award -
A Woman's Place: equality
in the 21st century

Diversity and inclusion



How we define diversity

Everything that makes us who we are - our backgrounds, our visible and invisible characteristics, as well as how we think, how we work and the experience we bring to our clients.

How we define inclusion

The workplace and culture we are collectively creating for diversity to thrive

Our framework

- We focus on four priorities to make a more diverse and inclusive place to work.
- We use our data to identify any diversity under-representation in our workforce - and to plan how we put this right.
- Our actions are led by our executive team, and overseen by our Nomination and Governance Committee.

Setting targets and commitments

We refreshed our corporate targets in 2020, after reaching our previous targets ahead of schedule. Our new gender and ethnicity representation targets challenge us to do more and we are making progress. Our approach aligns with best practice, as an active member of the investor-led initiative 40:40 Vision. Our executive leaders are responsible for driving inclusion forward - with annual people objectives linked directly to remuneration, as part of our annual performance scorecards. These targets are refreshed yearly by our Remuneration Committee as part of a holistic governance process.

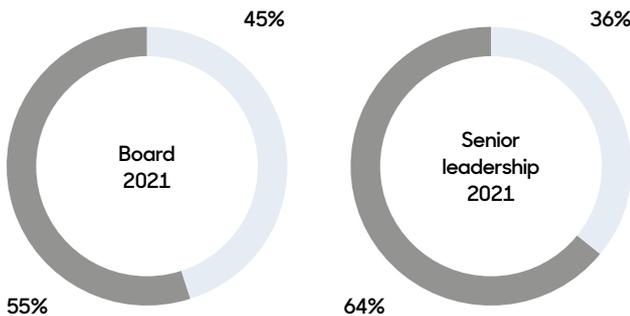
Our leadership team also sets, and publishes, diversity and inclusion commitments specific to the needs of their region and vectors. And all our colleagues and people managers make diversity and inclusion part of their annual performance goals. We share updates on our progress, at Board level, on a quarterly basis, which helps ensure we stay on track to deliver on our commitments.

Progress against 2025 targets

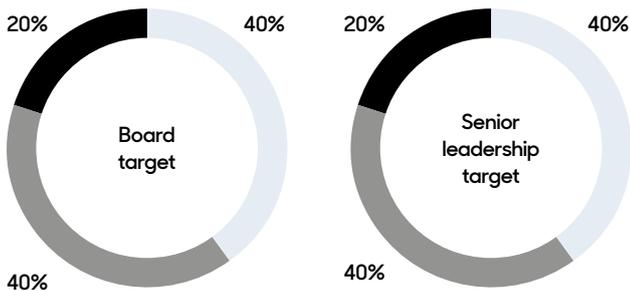
Gender

● Female ● Male ● Other/Any

31 December 2021



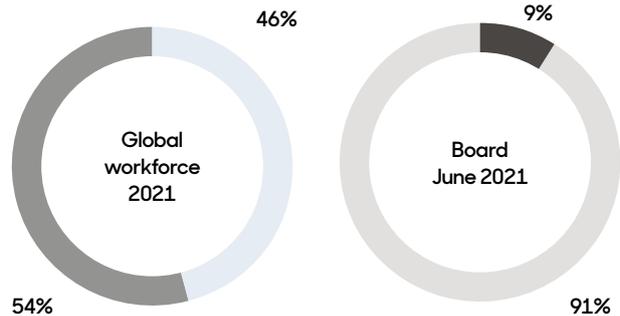
Target



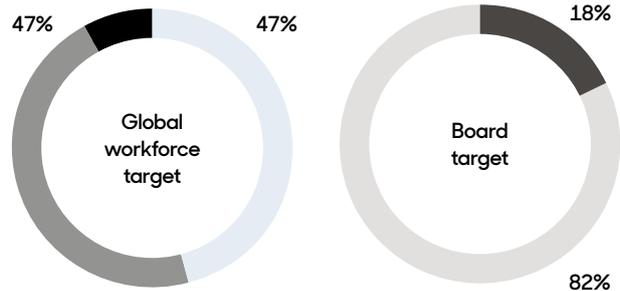
Minority Ethnic

● Minority Ethnic ● Majority Ethnic

31 December 2021



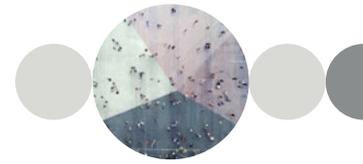
Target



Our progress against our gender and ethnicity targets is externally assured on an annual basis, further information is available in our KPI definitions document.



Our four priorities



01

Part of our purpose

We aim to enable our clients to be better investors. By investing responsibly, and making a positive impact through our operations, it helps create a better future for all. A commitment to diversity and inclusion is vital to understanding the needs of all of our stakeholders.

What we say must be what we do. This means embedding this commitment through talent processes, our brand, the suppliers and partners we choose, and the way we engage with the companies we invest in.

02

Inclusive ways of working

The pandemic has brought the way we work front and centre, and has shown that diverse ways of working do not hinder productivity. But careful consideration is needed to make sure people feel connected and involved.

The flexible working journey we were on helped us to make the rapid transition needed to respond to the pandemic. Our priority now is listening and working with our people to shape blended ways of working.

03

Attracting and developing diverse talent

Team effectiveness comes from diverse thinking and experience – high-performing people at all career stages, and from all backgrounds – and leads to better decisions and fresh ideas. It is equally important that people see diversity in all forms thriving here.

This means being honest about where we are now and where we need to do better – and encouraging conversation about it. We are focussed on three areas of underrepresentation where we have more to do: gender, ethnicity and social mobility.

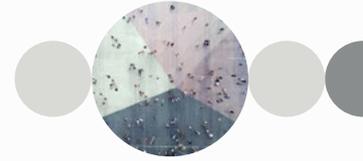
04

Feel included and valued every day

We want all of our people to feel involved, safe and that they belong. That's when we perform at our best, for our clients and for each other. Every conversation and interaction plays its part in creating this environment.

We focus on building the capability and awareness to drive conversations and active allyship. Creating 'safe spaces' enables colleagues to think about how they influence the environment around them, to share experiences and be curious to learn more about each other.

Spotlight on inclusion



Spotlight on inclusion

Our award-winning research series by the abrdn Research Institute, *A Woman's Place: equality in the 21st century*, highlights five recommendations for businesses, policymakers, and society to help address barriers to progress and economic participation.

1. **Ensure men have access to and take paternity leave**
2. **Reduce tax for second earners and sole parents**
3. **Consider both the quantity and quality of female work**
4. **Strengthen the performance and resilience of the overall economy**
5. **Report more and higher-quality data**

abrdn Research Institute won the European Thought Leadership Award, by Funds Europe, a prestigious trade media outlet, which shows the excellence of our research and sustainability credentials as investors.

LGBT+
Our gender and LGBT+ employee networks were engaged in the policy development process to ensure we considered a diverse range of families.



Case study

Acting on inclusion

We introduced our leading parent leave policy in 2020 – entitling colleagues of any gender welcoming a new child to 40 weeks’ fully-paid leave in the UK. In 2021, this was recognized by Equileap and abrdn was named a ‘global leader of employee sponsored parental leave provisions’ and ‘leading the way when it comes to parent leave in the UK’.

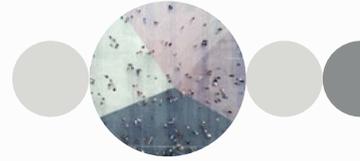
The policy goes beyond statutory minimum requirements and industry norms and is a vital step in supporting new families of all types. Our gender and LGBT+ employee networks were engaged in the policy development process to ensure we considered a diverse range of families. The policy enables any gender to take leave and supports all routes to parenthood, including through adoption, surrogacy and birth.

A year on, we are beginning to see the benefits of this for our colleagues.

361 of our people have made use of this policy to date, with **54%** of those taking **parent leave identifying as male**

Following the success of the UK parent leave policy, we have implemented a more inclusive parental leave programme in the Americas. By replacing primary and secondary caregiver leave with paid family bonding leave, we have equalised pay and leave entitlement for all. We have also expanded our UK special leave policy to support our colleagues managing commitments outside of work. Time off is given for carers, armed forces families, foster carers and bereaved parents, as well as colleagues who want to take career breaks, volunteer or take qualifications.

Spotlight on inclusion



Our data drives progress

As an investor, we recognise the need for quality and comparable data to enable our strategy of delivering client-led growth. This is equally important for our own operations. We ensure that our key diversity targets are externally assured – and we are committed to making data publicly available at global and regional levels

This enables us to target action on gender diversity, social inclusion, and minority ethnic representation.

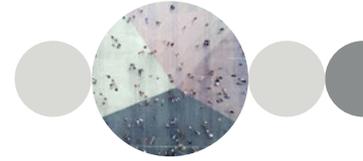
We take part in external indices to enable comparison and benchmarking across industry groups and encourage others to do the same. This year, we submitted to the Workforce Disclosure Initiative for the first time, and featured as a returning participant to the Social Mobility Employer Index.



Top 75

UK Social Mobility
Employer 2021

Diverse talent



Attracting and developing diverse talent

We consider diversity throughout our talent processes, and at all levels of our company. Effectively managed, diverse teams encourage innovation and make more balanced, insightful decisions.

We have therefore introduced measures across our recruitment process to make it more inclusive for people from all backgrounds and at all career stages. We recognise that there's more we can do and are implementing emergent best practice wherever possible. Existing measures include:

1. An 'augmented writing' tool to ensure our job adverts are free from bias
2. Diversified platforms to advertise our available roles – including specific diversity partnerships
3. Improved data tracking to identify historic drop-off points for underrepresented groups
4. Expanded interviewer roles and training, consisting of 80 colleagues representing diverse perspectives across all our regions
5. Requirement for our executive search partners to provide gender-diverse shortlists

Our data drives progress and we are focussed on three key areas: gender representation, ethnic diversity, and social mobility. We are committed to transparency and disclose key figures in our annual Diversity and Inclusion report.

Spotlight on early careers

Today's environment is challenging for many workers, but particularly for young people starting out in their careers. We have been working hard to diversify how we find and recruit talent within this group.

We have partnered with external organisations who help us access diverse talent, and who share our view of gender, race and social inclusion being interconnected – including Girls are INvestors (GAIN), Diversity Project-upReach and Investment 20/20.

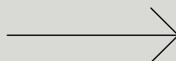
37% of our 2021 graduate intake came through our diversity partnerships. We are also monitoring our retention of our trainees entering our organisation, with 68% of our 2020 cohort staying with abrln and a further 14% moving to pursue new projects, such as future study.

We attained a Top 50 ranking for our Undergraduate programme (2019/2020) and a ranking of 11th in the UK Top 100 Apprenticeship employers by Rate My Apprenticeship. This is based solely on direct reviews by our early careers colleagues.

Graduates

Attended a non-Russell Group university:

38% 2020



48% 2021



Identifies as minority ethnic:

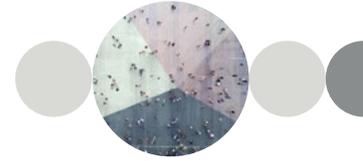
21% 2020



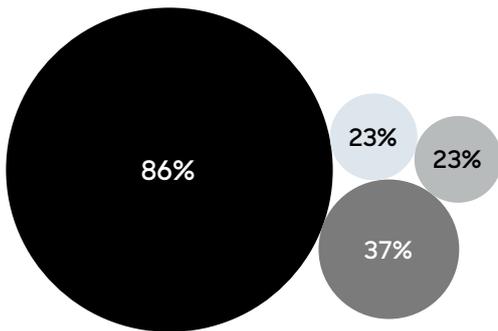
32% 2021



Diverse talent

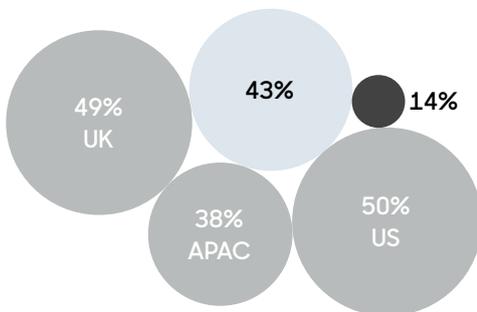


Trainees and School Leavers (2021)



Interns (2021)

2020 entry was deferred to 2021



Case study

A step further with Kickstart

In response to increased challenges caused by the COVID-19 pandemic, the UK Government introduced The Kickstart Scheme to help young people aged 16-24 at risk of long-term unemployment.

