

Aberdeen Asset Management

Corporate Responsibility Report
For the 12 months to 30 September 2013



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Our front cover images:



Community engagement in Philadelphia; our electric cars in Oslo; company meetings in Singapore; the charity Rat Race in Kuala Lumpur; SeeBeyondBorders school lessons in Cambodia; school mentoring in Philadelphia.

About Aberdeen Asset Management

Aberdeen Asset Management is a global asset management group investing across the main investment strategies of equities, fixed income and property, complemented by our solutions business, which provides multi-asset and fund of alternatives services.

We have operations in 26 countries with some 33 offices and 2,200 staff.

Introduction



We are pleased to present our fourth Corporate Responsibility (CR) report covering our activities across our global operations for the financial year to end September 2013.

Andrew Laing, Deputy Chief Executive

This year, we have succeeded in embedding CR further into our business culture. We:

- incorporated CR into the Group's global strategy communication to all employees
- introduced training on CR issues for new Board directors
- undertook an employee satisfaction survey for the first time
- engaged more with our investments and stakeholders on environmental, social and governance (ESG) issues
- became a signatory of the UN Global Compact
- expanded the scope of the Aberdeen Charitable Foundation
- widened the coverage of our environmental management system

While there is still much room for extending CR across our business, we have made tremendous strides in turning potential ESG risks into opportunities for our business. In this report, you will find how our biggest risks and opportunities focus on:

Risks:	Opportunities:
Our people	Empowering our employees
Our investments	Making better informed investment decisions
Our stakeholders	Engaging more with our stakeholders

This year, we placed increased focus and allocated additional funds to implementing our CR policies to help reduce our business risks and succeed in an increasingly competitive marketplace.

We are working to increase the satisfaction levels of our employees. We are now also better placed to meet the needs of our clients and have an increasingly sound understanding of our investments and their impact on others. And we are spending less on raw materials and fossil fuels than in the past. We see these improvements as real progress.

We hope you find this report helpful and, as always, welcome any feedback on our activities.

Andrew Laing
Deputy Chief Executive

December 2013

Our approach

For the past three years, our annual CR report has been structured according to seven areas of the business - corporate governance, responsible investing, environment, people and human rights, health, safety and wellbeing, suppliers and charitable investment. However, this categorisation does not adequately reflect what our material CR business risks and opportunities are as a global asset manager and why we need to build these issues into our global corporate strategy. We have therefore redefined our approach, focusing on three key areas of CR, all of which have a material impact on our business operations.

In this report, we highlight our material CR issues and provide details on what we have been doing this year to address them.

Our material CR issues

Investing in our people	<p>We are a people business and therefore one of our principal risks is not having the right people in the right jobs and not providing our employees with the support they need – whether it be in the form of learning and development opportunities, career progression, wellbeing or a whole host of other reasons – to be able to perform at their best.</p> <p>Our first section, Investing in our people, details how we are managing this risk and, as a result, deriving benefits from it.</p>
Investing responsibly	<p>At Aberdeen, asset management is our sole focus. We concentrate on getting our investment decisions right by assessing the risks and opportunities of each investment we make. While the investment approach for each asset varies, we continue to integrate ESG considerations into our methodologies. We have a well-developed ESG system in place for equities and have begun to implement this across our fixed income business. Within our property division, our teams have worked this year with investors, property agents and tenants to understand and reduce the environmental impacts of the buildings we manage.</p> <p>Similarly, we are keen to reduce the impact of the buildings in which we are tenants. In the section entitled Taking responsibility for our environmental impact, we detail the work that we are undertaking across our global offices to manage our own footprint.</p>
Engaging with our stakeholders	<p>As with any large, global business, our stakeholders are wide ranging from employees, shareholders and clients, to the communities in which we operate, our investee companies, government and professional bodies, suppliers and rating agencies. We are committed to listening to our stakeholders and working with them to improve our business operations.</p> <p>In our final section, Engaging with stakeholders, we provide examples of the work we have done this year, most notably through our charitable foundation, but also in influencing public policy, engaging with our supply chain and building our brand.</p>

Investing in our people

We are committed to recruiting and retaining talented and motivated individuals who put clients at the heart of our business.

Our investment philosophy and process is founded on high quality teams of people, dedicated to delivering consistent service to our customers.

Recruitment and selection

Recruitment, development and retention of talent is key to our ability to perform well for our customers and, as a consequence, our shareholders.

Our strategy is to recruit, wherever possible, at graduate level, placing an emphasis on succession planning and developing our future leaders. We also encourage moves within the business, preferring to use our emerging talent pool to fill available posts.

We continue to grow our apprenticeship, intern and graduate programmes as we believe that this approach creates loyalty in the organisation. Our graduate rotation scheme aims to equip recruits with a broad based knowledge of both Aberdeen and the asset management industry as a whole, before they choose a permanent position.

“The apprenticeship programme at Aberdeen offered all the factors I was looking for - involvement with different departments, onsite training, the opportunity to gain qualifications and a job with a growing and reputable company.”

Emma Kidd, Trainee Performance Analyst



This year we hired 109 interns, 43 graduates, 3 apprentices and 6 individuals on the Investment 2020^A scheme.

Since 1994, when our graduate programme commenced, we have recruited 179 graduates, 144 of which are still at the company.

^A Investment 2020 is a scheme put together by 13 investment management firms (of which Aberdeen is one) with UK based offices which offers school leavers and students recently graduated from university the opportunity to get paid work experience in their firms.

Employee engagement survey

We have a loyal and growing workforce and to ensure that our activities match the needs of employees, the Board decided that this year we would undertake our first employee survey. As this was to be a pilot year, we chose our EMEA region, representing over two-thirds of global headcount, to trial the survey. We had an excellent response rate with 85% of employees in the region taking part.

There were, as expected, areas that our employees identified where we can improve and we are now working with country and division heads on action plans for the year ahead.

Following the year end, we have rolled the survey out across the rest of the Group and are waiting for the results.

THE RESULTS WERE EXTREMELY POSITIVE



SCORING (OUT OF 10)

Learning, development and talent management

As the economy improves, retaining talent will become more of a necessity. A solid talent pipeline is therefore crucial for future success and company growth. As such, this year the Board decided to introduce a global talent management programme with the aim of having a talent pool that is capable of filling senior management positions to enable us to successfully plan for the company's future.

We are introducing two new distinct pipelines within the talent management programme:

- Senior Leadership Programme
- Emerging Talent Programme

These programmes are in addition to our entry level schemes, the biannual or annual appraisal process for all employees and the delivery of appropriate training and development to meet individual requirements.

Succession planning

Succession plans are held globally for all senior roles across the Group from the Group Management Board (GMB) to regional, country and desk heads. Plans are formally reviewed and updated biannually and are held for each functional and geographical area of the business. The process involves detailed discussions of the skill sets and development potential of possible successors.

Competitive compensation

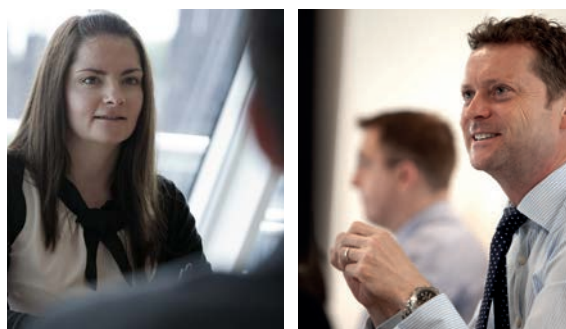
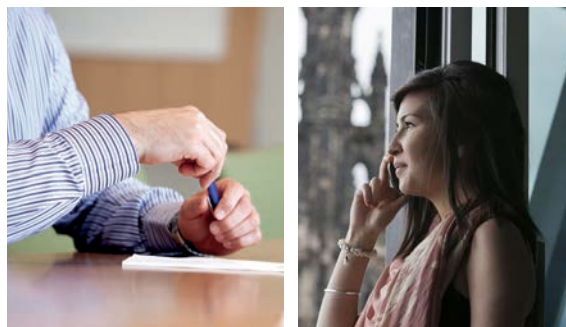
Rewarding employees for their contribution is fundamental to recruiting and retaining a talented workforce. As such, we regularly benchmark our compensation packages against industry peers in our different regions and offer packages which are locally competitive. We continue to encourage share ownership, thereby aligning employee interests with those of shareholders and company performance, and also offer some senior employees a deferral into a limited range of Aberdeen funds, aligning our bonus scheme with the interests of our clients.

Company strategy cascade

We value our culture of teamwork, openness and collective commitment towards meeting the strategic objectives of the company. In 2013, we implemented company strategy cascade training to ensure that all employees understood the strategic objectives of the company and how to incorporate these into departmental and individual objectives. Aligning the company strategy to objectives creates a framework for delivering the strategy and ensures that everyone across the Group is working towards the core objectives defined by the PLC Board.

Mentoring

Since its inception, in May 2011, our mentoring scheme has remained a popular and successful support opportunity for employees. The programme is now offered in our UK and European offices and is due to expand into the US and Asia next year.



Average employee tenure
5yrs and 7yrs for continuous service^A

^A for those employees who joined Aberdeen as a result of an acquisition

2013 Employee turnover rate 9.7%

2012 Employee turnover rate 8.0%

Average hours of training per employee

2013: 22hrs

2012: 18hrs

Number of employees sitting professional exams

2013: 106

2012: 116

Equality and diversity

As a global organisation with customers spanning a multitude of countries, cultures and professions, we view diversity as a valuable business asset. We strive to be an employer of choice in all of the countries in which we operate and to provide an environment in which everyone is treated equally.

We have a comprehensive global equal opportunities and anti-harassment policy and are committed to creating an inclusive environment in which all employees have the opportunity to develop.

“Diversity is a subject very close to our hearts at Aberdeen, both as an employer and as an investor. As a “buy and hold” fund manager, we know that the best companies draw on the widest pool of talent. So it is important for us that the businesses in which we invest don’t limit themselves, in either the way they recruit, or how they develop their people. This applies to our own business too.”

Martin Gilbert, Chief Executive



Gender diversity

We have always been committed to championing gender equality, both in our own business and also in our investee companies. We have a number of initiatives in place, a selection of which are set out below:

Achieving a gender balance at entry level

We strive to achieve a gender balance for our apprenticeship, intern and graduate programmes, recognising that to achieve a sustainable pipeline, focus must be placed on each level of the business. We do this by closely monitoring the gender split of the number of young people who apply, are asked for interview and who are offered jobs at Aberdeen.

In the Americas, we have historically struggled to achieve a gender balance at entry level. However, the addition of a local Learning and Development function this year is allowing us to be more pro-active and selective in terms of sourcing our interns and graduates going forward and allowing us to actively target female candidates.

Maternity coaching

This initiative was introduced in the UK in 2012 and takes the form of group workshops. Employees are offered three sessions – pre, during and post leave, which offer advice and support on subjects including assertiveness, managing work-life balance, career development and maintaining a strategic focus at work. We recognise the importance of not just offering coaching to women on, or about to go on, maternity leave, but also ensuring that managers are fully equipped to provide the support needed during this time. The aim is to make the process for mothers returning to the business from maternity leave a smooth one and provide the support they need to help them progress in their career.

In addition, our maternity and paternity policies exceed the statutory minimum and in 14 of the 26 countries in which we operate we have employees working flexibly, representing 4% of the global workforce. In the UK, this year we held seminars on the support that is available to working parents and carers, both of which were well received, and we are also working to increase awareness of the services provided by our employee assistance programme.

Supporting external initiatives

This year we signed up to the UK Government’s Think, Act, Report scheme which provides a simple step-by-step framework to help companies think about gender equality in their workforces, particularly in relation to recruitment, retention, promotion and pay. It encourages companies to share their progress and experiences in these areas, so that others can learn from them.

We support many other external initiatives too, including Women on Boards UK, the Women’s Business Forum, the investor group of the 30% club, the Women’s Sport and Fitness Foundation and the Breaking the Mould and Asian Women of Achievement awards.

Total workforce: 2,200^A



Managers^B



Group Management Board



Board of Directors



Return to work following maternity and paternity leave, 2013: 77%.

^A The Full-Time Equivalency (FTE) average headcount for the year was 2,100.

^B Aberdeen defines a manager as someone who has at least one person reporting into them.

From Engine Room to Boardroom

Backroom to Boardroom

The topic of female representation in the boardrooms of UK companies and organisations has been a subject that has grown in visibility and importance since Lord Davies' first review in 2011. He has added to the many and varied opinions on the effectiveness of initiatives to address female participation in the boardroom, from diversity committees to mandatory targets.

While progress has been made, with greater female representation on UK boards and a growing recognition that diversity at all levels of an organisation makes good business sense, women are still underrepresented at senior levels.

Aberdeen's Backroom to Boardroom (B2B) initiative, which is headed by our Chief Investment Officer, Anne Richards, provides an opportunity for senior female members of the investment community and organisations which are crucial to the wider economy, to come together and connect with women who are still building their careers. The events showcase how wide the talent pool of women who are board-ready really is, as well as encouraging women on their way to the boardroom by sharing experiences, networking and supporting executive development.

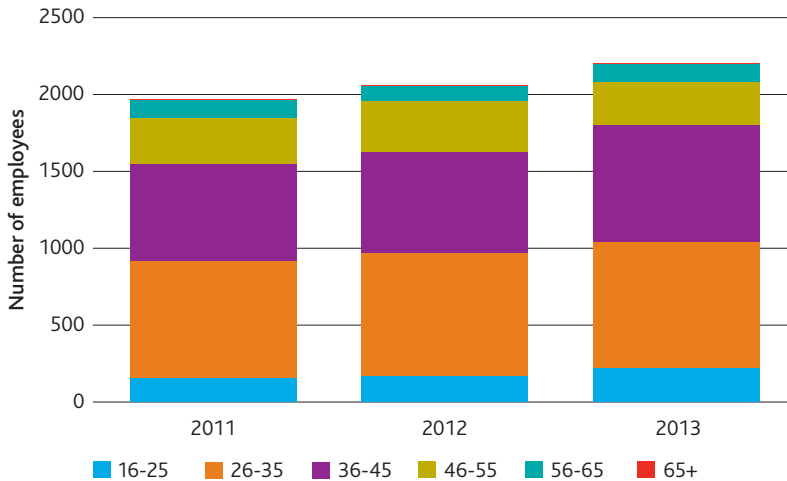
To date, there have been eleven B2B events, held both in the UK and internationally. By connecting women from a range of different backgrounds, including academia, media and the not-for-profit sector, and at different stages of their careers, B2B is helping to create a strong professional network which inspires a future generation of business leaders and so helps to provide a sustainable executive pipeline.



INVESTING IN OUR PEOPLE CONTINUED

Other diversity metrics

Age composition of the workforce



Ethnicity: Currently, we do not record data on self-declared ethnicity however this is an area we will consider developing in the coming year. We do collate data on nationalities and we currently have 45 different nationalities represented in our workforce.

Disability: While we do have employees with disabilities, we feel it is at their discretion to release this information. We therefore do not report on this metric.

Health, safety and wellbeing

Providing a safe working environment for all employees is a fundamental responsibility of the company. In our industry, where employees are predominantly desk based, we recognise the need to uphold basic health and safety compliance and elevate the importance of wellbeing and engagement with employees on this issue.

Our focus this year has been on starting to establish a global approach to wellbeing, collating information on what each of our global offices already does and structuring these activities into four main areas – medical health, family, fitness and nutrition.

We already have some great examples of global activity in this area, from our annual health fairs in the US, to wellbeing seminars on topical issues and an interactive, office-wide health challenge in Stockholm. We hope to build on this work and expand our engagement on material wellbeing issues, including muscular skeletal health, employee resilience and mental health.

Our aim: To promote a culture of healthier lifestyles and also to improve the quality and longevity of life for our employees and their families. This leads to increased productivity, resilience, job satisfaction and loyalty. It also reduces healthcare costs and absenteeism.

Absenteeism per employee in 2013: 2.2 days, 2012: 2.0 days.

No accidents or near misses in the current or prior year^A

^AAs reportable by RIDDOR

Human Rights

This year, to demonstrate further our support for the adoption of responsible business practices, we became a signatory to the UN Global Compact. Our operations and policies support and reflect the ten Global Compact principles and we uphold the Universal Declaration of Human Rights in all our operations. We also uphold employee rights and respect collective bargaining and freedom of association. In countries where an employee delegate or works council is not present, employees are encouraged to share their opinions with line managers or human resources representatives.

Investing responsibly

We continue to integrate ESG factors into the investment process for each of our asset classes.

While ESG has its own unique benefits and issues, depending on the asset class to which it is applied, overall, it is an invaluable factor when examining an investment as a whole. ESG has quickly gained ground with investors as an investment approach or overlay which helps to identify longer term risks within a portfolio.

“As signatories to the UNPRI, we know the value of understanding the full picture of the investments we make for our clients across all of our asset classes. Clients value communications on ESG matters and we are committed to engaging both our investments and our stakeholders on responsible investing issues.”

Anne Richards, Chief Investment Officer



Equities

The extent to which we integrate ESG factors into the equity investment process continues to develop with corporate governance being part of our initial quality assessment and environmental and social factors being examined post investment.

Corporate governance

We continue to believe that effective and transparent corporate governance leads to companies being more successful in their core activities which, in turn, allows for enhanced returns to shareholders.

Investee companies

Aberdeen’s corporate governance principles provide a globally applied framework for investment analysis, shareholder engagement and proxy voting. Our annual equity engagement report sets out some of the issues that we have engaged with companies on over the course of the past year and how this has affected investment decisions. Topical engagement themes include remuneration, diversity, share blocking, royalty fees and proxy voting.

Our equity engagement report and additional information on our stewardship responsibilities can be found at:

aberdeen-asset.co.uk/aam.nsf/AboutUs/governancestewardship

This year



WE VOTED OVER
18,700
RESOLUTIONS



AT OVER
1,700
SHAREHOLDER MEETINGS



SUPPORTING BOARD
RECOMMENDATIONS IN OVER
91%
OF PROPOSALS

Aberdeen PLC

From an internal perspective, the Aberdeen Asset Management PLC Board provides oversight of the company’s operations and sets our strategic direction. The Board aims to improve and develop our own strong corporate governance practices and this includes having a diverse membership, a separate Chairman and Chief Executive and regular evaluation.

Further details can be found in the Corporate Governance section of our annual report.

Our assets under management

2013: £200.4bn
2012: £187.2bn

Screened assets under management^A

2013: £17.7bn
2012: £17.6bn

SRI assets under management^B

2013: £1.1bn
2012: £1.1bn

^A Our screened funds refer to those that have restrictions not classed as SRI or ESG, such as country restrictions or Sharia compliant funds.

^B SRI specific funds have certain traditional SRI and ESG restrictions and so prohibit investment in companies that generate revenues through non-compliant activities.

Environmental and social considerations

Our in-house ESG team highlight potential environmental and social investment risks and communicate these to our regional equity teams. Once invested, the team continues to engage with our investee companies, which are held across our mainstream and more traditional SRI funds. In 2013, the team spoke with over 150 companies about their challenges from an ESG perspective, frequently pushing for greater transparency and improved performance in the belief that this can only benefit long term financial performance.

Highlights from our engagements with investee companies are provided on a six monthly basis to clients for their respective funds. These are available upon request.

Some examples include:

Industry: European pharmaceutical group

Issue: Increase in labour-related lawsuits, litigation over kickbacks and improper promotion of medical products.

Engagement: Aberdeen's ESG team queried the group over its internal controls and how the fines will affect the group's balance sheet. The team has encouraged the company to improve its policy and compliance framework and to bolster a culture in which it focuses on preventing issues before they develop.

Industry: UK banking group

Issue: Fines resulting from fraud, money laundering, corruption, and tax issues.

Engagement: While many financial institutions are wrestling with similar issues, increased accountability from regulators and from investors is pressing banks to adopt more responsible lending and money management practices. Our ESG team has encouraged this group to be more transparent on its fines and to incorporate ESG risk factors into remuneration scores for executives and senior managers, with the aim that this will help to improve performance.

As investors demand more from companies in terms of the management of, and accounting for, ESG factors, our team increasingly pushes groups to set targets to include these factors at board level, to integrate them into remuneration and to include information on ESG in the annual report. Companies vary widely in their migration to these goals but we keep insisting with the expectation that pressure will eventually bring about positive change. Evidence that this works lies across all sectors – from a clothing manufacturer's decision to develop a human rights policy to an energy company's development of ESG related key performance indicators for executive remuneration. Engagement also continues to be a key component of our commitment to the UNPRI and to integrating, more fully, ESG factors into investment decisions across asset classes.

In 2013, the team spoke with over 150 companies about their challenges from an ESG perspective.

Fixed income

Corporate debt

As in 2012, our fixed income teams have seen an increase in client interest for incorporating ESG factors into fixed income mandates. Currently, our Pan-European fixed income team integrates ESG and SRI factors into its investment process by using a scoring system as part of its credit research.

Scores based on ESG factors (such as corporate governance transparency and environmental policies) along with some SRI considerations (including turnover from alcohol and tobacco production) can affect a bond's overall investment ability. The Pan-European fixed income team now has 40% ESG coverage of its investible investment grade corporate universe, which represents an increase of 60% from last year. All of its research is undertaken in house.

An example of how the team's ESG research affects an investment can be seen in a large, Italian conglomerate which has recently been charged over bribery and corruption relating to procurement. While actions have been taken to improve the corporate governance structure of the group, it remains to be seen if these will take hold. As such, the team deems the bonds of the conglomerate not to be a suitable investment for its portfolios.

Our emerging market debt team has also done some work on integrating ESG considerations into investment decisions, and undertakes this on a portfolio basis as requested by clients.

Sovereign debt

This year, there has been a noticeable increase in interest from investors in sovereign debt in ESG type considerations for their portfolios. Our sovereign debt teams have researched some of the various metrics for considering a more top-down approach to country rankings in terms of environmental and social concerns and while the team is now more cognisant of the various metrics, it has no immediate plans to put a formal process in place for using these metrics in their investment process. Rather, the teams plan to speak more with clients and stakeholders over the next year before deciding whether or not to implement a formal ESG process for sovereign debt.

Private Equity

Aberdeen SVG ("ASVG")^A considers responsible investment factors, in line with the UNPRI principles, within both the due diligence process for new fund investments and in the on-going monitoring of these commitments.

Due diligence

An assessment of a General Partner's ("GP's") corporate governance practices has always been a core part of the ASVG due diligence process, and social and environmental aspects have become increasingly important in recent years. In order to assess the adequacy of a particular GP's approach to ESG issues, the investment team requests specific information on the process the GP uses to assess its exposure to environmental, social, human capital and governance risks, as well as ensuring that these issues are fully considered within the investment approval process. Prior to making a commitment, the investment team will also need to understand how the GP approaches the reporting of ESG issues to investors and other stakeholders, to ensure that ASVG would receive adequate disclosure of any issues arising during the fund's life.

Monitoring

The investment team monitors underlying portfolio funds very closely, and any ESG issues would be identified as part of this regular monitoring process. Where issues arise, the investment team becomes fully involved in Limited Partner decision-making where appropriate, and will track the progress of these issues until resolution.

^A Aberdeen SVG Private Equity Managers Limited ("ASVGM") (formerly SVG Managers Limited) and Aberdeen SVG Private Equity Advisers Limited ("ASVGA") (formerly SVG Advisers Limited), are together referred to as "Aberdeen SVG" or "ASVG". ASVGA is a wholly owned subsidiary of ASVGM. ASVGM is owned, as to 50.1%, by Aberdeen Asset Management PLC and, as to 49.9%, by SVG Capital plc. Both Aberdeen SVG Private Equity Advisers Limited and Aberdeen SVG Private Equity Managers Limited are authorised and regulated by the Financial Conduct Authority in the UK.

Property

The built environment is a key contributor to global warming, and is also vulnerable to its effects. We have therefore been working with our investors, property agents and tenants to understand and reduce the environmental impact of the buildings that we manage.

Given the importance of responsible investment to our business, this year we committed additional resources to the property sustainability team. We recruited a Head of Sustainability who is undertaking a full review of our global operations as part of the process to further integrate sustainability into the investment process and to set key targets. The intention is to embed a global framework across our core functions – investment, asset management, property development and property management – which can then be implemented regionally.

Minimising the risk of the UK minimum Energy Performance Standards

A key risk identified for the future is the valuation impact and increased running costs associated with buildings with poorly rated Energy Performance Certificates (EPC). Provisions set out within the UK Energy Act 2011 make it unlawful to let properties below the minimum energy performance standard of an F or G EPC rating after 1 April 2018. We have proactively reviewed all of our assets and obtained robust EPCs ensuring that we obtain the most accurate ratings possible via engagement with tenants, property managers and reviewing records and on site manuals. Through this active management, we have reduced our exposure from the Energy Act from almost 20% across all portfolios to less than 10%. We are continuing to work to improve these assets and reduce this exposure into 2014.

Intrinsically linked to the EPC ratings, we are also actively reviewing our green lease provisions and fit out specifications to ensure that we manage the impact of future tenant fit outs on our assets. This follows an update to our retail and office tenant guides, which provide advice and suggestions to our managers across Europe.

Working with industry

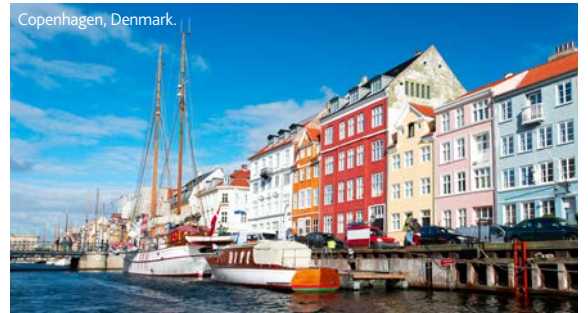
This year, we have continued to work with the International Sustainability Alliance (ISA) and Global Real Estate Sustainability Benchmark (GRESB) on the development of benchmarking standards, expanding the number of funds and properties submitted into both of these indexes. We are also increasing our commitment to other relevant organisations, most recently becoming a member of The Institutional Investors Group on Climate Change (IIGCC), the aim of which is to influence public policy on climate change at a national, European and international level, and the Better Building Partnership, which works with commercial property owners to improve the sustainability of existing commercial building stock and encourages best practice in the market. In Europe we are members of a number of green building councils and sustainability alliances.

Key initiatives for 2014

We recognise the importance of having accurate and meaningful information on the environmental performance of our buildings and are therefore improving the data collection systems from manual meter readings, utility bills and SMART meters, across our European portfolio via an implementation of a global data collection platform. Through our energy management programme we intend to proactively monitor this data to reduce consumption.

This year, we have made significant progress in reducing the environmental impact of many of the properties we manage. Below are just a few examples of what we have been doing in the Nordics:

In Denmark, Ellebjergvej, one of our office blocks, was completely renovated in four months. Insulation plates were mounted onto the existing façade and window panes were replaced with soundproofed, low energy glass. Solar protection screens and awnings, LED lighting, daylight sensors, an energy saving ventilation system and groundwater heating and cooling were all implemented. PV solar panels were mounted onto the roof as well as being included as part of the building's façade. These measures have resulted in total energy savings per year of 1,067,000kWh and also an improvement of the EPC rating from E to an A. As the property is not currently 100% let, we are providing temporary accommodation to a local housing charity free of charge, as part of our continuing commitment to the local community.



In Finland, nearly 30 of the properties we manage have been involved in the Motiva's Energy Efficiency programme which aims to reduce a building's energy consumption by 6% by 2016 and 20% by 2020, against its 2010 base consumption levels. To date, energy audits have been undertaken on all of the properties and detailed action plans have been devised. Initiatives include changing the building management timings, using energy efficient lighting and switching to district heating. Overall over 200 measures were suggested, which would result in annual saving of 1,500 tonnes of CO₂, 4,200 MWh of energy and 2,400 m³ of water per year.



In Norway, the Jærhagen Shopping Centre has recently been certified as achieving a level C in the Building Energy Classification System and is also part of the Eco-Lighthouse Certification System, Norway's widely respected rating system for an organisation's environmental and social achievements. We have engaged with the tenants to share environmental data and have concentrated on the key areas of energy management and emissions, procurement, transportation links to the centre and waste. We also upgraded the centre's ventilation system and have switched to using district heating and the waste heat generated from one of the key retailers, as a means of improving efficiency.



Taking responsibility for our own environmental impact

Many of the initiatives that our property teams have focused on this year to reduce the environmental impact of the properties we manage can also be applied to the 33 offices our employees occupy globally. With the exception of our headquarters in Aberdeen, we are tenants of these buildings and therefore we have needed, in many instances, to adopt a collaborative approach, working with building managers and other occupiers, to bring about change.

Our environmental impact: focus areas

We have identified that carbon emissions from our offices, emissions from business travel and waste generation are our most significant direct environmental impacts.

This year we have undertaken a range of initiatives to reduce our negative environmental impacts, improve our reporting capabilities and work with our stakeholders.

Environmental data

Having reliable and detailed data is becoming increasingly important, especially in light of developments such as the new Greenhouse Gas emissions (GHGs) reporting regulations required for companies listed on the London Stock Exchange. Last year we recognised that we needed to improve the way we measure, monitor and manage our footprint and therefore decided to upgrade our environmental management system. The system, which will be rolled out at the start of our new financial year, will be at least partially locally administered, thereby increasing group wide engagement on, and responsibility for, environmental issues.

We also have a group wide environmental policy, which is reviewed by the global environmental committee on a regular basis, and are certified to ISO14001 in the UK.

Carbon management

Our carbon emissions principally come from the energy we use in our buildings and from business travel.

Carbon emissions from our offices

In June, we were accredited to the Carbon Trust Standard in recognition of the work we have done to reduce our office emissions. The initiatives we have adopted include a global rolling replacement programme of LED lights where economically feasible, which will save £15,000 per year in the UK alone; increased purchase of renewable energy and the installation of smart meters which improve our ability to monitor energy usage.

Carbon emissions from business travel

Travel is a fundamental part of our business, but we recognise the detrimental impact that this behaviour has on the environment. As such, we have upgraded our video-conferencing ("VC") facilities so that employees can avoid travel where possible. We now have VC in operation in 14 offices worldwide and our promotion of this initiative has led to usage increasing by 47% compared to the prior year. We have also installed Microsoft Lync which allows employees to share screens and so collaborate without the need for face to face meetings.

Waste management

We continue to focus on recycling initiatives and have increased our capabilities in many global offices. We have also benchmarked waste consumption in some of our non-UK offices and are working towards a UK target of zero waste to landfill by 2015. In the UK this year, our recyclable waste increased by 18%* while our general waste reduced by 5%*.

Highlights

INCLUDED IN
THE CDP FTSE
350 CLIMATE
DISCLOSURE
LEADERSHIP INDEX



ACHIEVED
CARBON TRUST
CERTIFICATION IN
THE UK



REDUCED OFFICE
CARBON EMISSIONS
BY 10%^{A*}



INCREASED VIDEO-
CONFERENCING
USAGE BY 47%



REDUCED
GENERAL WASTE
BY 5% IN THE UK^{B*}



WORKED WITH KEY
STAKEHOLDERS
TO IMPROVE THE
ENVIRONMENTAL
MANAGEMENT
OF OUR KEY
SPONSORSHIP
EVENTS



^A Relates to offices covered by our Environmental Management System which represent over 75% of our operations by headcount

^B Our UK offices represent over 40% of total headcount

* Per Full-Time Equivalency (FTE)

Stakeholder engagement

This year, we worked with our sponsorship team to ensure that environmental initiatives are implemented at our main events - Cowes Week, the Scottish Open and the Aberdeen Dad Vail Regatta.

At Cowes Week, some of the environmental initiatives adopted included: providing bow stickers made from recyclable materials and supplying application instructions to prevent the stickers falling into the water; encouraging our chartered boats to adopt environmental measures such as using fuel spill kits, and printing the pocket guides and daily schedules on recyclable paper.

We are also in discussions with our global data centre to encourage an environmental awareness of their operations.

Water use

Given the nature of our operations, water consumption is driven by employees and facilities. Therefore, while limiting and reducing water usage is a consideration for our environmental committees, our consumption is not a material environmental issue for the business. However, in the year ahead, we aim to start collecting data on this metric.



Performance against targets: 2013

Carbon

Achieved target

10%

Reduction in carbon emission for all offices covered by our EMS*

2012 target: 3% reduction

Achieved target

47%

Increase in video-conferencing usage

2012 target: 10% increase

Achieved target

Carbon Trust

certification in the UK

2012 target: achieve certification

Waste

Achieved target

5%

Reduction in general waste in the UK*

2012 target: 3% reduction

Achieved target

Waste measurement

2012 target: measure general and recyclable waste for our non UK offices

Other

As outlined above, we also achieved our targets relating to working with stakeholders on environmental matters and are in the process of implementing an automated system to collect and record our global environmental data.

* Per Full-Time Equivalency (FTE)

Engaging with our stakeholders

With continuing growth in the last decade and our arrival into the FTSE100 last year, we are increasingly aware of the role we play in the markets, economies and societies in which we practise.

Our engagement with stakeholders – whether in the form of meetings with clients and shareholders, employee volunteering or participating on panels and boards – is integral to our business operations.

We have outlined how we engage with stakeholders on responsible investing issues. In this section we therefore want to highlight some of the other work we have been doing, through our charitable foundation, on supply chain issues, contributing to public policy debates and our company rebrand.

Engaging with the communities in which we operate

Three years ago, six of the countries in which we have an office had a charitable giving strategy which had been locally defined. This year, in the Aberdeen Charitable Foundation's first full year since launch, we made donations to more than 100 charities in 22 of the countries in which we are located, with all donations made in line with global guidelines.

The Foundation has two core focuses – emerging markets and local communities, reflecting our ambition to give back to those areas which are a key strategic focus of the business and to the communities in which Aberdeen employees live and work.

Emerging markets: helping to provide educational opportunities for young people

Year 1 - Brazil

Action for Brazil's Children's Trust was the first emerging markets charity we chose to support. The charity seeks to promote social change through projects targeting education, shelter, care and advice, helping street children and the most vulnerable young people of Brazil to transform their lives. In the second year of our partnership, employees from our São Paulo office have become increasingly involved with the charity, including visiting two of the three projects we are supporting – AA Crianca and ISMEP – donating gifts to a teenage mums programme, working with one of the projects to improve its website and also introducing the charity to valuable new contacts in Brazil.



Year 2 - Cambodia

This year, the Foundation's Board decided that our next long term project would be located in Asia Pacific, given our concentration of employees and investments in the region. SeeBeyondBorders, another small but dynamic charity, was chosen by employees globally. Our investment will help to provide access to a better education to over five thousand children and encourage best practice amongst local teachers through a programme of training and mentoring. The Children Empowered by Education project, which is wholly funded by Aberdeen, will operate in the deprived Bavel district of Western Cambodia.



Key metrics:

£1.3m

donated to charitable causes globally in 2013^A

2012: £0.6m
2011: £0.5m

15%

of our global workforce volunteered

2012: 11%
2011: 7%



Give As You Earn (GAYE)
Gold Award



Won Social Investment
in Scotland Award
Scotland PLC awards 2013

^A Note: This includes donations made by the Foundation (£700k), Aberdeen PLC (£400k) and GAYE employer contributions (£200k) but excludes unspent contributions made by the PLC to the Foundation.

Local communities

The Foundation's Board decided that, since the Group's local offices have different cultures and charitable priorities, each office would have the authority to select projects they would like to support, along the general theme of making a positive impact on the surrounding community. Employees also have the opportunity to take volunteering leave to provide additional support, in time and expertise, to the locally elected charities, so that our total contribution exceeds a monetary gift.

Below are a few examples of the projects we have supported over the past year.

Improving employability skills

London

Envision is a charity which works with young people to help them devise and implement projects focused on issues that are pertinent to their local community. From 2012 to 2014, the London charity committee has chosen to support two teams from local schools in Tower Hamlets. Throughout the school year, Aberdeen mentors work with the teams, facilitating discussions on how to implement the social action projects and conducting employability skills training. At the 2013 closing annual ceremony both our teams won awards - The People Powered Change and Most Talented Team awards.

Hong Kong

St James' Settlement provides community services to those who need it most. Our Foundation supported a project which helps young people from the mainland integrate into Hong Kong society by providing mentoring services, employability skills and support to enable the individuals to benefit fully in their new environment.

Sydney

The Australian committee continued to support the charity Whitelion which provides services for young people involved in the youth justice system or at risk of involvement. These services include: employment, role modelling, specialist outreach support and education based prevention programmes. In May, two Aberdeen employees spent the night in a juvenile detention centre, learning more about the charity and experiencing first-hand the realities faced by the young people Whitelion supports.



Providing food for thought

Aberdeen

In Aberdeen, the local committee made a donation to the Powis Gateway Community Centre to enable it to continue operating its daily breakfast club for disabled and disadvantaged young people throughout the north-east of Scotland. Unlike other breakfast clubs, the children's parents are encouraged to attend and enjoy breakfast with them. This family ethos means parents take responsibility for getting their children to attend school as well as establishing a morning routine for their mutual benefit.

Frankfurt

Sauerland is an area located near our German office which suffers from multiple deprivation. Unemployment, crime and truancy are all rife but Trafohaus is a youth centre which is trying to make a difference by providing a safe environment in which young people can develop skills, socialize and gain confidence. We are funding the provision of a daily warm and balanced meal for 20 children who attend the centre, helping to improve their health, development and concentration.

Philadelphia

Mantua in Action: This partnership between the City of Philadelphia Parks & Recreation Department, Drexel University and Aberdeen brings after school opportunities to children in the underprivileged Mantua region of Philadelphia. One initiative adopted is to work with Triskeles on their Food for All Programme. Ten Aberdeen volunteers helped to plant organic garden beds at Drexel University's Dornsife Centre, which will provide food to those in need in the community. The garden has been named after our inspirational colleague Toby Wallace who championed this partnership and tragically died this year.



Charitable activity outside of the Foundation

For any major sponsorship event, we see supporting an associated charity and considering the environmental implications of the event as part of our obligation to encourage responsible business practices. At the Aberdeen Scottish Open at Castle Stuart, we were pleased to partner with Connecting Carers, a local charity working across the Highlands to provide information and support to users of health and community care services and carers. At Cowes Week, this was the last year of our three year support for Toe in the Water, a tri-service initiative which uses competitive sailing to re-inspire injured service personnel to see beyond their injuries, and perform to their limits regardless of their physical condition.

Engaging with our supply chain

When engaging with investee companies on ESG issues, their supply chains are frequently the focus of many questions. While as an office based business our risk exposure in this area is much less than for many of the industries in which we invest, notably retail, manufacturing and mining, we do recognise that good supplier relationships are fundamental to business performance and that our corporate responsibility extends to the indirect social, environmental and ethical impact that arises from our supply chain.

This year we became a signatory of the Prompt Payment Code, a UK Government initiative to promote best practice between companies and their suppliers and have started working with the Living Wage Foundation (UK), which demonstrates that we are committed to paying both employees and contractors a rate that is required for a basic standard of living.

Our approach to managing anti-bribery and corruption risks

We follow a globally consistent approach to managing anti-bribery and corruption (ABC) at all levels of our business and in all regions in which we operate.

Our ABC policy, which is available on our website, specifically states that we do not allow the giving or receiving of any bribes or facilitation payments. In order to ensure that this policy is implemented around the Group, all employees receive regular training on our policies and procedures in this area. Issues or queries can be raised by employees to the Global Head of Compliance, Financial Crime and any suspicions reported using the confidential whistleblowing email address. In 2013, our internal audit function reviewed our ABC policy, procedures and controls and no material issues were identified.

There have been no breaches of our ABC policy in the past three years.

In addition, we have a robust gifts and entertainment policy which is in place to monitor relations with third parties. Management information statistics on gifts and entertainment given, received or declined by employees are provided to the executive-level risk management committee on a quarterly basis. Agreements with third parties must also include a commitment to abide by relevant bribery legislation and any breach of such would initiate an immediate review of contract.

As members of the Investment Management Association in the UK, we are also able to benchmark our policy and procedures against those of our peers by attending regular financial crime discussion groups.

Engaging in public policy

This year we have continued to have an active voice in public policy debate, both as a PLC in areas such as the UK's Investment Management Strategy and pensions, and as an investor, for example on matters of corporate governance and long termism. In line with our global footprint, we are members of a range of trade bodies and take an active role in their technical and policy development work. We also took part in the European Capital and Markets Institute Task Force on long term investing and retirement savings and have joined the World Economic Forum, most recently contributing to their work in Europe and in the US on the future of social security systems.

Refreshing our brand

This year, we refreshed our brand, allowing us to articulate our core values of integrity, quality, teamwork, ambition and challenge, in a way that makes us comprehensible across the different countries where we operate. The desire to be understood as a distinctive asset management business was sought through the strap line 'Simply asset management' which formed the basis of the advertising directive. 'Simply asset management' reflects the independence and the focus that guides our business. It states that our clients' interests come first and without unnecessary complexity.

Our global campaign launched in May with the aim of increasing public awareness and perception of the brand. In 2014, we aim to emphasise the extent our capabilities across all asset classes.

To date, there has been an encouraging response from the campaign, including:

10%
INCREASE IN BASE AWARENESS

RESPONDENTS' PERCEPTION OF ABERDEEN AS HAVING A GLOBAL PRESENCE INCREASED BY

13%

47%

OF SURVEY RESPONDENTS INDICATED THAT THE ADVERTS IMPROVE OR REINFORCE OUR REPUTATION

OUR REPUTATION AS HAVING A CLEAR AND CONSISTENT INVESTMENT PROCESS INCREASED BY

21%

AND

22%

RESPECTIVELY

QUALITATIVELY, WE RECEIVED A NUMBER OF POSITIVE COMMENTS FROM INDUSTRY PROFESSIONALS AND BUSINESS LEADERS. THE 'SIMPLY' STRAPLINE, COMBINED WITH OUR REFRESHED IMAGE, REINFORCED THE "POSITIVITY, PRO-ACTIVITY AND POSSIBILITY" THAT UNDERLINES BUSINESS AT ABERDEEN.

Aberdeen
Simply asset management.

Plans for 2014

Investing in our people

Over the coming year we will further expand our apprenticeship, intern and graduate programmes, emphasising diversity across gender, background and skills.

Our talent management programmes will also be rolled out in 2014, together with the implementation of the employee survey action plans. We anticipate that the global survey will be undertaken biennially.

We will continue to promote equal opportunities across the business and introduce further training and communications on this matter. Training currently under consideration includes a culture awareness programme and unconscious bias coaching.

Engaging with our stakeholders

In 2014, we will work with our stakeholders spending time finding out what they think we do well and also about the areas in which we could improve.

Through the Charitable Foundation, we aim to increase the number of employees volunteering by 10% and build on the global committee structure that we now have in place to ensure that all locations partake in Foundation activities.

We will continue to be an active voice in public consultations and reassess the work we do with our suppliers to ensure that our responsible business practices extend past our own operations.

Investing responsibly

Our investment teams will continue to engage with companies to encourage the strengthening of their governance practices as well as on environmental and social issues. In fixed income, the Pan-European team will further increase ESG coverage of its investible investment grade corporate universe and in property we will work to strengthen our responsible investing capabilities and build our profile in this area, placing a particular focus on embedding a global framework and improving data collection and management.

Taking responsibility for our environmental impact

We have found that setting targets for reducing the negative environmental impact of our operations is very useful tool for making progress. This year, are targets are:

Carbon

2014: 3% reduction* in carbon emissions on prior year for all offices covered by our EMS

2014: Purchase energy from renewable sources where possible

2014: 10% increase in VC usage

2015: 20% reduction* in carbon emissions from a 2010 baseline in the UK

2020: Review opportunities for energy generated on site across all EMS managed offices where the business case justifies the technology

Waste

2014: 5% increase* in recycling in the UK

2015: Zero waste to landfill in the UK

Stakeholder engagement





2014: Identify employee volunteering activities focused on environmental improvement

2014: Continue to work with the sponsorship team to ensure that environmental issues are considered for our flagship corporate events


























* Per Full-Time Equivalency (FTE)

GRI Assessment

Once again, we have chosen to align our report to the GRI G3 Sustainability Reporting Framework - Financial Services Sector, supporting our commitment to transparency. This disclosure has not been externally assured by a third party and therefore the information below is self-assessed based on a pragmatic interpretation of the guidelines.

KEY	
	Yes
	No
	Partial
	Not material

A. STANDARD DISCLOSURES: PROFILE

Profile	Disclosure (yes/partial/no)	Reference / comments
Strategy and analysis		
1.1 Statement from the most senior decision maker of the organisation (for example, CEO, Chairman, or equivalent senior position) about the relevance of sustainability to the organisation and its strategy		CR report – Introduction by the Andrew Laing (Deputy CEO and Head of the CR Steering Committee)
1.2 Description of key impacts, risks, and opportunities		CR report – Introduction, Our approach
Organisational profile		
2.1 Name of the organisation		Aberdeen Asset Management PLC
2.2 Primary brands, products, and/or services		Annual report
2.3 Operational structure of the organisation		Annual report
2.4 Location of organisation's headquarters		Annual report
2.5 Number of countries where the organisation operates		Annual report
2.6 Nature of ownership and legal form		Annual report
2.7 Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)		Annual report
2.8 Scale of the reporting organisation		Annual report
2.9 Significant changes during the reporting period regarding size, structure, or ownership		Annual report
2.10 Awards received in the reporting period		Annual report
Reporting parameters		
3.1 Reporting period (e.g., fiscal/calendar year) for information provided		1 October 2012 to 30 September 2013
3.2 Date of most recent previous report (if any)		December 2012
3.3 Reporting cycle (annual, biennial, etc.)		Annual
3.4 Contact point for questions regarding the report or its contents		csr@aberdeen-asset.com
3.5 Process for defining report content		CR report – Introduction, Our approach
3.6 Boundary of the report		We report on all aspects of the business.
3.7 State any specific limitations on the scope or boundary of the report		We report on all aspects of the business.
3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations		All information relates to Aberdeen Asset Management PLC.
3.9 Data measurement techniques and the bases of calculations		Where possible we use international standards and measurement techniques. The techniques adopted have been disclosed within each section.
3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement		No restatement required.
3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report		No significant changes on prior year.
3.12 Table identifying the location of the standard disclosures in the report		This GRI appendix.
3.13 Policy and current practice with regard to seeking external assurance for the report		Once again we have chosen not to have our report independently assured given its limited length and data content and the extensive internal review process in place at Aberdeen.

GRI ASSESSMENT CONTINUED

Profile	Disclosure (yes/partial/no)	Reference / comments
Governance, commitments and engagement		
4.1	✓	Annual report – Corporate governance report
4.2	✓	Annual report – Corporate governance report
4.3	✓	Annual report – Corporate governance report
4.4	✓	Annual report – Corporate governance report
4.5	✓	Annual report – Remuneration report Social and environmental performance does not impact Board compensation.
4.6	✓	Annual report – Corporate governance report
4.7	✓	Annual report – Corporate governance report
4.8	✓	CR report – Refreshing our brand Our CR Super Policy covers all aspects of our responsible business practices.
4.9	✓	The CR Steering Committee is chaired by Andrew Laing, Deputy CEO. The committee meets every two months to discuss developments, achievements and issues faced. Andrew Laing reports to PLC Board directly.
4.10	✓	Annual report
4.11	✓	We adopt a precautionary approach to environmental management, as set out in our group wide environmental policy (available on our website). We recognise that our activities have both direct and indirect impacts on the environment and the communities in which we operate and so accept our responsibility to identify and manage these impacts as effectively as possible.
4.12	✓	We have been a member of the FTSE4Good Index since 2002 and are a signatory to the UNPRI and UN Global Compact. We respond to the annual CDP survey and last year our UK business achieved ISO 14001 certification. We are also members of, and/or submit data to, a large number of other organisations globally including over 10 corporate governance associations, 6 global property organisations, Business in the Community (UK), the Carbon Trust and the UK Government's Think, Act, Report initiative. Further details can be found in our Corporate Governance Equity Engagement Report.
4.13	✓	As above.
4.14	✓	CR report – Our approach
4.15	✓	CR report – Our approach
4.16	✓	CR report – Our approach
4.17	✓	CR report – Our approach

B. STANDARD DISCLOSURES: PERFORMANCE INDICATORS

1. Financial services – sector specific guidelines

Performance indicators	Disclosure (yes/partial/no)	Location of disclosure	
Product portfolio			
FS1	Policies with specific environmental and social components applied to business lines	✓	CR report – Investing responsibly
FS2	Procedures for assessing and screening environmental and social risks in business lines	✓	CR report – Investing responsibly
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	✓	CR report – Investing responsibly
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	✓	CR report – Investing responsibly
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	✓	CR report – Investing responsibly
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector	✗	This information is not currently available.
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	✓	CR report – Investing responsibly
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	✓	CR report – Investing responsibly
Audit			
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	✓	Annual internal audits for CR and responsible investing policies and procedures.
Active ownership			
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues	✓	CR report – Investing responsibly
FS11	Percentage of assets subject to positive and negative environmental or social screening	✓	CR report – Investing responsibly
FS12	Voting polic(ies) applied to environmental or social issues for shares over which the reporting organisation holds the right to vote shares or advises on voting	✗	This information is not currently available.

2. Economic

Performance indicators	Disclosure (yes/partial/no)	Location of disclosure	
Economic performance			
EC1	Economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	✓	Annual report
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	✓	CR report - Taking responsibility for our environmental impact.
EC3	Coverage of the organisation's defined benefit plan obligations	✓	Annual report
EC4	Significant financial assistance received from government	✓	None
Market presence			
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	✓	CR report - Engaging with our suppliers
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	✓	We operate in 26 countries and our workforce is represented by 45 different nationalities. Fifteen different nationalities are represented by our Country Heads.
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	✓	CR report – Engaging with the communities in which we operate

GRI ASSESSMENT CONTINUED

3. Environment

Performance indicators		Disclosure (yes/partial/no)	Location of disclosure
Materials			
EN1	Materials used by weight or volume	—	As an office based company our operations do not consume significant quantities of raw materials.
EN2	Percentage of materials used that are recycled input materials	—	Not material because Aberdeen does not use significant quantities of recycled materials.
Energy			
EN3	Direct energy consumption by primary energy source	✘	This information is not currently available.
EN4	Indirect energy consumption by primary source	✘	This information is not currently available.
Water			
EN8	Total water withdrawal by source	—	As an office based company our operations do not have a significant impact on water consumption.
Biodiversity			
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	—	Not material to Aberdeen as our offices are located in urban areas and therefore do not have a material impact on protected areas or areas of high biodiversity outside of protected areas.
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	—	As above.
Emissions, effluent and waste			
EN16	Total direct and indirect greenhouse gas emissions by weight	✓	2,935 tonnes of CO2e
EN17	Other relevant indirect greenhouse gas emissions by weight	✓	3,254 tonnes of CO2e
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	✓	CR report – Taking responsibility for our environmental impact
EN19	Emissions of ozone-depleting substances by weight	—	As an office based company, Aberdeen does not have any activities that result in significant air emissions other than those incorporated within GHG reporting.
EN20	NOx, SOx, and other significant air emissions by type and weight	—	As above.
EN21	Total water discharge by quality and destination	—	As an office based company, our operations do not result in significant water discharge.
EN22	Total weight of waste by type and disposal method	✓	39.5 tonnes of general waste 110 tonnes of recyclable waste
EN23	Total number and volume of significant spills	✓	The only area where this may be relevant is in the refuelling of emergency generators. No significant spills took place in the reporting year.
Products and services			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	✓	CR report – Taking responsibility for our environmental impact
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	—	Not applicable to Aberdeen's operations.
Compliance			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	✓	Nil

4. Labour practices and decent work

Performance indicators	Disclosure (yes/partial/no)	Location of disclosure
Employment		
LA1 Total workforce by employment type, employment contract, and region, broken down by gender	✓	CR report – Investing in our people
LA2 Total number and rate of new employee hires and employee turnover by age group, gender, and region	✓	CR report – Investing in our people
Labour/management relations		
LA4 Percentage of employees covered by collective bargaining agreements	✓	CR report – Investing in our people
LA5 Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	✓	Minimum notice periods, where applicable, are governed by state or local law.
Occupational health and safety		
LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region and by gender	✓	CR report – Investing in our people
LA8 Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	✓	CR report – Investing in our people. No employees are involved in occupational activities which have a high risk of specific serious diseases.
Training and education		
LA10 Average hours of training per year per employee by gender, and by employee category	✓	CR report – Investing in our people
LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	✓	CR report – Investing in our people
LA12 Percentage of employees receiving regular performance and career development reviews by gender	✓	CR report – Investing in our people
Diversity and equal opportunity		
LA13 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	✓	CR report – Investing in our people Given the global nature of our business it is not possible to define minority groups on a worldwide scale.
LA14 Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	✗	This information is not currently available.

5. Human rights

Performance indicators	Disclosure (yes/partial/no)	Location of disclosure
Investment and procurement practices		
HR1 Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening	✗	This information is not currently available.
HR2 Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken	✗	This information is not currently available.
Non-Discrimination		
HR4 Total number of incidents of discrimination and corrective actions taken	✗	This information is not currently available.
Freedom of Association and Collective Bargaining		
HR5 Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights	✓	CR report – Investing in our people
Child Labour		
HR6 Operations and significant suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour	–	Given the nature of our business this is not a material risk.







GRI ASSESSMENT CONTINUED

Performance indicators	Disclosure (yes/partial/no)	Location of disclosure
Forced and Compulsory Labour		
HR7 Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour	-	Given the nature of our business this is not a material risk.

6. Society

Performance indicators	Disclosure (yes/partial/no)	Location of disclosure
Local community		
SO1 Percentage of operations with implemented local community engagement, impact assessments, and development programs	✓	CR report – Engaging with the communities in which we operate
Corruption		
SO2 Percentage and total number of business units analyzed for risks related to corruption	✓	CR report – Anti bribery and corruption All employees and business units are assessed.
SO3 Percentage of employees trained in organisation's anti-corruption policies and procedures	✓	CR report – Anti bribery and corruption All employees are trained in our anti-bribery and corruption policies and procedures.
SO4 Actions taken in response to incidents of corruption	✓	CR report – Anti bribery and corruption No incidents of corruption took place in the past three years.
Public policy		
SO5 Public policy positions and participation in public policy development and lobbying	✓	Aberdeen does not have a formal policy on lobbying practices. However, as one of the UK's largest listed independent fund managers, we are asked from time to time to give house views on regulatory policy and business issues, and are invited to take part in an increasing number of public forums, whether conference, media or trade association related. We therefore have a formal policy committee in place which is chaired by the Head of Public Affairs.
SO6 Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	✓	It is the Group's policy not to make contributions for political purposes.
Anti-competitive behaviour		
SO7 Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	✓	No such actions were faced in the financial year.
Compliance		
SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	✓	In September 2013 the FCA announced that it had fined two of Aberdeen's UK operating subsidiaries, Aberdeen Asset Managers Limited and Aberdeen Fund Managers Limited, a total of £7.2m in relation to past and inadvertent failures with respect to UK client money regulations regarding naming conventions for client deposits and trust letter notifications to banks. No client money was lost and no clients were adversely affected as a result of the oversight. At no time were client funds mixed with Aberdeen's proprietary assets. The issue was identified by Aberdeen and duly reported to the regulator. Aberdeen co-operated fully with the FCA and worked quickly to resolve the issues.

7. Product responsibility

Performance indicators		Disclosure (yes/partial/no)	Location of disclosure
Customer health and safety			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures		Due to the nature of the business our products and services do not have significant health and safety risks.
Product and service labelling			
PR3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements		In most of the countries in which we operate there are strict regulations which govern product and service information. We ensure that we comply with these standards.
Marketing communications			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship		All financial promotions and image advertising are reviewed by the Compliance department via an internal database prior to distribution. We comply with the service information regulations in all jurisdictions in which we operate.
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes		There were no such incidents in the financial year.
Customer privacy			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data		There were no such complaints in the financial year.
Compliance			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services		There were no such fines in the financial year.

UN Global Compact

This year, to further demonstrate our support for the adoption of responsible business practices, we became a signatory to the UN Global Compact. The ten principles provide a framework against which we can benchmark our performance and work to improve our practices.

The table below provides a reference to the relevant section in our CR report against which our progress on the principles can be assessed.

Issue areas	UN Global Compact Principles	Relevant section
Human rights	Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights	Investing in our people & Engaging with our stakeholders – supply chain
	Principle 2 Businesses should make sure that they are not complicit in human rights abuses	Investing in our people & Investing responsibly
Labour	Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Investing in our people
	Principle 4 Businesses should uphold the elimination of all forms of forced and compulsory labour	Investing in our people
	Principle 5 Businesses should uphold the effective abolition of child labour	Investing in our people & Investing responsibly
	Principle 6 Businesses should uphold the elimination of discrimination in respect of employment and occupation	Investing in our people & Investing responsibly
Environment	Principle 7 Businesses should support a precautionary approach to environmental challenges	Investing responsibly
	Principle 8 Businesses should undertake initiatives to promote greater environmental responsibility	Investing responsibly
	Principle 9 Businesses should encourage the development and diffusion of environmentally friendly technologies	Investing responsibly
Anti-corruption	Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery	Engaging with our stakeholders – anti-bribery and corruption

Contact

Further information

For more information please contact your local Aberdeen representative, or visit our website www.aberdeen-asset.co.uk

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