

Shaping the Future of Sustainability

Arabesque
Non-Financial Report
2021

arabesque

CEO STATEMENT OF SUPPORT

Finance is in one of the most profound decades of change in its history, with sustainability and technology driving transformation of the global marketplace. An unprecedented opportunity is emerging, which is being advanced by investor commitments, regulation, and real economic transformation.

Sustainable investment funds worldwide are growing. In 2021, the UN-backed Principles for Responsible Investment (PRI) have seen assets under management grow to US\$121 trillion, an increase of 17% over the last year, with the number of signatories increasing by 26%, to 3404.

2021 also saw the UK host COP26, and the focus on net-zero discussion is reflected in the private sector's response. Momentum towards net-zero targets continued to pick up pace with 450 financial institutions, almost three times the previous year, committed to align their lending and investment portfolios with net-zero emissions by 2050. As of the end of the year, almost 90% of global emissions and GDP were covered by net-zero commitments.

Arabesque is uniquely positioned to lead this transition, combining cutting-edge AI applications, market-leading data assets and ESG investment propositions. Established in 2013, we are a leading provider of technology solutions for sustainable finance, with three integrated businesses offering ESG investment strategies, data, and insights for financial decision-making, as well as AI investment technology.

We believe economic value creation can and should be combined with environmental stewardship, social inclusion, and good governance. This guides our strategy to bring together technology, data, and finance to deliver sustainable, transparent financial solutions for a changing world. We became signatories to the United Nations Global Compact (UNGC) in September 2013. Almost nine years on, I am pleased to confirm that we at Arabesque reaffirm our support for the ten principles of the UNGC in the areas of Human Rights, Labour, the Environment and Anti-Corruption.

Arabesque was founded with the recognition that our actions have both a direct and indirect impact on a wide range of stakeholders, ranging from investors, corporations, employees, and suppliers, as well as the local communities in which these stakeholders live, work, and serve. As our group expands its services to meet rapidly increasing demand for ESG and AI technology solutions in financial markets, we remain as committed as ever in ensuring that sustainability is at the heart of our company purpose.

Technology is revolutionising sustainable investment and democratising finance as a force for good to shape a more prosperous future for our society and the planet. Supported by a world-class board of sustainability experts, and together with some of Europe's largest financial institutions as shareholders, we look forward to driving Arabesque forward as an industry pioneer and an enabler of change.

Omar Selim
CEO, Arabesque

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Introduction

Arabesque's mission is to enable clients and other stakeholders to implement sustainability in their investments and financial decision-making. 2021 saw the continued scale-up of our three international businesses, Arabesque Asset Management (comprising Arabesque Asset Management Ltd, Arabesque Deutschland GmbH, Arabesque Asset Management Singapore Pvt Ltd, and Arabesque Asset Management USA, Inc), Arabesque S-Ray GmbH (including its subsidiaries Arabesque S-Ray GmbH USA Inc and Arabesque S-Ray Dataforce Pvt Ltd, established in India in 2021), and Arabesque AI Ltd. Mainstreaming sustainability is at the core of Arabesque's values. Our vision is to make sustainable choices accessible to all, as well as to empower decision-making through information transparency. Each of the three businesses within the Arabesque Group has a unique offering towards this mission.

As a talent and innovation-led organisation, our people across the group have highly specialised skills that drive our differentiation and competitiveness as well as deliver value to our clients. We are passionately committed to investing in our people and fostering a working environment that encourages entrepreneurship, growth, and learning, and we have an unwavering commitment to inclusion and diversity. The founding principle of Arabesque is to create a mission-driven culture for our team to make an impact and shape the industry of sustainability through AI technology and finance.

To ensure good practice as our group expands its operations, we turn the lens inwards to assess and evaluate our own operational impact across environmental, social, and governance (ESG) issues. We are pleased to present the 2021 non-financial overview of our sustainability policies, initiatives, metrics, and targets. We plan to enhance our reporting each year, in line with frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD) and the UNGC to ensure consistent and comparable reporting.

Arabesque S-Ray*

Arabesque S-Ray is a leading provider of sustainability data, advisory and research services, with a quantitative algorithmic approach that combines big data and ESG metrics to assess the performance of listed companies worldwide. S-Ray's services are used by a range of major financial institutions, investors, corporations, and consultants, together with media organisations and other stakeholder groups. Arabesque S-Ray's investors include Allianz X, Commerz Real AG, DWS Group, Helaba Digital, and Land Hessen, alongside Accenture – the final Series A investor that took a stake in the company in 2020. Arabesque S-Ray is preparing for a Series B investment round in 2022.

During 2021, we greatly expanded and enhanced S-Ray's product offerings for our bespoke clients worldwide. The current product suite encompasses ESG Solutions, Climate Solutions, and Real Estate Solutions. We create customized scores for a variety of sustainability use cases including supply chain assessment, rating of sports clubs, company performance evaluation, tenant screening, and lending, and the team also engages in research collaborations with major universities in the United States and Europe. We

have live products with 12 clients, most notably the Wall Street Journal, and the Wall Street Journal Elevate Score.

Then, in December 2021, Arabesque S-Ray launched ESG Book, an ESG data disclosure and analytics platform aimed at increasing transparency into ESG data, and providing easy access to the scores, frameworks, raw metrics, and analytics that investors would need to make sustainability-based investment decisions. All dominant frameworks and standards are hosted on ESG book in a framework-agnostic way that fosters transparency and openness.

All products offered by S-Ray are hosted on ESG book and designed with sustainability in the forefront. S-Ray's flagship products, the ESG and GC scores, allow clients to align their portfolios with positive ESG performance and with the ideals of the UN Global Compact, respectively. Both products are being overhauled for a 2022 upgrade. The ESG score is being realigned to consider the SASB Conceptual Framework and Materiality Map, while the GC score is being redesigned to score company performance on the ten GC Principles. Additionally, S-Ray's leading climate product, the Temperature Score, directly links company GHG (Greenhouse Gas) emissions with their contribution to global temperature rise and allows clients to build portfolios that are Paris aligned.

Arabesque S-Ray continues to engage in multiple partnerships with international stakeholder organisations that help drive the global sustainability agenda, including being members of the World Business Council for Sustainable Development (WBCSD), the International Corporate Governance Network (ICGN), and the World Environment Centre (WEC), the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), and the International Finance Corporation (IFC), amongst others.

Thought leadership

In late 2020 Arabesque S-Ray set up the Thought Leadership Committee to streamline efforts to disseminate Arabesque's data, research and company values and philosophy more broadly. In 2021, the committee had a successful first year, publishing 13 separate articles, with additional supporting op-eds, covering a range of topics from diversity in the workplace, to palm oil production, to ESG regulations. The committee aims to continue and increase its output in 2022, publishing companion pieces for all our upcoming products and shedding light on important developments in the field of sustainable finance and ESG disclosure practices.

Arabesque's monthly newsletter provides our clients and stakeholders with regular updates on our latest thought leadership across the firm, including our latest research, webinars, and product development.

Arabesque Asset Management

Arabesque Asset Management has sustainability at its core. 100% of investment strategies integrate sustainability metrics, encompassing all environmental social and governance considerations, and including additional screening based on UNGC criteria and controversial business activities. The specific ESG methodology utilized within our product range is dependent upon multiple factors, including the objectives of a specific investment product, subject specific research, portfolio construction, and model processes. All

products currently offered by Arabesque S-Ray are utilised in either our Screening, Integration, or Thematic sustainable Investing approaches.

In 2021 Arabesque Asset Management took multiple steps to further its mission of mainstreaming sustainable finance, appointing for the first time a Head of Stewardship and Sustainability and summarising all actions taken and progress made in its first Stewardship Report, published in October 2021.

A key theme of 2021 has been engagement. This year Arabesque Asset Management has formalised its engagement process, and increased engagement with bodies such as PRI, ShareAction, and ClimateAction 100+, as well as launching their own Arabesque-led engagement campaign. The Arabesque-led engagement efforts seek to improve data disclosure via collective action with likeminded investors to limit greenwashing and build quantitative metrics to support better measurement in the TCFD context. As such, Arabesque Asset Management encourages the announcements of many companies to commit to the Net-Zero 2050 goals, backed by measurable, reliable, and timely data to measure progress.

Additionally, Arabesque Asset Management commenced proxy voting on all funds in February 2021, via a partnership with a proxy voting provider ISS. We believe that companies with strong governance practices, who consider stakeholders interests are better positioned to perform well in the long run. Through proxy voting, shareholders can influence a company's corporate governance practices, management, and operations, and we see proxy voting as vital shareholder responsibility.

On the fund level, Arabesque Asset Management took even greater steps, improving ESG integration into all funds, strengthening our approach to Net-Zero using Arabesque S-Ray's climate data and analytics. Then, in July 2021, we launched the Paris-aligned Global Climate Pathway Equity strategy, labelled Article 9 as per the EU SFDR regulation. This strategy investors with a solution to allocate capital to climate leaders without holding a concentrated portfolio. We believe that by using the latest advancements in climate data, we can identify those companies across all business activities that are leading the way on climate issues.

Arabesque AI

Launched in 2019, Arabesque AI is a London-based research and technology company offering sustainable investment solutions through cutting-edge artificial intelligence research. Born out of a desire to apply AI to any investment scenario, we have developed a unique AI Engine to analyse equity market behaviour, enabling our clients to build a diverse range of customisable equity investment strategies tailored to individual needs through our AutoCIO platform.

ESG factors are central to the engine, with investors able to construct their portfolios to incorporate sustainability options. Through the integration of S-Ray's ESG data models, the platform offers best-in-class sustainability investing practices which are both scalable and accessible. With the Arabesque Group expanding its services to meet increasing demand for AI technology solutions in financial markets,

Arabesque AI aimed to provide its offerings to a broad spectrum of customers across financial markets in 2021. In scaling-up the service, Arabesque AI turned to Google Cloud as the backbone of its platform, which is powered by 100% renewable electricity.

Arabesque AI also runs its own comprehensive thought leadership program, publishing 13 pieces throughout 2021, broken down into six blogs and seven research pieces. Additionally, Arabesque AI has joined S-Ray's thought leadership committee to contribute to thought leadership at the company level.

Our Environmental Commitment

With respect to the environment and the impact of our actions, Arabesque has committed to a series of firm goals. As a Group, we are aligned with action to keep global temperature well below 2 degrees Celsius, in accordance with the aims of the Paris Agreement, and are fully supportive of the Rio Declaration on Environment and Development. In 2020, Arabesque S-Ray set a target with the Science Based Targets initiative (SBTi), committing to an emissions reduction in line with a well-below 2 degrees Celsius pathway, and are now in the process of updating their target to a 1.5 degree aligned target. In 2021 Arabesque Asset Management signed their support to the TCFD recommendations, continuing our increasing support of climate-related transparency, and Arabesque has now started to incorporate climate issues into our own risk registers.

Our targets are recognized on the [Science Based Targets initiative](#) website as well as its partners' websites at [CDP](#) and [We Mean Business](#).

The COVID-19 pandemic has had a profound impact on how and where we work, making us all take a step back to acknowledge and review our impact on the world. We recognise however that the climate crisis continues and action on climate change must not stop. Therefore, we continue to support the UNGC 'Recover Better' initiative, focused on ensuring a sustainable recovery from the global pandemic. As we moved back into working in the office, Arabesque has prioritised finding working space that aligns itself with our environmental commitments. After spending much of 2020 and 2021 with no office space at all, the largest branch of Arabesque, the London branch, moved to a new location in August 2021. This office space is BREEAM rated and has comprehensive renewable energy, energy efficiency, grey water, and recycling initiatives, that help us to fulfil our environmental obligations.

Furthermore, our asset management business has a formalised ESG approach to sustainable investing, outlining our investment philosophy, detailing the tools we use to apply ESG considerations to our investments, and explaining our approach to stewardship.

As part of this process, the Investment Committee has established a Sustainability Working Group (SWG) which carries out the firm's sustainable investment activities. In 2020, for example, we joined the Investor Decarbonisation initiative from Share Action, which engages with companies on setting science-based emissions targets and taking climate action. The [full approach](#) can be viewed on our website.

Climate Change

As a business, we are committed to reducing our greenhouse gas emissions and have taken action to realise this ambition. Our operational computing is already hosted on cloud-based platforms, such as the Google Cloud Platform, which have a net-zero emissions targets. Our new office space in London has an integrated solar panel system, and all additional electricity purchased is 100% renewable. Additionally, our Frankfurt office is in the process of switching to electricity produced from renewable energy. Despite this new office space flexible working continues and we have provided our employees with increased flexibility on working location, reducing the need for commuting every day. Additionally, our travel policy encourages employees to make sustainable choices when travelling for business.

Quantifying our Impact

We started measuring our greenhouse gas emissions this year from a baseline of 2018, and in October 2020 Arabesque S-Ray had its 'well below 2 degrees Celsius' emissions reduction target approved by the SBTi, a reduction of 30% based on baseline 2018 figures. We are currently looking into upgrading this to a 1.5 degree target. When establishing our 2018 baseline, we normalised our emissions to account for the rapid growth in our employee numbers from 34 in 2018 to 136 in December 2020 when our calculations took place. We accounted for emissions from our London, Frankfurt, Boston, and Singapore offices.

For our 2018 baseline, our scope 1 emissions were 73 tCO₂e, and our scope 2 emissions were 106 tCO₂e. **Table 2** shows our emissions break-down by scope in 2018, 2019, and 2021. These were measured to align with the GHG protocol, and our scope two emissions were calculated from our energy usage using the location-based method, with both Scope 1 & 2 calculations respectively using local gas & electricity conversion factors for 2021. In 2020 we were almost entirely working from home, and for most of the year we were without office space in London at all. As a result, we do not have comparable figures for 2020. Our 2021 emission figures show a total reduction of 63% from the 2018 baseline, far more than required for our current SBTi target, driven by the switch from to renewable energy in London and Frankfurt. We expect Scope 1 emissions to increase in 2022 as in 2021 we did not spend a full year in the London office, which still employs some gas-powered heating. Even so, we still expect to be able to easily meet our SBTi commitments. We hope to start to record and report on relevant scope 3 categories.

Table 2: Emissions data

	2018	2019	2021
Scope 1 (tCO ₂ e)	73	39.40	38.33
Scope 2 (tCO ₂ e)	106.20	80.65	28.22
Total (tCO ₂ e)	179.20	120.05	66.55
Total (tCO ₂ e/FTE)	1.49	1.19	0.34

Recycling

Throughout our offices we encourage recycling. In our London office, in 2021, we recycled 49.3% of our waste and converted 49.6% to energy, sending only 1.1% to landfill (**Table 3**). The total waste produced (estimated from figures from the building as a whole) shows a 60% reduction on our 2019 figure but, as before, we were not in the office for a complete year.

Table 3: Waste data (London)

	2018	2019	2021
Total Waste estimate (kg)		4588	1838
% Recycled	67%	69%	49.6%
% Converted to energy	33%	31%	49.3%
% Sent to landfill	0%	0%	1.1%

Our Social Policies

Social issues remain at the forefront of Arabesque's mission and product offering, and so we aim to treat our employees with those same ideals in mind. To that end, in 2021 we introduced a flexible working policy, and continue to encourage employees to work in the way that works best for them and their teams. We also introduced maternity and paternity leave policies guaranteeing, respectively, 14 and 2 weeks of fully paid leave with additional options for flexible working beyond that period. Finally, we rolled out a share options program to ensure that, if they desire, all employees can have a direct stake in the business and benefit accordingly.

Non-Discrimination and Diversity

We have an unwavering commitment to inclusion and diversity and a culture of equality, which is core to our values as a company and critical to our success and continued innovation.

Arabesque maintains a diversity policy that outlines our commitment to inclusion, equality, diversity, and the elimination of any form of discrimination. To this end, Arabesque is proud to be an equal opportunities employer. As such, all job listings include statements affirming that all applicants will be considered equally irrespective of race, colour, religion, national origin, sex, physical or mental disability, or age.

In 2021 Arabesque partnered with Making the Leap, a London based non-profit that helps bring young people from less privileged backgrounds into employment. Additionally, our AI division are members of Women Who Code, a network that provides women with access to events and education in STEM careers.

Furthermore, AI partnered with the Linacre Institute, whose mission is to give students from disadvantaged parts of the north of England the same chance of reaching selective universities and courses as those at the UK's best-performing schools, to host an AI and Financial Services workshop.

Table 4: Employees, breakdown by gender

Employee Breakdown	Female (2020)	Male (2020)	Total (2020)	Female (2021)	Male (2021)	Total (2021)
Contractor	1	12	33	1	1	3
Intern	2	3	5	9	5	15
Analyst	2	0	2	30	34	65
Associate	20	31	51	34	43	77
Director	9	20	29	7	26	33
Partner	2	14	16	3	19	22
Total	56	80	136	84	128	215

Arabesque is committed to equal pay, as outlined in our Equal Pay Policy, and each position has a pay structure, regardless of gender, race, colour, religion, national origin, physical or mental disability, or age. We outline in **Table 4** the employee breakdown at different levels by gender, averaged yearly, and in **Table 5**, the number of new hires by region and gender. The mean gender pay-gap within Arabesque is 42.14%, calculated according to the UK government guidance and methodology. **Table 6** shows the breakdown of the mean gender pay gap for different levels

Table 5: New hires, breakdown by region and gender

New Hires	Female (2020)	Male (2020)	Total (2020)	Female (2021)	Male (2021)	Total (2021)
U.S.	1	5	6	0	2	2
Germany	3	4	7	3	9	13
India	21	13	34	29	29	59
U.K.	9	19	28	15	38	54
Total	34	41	75	49	80	132

Table 6: Mean gender pay gap across the company (%)

Category	Mean Gender Pay Gap (2020)	Mean Gender Pay Gap (2021)
All	38.4	42.14
Analyst	N/A	14.58
Associate	1.07	27.15
Director	54.3	4.86

Partner	39.2	10.17
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The founding principle of Arabesque is to create a mission-driven culture for entrepreneurs to make an impact, and our organisation is based on the structure of meritocracy. While we do not yet measure ethnic diversity within Arabesque, as we grow, we are committed to building a highly diverse team that is inclusive of all.

Employee Wellbeing

Throughout the year, we continued to deliver on our commitments to our people. Arabesque recognises that providing employees with the opportunity for personal and professional progression can be a critical factor in employee satisfaction and happiness. Arabesque has formalised group-wide training for CISI and IMC courses and has a programme to support all staff studying for relevant professional qualifications. Before this, Arabesque arranged training on an ad-hoc basis, having funded employees to undertake courses with the CFA.

We recognise that fostering talent and providing employees with opportunities for growth is key for employee engagement and retention. To this end, Arabesque's employee performance management policy ensures a regular formalised performance review process that will help employees progress through their careers by identifying areas where the employee wants to develop and allows for open discussion on areas for improvement. Outlined below (**Table 7**) is the full-time employee annual turnover, calculated excluding contractors and interns (Note our India office only became an established entity in October 2021, after which we started to move all employees from contractors to full-time employees, so we have no figure to report for India this year). Arabesque is changing and growing business, going through a significant scale-up, so higher levels of turnover are to be expected. However, we are still taking whatever steps we can to keep turnover as low as possible and to reduce it moving forwards. Arabesque undertakes detailed exit interviews, the results of which are now feeding back into company policies and culture. Additionally, in 2021, Arabesque introduced an anonymised annual employee wellbeing survey using the platform Culture Amp, to help identify areas of improvement and help increase retention and employee satisfaction. Engagement on the first survey stood at 82%, with satisfaction at 60%.

As a result of these processes, we introduced the previously mentioned flexible working policy, as well as a new appraisal platform at the end of 2021 where every employee can set goals and track personal KPIs, including quarterly check-ins with their line manager, and a formalised framework for promotion. Our next steps include the introduction of Social & Volunteering committees, and increased learning and development opportunities for all employees across the company.

Table 7: Full-time employee total annual turnover

Category	Turnover Rate % (2020)	Turnover Rate % (2021)
Male	17.6	18.0

Female	16.9	24.6
UK	23.3	32.1
Germany	5.9	25.8
US	17.8	29.7
Singapore	34.3	0
Total	20.86	30.4

Data Protection and Privacy

Arabesque strongly believes in the principle of privacy and is committed to protecting both the privacy of its employees and all data that Arabesque holds. The Arabesque Data Protection Policy outlines how Arabesque implements this commitment and conforms to the EU's General Data Protection Regulation (GDPR). Additionally, every employee has Microsoft Company Portal installed on their company laptop to ensure all equipment is data protection compliant. As part of this, the company is restricted from seeing files, passwords, emails, or any private messages, further safeguarding employee privacy.

Additionally, the London branch of Arabesque S-Ray office received ISO 27001 certification. This allows S-Ray to securely manage the security of financial information, intellectual property, employee details and information entrusted by third parties. Additionally, Arabesque is working towards rolling out ISO 27001 certification across the rest of the company as well.

Human and Labour Rights

In 2020, Arabesque published a statement on Human Rights, which we continue to adhere to, outlining our alignment with the UN Global Compact and the UN Principles for Responsible Investment, as well as our commitment to the following standards:

1. Universal Declaration on Human Rights
2. International Covenant on Civil and Political Rights
3. International Covenant on Economic, Social, and Cultural Rights
4. International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work

At board-level, in 2021 Arabesque was advised on the latest international developments in human and labour rights issues by John Ruggie, the Berthold Beitz Professor in Human Rights and International Affairs at Harvard's Kennedy School of Government. Professor Ruggie is the author of the UN Guiding Principles on Business and Human Rights, to which we commit, and was considered one of the world's foremost experts in corporate human rights. Sadly, we lost Professor Ruggie over the course of 2021, but we will continue to take his wisdom and knowledge forwards with us as we grow.

In alignment with Arabesque's endorsement of the International Labour Organisation (ILO)'s Declaration on Fundamental Principles and Rights at Work, Arabesque personnel are free to associate and organise themselves collectively in accordance with local laws. Arabesque has never been subject to any investigation, legal proceedings or incidents involving Human Rights abuses.

All Arabesque staff work on a contractual basis with a strong element of alignment of interest in the success of the business. We do not tolerate forced, coerced or compulsory labour within our business or within that of our business partners. We have a zero-tolerance policy towards child labour. We do not employ children and we would not accept it if any of our suppliers or partners were to violate this principle.

Our Anti-corruption Policies

As a UK regulated asset manager and a US Securities and Exchange Commission (SEC) Registered Investment Adviser, we are fully cognisant of, and in compliance with, UK and US anti-corruption and anti-bribery rules. The Financial Conduct Authority (FCA) and the SEC requires all authorised firms to have in place policies and processes which prevent corruption and bribery and to conduct their business with integrity.

Our partnership agreement governs the business conduct of our employees. All employees are required to work with utmost integrity. We rely on personal integrity as one of the three key components in our hiring and on-going evaluation process.

Furthermore, Arabesque is a member of ICGN (International Corporate Governance Network) and fully supports its mission to inspire and promote effective standards of corporate governance to advance efficient markets and economies worldwide. To this end, Arabesque has developed a fully fleshed out anti-corruption policy, that details precisely how Arabesque ensures that all levels of operation are kept free from corruption, including but not limited to, bribery, money laundering and tax-evasion. We are pleased to announce that Arabesque has not been subject to any legal proceedings or events relating to corruption or bribery.

Finally, to increase internal transparency, Arabesque has set up a staff intranet, where all employees can easily access all company policies and related documents, as well as find helpdesks for and legal or technical question they may have.

Our Governance Structure

Arabesque has established a robust and principles-based corporate governance structure that follows best practices in board-level governance and oversight.

Below, we outline key aspects underpinning the structure of our Board of Directors, the functioning and role of the Board Committees and their contribution to maintaining a board-level guidance and oversight process that ensures an effective firm-level governance framework.

Board of Directors

Arabesque strives to ensure that its Board of Directors is well-positioned to lead Arabesque in becoming a leading company in sustainable finance. Our non-executive directors (**Table 8**) include leaders in the fields of corporate responsibility, sustainable investment, data and technology, environmental stewardship, human rights, and gender equality. They are joined on the board by executive directors Omar Selim, Dr Dominic Selwood, and Nicholas Page, respectively Chief Executive Officer, General Counsel and Chief Compliance Officer, and Chief Financial Officer of the Arabesque Group. We sadly lost Professor John Ruggie during the course of 2021, and his unmatched guidance and understanding of the human rights space will forever be missed. Arabesque ensures that a broad range of perspectives and backgrounds are present on the board, and that the diversity of the board is maintained. Our board's gender split at the end of 2021 represented 44% female and 56% male board members. Full biographies and summaries of individual board members' experience can be obtained on [our website](#).



Georg Kell

Chairman of the Arabesque Group and founding Executive Director of the UN Global Compact



Barbara Krumsiek

Former CEO and President of Calvert Investments



Dr Carolyn Woo

Former CEO and President of Catholic Relief Services



Yolanda Kakabadse

Former President of WWF International



Carlo Kölzer

Founding partner and member of 360T's Group Executive Board and Deutsche Börse Group Management Committee member



Kate James

Former Chief Communications Officer at the Bill and Melinda Gates Foundation

Non-Executive Members of the Board			
Name	Role	Committees	Appointed
Georg Kell	Chairman	Nominations & Compensation Cttees	8 June 2015
John Ruggie	Compensation Cttee Chair	Compensation & A/R Cttees	20 July 2017
Barbara J. Krumsiek	Audit & Risk Cttee Chair	Audit & Risk Cttee	19 April 2016
Carolyn Woo	Risk Sub-Cttee Chair	Audit & Risk Cttee	28 July 2017
Yolanda Kakabadse	Nominations Cttee Chair	Nominations Cttee	4 August 2017
Carlo Kölzer	Non-Exec Director & Board Member	Compensation Cttee	17 Sept. 2020
Kate James	Non-Exec Director & Board Member	Compensation Cttee	5 August 2020
Executive Directors of the Board			
Omar Selim	Executive Director, CEO	Nominations Cttee	19 July 2013
Dominic Selwood	Executive Director, General Counsel, Secretary of Nominations Cttee	Nominations & Compensation Cttees	19 July 2013
Nick Page	Executive Director, CFO	Audit & Risk Cttee	8 July 2020

Table 8: Overview of the Arabesque Group Board

Board Committees

Currently, the functioning of the Arabesque Board is organised through three main Board Committees, namely: the Audit and Risk Committee, the Remuneration Committee, and the Nominations Committee. In addition, we hold all-member board meetings at quarterly intervals during the year.

Audit and Risk Committee

Arabesque's Audit and Risk Committee plays a key role in the oversight of the Arabesque Group's financial reporting, risk management, control and assurance processes, and audit arrangements. The Committee carries out a regular review of the company's approach to understanding and assessing its risks. The committee's membership is comprised of three non-executive directors.

The Group's Audit and Risk Committee is delegated by the board a mandate to work with executive management on areas such as corporate reporting, risk management and internal control as well as overseeing the relationship with the company's independent auditor. In undertaking its work, the committee takes into account all relevant company policies.

The Risk Sub-Committee workstream within the Audit and Risk Committee is delegated by the board a mandate to oversee, evaluate, and review policies, processes, and functions to protect the interests of stakeholders in relation to internal and external risks and controls. The overarching responsibilities of the Risk Sub-Committee includes understanding the risks faced by the company and evaluating that they are adequately considered as part of the strategy, oversight of the risk management framework, and systems of internal control. The Audit and Risk Committee meets quarterly, in line with the schedule of the main quarterly board meetings that take place.

Compensation Committee and Nominations Committee

The Group's Compensation Committee is authorized by the Board to develop policies on firm-wide remuneration and to provide guidance on the remuneration package of Arabesque's directors and employees. In undertaking its work, the Committee takes into account all relevant Company policies, including the Arabesque Group's overarching commitment to diversity.

The Compensation Committee meets at least twice per year. Committee membership is appointed by the board from amongst the non-executive directors of the board and consists of at least three members. This committee is now chaired by Kate James.

The ongoing responsibilities of the board's Nominations Committee include reviewing the structure, size, and composition (including the skills, knowledge, and experience) of the board members and its committees, as well as reviewing annually the time required from each non-executive director, using performance evaluation to assess whether the non-executive director is giving sufficient commitment to the role.

Similarly, to the Compensation Committee, Arabesque's Nominations Committee meets at least twice per year. Committee membership is appointed by the board from amongst the executive and non-executive directors of the board and consists of at least three members. All members of the Compensation Committee are non-executive directors.

Appendix: Content index

Topic	Metric	Outcome	UNGC		SASB		Page reference
			Issue area	Principle	Disclosure Topic	Metric code	
Human rights and labour rights	Human rights policy		Human rights	1, 2			9
	Freedom of association policy		Labour	3			9
	Forced and child labour policy		Labour	4, 5			9
Diversity and inclusion	Gender representation across the workforce	In 2021, 39% of employees across the firm were female, split by role as follows: Intern: 60% Analyst: 14.58% Associate: 44.16% Director: 20.59% Partner: 13.36%	Labour	6	Employee Diversity & Inclusion, Workforce Diversity & Engagement	FN-AC-330a.1, SV-PS-330a.1	7
	Equal opportunities policy		Labour	6	Workforce Diversity & Engagement	SV-PS-330a.1, SV-PS-330a.1bb	6
	Turnover rate	Turnover in 2021 was 30.4%. Female: 24.6%, Male: 18.0%	Labour	6	Workforce Diversity & Engagement	SV-PS-330a.2	8
	Gender pay gap	The gender pay gap in 2021 was 42.14%, split by role as follows: Analyst: 14.58% Associate: 27.15% Director: 4.86% Partner: 10.17%	Labour	6			7

	New Hires	In 2021, 37% of new hires were female. Germany: 23% India: 49% UK: 28% USA: 0%	Labour	6			7
	Board gender split	40% female	Labour	6			11
	Employee Engagement	82%	Labour		Workforce Diversity & Engagement	SV-PS-330a.3	8
	Employee Satisfaction	60%	Labour		Workforce Diversity & Engagement		8
Data protection	Data protection policy		Human Rights	1	Data Security	SV-PS-230a	9
	Data breaches	There were no data breaches in 2021	Human Rights	1	Data Security	SV-PS-230a	
	Data security	Arabesque S-Ray, London has ISO 27001 certification	Human Rights	1	Data Security		
Climate and environment	Climate commitment		Environment	7,8,9			5
	GHG Emissions	2021 GHG Emissions (tCO2e) Scope 1 Emissions: 38.33 Scope 2 Emissions: 28.22 Total: 66.55	Environment	8			5
	Waste recycling rates	Recycling rate: 49.6% Waste to landfill: 1.1%	Environment	9			6
	Emissions reduction target	Approved “well below 2°C” SBTi Target	Environment	7,8			5
	Percentage of assets under management, by asset class, that employ integration of environmental, social, and governance (ESG) factors	100%	Environment	7,8	Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	FN-AC-410a.1a	2

	Percentage of assets under management, by asset class, that employ sustainability themed investing	100%	Environment	7,8	Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	FN-AC-410a.1b	2
	Percentage of assets under management, by asset class, that employ screening (exclusionary, positive/best-in-class, or norms-based)	100%	Environment	7,8	Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	FN-AC-410a.1c	2
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies		Environment	7,8	Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	FN-AC-410a.2	3
	Description of proxy voting and investee engagement policies and procedures	Formalised engagement process and proxy voting both became effective in 2021			Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	FN-AC-410a.3	3
Anti-corruption	Anti-corruption policy		Anti-corruption	10	Description of whistleblower policies and procedures	FN-AC-510a.2	10
Transparency	Description of approach to informing customers about products and services		Anti-corruption	10	Transparent Information & Fair Advice for Customers	FN-AC-270a.3	2

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