We recognised the need to help and wanted to take things a step further, with a focus on providing inclusive opportunities aligned to our overall diversity and inclusion principles. We therefore provided opportunities for young people in 2021 and ensured that these roles extended beyond the minimum 6-month period, and that our young people joined as part of our regular intakes with the same employment benefits and full access to our learning and development programmes. In our view, this enabled our Kickstart group to join us in the most inclusive way and better fulfil the true spirit of the programme's intent.

It was also important for us that we participated without government funding, with our primary incentive being to provide a positive opportunity for young people experiencing challenging circumstances.

- Attended a state school
- Attended a non-Russell Group University
- Identifies as minority ethnic
- Women
- Came through one of our diversity partnerships

Women:

33% 2020



45% 2021



12% increase

Came through one of our diversity partnerships:

11% 2020

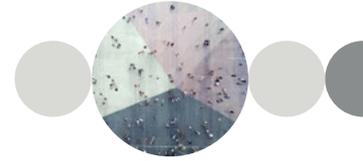


37% 2021



26% increase

Diverse talent

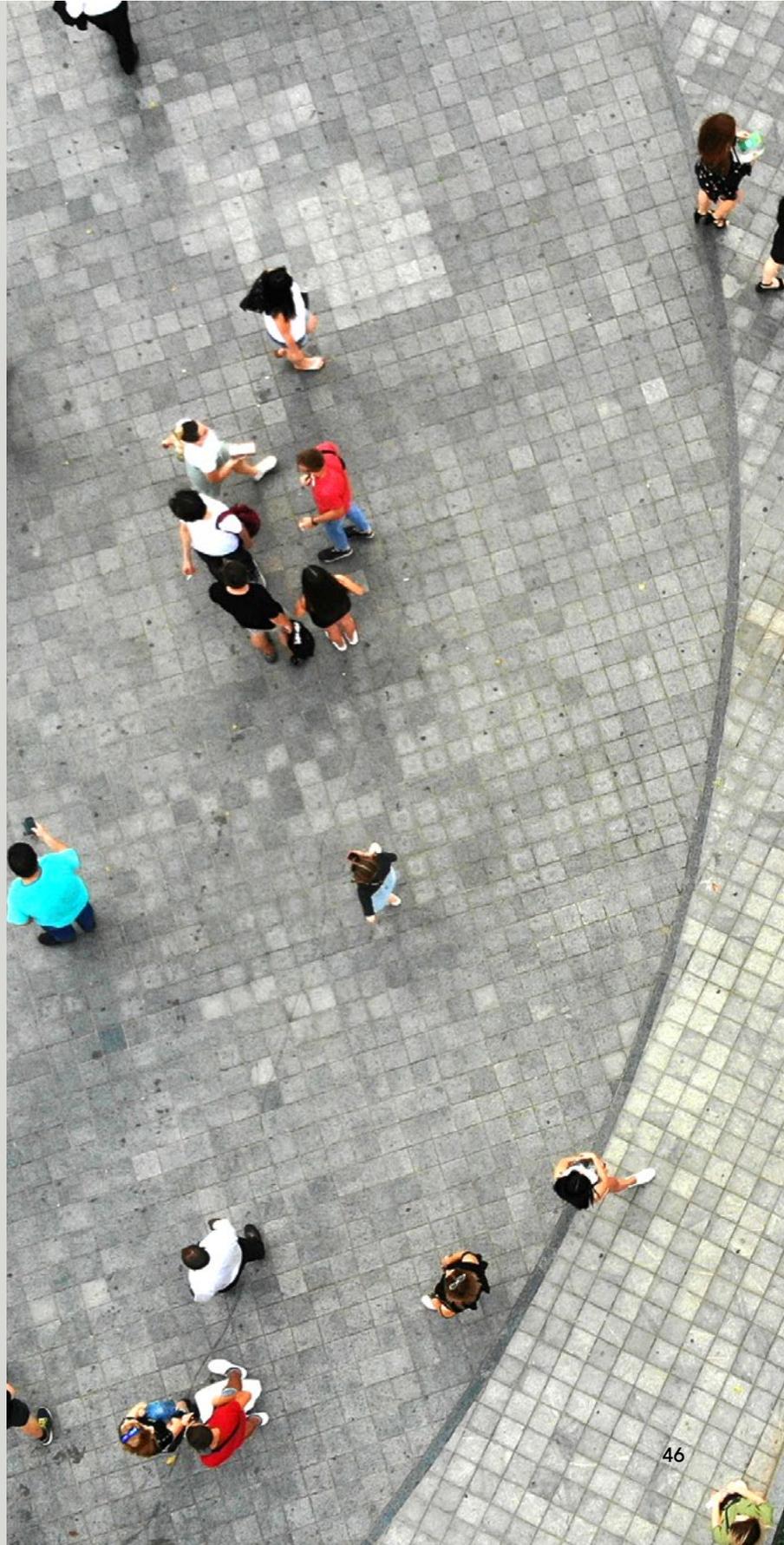


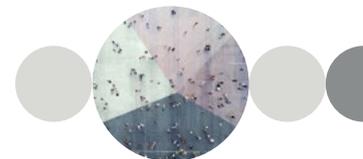
Progress at all levels

In 2021 we continued our women returners programme, to encourage women who have spent extended time away from the workplace back into investment roles. A second programme is now underway for our Operations function.

We have also developed a new approach to identifying talent at mid-career stage called the 'Future Leaders' programme. Inclusivity is a core part of the programme's design, with an 'opt-out' philosophy at its core and additional independent data supporting the talent calibration discussions. We also support a development programme for mid-career colleagues, which is available to everyone globally, including sessions that are run specifically for women. 319 colleagues (70% of whom are women) participated over 22 sessions over the last two years.

And at senior levels we continue to work with carefully selected strategic partners who value diversity and inclusion in the same way as we do. We are acutely aware of the need to do more to improve diversity at senior levels in our organisation, which is a challenge that confronts both ourselves and our industry. A supplementary target for our senior leaders measures the representation of women, as part of our executive succession plans, to ensure that gender diversity forms a core part of our succession conversations. We know our future success crucially depends on ensuring that a broad range of perspectives, experiences and backgrounds are represented. All our executive search partners have a contractual obligation to provide gender-diverse shortlists.





Case study

Our leaders are driving this progress

Adviser vector CEO, Noel Butwell, is taking the lead as a member of the Social Mobility Taskforce, which was commissioned by HM Treasury and BEIS, and led by the City of London Corporation to improve socio-economic diversity at senior levels in UK financial and professional services. The group's mission is to challenge the lack of career progression for those coming from non-professional backgrounds and to explore the intersections with other protected characteristics, including gender and race.

"While there have been great successes in the financial services industry around diversity and inclusion, including within abrdn, we need to continue to make progress around social mobility. As part of the Taskforce, it has been great to share our progress and learn from other members what is working. We are taking part in research with the Taskforce to understand the impact social mobility has on careers, to help create long lasting change that will be beneficial across the industry."

Noel Butwell, CEO, Adviser, and member of the City of London Corporation's Social Mobility Taskforce

Our approach as investors



Overview

Our biggest social impact is through our investment processes – alongside how we serve our clients, by ensuring that our products and services integrate social factors and are inclusive from the outset. We believe that diversity and inclusion is an important driver of long-term business success and resilience.

The social factors we consider are diverse and we have built these considerations into our ESG House Score, which is our proprietary tool to target key risks and opportunities for companies we engage with. This is a practical tool combining a variety of available data sources to help us assess companies and set investment parameters for our sustainability products.

This is supported by original macro research via our abrdn Research Institute, as we continually analyse how economics, government policy and markets intersect; and assesses how likely macro risks are to happen. These outputs support our decision making and our views on strategic asset allocation.

Diversity and inclusion is a standing agenda item as part of our engagement with companies, specifically in relation to Board and Executive level representation, and how this is translated within the business. As an escalation measure, we use our clients' votes to push for greater diversity by taking action on resolutions, aligned to our established regional expectations.

A regional approach

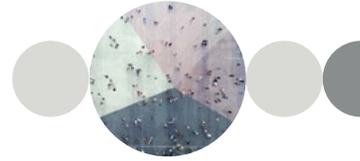
We recognize the importance of adopting a regional approach to diversity and inclusion. Each region faces different risks and opportunities, alongside various regulatory and market practices. Our targeted approach enables us to make the biggest impact and press for progress globally.

In the UK, we regularly speak to our investee companies about diversity and inclusion to encourage progress at all levels. We are members of the 30% Club UK and the 30% Club Investor Group UK, and we have taken voting action at company AGMs due to insufficient diversity since 2016. We are focussed on improving diversity in its widest sense and in 2022 we will be further strengthening our voting policy by including the recommendations of the Parker review, which calls for one director of ethnic minority background on Boards. We will focus our engagement through voting on the nomination committee chair.

Our in-house research supports the idea that European countries are leading the way on gender equality. However national level regulation makes it difficult to take a uniform approach as an investor. As a result, we have identified five markets to which we have the greatest investment exposure and have set expectations for 50 investee companies within these markets outlining our voting intentions, from 2022 onwards. For companies which have not yet met our expectations, we have written letters to the chairs of Boards outlining our future voting intentions and requesting information on their approach to diversity and inclusion.

For Emerging Markets, we recognise that work on inclusion is moving at a different pace and varies significantly from company to company. We wrote to our holdings at the start of 2021 and set minimum expectations of one female director by 2022 and will soon set more stretching expectations. We view this as a long-term opportunity for driving change across the region.

Our approach as investors



Our membership of the Corporate Call to Action (CCA), in the US, influences our actions across our business.

We have pledged to play our part in unlocking equal economic opportunities for communities facing historic and present-day injustices. Operationally, we have publicly disclosed our US EEO-1 data and encourage other companies to do the same. These disclosures allow us to track and measure progress toward greater diversity within our own organisation, and those we invest in, by race, ethnicity and gender. We also take voting action on gender representation at Boards with less than 25% female representation. We will vote against the chair of the nomination committee in cases where the required diversity target is not met, or against the financial statements (in instances where the chair is female).

And in Australia, we have identified a challenge related to corporate disclosure, with improvements in transparency on clear metrics and targets necessary in the short term.

We are aligned to 40:40 Vision, with the aim of achieving a 40:40:20 (women: men: any gender) split in the executive teams of ASX200 companies by 2030. Our operational targets are already aligned with this, and we have set clear expectations of our investee companies by outlining interim disclosure targets in line with this initiative.

We are aligned to

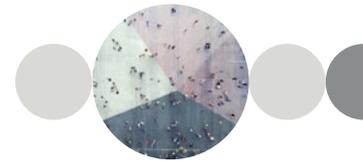
40:40 Vision

with the aim of achieving a 40:40:20 (women: men: any gender) split in the executive teams of ASX200 companies by 2030.

Vulnerable customers



Vulnerable customers



Supporting vulnerable customers

As part of our strategy to enable our clients to be better investors, we recognise that customers need access to products and services that meet specific needs. It is essential for us to recognise where elements of our traditional offering are not inclusive and that our conduct fairly represents the opportunities and outcomes available. Our governance framework reflects our focus on supporting all our customers, including those dealing with vulnerabilities. Our vector CEOs lead our related actions across abrdn.

This starts with identifying groups who need priority care, to ensure none of our customers are left behind. If our customers are marginalised, or experience challenges of accessibility related to health, life events, or capability – then it is vital that we are able to tailor our services appropriately. We also recognise that not all vulnerabilities are static; some customers may have specific short-term needs, and others may require longer term support. We engage across multiple channels and recognise that a considerable proportion of our customers value 'traditional' servicing – preferring to pick up the phone, rather than respond to an email. We have built this into our strategy across our vectors.

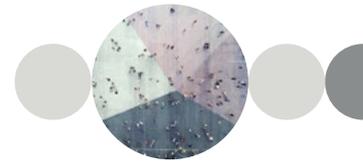
We have invested in bespoke training to ensure that our colleagues are equipped to support and identify requirements for priority care, with specific focus on colleagues in customer facing or customer supporting roles. Our focus extends further into our recruitment processes, as we look to ensure our future colleagues are prepared to provide inclusive services to all our customers.

It is also essential that all our communications are transparent, and we have controls in place to ensure that everything we say about our products fairly represents the reality. This is governed by our Group Risk Policy framework. We are able to support customers' additional visual needs via large font or braille updates; alongside sign-language, language interpretation, and other necessary adaptations, should they be needed.

If our customers are dissatisfied with our service, we ensure that no unreasonable barriers are in place when raising concerns or switching providers. Our customers' best interests are at the forefront of our thinking, and we will always prioritise customer needs should there be a conflict of interest or differing views. This may include signposting to external support services where appropriate.

We are also supporting initiatives that aim to increase general financial literacy and support informed investment decision making. This principle forms a key part of our charitable giving strategy through the abrdn Charitable Foundation, as we fund projects that help people overcome barriers and realise their potential – creating a better future for themselves and their families.

Fair work



Living wage and hours

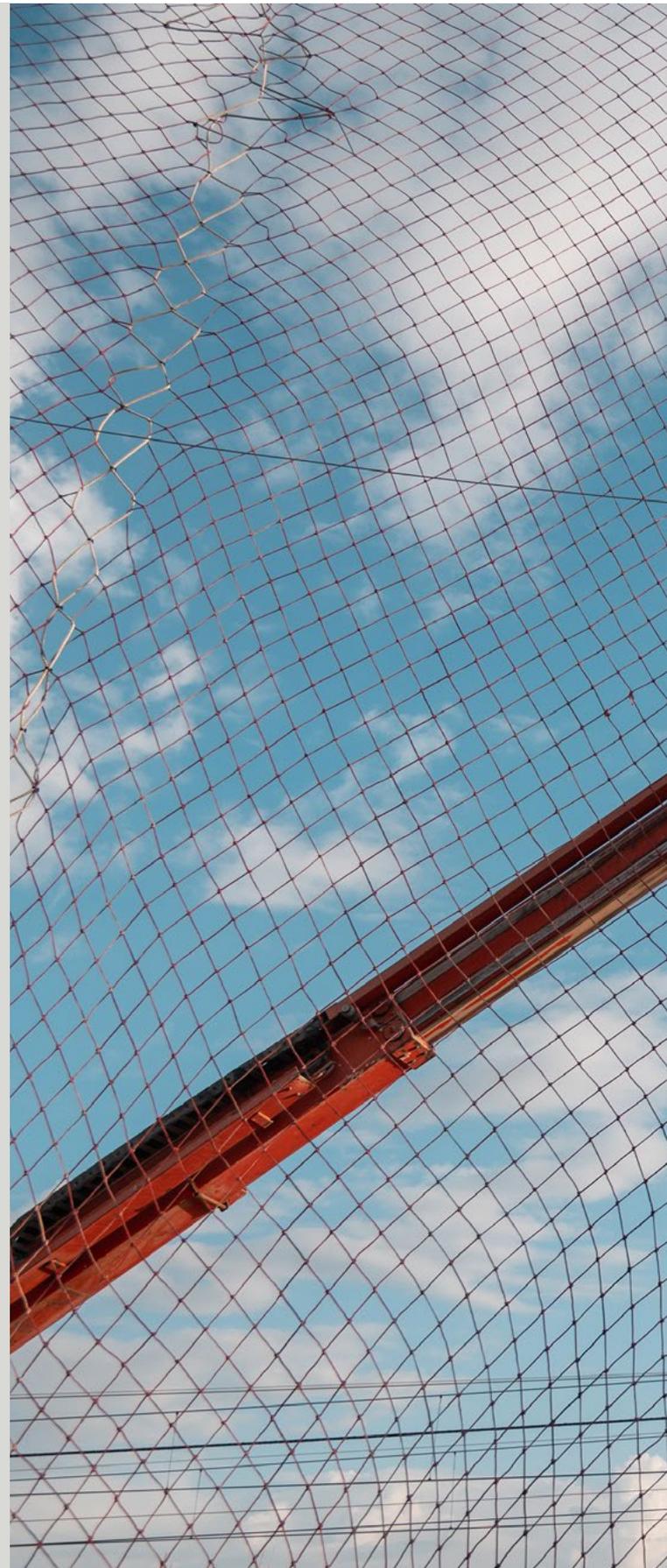
We believe in fair work. All our colleagues are paid above the minimum wage, and we are committed to acting on modern slavery and human rights as an investor.

Our UK colleagues represent 79% of our global workforce. And across the UK, we have been Living Wage accredited since 2014 and were one of the first two companies to receive a Living Hours accreditation, as an employer.

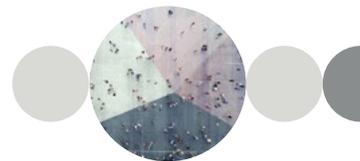
Enabling our colleagues, and partners, to plan ahead with secure and clear work patterns is a key element of fair work. Living Hours means providing a minimum of 4 weeks' notice for shift work and guaranteed payment if shifts are cancelled within that window. This is something we ensure for suppliers working on our UK premises.

We sponsored the Living Wage investor toolkit, which is a publication by the Living Wage Foundation and ShareAction highlighting the benefits of living wage employment. We have also engaged with some of our UK portfolio companies on living wage and supported engagement letters prepared by ShareAction to FTSE100 companies to encourage them to become accredited.

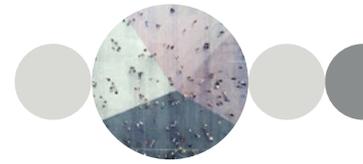
We are supporters of the Living Wage Places Edinburgh Group, with the goal of increasing the proportion of fair work in our home city, aligned to Edinburgh's goal of ending poverty by 2030. In recognition of our work in this area, Living Wage Scotland shortlisted abrdn for the Industry Trailblazer award.



04. Social
Fair work



Human rights



Engaging on Human Rights

As a global business, we are focussed on ensuring zero instances of modern slavery and human rights issues across our supply chain. We have built specific questions on modern slavery and fair work and pay into our procurement tender processes and we expect all of the third parties we work with to meet our enhanced ESG standards.

We have a number of policies and statements, collectively demonstrating our approach to identifying and mitigating modern slavery risks. Expert internal stakeholders, and industry bodies are consulted during policy development. Our documents are publicly available so employees and third party stakeholders – including suppliers and business partners – are clear about what is expected of them.

Our suppliers have been assessed by a third party and none were deemed as being at high risk of modern slavery. We have committed to continuing to review our suppliers in this way and will take appropriate action if any are identified as being high risk. We have robust frameworks in place to ensure any instances of modern slavery are appropriately escalated and remedied. Our resulting actions would be tailored to individual circumstances, which may vary from supporting a supplier to make positive change to ending the relationship.

As investors, we recognise the impact of human rights issues on our investments and the role we play in driving progress. As well as driving social change, there is a strong investment case for promoting human rights. That is why assessing the risks and opportunities of human rights issues has been a core part of our approach for years.

High-quality research is a key element of our investment process. This includes human rights research by investment analysts and portfolio managers across asset classes. We also see regular engagement as essential to understanding the management of human rights risks and opportunities. This engagement allows us to gain insights and communicate our expectations to stakeholders. With our equity investments, we also exercise our influence by voting at shareholder meetings. More specifically, **we expect all companies in which we invest to do three things**

1. **Continually work to understand their actual and potential impacts on human rights.**
2. **Establish systems that actively ensure respect for human rights.**
3. **Take appropriate action to remedy any infringements on human rights.**

Our human-rights approach and role as investors are underpinned by four core beliefs:



Considering human rights risks and opportunities is an integral part of our investment process while also achieving desired outcomes for our clients.



Fulfilling our human rights responsibilities requires ongoing engagement and work to influence positive change.



Upholding human rights often relies on voluntary agreements and weak regulations. This is not enough. Improved corporate practices and stronger regulations are needed to support human rights.



Human rights challenges are often complex and persistent. Meaningful, lasting change requires a multi-stakeholder approach, including businesses, investors, governments, civil society and academia.

Human rights

As a global investor, we are often in a position of influence, which can be used to drive positive change. We prioritise engagement with companies and issuers in these situations:

- The business model and/or activities have a high potential for adverse human-rights impacts.
- We believe there are gaps between human-rights policy and its implementation.
- We have identified the human-rights environment or operating context as high risk.
- The company or issuer has a known history of adverse human-rights impacts.
- Reports from affected groups or rights-holder representatives raise significant concerns.

Through active engagement and dialogue, we can help guide companies toward best practices to address human rights issues. Where firms are unwilling to engage or we see insufficient progress, we will look for ways to increase our leverage, such as joining collaborative industry groups. As a last resort, we will take divestment decisions should a company fail to meet our expectations.



Case study

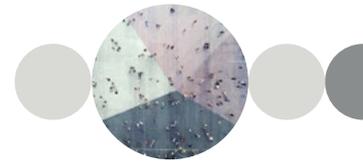
Focus on food retailers

Following a successful ruling of the Supreme Court in March 2021, Asda's shop-floor workforce, who are mostly women, can now compare themselves to the male-dominated warehouse workforce (under the Equal Pay Act 1970 and Equality Act 2010) in their pursuit for equal pay.

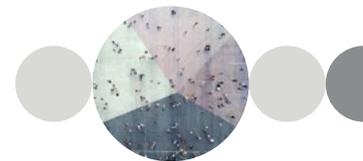
This is the UK's largest ever private sector equal pay claim and could mean other companies in the sector could be liable to pay back hundreds of millions of pounds if work is determined to be of equal value. We have spoken to both Tesco and Sainsbury's about their latest sustainability strategies in 2021. How food retailers look after their employees is a key part of the success of these businesses, and the spotlight remains firmly on the sector.

This remains a developing area of focus, with material potential financial impacts for both rights-holders and wider stakeholders. We will continue to engage with labour-intensive businesses to encourage them to be pro-active in providing extended disclosure on workforce issues.

Health, safety, and wellbeing



Health, safety, and wellbeing



Blended working is our future

Our opportunity throughout 2021 has been to shape the future of our workplace – with an emphasis on what we do, rather than where we do it. We want our offices to be places we go to connect, coach, and collaborate. This means developing better physical spaces for our colleagues.

We are moving our London team to a new space in 2022, which will upgrade our colleague and client experience and meet the highest environmental standards. Plus, our George Street office in Edinburgh is undergoing an exciting new renovation.

Our experience over the past two years has embedded inclusivity into our working culture. This means expanding our special leave policies and supporting colleagues with commitments outside of work. Every step we have taken has its foundation in feedback from our colleague-led networks and anonymous survey data.

Prioritising wellbeing

Our colleagues work in low-risk physical environments. Health and safety risk assessments are conducted for all work activities and regular audits are conducted by an external party, on our UK premises. We aim for zero reportable accidents and 95% of risks to be controlled at the point of audit. All accidents and incidents are investigated.

Less than 1% of total working days scheduled in 2021 were taken as sick days (covering **94%** of employees)

2 on site workplace accidents (2020:7)

0 on site fatalities globally (2020:0)

The pandemic has imposed a new challenge, with our return to offices requiring us to update our policies and spaces to be safe and secure in line with local requirements. We introduced an app for daily completion before attending the office along with a desk booking system, to monitor capacity. Through our governance processes and senior leaders, we have continued to monitor developments across our global operations and will always prioritise colleague safety.

We have implemented a blended approach to working and recognise that the home working environment differs significantly from our offices. As an immediate response to the pandemic, we made available £125 (or local currency equivalent) to all colleagues to purchase home working equipment. We have an online workstation training and assessment module which employees can complete to ensure both their homeworking and office set up are correct.

We have empowered our people managers to work with their teams and devise flexible solutions to balance the needs of clients with personal needs. We made it easy to change working patterns and promoted different leave options, such as carers leave, to take time away from work to meet other responsibilities. We have supplied access to counselling for colleagues and their families, virtual GP appointments and more. Colleagues are reminded of the importance of taking a break from work and holidays are monitored throughout the year to try to ensure everyone has appropriate rest.

Other processes remain in place. All colleagues complete mandatory training on health and safety and our UK Health and Safety committee meets twice a year to review health & safety performance. Each region has local wellbeing activities such as yoga classes, lunchtime fitness classes, and campaigns promoting open discussions about mental health at work

Our offering is designed to proactively support colleague wellbeing, but we know colleagues sometimes need time off work. UK colleagues can take 6 months' sick leave at full pay and after 26 weeks of absence may apply for Group Income Protection (GIP) at 75% of their salary.

Learning and development



Outcomes from learning and development

Our approach to learning reflects our commitment to blended working – colleagues take part in classroom, digital, and on-the-job learning. These activities are supported by our three key objectives:

1. **Develop the skills and capabilities to support business strategy**
2. **Support colleagues to build successful careers**
3. **Create engagement in the organisation**

We aim to give all our colleagues the tools and resources they need to take control of their development, and to make a valuable contribution to our strategy. Our 2021 story reflects increased engagement across abrdn, as our colleagues took advantage of newly launched Data, and Digital, academies. These academies help colleagues develop the skills and mind-set needed to ensure we are equipped to support our clients in a digital world, and help colleagues to harness data to make better decisions, regardless of their roles.

We have tracked an increase of **50%** in our virtual and digital learning usage, provided online demonstrations to over **1,100 of our colleagues**, and our virtual learning programmes are highly recommended with a net promoter score of **51**. Most of our resources are available via our online learning platforms and popular topics in 2021 relate to: resilience and wellbeing, digital and data, and software application upskilling. Our colleagues are increasingly engaged with developmental content and we are continually expanding our offering, which ultimately empowers us as abrdn to better serve our clients.

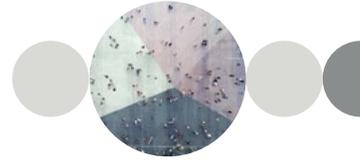
We continue to run learning modules aligned with our regulatory commitments. All our colleagues are provided with mandatory learning linked to the financial sector. We run annual training in line with regulations and **98%** of our colleagues completed our code of conduct training in 2021.

Generally, our learning programmes are targeted based on career stage and this ranges from school leavers to senior leaders. We invest significantly across all stages of this journey and spent a **total of £4.4m in 2021 (2020: £4.4m)**. In 2020, we developed a new Leadership Capability Framework. This outlines our vision of leadership at different levels and is being used in talent processes such as succession, recruitment, development and performance management.



98%
of our colleagues
completed our code of
conduct training
in 2021

Learning and development



Mentoring at all levels

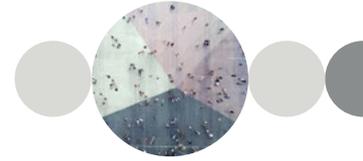
Our global mentoring programme offers all colleagues an opportunity to find a mentor inside the business, or to share their skills and experience as a mentor themselves. We use algorithms based on development interests and preferences to match mentees with appropriate mentors. **In 2021, we increased the number of colleagues involved in mentoring partnerships by 96%.**

We are also championing 'Reverse mentoring' where our senior leaders are mentored by a member of our network promoting race and multicultural

awareness, Unity. The programme is designed to develop deeper insight into the experiences of minority ethnic colleagues globally, and to guide decisions and actions. Every member of our executive team and other leaders from across our global leadership group participated. Due to the success of the programme in 2021, we have extended reverse mentoring in 2022 to all colleagues globally and beyond ethnicity.



Networks and engagement



Colleague-led progress

With members representing colleagues from all regions, our networks partner with the company and each other to make progress on issues that matter most to our people. Over the last year we have brought insights from our networks and forums into discussions around strategic priorities for the company – including on our new brand, premises strategy, talent acquisition and sponsorships.



The Armed Forces Network is a global group of employees, who have an affinity with and support the armed forces community. This includes veterans, reservists and family and friends of serving personnel.



Balance is our gender inclusion network and is focussed on three key pillars: support, challenge and grow.



Lighthouse is our LGBT+ and allies network focussed on providing an inclusive, welcoming, safe space for all our colleagues looking to be involved with, learn about, and engage with the LGBT+ community.



Mind Matters is our network which aims to raise awareness and break down the stigma around mental health. We also have a US specific network, Capability, which is focussed on mental health alongside physical wellbeing and mental disability

Case study

Armed Forces network

Our Personal vector CEO of Discretionary Wealth, Richard Charnock, sponsors our Armed Forces network, which has been active since 2014 to recognise the skills and capabilities of our colleagues who have supported the armed forces. Our global employee networks are focussed on promoting inclusion across our business and represent a vital part of colleague engagement. Through a long-standing commitment to diversity and inclusion, Richard was highly commended in the PIMFA D&I Awards, in 2021, and has chaired the CISI ethics committee for over 10 years. This illustrates our commitment to diversity and inclusion externally – and our involvement from our senior leaders in driving wider change.

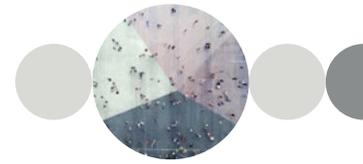


NextGen is focussed on supporting those early in their careers, providing them opportunities to develop, build networks and make a bigger impact within the company and their local communities.



Unity is our employee network that is passionate about embracing ethnicity and multiculturalism.

Networks and engagement



Colleague voices are represented in designing the way we work, where we work and the physical environment, we work in. Our networks influence our corporate decision making via our designated Board Employee Engagement (BEE) Non-Executive Director and our annual engagement plan. Throughout 2021, meetings were held with chairs of all the employee networks on a 1:1 basis. This is alongside global 'Town Hall' sessions hosted by our CEO and executive leadership team. At each Board meeting, feedback is presented by our BEE Non-Executive Director on colleague engagement activities and actions are identified and owned by senior leaders.



Case study

Virtual 'imagination sessions'

An example of this engagement was the re-design of our Edinburgh George Street office where colleagues joined virtual 'imagination sessions' to collate ideas for the future of blended working at abrdn. Our design process was significantly influenced by this engagement, and we have incorporated much of the feedback from these sessions into the physical space including: a wellness centre, expanded cycling facilities, and more flexible collaboration spaces. Our colleagues also shared invaluable feedback on the experience of returning to our offices, which laid the foundation for how we are working today.



05. Charitable giving
Charitable giving





Charitable giving: Creating more **connection**

**We are connecting people to their communities
and to the natural world**

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At a time when many people of different demographics are isolated or disconnected from society, we want to connect people to opportunities, to their communities and to the natural world.

Through a combination of powerful partnerships and colleague engagement – we are focussed on supporting projects that achieve measurable social and environmental impacts.

We support our people to volunteer in local communities by engaging with our charitable partners or organisations close to their hearts. All our colleagues are entitled to three paid volunteering days, and we have a number of incentives to provide matched funding, either through external fundraising or payroll giving.

Our progress in 2021



£2.6m

total charitable
contribution

We provide
colleagues with
three paid days for
volunteering

2,685

volunteering
hours

37%

of our funded
projects
contributed to
social welfare

Our progress in 2021



110,000

expected
beneficiaries

95

charities
supported

We funded biodiversity
improvements in 13
of our local greenspaces

We announced a
new powerful
partnership with
Hello World

05. Charitable giving

Our approach

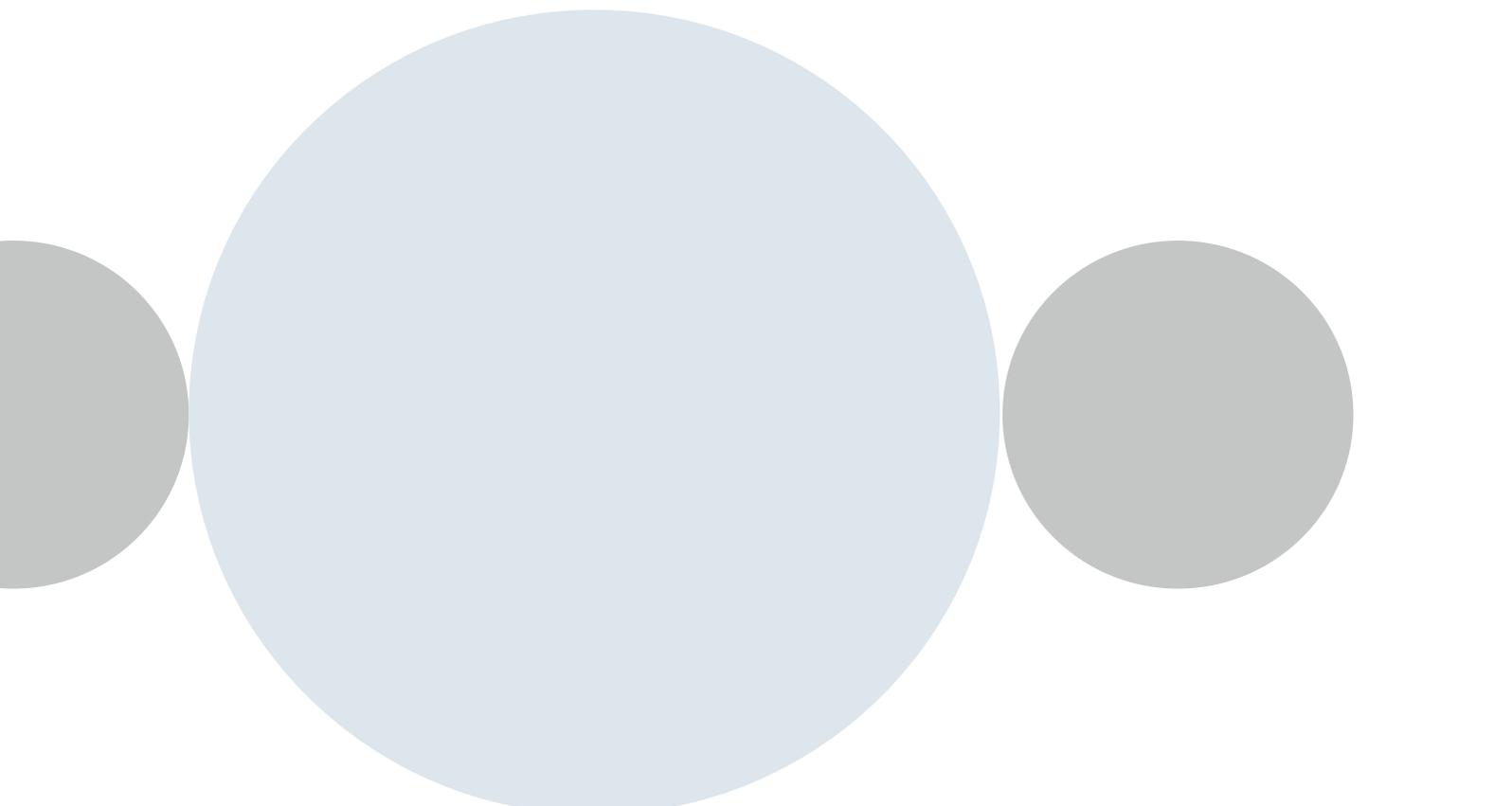


Our giving strategy

Through the abrdn Charitable Foundation we direct funding to charities around the globe. Our Board of Directors provide oversight and guidance for our charitable giving activities. We aim to create fair and impactful charity partnerships which are aligned to our strategy and engage colleagues to use their skills to benefit society. We focus our strategy through the theme of Tomorrow's generation, which is distilled through two main categories: People and Planet.

Through our giving strategy we are making significant social and environmental impacts within local communities, and across the globe. We recognise that our charitable giving is a key part of our overall sustainability strategy, as a method for us to make an external impact beyond our role as active investors.

Our ambition for 2022 is to increase our impact primarily through our powerful partnerships, with our colleague engagement at the core of our thinking.





Tomorrow's generation

Powerful Partnerships

A commitment to significant funding with partners where our support will help make a transformative impact.



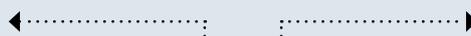
People

We are helping people overcome barriers and gain access to opportunities aligned to education, employment and financial wellness



Planet

We are protecting nature and addressing climate change



Enabled through technology and innovation



Engage

colleagues in skills based volunteering



Enrich

colleagues through meaningful connections to our partners



Enhance

colleague fundraising via company matching initiatives



People



Hello World

When we became abrdrn in July 2021, we announced a new powerful partnership with Hello World. Hello World's mission is to bridge the digital divide and improve connectivity and inclusion among disconnected communities. The partnership is truly aligned to the attributes of our brand and is a tangible example of how when you invest in a bold and brave charity like Hello World, you also invest in people.

Education is currently inaccessible to over 258 million children and 40% of the global population has no access to the internet. Hello World partners with communities to build Hello Hubs, solar powered internet kiosks, fitted with eight screens loaded with leading educational software, so that children can learn, access digital educational resources and improve their future by connecting globally. The Hubs also provide a free, no password, Wi-Fi hotspot for those that do not have their own devices.

Over the course of our two-year partnership, we will fund the build of 64 new abrdrn Hello Hubs across Uganda, providing access to internet and education for up to 80,000 children and adults. Hello World's ethos is entirely community focussed – the Hubs are built by the

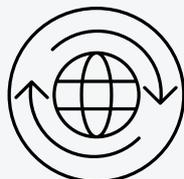
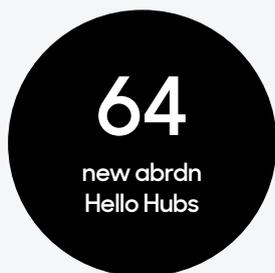
community for the community, meaning that the ongoing ownership and maintenance is then also driven by the community.

Our partnership will triple the number of people who are currently able to access a Hub, so Hello World have been scaling their build and planning teams, creating further jobs and opportunities for people in Uganda.

Ahead of schedule, the first abrdrn Hello Hub was built by the Kashojwa community in November 2021. The builds will continue over the course of 2022 and 2023.

