

AAB

**GROWING
SUSTAINAABLY TOGETHER**

AAB ESG IMPACT REPORT

1 APRIL 2023 – 31 MARCH 2024



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LIFE AT AAB IS ALL
ABOUT **THE BIGGER
PICTURE**, NOT JUST
THE END RESULT.



A MESSAGE FROM OUR ESG PARTNER, ALASDAIR GREEN

In our financial year ending 31 March 2024, AAB has remained steadfast in our commitment to ESG. While Environmental, Social, and Governance issues have been a staple part of our own business strategy for a while, this year, we were excited to extend our expertise to our clients, with the launch of our new Sustainability & ESG Services. With mounting pressure from investors, clients, and employees alike, this new offering helps clients to navigate an increasingly complex regulatory environment, manage risks and opportunities and prepare for sustainable transformation.

Within our own operations, we've also continued to drive down our environmental impact across the group. We recalculated our emissions (Scope 1, 2, and partial Scope 3), assessing our progress to ensure we remain on course with the UK's roadmap to decarbonisation. We have also continued to seek ways to reduce the impact of our everyday operations, spearheaded by our dedicated team of green champions.

We have long recognised our role and responsibility to use our resources to help address issues in our communities, making this a core trait of our company culture. Through our charitable partnerships, facilitated by our AABIE programme, we are proud to have donated to and lent support to numerous causes close to our hearts this year, generating real-life impacts to those who need it most. We've also continued to create meaningful career opportunities for our team members, allying with extensive education networks that champion local people. In our communities, we are proud to support clients in key business sectors that provide significant local employment and investment, whilst they embark on their net zero and energy transition strategies.

While we are satisfied with the steady progress made in the last year, we recognise the serious undertaking of the task ahead. With this in mind, we have liaised with an external ESG consultancy, as well as our key stakeholder groups, to help us to reset and refine our ESG targets, working with greater clarity towards even more ambitious goals and objectives in the year ahead.



THIS YEAR, WE WERE EXCITED TO EXTEND OUR ESG EXPERTISE TO OUR CLIENTS, WITH THE LAUNCH OF OUR NEW SUSTAINABILITY & ESG SERVICES.



Emma Lancaster,
CEO



THE JOURNEY AAB HAS BEEN ON IS A TRULY REMARKABLE ONE, WHICH, COMBINED WITH ITS PEOPLE-FOCUSED CULTURE AND ESG APPROACH, WAS A HUGE PULL FOR ME TO JOIN THE BUSINESS.

WELCOMING AAB'S NEW CEO, EMMA LANCASTER

This year I was delighted to join AAB to lead the team through our next exciting chapter of sustainable growth. The journey AAB has been on is a truly remarkable one, which, combined with its people-focused culture and ESG approach, was a huge pull for me to join the business. As a rapidly growing company, I look forward to working with the team to continue to expand AAB's presence and create new opportunities for our team and clients.

Today, AAB is comprised of just under 1,000 people across 14 offices. In the last year, further M&A transactions were completed, including our largest acquisition to date, French Duncan. This added more than 200 team members, new offices, clients and presence throughout Central Scotland. We also grew our AAB People business through the acquisition of London-based Elstan HR. Our talented team of specialists deliver professional services to the mid-market and across key economic sectors, allowing them to unlock success including applying ESG principles to their own operations.

As we continue to welcome new companies into the AAB fold in the coming year, ESG will continue to steer our business objectives, and we look forward to reporting on our updated progress next year.



OUR HIGHLIGHTS FOR 2023-2024

ENVIRONMENTAL

Our key environmental highlights for 2023-24 are:



Our impact: continued to engage our landlords to enhance our waste reporting, and attained a 66% recycling rate.



Working towards reducing our carbon intensity: improved our carbon emissions data process for regulatory reporting and to allow creation of baseline data for intensity reduction strategies.



Expanded our Scope 3 inventory and understanding, repeating our annual employee commuting survey, adding business travel and other partial categories.



SOCIAL

Our key social highlights for 2023-24 are:



Our people: following a busy period of M&A growth, we have started work to bring together and integrate our expanding teams, with a focus on our people.



Our communities: built out our existing community engagement programme, AABIE, to include all offices, donating a record-breaking total of just over **£109,000**.



Our people: started conducting regular staff surveys, including our first Explore Challenge Grow survey across AAB to gather feedback on ways we can improve as an employer.



GOVERNANCE

Our key governance highlights for 2023-24 are:



Completed ESOS phase 3 compliance which included a thorough independent assessment of our Leeds office.



Undertook a double materiality assessment by engaging with key internal and external stakeholders to better understand AAB's outward and inward impacts related to a variety of social and environmental topics. This exercise has set the foundation to build AAB's ESG strategy in the coming year.



Set up a quarterly ESG reporting programme that feeds into the board where it is an agenda item for review and discussion.



OUR AIMS FOR 2024-2025

ENVIRONMENTAL

Our key environmental aims for 2024-25 are:



Completing an independently verified carbon assessment of our scope 1 and 2 emissions, and expanding our Scope 3 categories to establish a carbon intensity reduction roadmap using energy, waste and water data to drive reduction efficiency and total consumption efforts.



Completing energy and waste surveys across a representative number of our offices including further energy surveys as part of our ESOS reporting requirements.



SOCIAL

Our key social aims for 2024-25 are:



Encourage team members across AAB to use their volunteering day for a local charitable initiative.



Invest in team development through the provision of LinkedIn Learning to everyone.



Continuing to deliver the integration plan that brings all colleagues together as one team.



GOVERNANCE

Our key governance aims for 2024-25 are:



Using the results of our stakeholder materiality assessment along with a verified carbon assessment and carbon intensity reduction roadmap to inform and re-define AAB's ESG strategy.



In our growing and unified Group, revising all policies, procedures and reporting processes to ensure they are relevant, consistent and aligned, as well as being clearly communicated to all.



Engaging with our supply chain and ensuring further alignment to AAB's ESG strategy.



PROVIDING A SUSTAINABLE SERVICE TO OUR CLIENTS

As an organisation with our own strategic ESG priorities, we recognise the challenges businesses face in navigating the fast-evolving sustainability and ESG landscape. We believe this presents an exciting opportunity for growth and innovation, and by staying ahead of emerging legislation and responding to the rising expectations of consumers, investors, employees, and regulators, businesses can enhance their resilience, build stronger relationships, and drive long-term value. We're here to support businesses on their sustainability journeys, helping them turn these challenges into meaningful progress and positive impact.

At the very beginning of 2024/25, AAB launched our ESG Services to manage the opportunities and risks for our clients. Our specialised ESG team have developed a pathway to help customers position their business for sustainable transformation, supporting clients to meet compliance requirements and strategically position their business to create a profitable, meaningful and sustainable future.

Our team of sustainability specialists bring a depth of knowledge and credibility to confidently steer businesses through their sustainability journey. This is backed up by B Lab training and ESG credentials from Cambridge University, Chartered Accountants Ireland, and the Institute of Chartered Accountants in England & Wales.



IDENTIFYING OUR STRATEGIC PRIORITIES

AAB operates within a wide range of stakeholder relationships, each of whom are crucial to the ongoing success of the business. Our stakeholders bring a unique set of perspectives on the ESG issues affecting our business, as well as our impact on local and global communities.

To help us to form a more rounded ESG strategy, we felt it was important to understand what concerns, challenges, and outlooks are held by representatives of each stakeholder group.

We conducted an independent double materiality assessment to better determine where stakeholder’s key areas of ESG concern are, as well as where to consider recalibrating our own strategic priorities. We did this through a series of workshops with representatives from five key stakeholder groups: our clients, investors, industry bodies, team and board.

This was the first time a materiality assessment had been carried out in AAB. Based on input from our focused pool of stakeholders, we identified the most material topics to AAB, which are listed below. Additionally, we have aligned these topics to the four UN Sustainable Development Goals (SDGs) that we feel most closely align with our operations, vision and values. (UN Sustainable Development Goals Framework)

AAB MATERIAL ESG TOPICS	UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS			
	4 QUALITY EDUCATION	10 REDUCED INEQUALITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION
Our people, including employment practices & people development, team member engagement & wellbeing, and diversity, equity & inclusion	✓	✓		
Our clients and the impact that we have on them		✓	✓	
Our governance, including board and corporate governance, and also key topics such as data privacy, cybersecurity, business ethics, compliance and risk management	✓	✓	✓	
Our impact on and of climate change, resource use, circularity, waste and nature			✓	✓
Our community support and engagement	✓	✓		

ENVIRONMENT

AAB GREEN TEAM

Our Green Team drives and co-ordinates environmental stewardship across the organisation. As sustainability ambassadors, they engage colleagues, suppliers, and clients on environmental management efforts, and report regularly to AAB Leadership on progress. The Green Team's objectives include not only meeting but exceeding legislative environmental standards. This involves minimising waste, improving recycling practices, and maximising resource efficiency. They are also committed to reducing energy and water consumption, promoting low-carbon travel options, and integrating more sustainable products and services. By promoting an environmentally responsible culture through training, and ensuring environmental considerations are embedded in new projects, the Green Team plays a crucial role in increasing participation across AAB and advancing sustainability as we grow and mature our ESG programme.



ENVIRONMENTAL POLICY AND ENERGY MANAGEMENT



WE'VE ENHANCED OUR ENERGY DATA COLLECTION USING CENTRALISED SOFTWARE, ENABLING BETTER ANALYSIS ACROSS OFFICES.

We understand that we have responsibilities to the environment beyond legal and regulatory requirements. Our policy sets out our arrangements for ensuring we minimise the impact of our activities on the environment and our commitment towards improving our environmental performance.

AAB has made steady progress in transitioning to cleaner energy and improving energy management. We now procure renewable energy at our Aberdeen and Leeds offices and generate some electricity onsite with solar panels at our US office. While moving other offices to renewable energy wasn't feasible in 2023, we plan to revisit this during future contract renewals.

We've enhanced our energy data collection using centralised software, enabling better analysis across offices. However, some locations still lack consistent data, which we aim to address.

Aberdeen, our largest office, accounts for a third of our Scope 1 and 2 emissions and is equipped with advanced energy-saving measures, including a Building Management System, lighting sensors, and efficient heating and cooling systems. It has a BREEAM 'Very Good' rating and an EPC of B+.

In 2023, in preparation for ESOS reporting we conducted an independent energy survey at our Leeds office, leading to improvements like light sensors and a switch-off policy. Similar upgrades, including LED lighting, were made at our Stirling office. These initiatives highlight AAB's commitment to reducing energy use and carbon emissions, aligned with our Environmental Management Policy.

OUR JOURNEY TO NET ZERO

We have initiated our carbon emissions assessment (in accordance with Greenhouse Gas Protocol), calculating our direct emissions (Scope 1 and 2) and some wider emissions (partial Scope 3). AAB reported an overall increase in emissions this year, a result of business acquisitions and the inclusion of two additional Scope 3 categories. Our intensity ratio calculations indicate a decrease however in tCO₂e per £m revenue (table 3). In 2024, we will expand our carbon assessment to capture additional Scope 3 categories and establish a robust baseline (with external verification) for setting our Net Zero commitment.

Our carbon reporting includes:

- Scope 1 – Emissions from office gas usage, with estimates used where data is unavailable
- Scope 2 – Emissions from electricity usage
- Scope 3 – Includes emissions from employee commuting and business travel which we track and measure. Also includes upstream emissions from purchased fuel and energy, partially to date for purchased goods and services, and waste

TABLE 1: CARBON EMISSIONS BY SCOPE 2022-2024

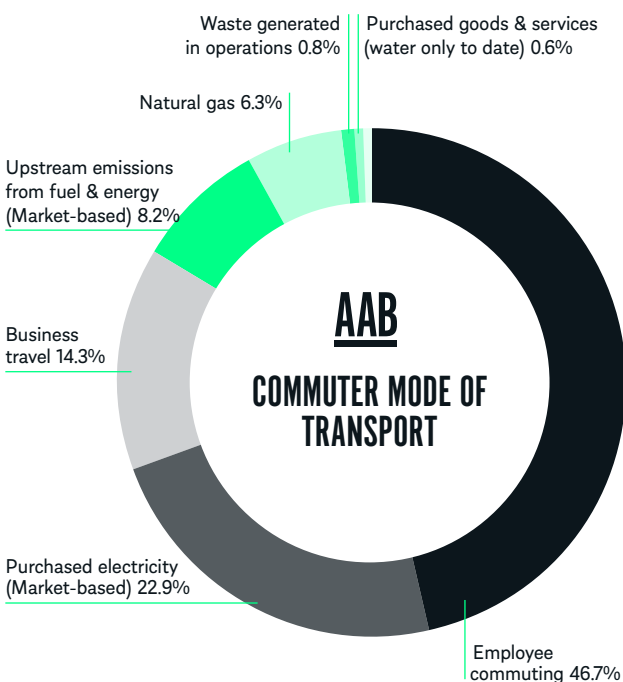
AAB	2022/2023 tCO ₂ e	2023/2024 tCO ₂ e
Scope 1	102.5	67.7
Scope 2 (Market-based)	180.8	235.7
Scope 3 (Partial)	457.5	727.3
Total Carbon footprint	740.8	1,030.7

TABLE 2: ENERGY CONSUMPTION 2022-2024

AAB	2022/2023 kWh	2023/2024 kWh
Energy consumption	1,478,616	1,587,320

TABLE 3: SCOPE 1 AND 2 CARBON EMISSIONS BY SOURCE 2022-2024

AAB	2022/2023 tCO ₂ e	2023/2024 tCO ₂ e
Scope 1		
Natural gas	99.2	64.5
Heating oil	2.5	3.2
Company leased vehicle	0.7	-
Scope 2		
Purchased electricity (Location-based)	180.8	249.8
Purchased electricity (Market-based)	180.8	235.7
Total (market-based)	283.3	303.4
Scope 1 & 2 market-based intensity metric		
tCO ₂ e/£m revenue	4.57	3.57



TRANSPORT

We acknowledge the necessity of essential travel for client meetings and employee commutes, however, commuting practices comprise a significant portion of our overall carbon emissions. To better understand AAB's travel impacts, we conducted an employee commuting survey to assess total miles travelled across various modes of transport and their associated emissions. The survey revealed that petrol and diesel private vehicles were the most common modes of commuting. However, encouragingly 24% of employees use public transport, cycle, or walk to work, while 10% use hybrid or electric vehicles. To promote more sustainable commuting, we introduced a UK HMRC salary sacrifice scheme for electric vehicle purchases and increased the value of the HMRC Cycle to Work scheme to include e-bikes.

This year, we also assessed the associated emissions from our business travel for the first time, including air and rail travel and hotel stays. While in-person meetings are important for maintaining client relationships, we recognise the need to promote lower-emission travel options.

TABLE 4: CARBON EMISSIONS BY TRAVEL MODE 2022-2024

AAB	2022/2023 tCO ₂ e	2023/2024 tCO ₂ e
Employee commuting	457.5	481.3
Business Travel*	-	147.2

*Air and rail travel including well to tank, (WTT) calculation, and hotel accommodation



24% OF EMPLOYEES USE PUBLIC TRANSPORT, CYCLE, OR WALK TO WORK, WHILE 10% USE HYBRID OR ELECTRIC VEHICLES.

RESOURCE EFFICIENCY

Our resource efficiency efforts focus on reducing the environmental impact of our office-based waste production. The Green Team lead internal awareness campaigns, and we have made progress in obtaining better data on waste streams and disposal methods, despite challenges in acquiring accurate data from serviced offices. Our key waste streams include cardboard, mixed paper, and general waste. To address these, we have implemented recycling points across all offices, achieving a 66% recycling rate. We also promote the reuse and upcycling of IT equipment and office furniture, donating or selling items to support our charitable initiative, AABIE.



WE HAVE IMPLEMENTED RECYCLING POINTS ACROSS ALL OFFICES, ACHIEVING A 66% RECYCLING RATE.

SOCIAL

EMBEDDING DIVERSITY, EQUALITY & INCLUSION

AAB recognise the intrinsic value created through diversity of thought, experiences, and skills, and we constantly aim to promote a culture that celebrates these differences. Over the last year, we have continued to develop our DE&I strategy. This approach centres around five priority areas:

- Demonstrate inclusive leadership
- Educate, raise awareness, and share knowledge
- Attract and retain diverse talent
- Create clear pathways and development opportunities
- Use data to inform and measure diversity and inclusion activity

To better understand our team base and inform more impactful initiatives, we have begun to collate employee demographic data, such as gender, preferred pronouns, and ethnicity and will be undertaking further analysis to apply findings to our programme.

DE&I related topics are discussed in-person regularly at office gatherings, as well as through dedicated communities on our internal communications platforms. We have established several working groups to support and provide representation for different groups across our workforce, including working families, LGBTQ+, menopause, and neurodiversity.

RECRUITING

We actively encourage and value career enquiries from a diverse range of backgrounds. We foster a culture of inclusiveness with no place for discrimination or harassment and our Equal Opportunities and Dignity at Work Policy is in place to reinforce this. We offer candidates places on our work experience programme, apprenticeship programme, internships, university student placements, or graduate programme, some of which provide a route into a career with us.

This is supported by our working partnerships with organisations such as the RISE (Research on Improving Systems of Education) programme with the Institute of Chartered Accountants in England and Wales, and Diversity Network to promote opportunities and widen our search to include diverse groups of talent.

RISE





INVESTING IN OUR PEOPLE

CHAMPIONING THE YOUNG WORKFORCE

As promoters of education, training and development, throughout the UK and Ireland, we support student development at local schools and universities where we host and join events and deliver talks and special lectures. We recruit graduates, placement students, and apprentices, and provide access to practical learning opportunities for groups of young people in the local community. Through our programmes, our regular flow of undergraduate and postgraduate interns gain valuable skills within management, data analysis and research.

Additionally, we partake in initiatives such as sponsoring student prizes, and hosting our Pathway Taster sessions, where students co-design solutions for real-world business or public sector challenges. Some of the tools shared as part of our student university work are still used by our team members today, demonstrating the two-way benefits of these partnerships. We're not only able to introduce more students into the professional services sector, but also bring additional capabilities into the business.



DURING THIS LAST YEAR, 36% OF OUR TEAM MEMBERS ENROLLED IN CHARTERED AND PROFESSIONAL TRAINING PROGRAMMES.

FOSTERING TALENT

We are a training and learning organisation and strongly support our colleagues who are seeking to develop further qualifications. During this last year, 36% of our team members enrolled in chartered and professional programmes including accounting, taxation, payroll, sustainability, professional development and insurance, up from 16% in the previous year.

AAB believe strongly in recognition and that every team member's achievement should be celebrated. Exam successes are posted across our company intranet every year.

CREATING AN ENGAGED WORKFORCE

Being present and promoting an open culture of communication and feedback not only builds trust amongst employees but is also crucial in helping us become a better business.

In 2023/24 we distributed employee engagement questionnaires, which survey employees on key engagement focus areas, such as our communications, values, and how likely they would be to recommend us as an employer. In September 2023, we also conducted our first 'Explore Challenge Grow' survey, giving team members the opportunity to feedback on improvements we can make to become a better employer.

Our communication strategy uses a variety of channels to update and engage with our colleagues. In addition to our digital internal communications platforms, each AAB office holds a monthly gathering to discuss company updates, topical issues, and up-and-coming events. Each month focuses on a specific AAB value to reinforce our company purpose, and all team members, regardless of role, have the opportunity to present.



HEALTH AND WELLBEING

We recognise that if we look after our team members, they in turn will look after our clients. To allow our team members to thrive, we have a responsibility to create an environment that rewards hard work and supports wellbeing. To support this, we offer numerous initiatives to staff, including:

- Access to a wide range of digital and in-person resources covering health and wellbeing topics, financial information and mental and physical support.
- Our internal team of mental health first aiders, with 20 trained colleagues across AAB.
- Flexible working arrangements and specific policies for carers and those with caring responsibilities.
- Our Family Leave Guide and support offerings to colleagues planning to start or expand a family through every stage. This includes enhanced maternity and paternity conditions.



FAIR PAY

We believe that everyone should receive fair remuneration for their work.

Whilst we have made positive steps in addressing fair pay, we recognise that there is more to be done. To address any gaps in pay parity, and help us to attain our equity aims, we have identified the following initiatives to be driven by a newly formulated committee in 2024/25:

- Align terms and conditions across AAB. Following a busy period of M&A activity, growth and integration, it is imperative that we review the terms of employees and standardise this across AAB
- Continue to offer hybrid working and support flexible working practices
- Continue to review our recruitment practices to ensure we attract a wide talent pool and take them through a fair, structured process
- Utilise our Diversity, Equity and Inclusion groups and continue to train people on these key topics





**AAB VALUE:
WE ARE ACTIVE
MEMBERS OF OUR
LOCAL AND GLOBAL
COMMUNITY**

**IN THE LAST YEAR, AAB DONATED £109,138 TO CHARITIES
THROUGH OUR AABIE INITIATIVE**

AA[♥]IE OUR CHARITABLE INITIATIVE CHARITABLE INITIATIVE

AAB firmly believes in the importance of giving back to the communities in which we operate, and our charitable initiatives form a central tenet of our company culture, reflective of our aim to be valued members of our communities. This year, we are proud to have donated a record-breaking total of £109,138 - surpassing our previous total by almost £81,000.

AABIE was created after our team shared feedback that they wanted a more readily visible vehicle for our Corporate Social Responsibility (CSR) efforts. AABIE is a platform which facilitates our charitable initiatives across AAB, allowing employees to invest in their local communities within the UK, Ireland and the USA.

We seek partnerships with charities and invite applications from worthy causes for donations and volunteering time. Each team member has a volunteering day to take each year, and we clocked up 1,330 volunteering hours in the last year - the equivalent to almost 180 workdays.

Since its launch in 2016, AABIE has donated grant funding of over £300,000 to numerous charities within our communities. What makes AABIE so special is that almost all money donated by AABIE is raised by our people, meaning our community CSR efforts are integrated into the lives of everyone at AAB.

AABIE allows us to extend the reach of our efforts to the wider community and support a large variety of projects. We invite year-round applications from charities for our quarterly grant rounds.

AABIE's objective is to invest in the communities in which AAB operates, through the provision of financial and/or other support. