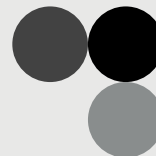


abr dn **Modern Slavery** **Statement**

Our Approach 2021

[abr dn.com](https://www.abr dn.com)



Stephen Whitehead
Chief Brand, Marketing and
Corporate Affairs Officer

Over 40 million people globally are estimated to be victims of modern slavery, with up to 136,000 likely to be in the UK alone.¹ Modern slavery takes many forms, from human trafficking and forced labour, to bonded labour and child slavery. Its continued existence confirms our shared duty to tackle it in whichever way we can, making clear that modern slavery has no place in our society.

At abrdn, we are committed to doing all we can to help tackle these issues and identify how to promote best practice across our operations, supply chain and the companies we invest in.

Ours is a collaborative approach, reflecting the scale of the challenge and the urgency of assisting those at risk.

¹ Global Slavery Index





Introduction

Our Modern Slavery Statement is published in accordance with the UK Modern Slavery Act 2015, and details our activities for the year ending 31 December 2021 in helping prevent modern slavery in our operations and supply chain¹.

We want to go beyond legislative requirements and ensure our efforts can bring about the biggest impact. We have therefore included in this statement our investment approach and how we engage with companies deemed at higher risk due to their type of industry or geography, and encourage better practices. We want to continue pushing ourselves to do more and have detailed within the statement our next steps and aims for future work in this area.

In line with the United Nations (UN), we define modern slavery as an umbrella term including forced labour, human trafficking, and forced marriage. Whilst the UK financial services industry is not considered a high risk sector for modern slavery, we are not complacent.

We must also recognise the possibility that modern slavery issues could exist in our value chain. We therefore take an active approach and work across our operations, through our investments, with individual suppliers and with our wider sector to drive positive change.

Our approach is developed by our Modern Slavery Working Group, which is comprised of cross-business expert representatives including procurement, legal, sustainability, risk and compliance, company secretariat and investments. By consulting expert stakeholders, we ensure the local contexts of our operations, supply chains and investments are understood. Stephen Whitehead, Chief Brand, Marketing and Corporate Affairs Officer, is the Executive Sponsor.



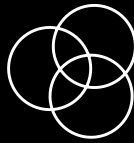
¹ Refers to abrdn plc and each of its UK subsidiary commercial organisations.

Our purpose

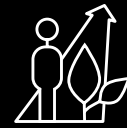
Enabling our clients to be better investors



Technology and insight help empower clients to make better decisions



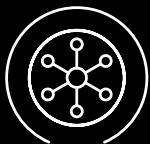
Powerful partnerships help to enhance the expertise that we offer



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

Business overview



December 2021

99%

of employees completed training on modern slavery and recognising warning signs

Over

5,000

employees globally

Offices in over

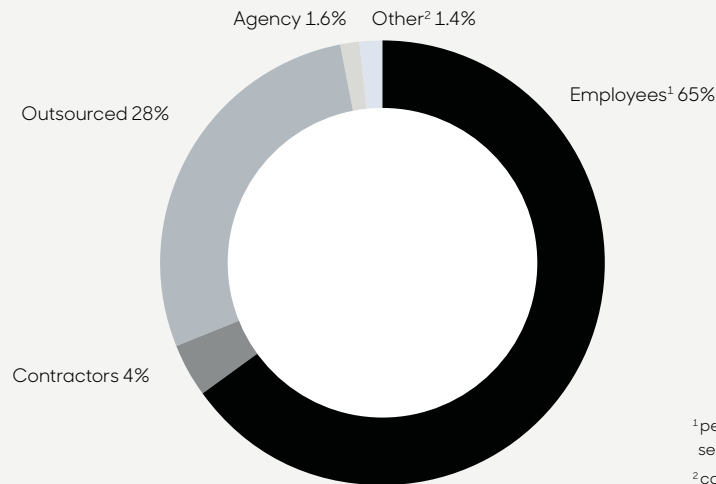
40

locations globally

78%

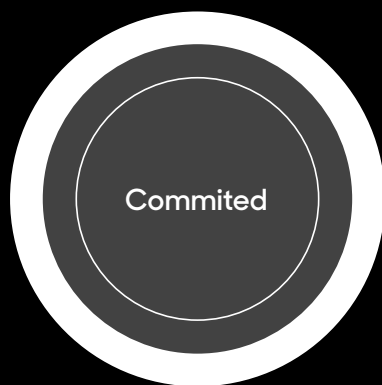
Colleagues represented by an association or trade union

Worker Type

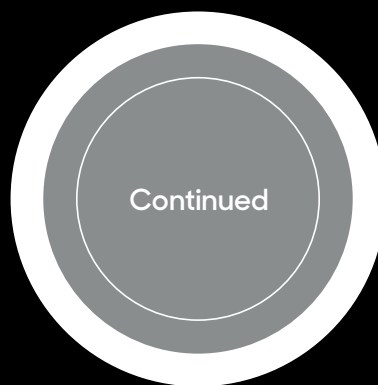


¹ permanent, fixed term, interns, secondees, international assignments.

² consultant, external secondee.



to a multi-year review on our reporting of modern slavery across our operations and supply chains to better understand our areas of greatest risk



driving wider action through The Investor Forum and the "Find it, Fix it, Prevent it" collaboration



with investee companies on modern slavery issues and transparently reported on our discussions

Global locations



-
- Australia
 - Belgium
 - Brazil
 - Canada
 - China
 - Denmark
 - France
 - Germany
 - Ireland
 - Italy
 - Japan
 - Luxembourg
 - Malaysia
 - Netherlands
 - Singapore
 - South Korea
 - Spain
 - Sweden
 - Switzerland
 - Taiwan
 - Thailand
 - United Arab Emirates
 - United Kingdom
 - United States

Our investments



Our approach for investments

At abrdn, we understand that perhaps the biggest potential impact we can have on modern slavery is through our investments. 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's why assessing the risks and opportunities of human rights issues has been a core part of our approach for years. Our human rights approach for investments is built around six areas of focus.

Focus	Objective	Aim
Research	Provide high-quality human rights insights and thematic research across asset classes and regions. This draws on corporate and economic research, as well as insights from human rights organisations (such as NGOs and trade unions) and academia.	<p>Drive positive outcomes for our clients by integrating high-quality human rights insights into investment decision-making.</p> <p>Fulfil our responsibility to respect human rights by using leverage to challenge practices and influence positive change.</p>
Investment Integration	Understand the potential financial impacts of human rights risks and opportunities across regions and sectors, integrate these into our investment decisions and understand the implications for our portfolios.	
Client Solutions	Understand client expectations in relation to human rights issues and incorporate this into our stewardship approach. For products with specific labour and human rights criteria, additional research and consideration is made for capital-allocation decisions.	
Engagement & Voting	Better understand investee management of human rights risks and opportunities. Consider the rights holder perspective through discussion with human rights organisations (such as NGOs and trade unions) and academia. Use leverage to challenge investee practices and encourage improvements through engagement and voting.	
Collaboration	Collaborate with human rights related industry associations and participate in relevant initiatives. Engage with peers and policymakers to stimulate improvements and best practice.	
Disclosure	Disclose how we use our leverage to influence practices in our engagement and voting reports.	



Our investments



Environmental, social and governance (ESG) considerations have formed an integral part of our decision-making process for almost 30 years. We publish our position on a number of sustainability issues related to labour and human rights on our website. These include statements on business and human rights, labour and employment, and government and human rights.

A key way we can drive change is through how we invest. We constructively use our influence as an investor to engage with companies and use our voting rights and

integrate ESG factors across all asset classes (apart from those which track a market index). The expectations for our investments are based on understanding their risk. This is developed through our internal research, our ESG House Score, and bringing together expert stakeholders. We also expect the companies we invest in to meet internationally recognised modern slavery standards and industry best practices. Human rights represents one of our five thematic research pillars, which are aligned with the UN Sustainable Development Goals.



Our ESG investment research team includes two dedicated specialists, one focused on human rights and communities, with another focused on labour and employment practices. These specialists work in

collaboration with multiple areas across the business, and provide support to investment managers and analysts who consider labour and human rights issues in their daily investment decision-making.



Assessing and understanding risk



We recognise that certain geographies and sectors are at a higher risk of modern slavery, so we prioritise our investment research and engagement on this basis. We draw upon a number of sources for insights, for example **The Global Slavery Index** and the **US Department of Labor's List of Goods Produced by Child Labor or Forced Labor**.

Internally, our Research Institute has also developed a global Human Rights Index. The index ranks countries across a range of indicators aligned with the Universal Declaration of Human Rights (UDHR). A number of indicators are linked to modern slavery including access to justice, labour, corruption, transparent laws, civil liberties and civil society organisation participation. The index helps us understand which jurisdictions have an increased risk of modern slavery.

Internal research

Within our private equity and real estate teams, we issue questionnaires to gauge management of human rights issues. These questionnaires are sent to fund managers, property managers and tenants. The responses are then aggregated and compared to better understand our exposure to human rights risks and identify the mitigation actions required.

To support our company-level research, we developed our ESG House Score. The score is visible for our teams and can be broken down to focus on management of specific ESG issues, including modern slavery risks in direct operations and in the supply chain.

Business engagement

We expect companies to report to shareholders regarding policies, practices and the performance of all the steps taken to address modern slavery issues. We also recognise that, as a large global investor, we are often in a position of influence, which can be used to drive positive change. We focus on developing an open and ongoing dialogue with investee companies about their progress. These discussions add valuable insights to our investment view.

If companies do not meet our standards but commit to making improvements, we closely track their progress to ensure it meets our expectations. This can include setting timebound targets and regular checkpoints for engagement. In cases where our contacts are unwilling to engage or we see insufficient progress, we look for ways to increase our leverage, for example by joining collaborative industry groups. If we feel that no progress, or commitment to measurable progress, is achieved we will take divestment decisions.

Over the course of 2021, we continued to engage with companies in high risk sectors and geographies. Progress and insights were shared across our investment teams at regular points through the year, and through our Labour and Human Rights Working Group. This group is cross-vector and cross-regional, and focuses on identifying, prioritising and implementing our approach to labour and human rights issues in our investment decision making. This includes modern slavery, as well as wider labour and human rights issues that affect or are affected by our investments.





Our investments: case study

Focus on transportation

Due to the nature of their business, transportation and logistics companies may be at higher risk in exposure to modern slavery. Complex supplier networks and limited visibility between markets heightens risks that human traffickers may seek to exploit the transportation system for their personal gain. However, the sector also has a unique opportunity to help combat human trafficking.

Through our internal risk assessment, we identified J.B. Hunt as a company with a heightened awareness and sensitivity to modern slavery. We discussed these risks with the business to gain an understanding of how these risks are being managed – noting the company’s support for the Department of Transportation’s **Transportation Leaders Against Human Trafficking Initiative**.

We learned that the company has implemented a robust training programme and that (since 2014) their drivers have been trained using **Truckers Against Trafficking** training materials and are retrained periodically. This is a non-profit organisation that focuses on training drivers to recognise, and report, instances of human trafficking. The company provides other forms of education and outreach to non-driver employees.

In addition, the company provides a mobile mass-communication system that is embedded in their "Drive App" utilised by drivers to perform work functions that provides drivers easy access to the National Human Trafficking hotline to report suspected trafficking. All company devices are installed with the driver application making this feature available to their entire driver workforce.

It is estimated that 100,000 people in the U.S. are victims of human trafficking and the company recognises the unique position of its drivers, as the eyes and ears of the highways and stops along the way, to find and report on suspected activity. This extends to a network of third-party carriers to share learning and best practice on how to effectively address the issue.

Our engagement activity with J.B Hunt offered assurance that the company is taking the fight against modern slavery seriously and has introduced positive initiatives to help discover and disrupt human trafficking. We will continue our dialogue with them to monitor their progress.



Read more about our engagement in our **Sustainability Report, Human Rights Statement and Active Ownership Report.**

Driving wider progress

We participate in a number of multi-stakeholder collaborations, including with industry peers and nongovernmental organisations. Through these, we advocate for better enforcement of anti-modern slavery legislation across the asset management industry and beyond.

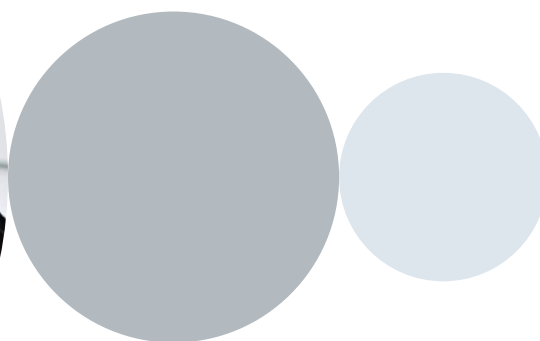
We are members of the Investor Alliance for Human Rights (IAHR), the investor coalition supporting the UN Guiding Principles Reporting Framework, the Principles for Responsible Investment (PRI) and the UN Global Compact. Through the IAHR, we join over 200 investors in calling on governments in the United States, Canada and the European Union to implement mandatory corporate human rights due diligence through regulation. Effective human rights due diligence is critical to identifying and mitigating human rights risks, including risks of modern slavery.

As founding members of The Investor Forum, we have participated in projects that aim to tackle modern slavery in sectors deemed as being at higher risk.

Our collaborative approach

We have maintained our involvement in the 'Find It, Fix It, Prevent It' investor initiative, launched by CCLA (Churches, Charities and Local Authorities Investment Management Limited). Working with industry organisations and academics, CCLA encourages UK businesses to find and help victims of slavery within their operations and supply chain. We are also a member of 'Investors Against Slavery and Trafficking APAC', an investor-led initiative addressing modern slavery, labour exploitation and human trafficking in the Asia Pacific region. The group was modelled on the work of CCLA and has focused on encouraging Australian companies to legally comply with the Australian Modern Slavery Act 2018, and on undertaking collaborative engagement with companies in Asia Pacific on human rights in the supply chain.

Further details of our approach can be found in the appendix of our **Sustainability Report**.





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. We also consult international human rights standards such as the Core Conventions of the International Labour Organisation (ILO), the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights to ensure alignment to best practice.

The Global Code of Conduct and Global Third Party Code of Conduct are the two key policies which integrate modern slavery principles into our operations and supply chain, in addition to our Human Rights Statement. We are transparent about our approach and all three documents are publicly available so employees and third party stakeholders – including suppliers and business partners – are clear about what is expected of them. They are also hosted internally on our intranet and disseminated through relevant training modules.



Global Code of Conduct

Our Global Code of Conduct describes the principles and standards to which we hold ourselves. We ask all employees to consider these in every decision and action they take. The Code specifically highlights our commitment to tackling modern slavery, including human trafficking. Employees receive training on the content and meaning of the Code and are required to confirm they have read and agree to abide by its principles on at least an annual basis.

Our Code of Conduct states that any employees should be paid in line with living wage legislation where they are resident. Where this is not in place, we require that a fair and equitable wage should be paid, a practice which actively discourages worker recruitment fees and obligates those we work with to the highest standards of recruitment of employees.



Global Third Party Code of Conduct

Our Global Third Party Code of Conduct sets out the standards we expect from suppliers and reflects the values and principles within our Global Code of Conduct. It specifically highlights the UK Modern Slavery Act 2015 as well as our wider interest and focuses on human rights issues, labour standards, diversity and inclusion, and health and safety. It also provides details of our independent whistleblowing hotline to anonymously report any issues.

The Global Third Party Code of Conduct directly references the ILO, noting our expectations of those who work with us. We expect that they will uphold the commitments relating to the four core ILO standards and to ensure their own supply chain also meets the minimum standards of freedom from forced labour, child labour, discrimination at work and the freedom to form and join a union, and to bargain collectively.

Our Policies



Human Rights Statement

Our Human Rights Statement defines the potential negative human rights impacts of our activities, and prioritises these based on the severity of their occurrence. Our salient human rights issues are defined by the human rights oversight group, and the statement describes the mitigation actions we are taking to uphold each right.

Our Human Rights Statement is updated annually to reflect the latest policies and practices. The Statement reaffirms the right of our employees to be treated equally and their freedom of association. It also acknowledges the specific risks for the financial services sector, in particular for our clients, such as information security and data privacy, and outlines our steps to address the needs of vulnerable customers.



Other policies

Including: Procurement, Outsourcing and Third Party Management, Corporate Transactions, and People.

Our policies and associated documents collectively demonstrate our wider approach to identifying and mitigating human rights impacts and with respect to modern slavery risks. They support our commitment to tackling modern slavery through our interactions with our suppliers, our people, and new business partners.

In particular, we ensure all regions and markets have policies that are appropriate and relevant to the legislation by which they are governed. Our policies are available on request, and our documents are available on our website.

In 2021, we undertook extensive work to enhance our supplier oversight through the implementation of the Procurement, Outsourcing and Third Party Management Policy. This included enhanced standards of supplier due diligence and ongoing risk assessment in line with updated EBA (European Banking Authority) Standards.



Our people

Raising concerns

If our employees identify any issues relating to modern slavery, including labour conditions, we encourage them to report this to their manager. If they feel uncomfortable raising their concern using their normal reporting line, or wish to do so anonymously, an independently managed confidential Speak Up hotline is available.

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. In 2021 we received no reports related to modern slavery.

If modern slavery were to be found within our operations or supply chains, this would be disclosed and remedied in compliance with our commitment to the United Nations' **"Protect, Respect and Remedy"** framework.

Training

To raise awareness amongst our employees of both modern slavery and the Speak Up arrangements available to them, both topics are highlighted in our Global Code of Conduct for employees and our Global Third Party Code of Conduct.

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 they should be resolved.



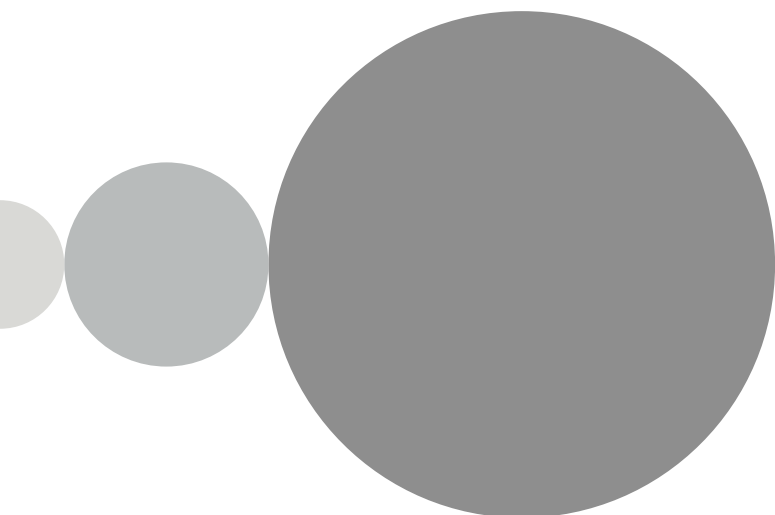
Our suppliers

Due diligence and risk assessment

We want to reduce the risk of modern slavery in our operations and supply chain. Heightened modern slavery and human trafficking risks exist in relation to certain territories, and in relation to the production of certain goods and services.

We work with around 5,000 suppliers who provide us with a variety of goods and services. The majority of our spending is with suppliers of fully managed outsourced services, IT, professional services, and goods and services related to the management of our premises. We communicate our human rights and modern slavery expectations to employees and third parties through our Global Code of Conduct and Global Third Party Code of Conduct.

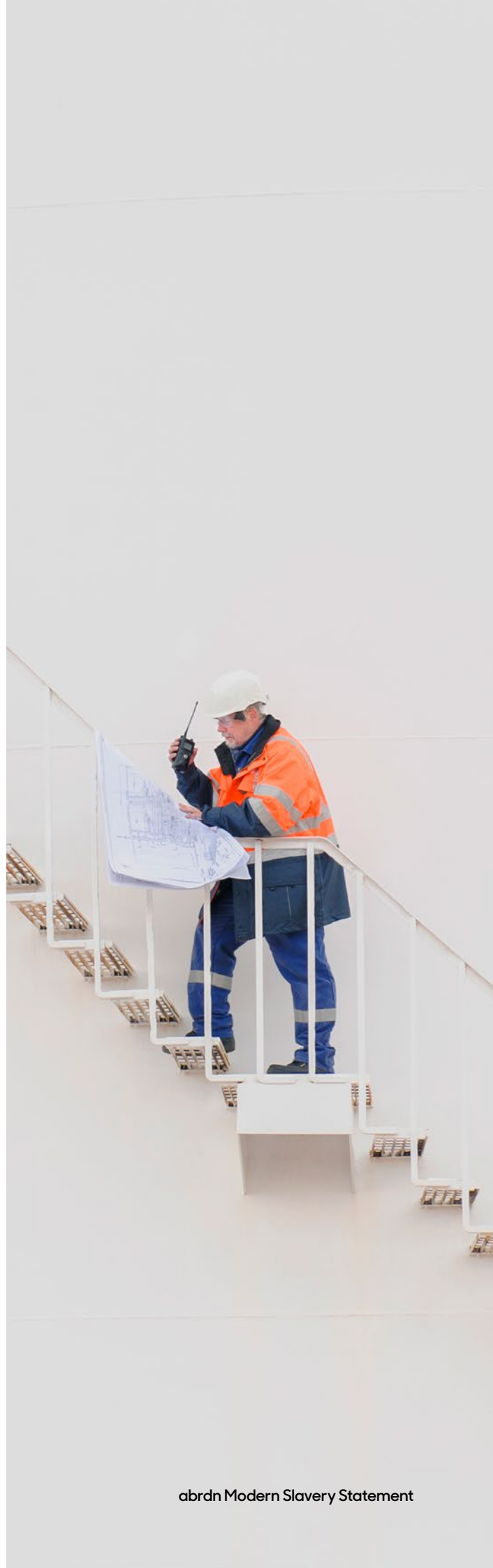
Our Due Diligence approach requires businesses to detail their Board level and/or executive leadership oversight in their direct operations and supply chain. This includes whether they produce a Modern Slavery Statement and Human Rights Statement, as well as disclosures on the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 and Taskforce on Climate-related Financial Disclosures. This also requires clarity on the systems used to achieve oversight and obtain worker feedback, attracting and developing workers, diversity and inclusion, pay equity, mental health and health and safety amongst other key requirements.



Our suppliers

In 2021, we implemented the new Global Third Party Risk Management Framework which includes a strengthened service risk assessment, with more focus placed on Anti-Financial Crime and Environmental, Social and Governance (ESG) issues. We engaged subject matter expertise (SMEs) to inform what levels of proportionate due diligence activities may be required to be undertaken on the respective third party. These SMEs made recommendations in strengthening our due diligence questions (DDQ) and service risk assessment questionnaire (SRAQ) plus making recommendations around our DDQ and SRAQ process.

Whilst in 2021 we did not find any instances of modern slavery in our supply chain, we have robust frameworks in place to ensure this is appropriately escalated and remedied in the event of a discovery. Any issues would be escalated to senior management through the Enterprise Risk Management framework, with the resulting actions taken tailored depending on the circumstances. Action could vary from supporting a supplier to make a positive change to terminating the relationship.





Supplier engagement

We ask our third parties to inform us if they have any issues or concerns with our Code of Conduct. Where relevant, suppliers' performance and approach to their human rights responsibilities are also reviewed at various stages – during our sourcing process, as part of our due diligence and during our ongoing relationship management discussions. We have traditionally undertaken site visits with our suppliers as part of our ongoing relationship and service management, although this has been affected due to COVID-19 restrictions. We will look to resume visits in line with the relevant geographical COVID-19 guidance.

Prompt payments

Good practice is also about getting the fundamentals right. Our approach is to include certainty for those we work with that they will be treated fairly and can count on us as a responsible and fair business partner. As signatories of the UK **Prompt Payment Code** our policy is to pay all suppliers within 30 days of receipt of invoice. We also have clear statements of works in contracts such as catering, cleaning, and outsource contracts which outlines hours and services required. Any changes are carried out through agreed change control which limits the ability for last minute requests, and any such requests require a fully executed Purchase Order, which minimises the risk for our partners.

Paying a living wage

Ensuring fairly paid, secure and safe employment through our operations and supply chain is a key way we reduce modern slavery risks. Through employment contracts and accreditations, as a UK Living Wage and Living Hours employer, we commit to fairly paying all of our employees for their voluntary and non-coerced labour, and that working hours are not excessive. All employees must have a right to work in the country of employment and minimum age standards are always upheld. In line with our commitments, we require all UK suppliers to also pay employees the Living Wage if they are working on our premises.

We also require our suppliers to meet any living wage legislation in the territories that they supply services to us or, if no legislation is in place, they must commit to paying their employees a fair and equitable wage. Our Global Third Party Code of Conduct was updated in 2021 to widen this fair wage remit to a global consideration.

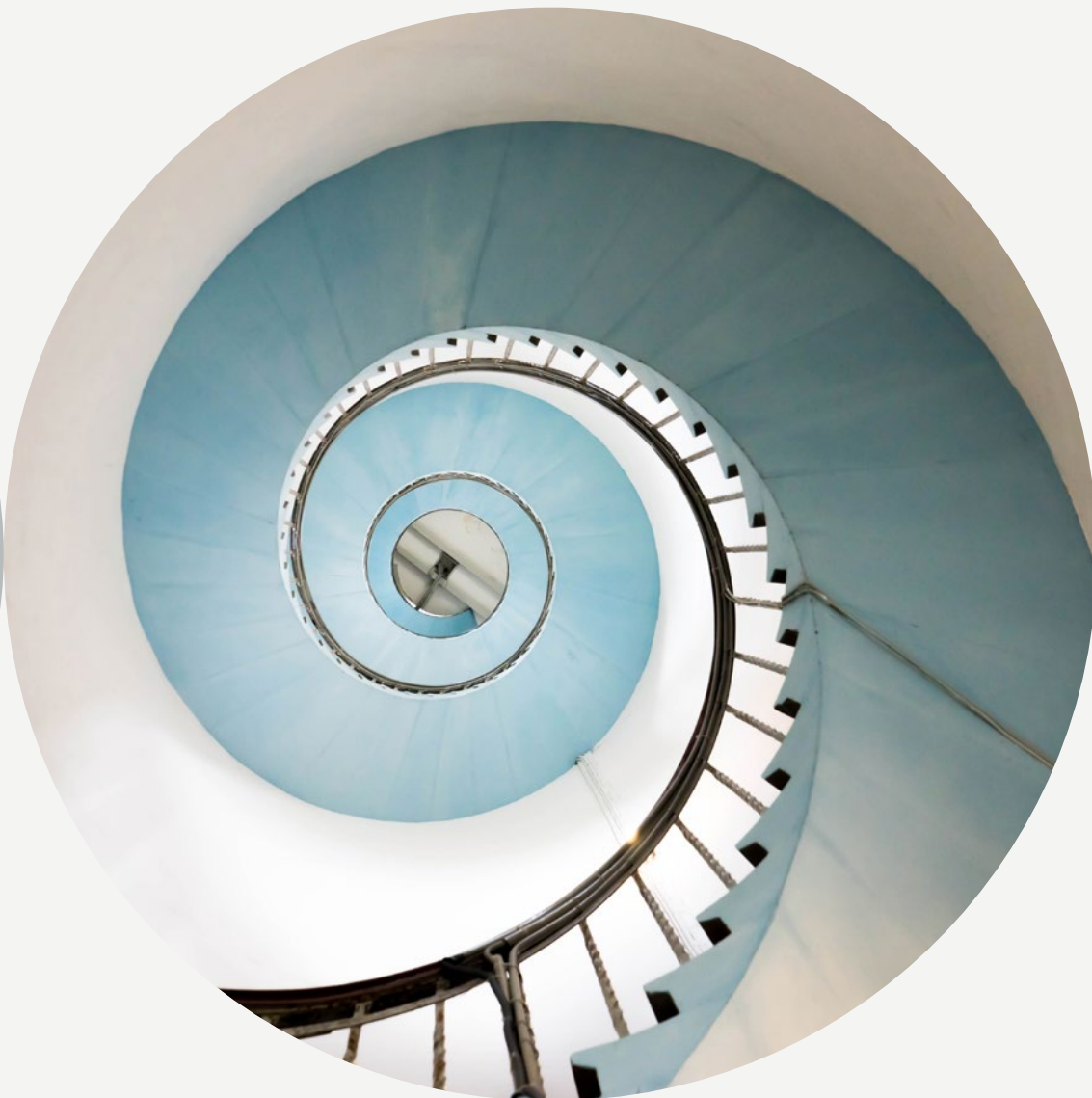
Our colleagues work in low-risk physical environments. Health and safety risk assessments are conducted for all work activities and regular audits are conducted by an external party on our UK premises. We aim for zero reportable accidents and 95% of risks to be controlled at the point of audit. All accidents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



Our future approach

While our Modern Slavery Statement is a snapshot in time, our approach to assessing the risks, incidences and reporting on any breaches of our values is continually evolving. Over the coming three years, we have committed to reviewing the way we assess both our areas of operational and investment risk and how we disclose on our activities. We will implement stronger risk identification and risk mitigation processes as we continue to develop and enhance compliance with our regulatory obligations. We are determined to be fully transparent as we work towards a robustness of scrutiny that reflects the circumstances faced by victims of modern slavery and human trafficking across the globe.

This Statement has been signed by our Chief Executive Officer and approved by the abrdn plc board (and our relevant subsidiaries). As part of our commitment to tackling modern slavery, we will go further and evidence our escalation policy to detail the clear lines of ownership and oversight across each area of our business.



Measurement of impact



Measurement of impact

Three key performance indicators, established in 2018, are used to measure the effectiveness of our efforts to address modern slavery risks. KPIs are reviewed annually by internal experts to ensure they remain relevant.

KPI	Rationale for inclusion	2021 progress	2022-25 ambitions
Raise awareness amongst employees of modern slavery issues and how to respond.	Equipping employees with an understanding of issues ensures we clearly communicate our no tolerance approach to modern slavery, and we are all able to take action where appropriate.	<p>99% of UK and Europe employees completed mandatory Anti Money Laundering training which covers a definition of modern slavery and equips employees to recognise warning signs.</p> <p>98% of employees globally completed the Your Conduct online training, and attested their adherence to the Global Code of Conduct.</p> <p>Employment of dedicated Social Policy Manager role to lead on reporting and engagement.</p>	<p>Maintain employee engagement and widen communications through marking International Anti-Slavery Day.</p> <p>Provide resources to support colleagues' awareness of modern slavery.</p> <p>Development of internal policies and processes to further cement our organisational commitments and responsibilities.</p>
Complete modern slavery risk assessment of suppliers.	Enables us to identify supply chain risks and mitigate these effectively.	<p>Our Procurement Transformation programme, supported by a leading consultancy firm, redesigned our approach to third party risk assessment.</p> <p>Proportionate Due Diligence on activities undertaken as part of Third Party Risk Management Business as Usual.</p>	<p>Appointment of Third Party Sustainability Lead to expand supplier engagement and scrutiny.</p> <p>Monitoring development and duties relating to European Commission Proposal for Directive on Corporate Sustainability Due Diligence.</p>
Integrate modern slavery considerations into our investment process.	Our investments are the biggest potential impact we can have on modern slavery so must integrate concerns.	<ul style="list-style-type: none"> Published Human Rights: our approach for investments document to clarify our approach for clients. Developed an internal Human Rights Index to identify high risk geographies. Actively participated in UK in The Investor Forum and the Find It, Fix It, Prevent It collaboration, and Investors Against Slavery and Trafficking APAC. Provided engagement examples beyond the UK to demonstrate our global commitment. 	Expanded reporting on evaluation and engagement of high risk sectors and scrutiny of company statements.





This Statement was approved by the Board of Directors of abrdn plc on 18 May 2022 and by each qualifying abrdn Subsidiary Board between 16 May and 21 June 2022, and is signed by:

Stephen Bird,
Chief Executive Officer

This Statement has been approved by the Board of Directors on behalf of the following companies:

Aberdeen Asset Investments Limited

Aberdeen Asset Management PLC

Aberdeen Asset Managers Limited

Aberdeen Corporate Services Limited (Formerly Standard Life Employee Services Limited)

Aberdeen Standard Fund Managers Limited

abrdn Capital Limited (Formerly Aberdeen Standard Capital Limited)

abrdn Investment Management Limited (Formerly Standard Life Investments Limited)

Elevate Portfolio Services Limited

Ignis Investment Services Limited

Standard Life Savings Limited