We recently launched our 'Hub mentors programme' to give our colleagues the opportunity to see first-hand the impact of the Hubs. This is a two-way virtual initiative connecting our people to Hello World Community Support Officers (CSO) to share skills and ideas. The CSOs are members of Hub communities that support the daily running of their local Hub. As further Hubs are built over the next two years, we will be expanding this programme, enabling more colleagues to develop meaningful connections with Hello World and the local communities we are partnering with.

Bridging the digital divide and improving connectivity among disconnected communities.



We are creating 64 new abrdrn Hello Hubs across Uganda, providing access to digital educational resources.



We are supporting education opportunities for up to 80,000 people in disconnected communities.

People



Hello World partners with communities to build Hello Hubs, solar powered internet kiosks, fitted with eight screens loaded with leading educational software



05. Charitable giving Planet



Our local greenspaces

Our ongoing community greenspace project aims to give back to local environments that have been crucial to individuals' wellbeing during the pandemic. We provide funding and volunteers to greenspace groups to help them carry out biodiversity projects and engage the local community. The spaces range from cemeteries to small orchards with funding so far directed towards living willow play structures, ponds, a living roof, wildflower meadows and homes for bees, bats and birds.

"The funding and volunteering from abrdn has created a ripple effect for our park by increasing the community's awareness and support of how we are improving the space and leading on to additional funding"

Olive Hill

Deputy Chair of The Friends of Hopetoun Crescent Gardens.

450

volunteering
hours

Our colleagues have been volunteering at the sites and carrying out practical tasks, plus providing other skills-based support like helping groups build their social media presence. Our colleagues are enabled to do this through our three paid volunteering days. And we have seen our people volunteering in our greenspaces across nearly 450 hours through 2021.



Supporting biodiversity in our local communities

10

Trees planted

136

Fruit trees and bushes

2

Planting for pollinators (m2)

2

Ponds

5

Living willow structures

4

Bee bricks

72

Bird boxes

2

Insect homes

4

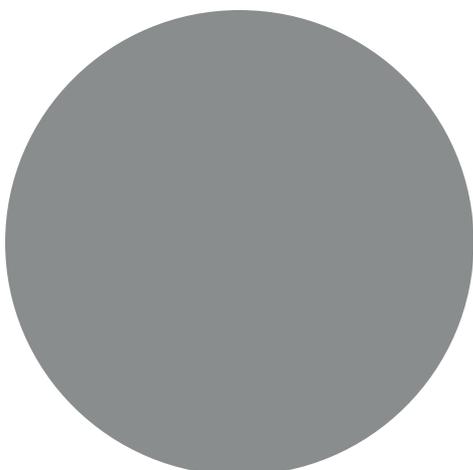
Bat boxes

1

Living roof (m2)

1,502

Wildflower seeding (m2)



05. Charitable giving

Volunteering



Our people's impact

Volunteering has evolved due to changes brought on by the pandemic. The pandemic has also provided greater motivation for colleagues to engage in volunteering, to give back to local communities that have supported us all through localised restrictions.

We engage directly with our charity partners to find opportunities for our people to make an impact. And we welcome our colleagues sharing details of what they are passionate about outside of the office. Our 'Get Involved' online hub supplies details on the latest volunteering opportunities available to colleagues, alongside our company policies on matched fundraising, payroll giving, and paid volunteering leave. We want to encourage our people to be part of our local communities, so our volunteering leave policy extends to time spent outside of usual working hours.

As we embrace a blended way of working from home and in the office, many of the opportunities our colleagues are engaged with have been virtual and involve the sharing of skills through mentoring. Mentoring is something we champion across our business, and we have seen our teams taking part in Get Hired employment events via The Prince's Trust, and through our ongoing mentoring programme with Hello world.

Globally, our people have spent **2,685 hours volunteering** in 2021. Our matched fundraising, up to £200, also empowers colleagues to engage with organisations close to their hearts. In 2021, our joint fundraising equalled **£318,000** across **158 different charitable causes**.

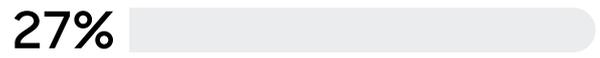


05. Charitable giving

Volunteering



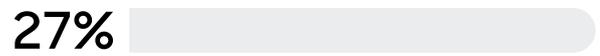
How we spent our time



Social welfare



Emergency relief



Environment and Biodiversity



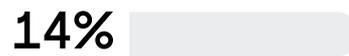
Health and wellbeing



Education



Mentoring



Other

2,685

hours
volunteering

£318k

total joint
fundraising

158

different charitable
causes supported
through matched
fundraising

Our global impact



Our global impact

Our giving strategy is global, and in 2021 we have made a targeted global impact. We have supported **95** individual charities, which translates to approximately **110,000** beneficiaries across the globe.

We have continued our employability partnerships with The Prince's Trust in the UK, and have supported increased financial literacy for Aboriginal young people in Australia, via First Nations. And have helped develop a Technology Lending Library with Henry Street Settlement in the US.

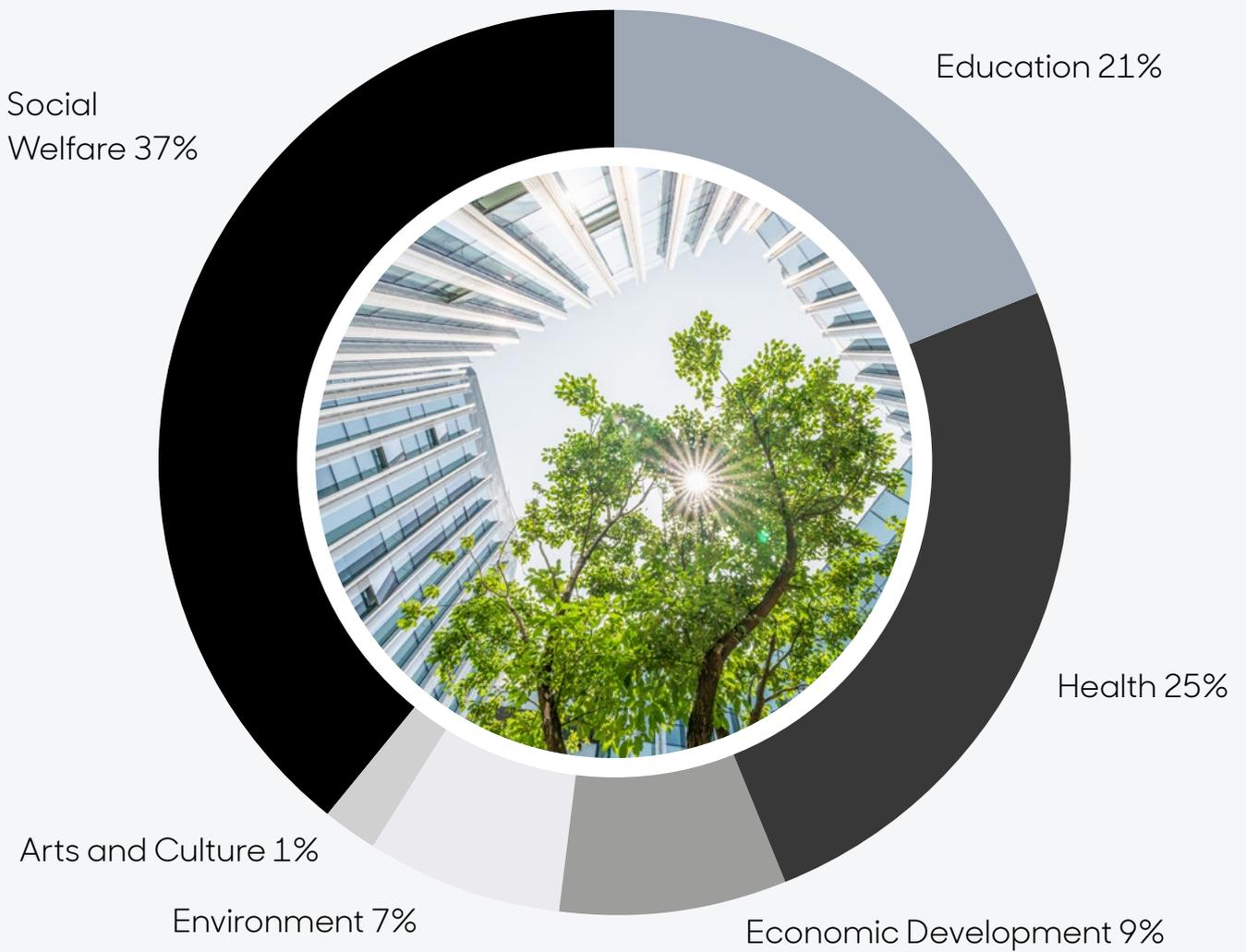
We encourage our colleagues to engage directly with charitable giving, whether it is through our regional forums, or direct volunteering – and this influences how and where our giving is directed.

These partnerships are making a real difference. For example, since 2014 we have worked with the Prince's Trust's Get Hired! programme, which has supported over 4,500 young people develop employability skills, and helped around 2,000 gain employment.

In 2022, our vision is to continue building connection with our growing number of powerful partnerships around the globe.



Our Focus



Our funding distribution

Region	Percentage
UK	33%
Americas	11%
Asia Pacific	11%
EMEA ex UK	43%





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Our material sustainability issues

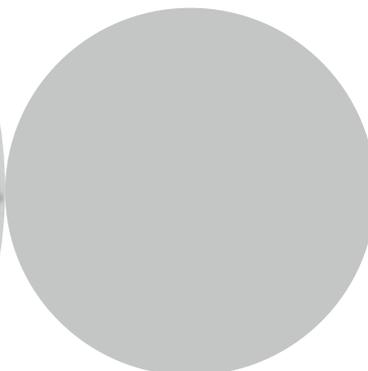


Our 2021 data and approach to materiality

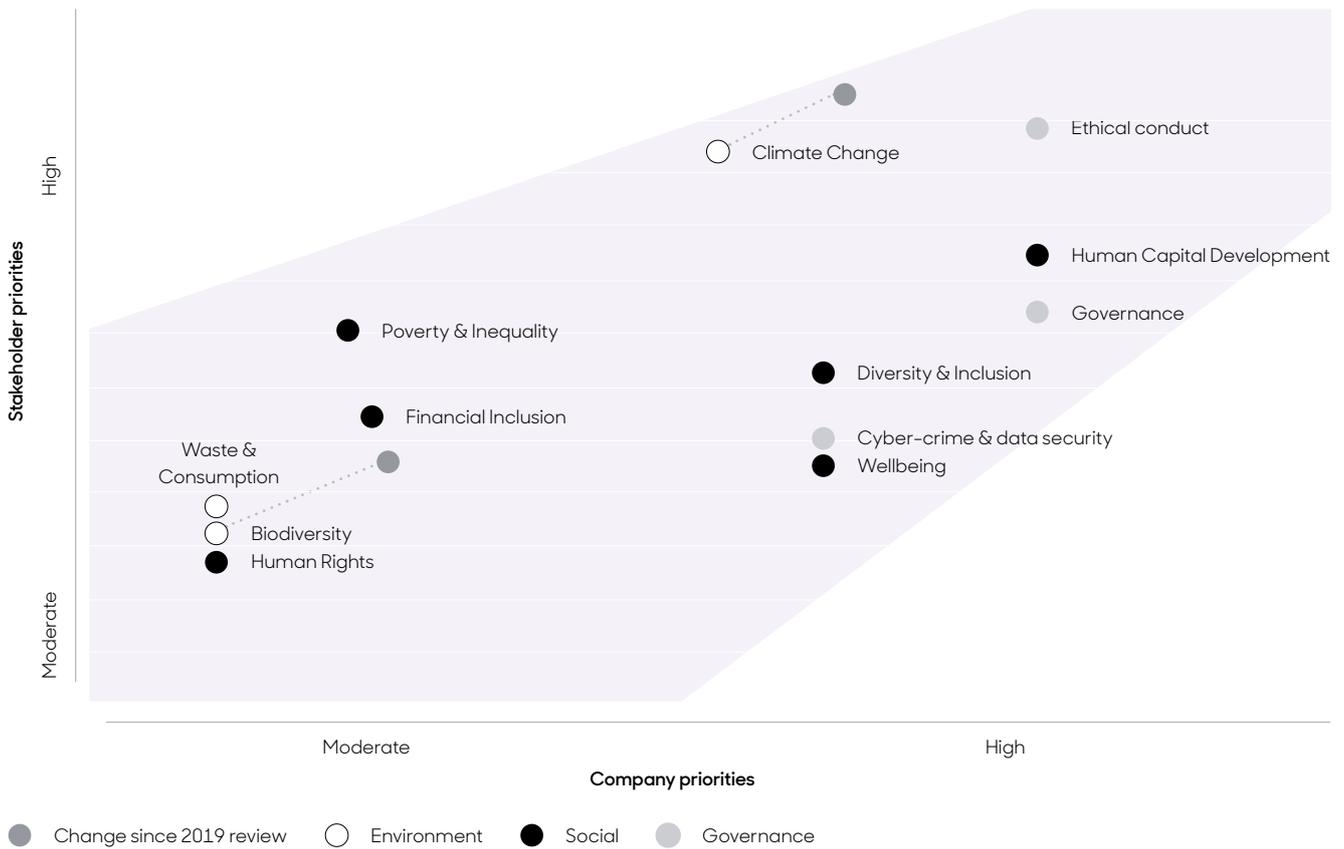
To understand and prioritise the sustainability issues that are most important to our stakeholders and our business, we undertook our most recent materiality review in 2019. The output helps us to shape our strategy and approach, as well as tailor our reporting so we are highlighting the areas of interest to our stakeholders.

 [Link to 2019 Sustainability Report](#)

We will be producing our next materiality update in 2022 – the pandemic continues to inform our expectations and the outcomes from COP26 and COP15 will play a significant part in our thinking moving forward.



Our material sustainability issues



Our progress against targets



Environment

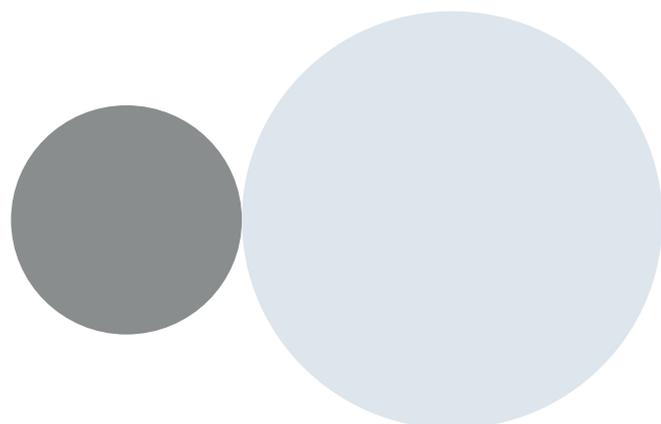
Target / pledge	Year	Material issue	Sustainable Development Goals (SDG) impact	2021 progress
Net zero in our operations across Scope 1, 2 and some 3	2040	Climate change	SDG 13	Reduced our operational scope 1, 2 and some 3 by 62% since 2018
Interim target of 50% reduction across our operations	2025	Climate change	SDG 13	Reduced our operational scope 1, 2 and some 3 by 62% since 2018
Engage with suppliers representing 50% of procurement spend to set netzero targets	2025	Climate change	SDG 13	We continued to engage with our suppliers during 2021
Offset 110% of emissions, align with Oxford Principles for Carbon Offsetting	Ongoing	Climate change and Biodiversity	SDG 13 and SDG 15	We are carbon neutral since 2020
Reduce total kWh use by 50%	2025	Climate change	SDG 7	62% reduction since 2018
Reduce carbon footprint per Full Time Equivalent (FTE) by 50%	2025	Climate change	SDG 13	52% reduction since 2018
Procure 100% renewable electricity at the offices we operate globally	2021	Climate change	SDG 7	99.5% of electricity we procure is on a green tariff
Avoid the use of single-use plastics within offices	Ongoing	Waste and consumption	SDG 12	Largest single-use plastic wastes removed from our sites
Where we manage the waste contracts we send zero waste to landfill	Ongoing	Waste and consumption	SDG 12	In place since 2018 on our main waste contracts
Reduce the carbon intensity of the assets we invest in by 50% vs a 2019 baseline	2030	Climate change	SDG 13	New target in 2021
Increase our AUM managed in line with net zero 2050	Ongoing	Climate change	SDG 13	30% of our AUM is committed to be managed in line with net zero 2050
Achieve net zero emissions in our global managed investment real estate	2050	Climate change	SDG 13	Our progress is detailed in our annual update report here
In our UK managed investment Real Estate, where we have procurement responsibility, we use 100% renewable electricity	Ongoing	Climate change	SDG 13	Achieved since 2019
In our UK managed investment Real Estate aim to improve biodiversity	Ongoing	Biodiversity	SDG 15	Implemented improvements ranging from wildflower areas to ponds (see Page 34)

Our progress against targets



Social

Target / pledge	Year	Material issue	SDG linkage	2021 progress
40% female, 40% male and 20% any gender within our Board and our senior leadership	2025	Diversity and inclusion and Human capital development	SDG 5	45% female and 55% male within our Board 36% female and 64% male within our senior leadership
50% women across our company	2025	Diversity and inclusion	SDG 5	46% female across our company
One additional Board member who identifies as ethnic minority (18%)	2025	Diversity and inclusion and Human capital development	SDG 10	9% of our Board identifies as ethnic minority
Continue to drive forward our gender, ethnicity and social inclusion action plans	Ongoing	Diversity and inclusion and Human capital development	SDG 5	Ranked in Bloomberg gender equality index Ranked in Top 75 UK Social Mobility Employer Index
			SDG 8	
			SDG 10	
Support the fair pay landscape	Ongoing	Poverty and inequality and Financial inclusion	SDG 1 SDG 8	Shortlisted for Living Wage trailblazer award and Supported the new Edinburgh Living Wage City application



06. Appendix

Governance



Governance

Measure	Unit	2021	2020	Definition
Number of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	#	0	0	
Percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	%	0	0	
Bribery and corruption breaches	#	0	0	Number of bribery and corruption breaches
Legal losses related to marketing and communication	£	0	0	Total losses as a result of legal proceedings associated with marketing and communication of financial product related information to new and returning clients
Legal losses related to financial behaviour	£	0	0	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations
Whistleblowing calls	#	10	14	Whistleblowing notifications which resulted in investigation.
Code of Conduct – completion of My Conduct training (including attestation of compliance with the code)	%	98	99	Percentage of employees who have agreed to comply with code of conduct
Global tax contribution	£m	447	484	





ESG Engagements

Measure	Unit	2021
ESG specific engagements	#	293
Total meetings where ESG was discussed	#	2,569
Corporate governance	%	51
Human rights & stakeholders	%	23
Environment	%	43
Climate	%	41
Corporate behaviour	%	34
Labour management	%	35

Voting: Total resolutions

Measure	Unit	2021
Shareholder meetings at which our clients' shares were voted	#	7,304
Percentage of meetings with at least one vote against or abstention	%	49
Number of resolutions voted	#	75,398
Percentage of resolutions voted with management recommendations	%	87
Percentage of resolutions voted against management recommendations	%	11
Percentage of abstentions	%	2

Voting: Environment and social resolutions

Measure	Unit	2021
Number of resolutions voted	#	280
Percentage of resolutions supported	%	49
Percentage of resolutions voted against	%	50
Percentage of abstentions	%	1
Climate-related resolutions voted	#	99
Climate-related resolutions supported*	%	55
Diversity and inclusion resolutions voted	#	42
Diversity and inclusion resolutions supported*	%	60

*We are supportive of the majority of these resolutions but, in some cases, the drafting precludes a vote in favour by making requests that are inappropriate and impractical for companies to implement. For example, resolutions concerning diversity and inclusion may not take into account the limits imposed by local laws on the collection and use of data related to protected characteristics.



Environment

Measure	Unit	2021	2020	2018 (baseline)	Definition
Scope 1	tonnes CO ₂ e	1,061	1,212	2,667	Scope 1 GHG emissions from natural gas, fluorinated gases (F-Gas), fleet and diesel
Scope 2 – Location based	tonnes CO ₂ e	2,396	3,177	7,069	Scope 2 GHG emissions from purchased electricity
Scope 2 – Market based	tonnes CO ₂ e	769	1,081	4,376	Scope 2 GHG emissions from purchased electricity
Scope 3 – Location based	tonnes CO ₂ e	8,838	10,045	22,482	Scope 3 indirect GHG emissions from business air travel, electricity transmission and distribution losses, and electricity consumption by a third party data centre
Scope 3 – Market based	tonnes CO ₂ e	8,691	9,872	22,107	Scope 3 indirect GHG emissions from business air travel, electricity transmission and distribution losses, and electricity consumption by a third party data centre
Business flights	pkm	2,011	6,230	62,234	Passenger km travelled on business flights through our travel providers
Business rail	pkm	669	945	-	Passenger km travelled on business rail journeys through our travel providers
Road	pkm	297	180	2,965	Passenger km travelled by car for business and claimed through expenses
Total business Travel	pkm	2,978	7,355	65,200	Passenger km travelled on business rail journeys through our travel providers
Total GHG emissions per FTE (location based)	tonnes CO ₂ e/ FTE	2	2	5	Total GHG emissions per FTE for the continuing business.
Total GHG emissions (Scope 1 and 2 only) per £m of total income	tonnes CO ₂ e/£m	1	1	5	Gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO ₂ e per unit currency total revenue
Total GHG emissions per £AUMm	tonnes CO ₂ e/£bn	23	27	58	Scope 1, 2 and 3 (location based) for the reporting year per £bn AUM
Total energy consumption	MWh	14,910	17,733	35,109	Total energy consumption (electricity, natural gas & stationary diesel)
Energy consumption UK	MWh	12,410	14,238	26,658	Total energy consumption in the UK (electricity, natural gas & stationary diesel)
Electricity used	MWh	9,608	12,012	23,440	Total electricity consumption
Natural gas used	MWh	4,787	5,494	10,109	Total natural gas consumption
District Heating	MWh	170	191	1,468	Total MWh consumed through district heating
Stationary diesel	MWh	3	24	92	Total MWh consumed through stationary diesel
Electricity used under a green/ renewable tariff	MWh	7,782	9,205	15,856	Total kWh under a green/renewable tariff
Procured electricity under a green tariff	%	99.5	98	99	Total kWh under a green/renewable tariff where we procure the energy
Waste	tonnes CO ₂ e	2	-	-	Total tCO ₂ e of waste consumed from our largest office locations



Weighted Average Carbon Intensity (Scopes 1 & 2)

Measure	Unit	% AUM with WACI below benchmark	2021	2020	2019	Notes
Equities (20% of total AUM)						
AsiaPac	tCO ₂ e/US\$	69	265	271	377	WACI is calculated by adding the Scope 1 and 2 emissions of companies in the portfolio, divided by million US\$ of revenue and multiplying these by portfolio weights. The 2021 WACI data is as of December 31st 2021 for Equities, Fixed Income and Active Quantitative Strategies. Emissions data has a 1-2 year lag, therefore 2021 carbon footprinting reports reflect 2019 or 2020 corporate emissions.
Global Emerging Markets	tCO ₂ e/US\$	100	236	160	325	
Global Equities	tCO ₂ e/US\$	65	216	224	175	
Europe	tCO ₂ e/US\$	22	136	177	153	
US	tCO ₂ e/US\$	22	134	183	152	
UK	tCO ₂ e/US\$	88	155	112	104	
Japan	tCO ₂ e/US\$	-	-	-	60	
Small Cap	tCO ₂ e/US\$	100	43	65	37	
Fixed Income (12% of total AUM)						
EM Credit	tCO ₂ e/US\$	49	959	339	869	Carbon intensity related to our Japanese equity portfolios in 2019 are reflected in the AsiaPac calculations in 2020 and 2021 due to restructuring.
US HY	tCO ₂ e/US\$	100	312	251	361	
Global IG	tCO ₂ e/US\$	43	227	320	270	
US IG	tCO ₂ e/US\$	60	284	327	232	
Euro IG	tCO ₂ e/US\$	87	102	197	193	Note that we consider Scope 3 emissions for companies and sectors where these are material, but due to data gaps and inconsistencies these are not incorporated into portfolio level reporting.
Euro HY	tCO ₂ e/US\$	91	302	82	181	
Sterling IG	tCO ₂ e/US\$	48	106	153	161	
Active Quantitative Strategies (2% of total AUM)						
UK	tCO ₂ e/US\$	100	105	114	128	
Europe	tCO ₂ e/US\$	100	120	132	221	
US	tCO ₂ e/US\$	100	130	117	175	
Asia Pacific (excluding Japan)	tCO ₂ e/US\$	100	238	238	411	
Japan	tCO ₂ e/US\$	100	62	77	87	
Global Emerging Markets	tCO ₂ e/US\$	100	307	238	429	
Global Developed Markets	tCO ₂ e/US\$	88	117	99	223	
Global All World	tCO ₂ e/US\$	55	150	129	473	

When interpreting WACI changes over time, it is important to understand the drivers. Carbon intensity numbers may increase due to falling revenues even if absolute emissions decline. Regional averages may change due to fund closures or new funds launching.

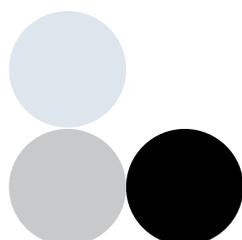
We may also increase our exposure to carbon intensive companies which we believe to be credible transition leaders, which can lead to a short term increase in WACI which we expect to reduce over time. For example we noted last year in our previous TCFD report that increases in WACI for US and European equities in 2020 captured a shift towards utility companies with credible climate strategies, this year in 2021 reporting we have seen a significant reduction in these fund strategies.



AUM in Sustainability Funds (including thematic and screening)

Measure	Unit	2021	2020
Equity	£bn	8.7	8.1
Fixed Income	£bn	16.6	20.1
Multi-asset	£bn	0.3	0.1
Quantitative Equity	£bn	-	0.1
Alternatives	£bn	4.4	3.3
Total AUM	£bn	30.0	31.7

 Find out more at Sustainable
Investing Solutions | [abrdn](https://www.abrdn.com)

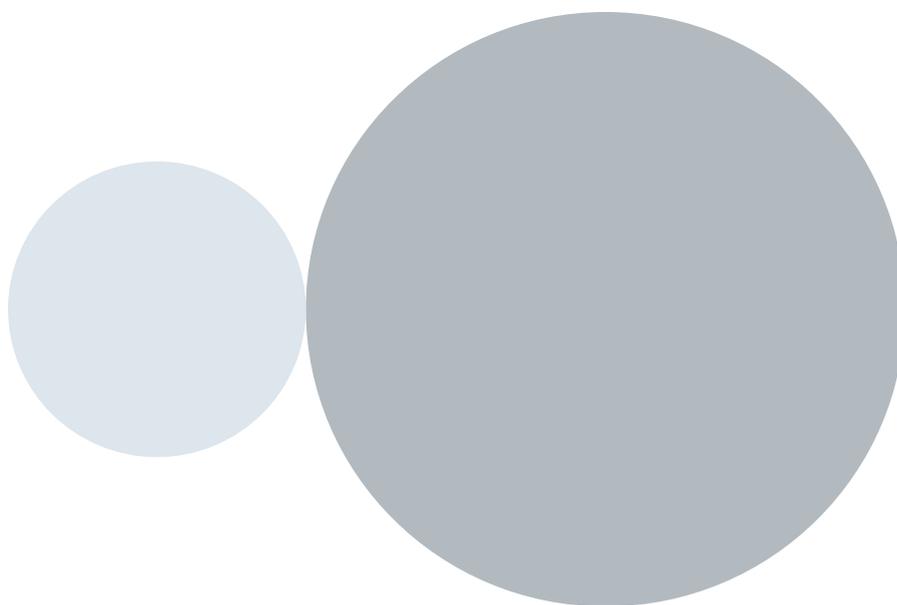


06. Appendix

Social



Overall data ¹	Global	Board	CEO-1/2	People managers
Female representation	46% (Target: 50% +/- 3%)	45% (Target: 40%)	36% ² (Target: 40%)	38%
Minority ethnic representation	See regional data	9% (Target: 18%)		
Disability	2% (11% of colleagues have disclosed)			
Non-heterosexual colleagues	2% (43% disclosure rate)			
Non-Cisgender colleagues	<1% (44% disclosure rate)			



¹Unless stated otherwise Data is accurate as at end of December 2021. This data encompasses: All active staff excluding: Contractors, Shell Accounts, NEDs For ethnicity, sexuality, and disability please note these metrics only includes staff members based in locations where we are legally able to collect diversity data.

²Data is accurate as at end of December 2021. This data encompasses: All active staff excluding: Contractors, Shell Accounts, NEDs, PA/EA population.

06. Appendix

Social



Female representation: Departmental data³	Unit	
Investments ⁴	%	34
Asset Class- Equities	%	39
Asset Class - Alternative Investment Strategies	%	30
Asset Class - Fixed Income	%	25
Asset Class - Multi Asset Solutions	%	29
Asset Class - Quantitative Investments	%	16
Asset Class - Real Assets	%	33
Early Careers⁵	Unit	
Graduates - Female Representation	%	45
Graduates - Minority ethnic Representation	%	32
Graduates - Attended a non-Russell Group University	%	48
Graduates - came through a diversity partnership	%	37
Interns - Female representation (UK)	%	49
Interns - Female representation (US)	%	50
Interns - Female representation (APAC)	%	38
Interns - Minority ethnic representation	%	43
Interns - came through a diversity partnership	%	14
Trainees/School Leavers - Female representation	%	23
Trainees/School Leavers - Minority ethnic representation	%	23
Trainees/School Leavers - Attended a state school	%	86
Trainees/School Leavers - came through a diversity partnership	%	37

³ Unless stated otherwise Data is accurate as at end of December 2021. This data encompasses: All active staff excluding: Contractors, Shell Accounts, NEDs. For ethnicity, sexuality, and disability please note these metrics only includes staff members based in locations where we are legally able to collect diversity data.

⁴ Data is provided for investment decision making roles, determined as job families Investment Professionals, Portfolio Management, Product Specialists (not product specialists/CPM), Research and Private Placement.

⁵ All early careers data relevant for UK unless stated otherwise. The data is for the 2021 populations.

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Regional data - UK	Unit	
Female representation	%	45
Ethnicity - Asian	%	3
Ethnicity - Black	%	1
Ethnicity - Mixed Ethnicity	%	1
Ethnicity - Other	%	<1
Ethnicity - White	%	52
Ethnicity - Prefer not to say	%	1
Ethnicity - Not disclosed	%	41
Ethnicity - Minority ethnic representation	%	6

Regional data - US	Unit	
Female representation	%	37
Ethnicity - Asian	%	7
Ethnicity - Black	%	4
Ethnicity - Mixed Ethnicity	%	1
Ethnicity - Other	%	1
Ethnicity - White	%	74
Ethnicity - Hispanic or Latino	%	7
Ethnicity - Prefer not to say	%	<1
Ethnicity - Not disclosed	%	6
Ethnicity - Minority ethnic representation	%	20

Regional data - APAC	Unit	
Female representation	%	56

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Social



Employees	Unit	2021	2020	Definition
Number of employees	#	5,072	5,988	Total global number of employees
Personnel by region:				
UK	#	4,000	4,705	
EMEA (non UK)	#	275	346	
Asia Pacific	#	491	563	
Americas	#	306	374	

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Social



Employee data	Unit	2021	2020	Definition
<30 years old	%	16	18	Percentage of employees under the age of 30
30-50 years old	%	64	61	Percentage of employees between the ages of 30 and 50 years old
>50 years old	%	20	21	Percentage of employees over the age of 50 years old
CEO to median worker pay UK	Ratio	45:1	29:1	Ratio of CEO to median worker pay (50th percentile) for total remuneration of FTE UK employees
Women executives	#	3	3	Women employed by the company who are on the Executive Leadership team
Women in management positions in revenue generating functions	%	46	40	Women in management positions in the following areas of the company: Investments, Adviser and Personal vectors
Women in management	%	38	38	Percentage of managers who are women (based on a voluntary disclosure rate of 58%)
Women in upper pay quartile	%	26	26	Percentage of women in upper pay quartile
Women in second pay quartile	%	41	42	Percentage of women in second pay quartile
Women in third pay quartile	%	53	52	Percentage of women in third pay quartile
Women in lowest pay quartile	%	59	62	Percentage of women in lowest pay quartile
Median gender pay gap	%	25	30	Median gender pay gap for the company's domestic operations
Employees in pension scheme	%	94	94	Percentage of employees in the company pension scheme (data covers FTE in the UK)
Employee share ownership	%	48	49	Percentage of employees on our payroll who are contributing to one of our employee share options
Employee representation	%	94	83	The number of employees that belong to staff associations, have staff representatives or unions as a percentage of the total number of employees
Employee turnover	%	31	13	Number of employees that left the company within the past year as a percentage of the total number of employees
Voluntary turnover	%	13	7	Number of employees that left the company voluntarily within the past year as a percentage of the total number of employees
Involuntary turnover	%	18	6	Number of employees that left the company involuntarily within the past year as a percentage of the total number of employees
Women in part time roles	%	92	89	Percentage of part time workforce that is female
Full time to part time FTE	%	92	93	Percentage of employees who are full time
Contractor FTE versus employee FTE	%	<1	7	Number of contractors as a percentage of total number of employees

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Social



Learning and development	Unit	2021	2020	Definition
Employees covered by performance appraisals	%	100	100	Percentage of employees covered by performance appraisals
Employee training spend	£m	4.4	4.4	External spend on employee training including support through degrees and qualifications, and job specific training programmes
Employee training hours	hours	21.8	19	Average number of hours employees participated in training
Employees receiving training	%	100	100	Average number of hours employees participated in training
Employee training hours female	hours	20.8	20	Average number of hours of training provided to female employees (on an FTE basis)

Health and safety	Unit			Definition
Absentee rate	%	<1	3	Average number of sick days per FTE as a percentage of total days scheduled
Absentee rate - data coverage	%	94	93	% of employees in workforce used to measure absentee rate
Workforce accidents - employees	#	2	7	Number of accidents at the company resulting in harm to employees.
Fatalities	#	0	0	Number of contractor and employee fatalities



06. Appendix

Charitable giving



Measure	Unit	2021	2020	Definition
Community spending	£m	2.6	2	Total contribution including cash, time and in-kind giving
Total volunteer time	hours	2,685	2,520	Total number of hours employees have logged as volunteering time
Total charities supported	#	95	95	Total number of charitable organisations supported

Ratings and accreditations



Organisation	Unit	2021
Dow Jones Sustainability Index (DJSI)	%	97
Carbon Disclosure Project (CDP)	Score	C
Carbon Disclosure Project (CDP): Supplier Engagement Rating	Score	A-
Global Real Estate Sustainability Benchmark (GRESB): Real Estate assessment	%	100 ⁶
MSCI	Rating	AA
Social Mobility Employer Index (SMEI)	Score	64
Sustainalytics	Rating	Low risk
Bloomberg Gender-Equality Index	Included (Yes/No)	Yes

⁶The GRESB Real Estate assessment measures fund ESG performance, awarding green stars for reaching an absolute level of performance. The reported figure is the percentage of our funds achieving a green star.

Sustainability commitments



Region	Name	Notes
UK	#10000BlackInterns	To support more Black candidates into our industry, we offered a summer internship to one of the 100BlackInterns cohort in summer 2021.
UK and Asia Pacific	30% Club	Launched in 2010, the 30% Club encourages all businesses to aim for 30% women on Boards. We participated in their Cracking the Code research and were involved in their mentoring scheme for two years. We have signed an Investor code of conduct and have representation in Australia and Malaysia.
Asia Pacific	40:40 Vision	40:40 vision is an investor-led initiative to achieve gender balance in executive leadership across all ASX200 companies by 2030. We are committed to advancing this goal in both our own operations and through our engagement as investors
UK	All Party Parliamentary Corporate Governance Group	We have been a member of this group since 2012 and engage regularly on contemporary corporate governance issues. In 2021, both our Chair and CEO led presentations to other members and parliamentarians
UK	Armed Forces Corporate Covenant	Through this covenant we have committed to support the Armed Forces Community. We recognise the value Serving Personnel, both Regular and Reservists, Veterans and military families contribute to our business and our country
Asia Pacific	Asian Corporate Governance Association (ACGA)	Our membership of this non-profit organisation enables us to connect with corporate governance matters throughout Asia, we are involved directly with the Japan Working Group
UK	Audeliss/Involve letter:	CEO signatory to an open letter encouraging progress on minority ethnic representation through a series of specific committed actions including targets, measurement and listening
UK	Black professionals Scotland	Facilitates networking and professional development of Black professionals working in Scotland. Colleagues were involved in setting the organisation up.
UK	Bloomberg Gender Equality Index	This global benchmark on gender equality was created to drive transparency and provide investors with standardised information on how companies are advancing women in the workplace. We have been included for four years in a row
Global	Business Benchmark for Farm Animal Welfare (BBFAW)	We are members of the BBFAW collaborative working group and we have supported this initiative since 2016 by signing annual engagement letters to encourage improvements on animal welfare practices and corporate behaviour.
Global	CDP (Carbon Disclosure Project)	We are signatories to CDP and participate in an annual disclosure as a corporate entity.
Global	Climate Action 100+	This is a collaborative initiative between asset owners and managers to engage with high-carbon emitters, influence increased disclosure, and encourage positive behaviour in relation to climate risk management
Global	Climate Care	ClimateCare helped create the voluntary carbon market and pioneered carbon finance for community development projects. We work with ClimateCare to offset our operational greenhouse gas emissions.
Global	Coalition for Climate Resilient Infrastructure	We are members of the CCRI, the coalition aims to ensure that physical climate risks are systematically integrated into investment decisions.
US	Corporate Call to Action (CCA)	By joining the Corporate Call of Action, we are part of a CEO coalition aiming to establish measurable commitments to address racial justice and social change. We publish our EEO-1 data and encourage others to do the same

Sustainability commitments



Region	Name	Notes
UK	Corporate Governance Forum	We are a founding member of this forum, which has been active since 1998, and meets frequently to engage on emerging corporate governance topics in the UK, and globally
US	Council of Institutional Investors (CII)	We are members of this leading representative body of US institutional investors and involved directly with the Corporate Governance Advisory Council
UK	Diversity Project	We have worked with this investor coalition since inception and setup the Diversity Project Scotland chapter in 2019. As a Supporter Firm, we work with upReach to deliver the Investment Springboard programme, helping 170 undergraduates from less-advantaged backgrounds to pursue a career in the investments and savings industry
Global	Emerging Markets Investor Alliance	We are a member of The Emerging Markets Investor Alliance, which enables institutional emerging market investors to support good governance, promote sustainable development, and improve investment performance in the governments and companies in which they invest
UK	Equileap	Our work on gender equality was ranked 72nd by Equileap who research and rank over 3,500 public companies. They named us as the best company globally for paid parental leave.
Europe	European Corporate Governance Institute (ECGI)	We support leading academic research on corporate governance issues and sponsor an annual 'corporate finance' prize
Europe	European Fund and Asset Management Association (EFAMA)	We are a member of this association and involved directly with the Stewardship, Market Integrity, and ESG Investment Standing Committee
Global	Farm Animal Investment Risk and Return (FAIRR)	The FAIRR initiative has been helping to drive change in the animal agriculture sector. Working closely with investors, FAIRR produces and analyses data from the world's largest protein producers and manufacturers to help minimise risks and maximise profits. We are members of FAIRR and involved in collaborative engagement with companies involved in the animal-derived food production.
UK	Financial Women's Association Singapore	We have been a corporate member since 2015 and are actively involved in their Male and Female Champion Initiative, mentoring programme and providing speakers for and participating in their events
Global	Financing a Just Transition Alliance	This multi-stakeholder working group is comprised of investors, policy makers, companies, and academia to seek ways to allocate capital towards a just and fair climate transition. We are a signatory to support the transition to a low carbon economy, as well as to support impacted workers
UK	Find It, Fix It, Prevent It	Led by CCLA Investment Management, this project aims to use the leverage of investors to improve the efficacy of corporate action to identify and provide remedy to victims of modern slavery in their supply chain. Engagement activities focus on companies operating in the UK.
UK	Gateway to Leadership	Provides training and career opportunities promoted to ethnic minority students. We have had colleagues represent our business in speaker events.
UK	Girls are Investors (GAIN)	GAIN aims to inform young women about the financial services industry and build their professional networks. We provided a summer 2021 internship opportunity to a GAIN member.
Global	Global Ethical Finance Initiative (GEFI)	GEFI oversees, organises and coordinates a series of programmes to promote finance for positive change. We supported of the GEFI 'path to COP26' programme
Global	Global Investor Governance Network (GIGN)	We are a founding member of GIGN, which brings together global governance representatives from major global investors to consider emerging governance issues and developments
Global	Global Investor Statement to Governments on Climate Change	We are a signatory to an annual statement calling for governments to take action to strengthen climate related policies

Sustainability commitments



Region	Name	Notes
Global	Global Real Estate Sustainability Benchmark (GRESB)	The GRESB enables reporting on ESG performance against benchmarks for our funds and assets. We are members of both the Advisory Board and the Benchmark Committee
Global	Good Work Coalition	We are a member of this coalition of investors, asset owners, companies, and NGOs, which aim to address workforce and labour issues and champion fair work practices
UK	Hampton-Alexander Review	We are ranked 13th in this review of the gender representation of FTSE 350 Boards and Executive teams.
UK	HM Treasury Women in Finance Charter (WIFC)	We were amongst the first signatories to WIFC in 2016, pledging to increase gender balance in our senior management populations and across our industry
Asia Pacific	IGCC's Climate League 2030	Climate League 2030 asks participants to support efforts to drive a further reduction in annual greenhouse gas emissions, of at least 230 million tonnes, on top of current projections for the end of the decade, and pledge at least one new action each year towards this goal
Europe	Institutional Investors' Group on Climate Change (IIGCC)	We are members of the IIGCC and actively involved in a number of working groups, including the Paris Aligned Investment Initiative. We have contributed to the IIGCC Net Zero Investment Framework and co-chaired the Strategic Asset Allocation sub-group.
UK	Investment Association	We are members of this UK representative body for asset owners and managers and are represented on the Stewardship, Remuneration & Share Schemes, and Sustainability & Responsible Investment committees
US	Investment Company Institute (ICI)	We are a member of this leading association representing regulated funds globally. The ICI seeks to encourage adherence to high ethical standards and advance the interests of funds, shareholders, directors, and advisers
UK	Investment20/20	We have provided employment opportunities to young people through I2020 for a number of years. In 2021 we were part of a coalition of employers supporting I2020 to hire young jobseekers on Universal Credit into the industry, via the UK Government's Kickstarter programme.
Global	Investor Alliance for Human Rights	We are a member of The Alliance, which is a collective action platform that includes over 160 investors and aims to put an investor's responsibility to respect human rights into practice.
Global	Investor coalition supporting the UN Guiding Principles Reporting Framework	We are a signatory to the investor statement in support of the UN Guiding Principles Reporting Framework. The objective is to encourage companies to report in line with the Framework
UK	Investor Forum	As a collaborative forum, we are members as a major UK investor and engage on investor roundtables and emergent governance issues, such as labour and human rights practices in UK companies
Asia Pacific	Investor Group on Climate Change (IGCC)	We are a member, alongside asset managers and owners in Asia Pacific, to take a proactive approach to managing climate change risks and opportunities. We engage across working groups to help develop best practice approaches
US	Investor Stewardship Group (ISG)	We are affiliated with this investment-led initiative, which was formed to develop a framework on corporate governance standards for US institutional investors
Asia Pacific	Investors Against Slavery & Trafficking (IAST) APAC	Modelled after the UK's Find It, Fix It, Prevent It initiative, IAST APAC aims to use the leverage of investors to improve the efficacy of corporate action to identify and provide remedy to victims of modern slavery in their supply chain. Engagement activities focus on companies operating in the Asia Pacific region
UK	Investors in Young People	This accreditation recognises organisations who are employers of choice that attract, retain and develop young people. Companies recognised by the accreditation are dedicated to creating pathways that have positive outcomes for young people and developing talent pools.

Sustainability commitments



Region	Name	Notes
Global	Just Transition Statement	We are a signatory to the 2018 statement of Investment Commitment to support a Just Transition to a low carbon economy. This is run by London School of Economics, Grantham Research Institute, Harvard Kennedy School and PRI. Our objective is to incorporate Just Transition into our research & engagement.
UK	Living Wage and Living Hours	Our accreditations as a Living Wage and Living Hours employer means we pay all of our UK employees and suppliers working on our premises a living wage, as well as provide guaranteed hours. We are part of the Living Wage Scotland and Living Hours leadership groups, in order to continue influencing best practice for tackling issues around insecure work.
Global	Net Zero Asset Managers (NZAM) Initiative	We are a member of the Net Zero Asset Manager initiative to enable asset managers and clients to work in collaboration to achieve net zero by 2050.
Europe	Paris Pledge for Action	We pledged our support towards the goals of the Paris Agreement
Global	PawPrint	We partnered with eco-tech business, Pawprint, to monitor emissions from home working and empower our people to understand their own carbon footprint.
Global	Powering Past Coal Alliance (PPCA)	We are members of the PPCA, a coalition of national and sub-national governments, businesses and organisations working to advance the transition from unabated coal power generation to clean energy.
UK	PRA/FCA Climate Financial Risk Forum	We are members of this forum to demonstrate support in the development of best practice guidance related to climate change in the UK. We contribute via working groups, case studies, and review of upcoming guidance documentation.
Global	Principles for Responsible Investment (PRI)	We are signatories to PRI - this is a UN supported network of investors that works to promote sustainable investment through the incorporation of environmental, social and governance considerations.
UK	Race At Work Charter	In October 2018, we were proud to become one of the founding signatories of the UK's Race at Work Charter, demonstrating our commitment to attracting ethnic minority talent and removing any barriers in order to retain and develop a diverse group of talented people.
Asia Pacific	Responsible Investment Association of Australasia (RIAA)	We are a member of this association to champion responsible investing and sustainable finance across Australia and New Zealand. This allows us to contribute to thought leadership and emergent industry developments in the region.
UK	SEO London - Her Capital	This programme aims to support ethnic minority women who are university students into graduate roles through mentoring and skills development.
UK	ShareAction	We support ShareAction across a range of collaborative engagement, voting, policy and research activities. We have signed engagement on workforce issues, such as Living Wage and sponsored the Living Wage Investor Toolkit publication.
Asia Pacific	Singapore Stewardship Principles (SSP)	Our membership of this group signals our support for good stewardship and corporate governance in Singapore, with the ultimate objective of enabling companies to secure their performance over the long term.
UK	Social Mobility Pledge	We are one of 600 organisations who have signed this pledge, committing to put social mobility at the heart of our purpose. As part of the pledge, we have undertaken action in three key areas of outreach, creating a recruitment strategy that attracts people from a range of backgrounds, and creating access opportunities.

Sustainability commitments



Region	Name	Notes
Global	Taskforce for Climate Related Financial Disclosure (TCFD)	We support the TCFD framework as the global standard for climate disclosure and produce annual disclosures in-line with recommendations against the four pillars of: Governance, Strategy, Risk Management, and Metrics and Targets
Global	Taskforce on Nature related Financial Disclosures (TNFD)	In 2021 we joined the TNFD observer group. The TNFD aims to help financial institutions to shift finance from destructive activities and toward nature-based solutions.
US	The Defence Employer Recognition Scheme (ERS)	The ERS encourages organisations to support the military community and inspire others to do the same. As a Gold Award organisation, we are committed to supporting veterans, reservists, and their families through quality employment and forces-friendly policies, as well as the wider community through charity partnerships.
Europe	The European Sustainable Investment Forum (EuroSIF)	We are members of this European industry body for Socially Responsible Investment (SRI) and engage through attendance at events, consultations and through sponsorship of conferences
UK	The Good Economy	We are an early adopter of The Good Economy's Sustainability Reporting Standard for Social Housing, with the objective of improving our ongoing engagement with housing associations and enabling transparent disclosures
Global	Transition Pathway Initiative (TPI)	As a supporter of this asset owner led initiative, we sponsor research to enable leading insights related to companies readiness for the transition to the low carbon economy
UK	UK Sustainable & Investment Financial Association (UKSIF)	We are members of this UK industry body for Socially Responsible Investment (SRI) and have been involved since 1997. We engage through attendance at events, consultations and through sponsorship of conferences
Global	UN Global Compact	We are a signatory to the UN Global Compact, which encourages businesses and firms worldwide to adopt sustainable, socially responsible policies, and to report on their implementation
Global	United Nations Environment Programme Financial Initiative	UNEP FI is a partnership between UNEP and the global financial sector to mobilize private sector finance for sustainable development. We signed the Global Investor Statement on Climate Change 2019 to encourage stronger climate action and the Just Transition statement to ensure that the social implications of climate change are considered.
UK	Workforce Disclosure Initiative (WDI)	The WDI is designed to generate decision-useful data for investors on a wide range of workforce issues, covering companies' direct operations and supply chains. We are both investor signatories and participants in the annual corporate disclosure.
UK	Change the Race Ratio: CBA/Investment Association	Collaboration of employers to make progress on minority ethnic representation beyond Board level. Commitments including specific actions around Black inclusion
UK	Young Person Guarantee	In 2020 we were one of the first organisations announced by the Scottish Government as supporting the Young Person Guarantee. The Guarantee aims to give all young people (aged 16-24) in Scotland opportunities to work, study or train despite the economic impacts of COVID-19. As part of our support, we seconded a colleague to the City of Edinburgh Council to help secure employers' commitments to the Guarantee.

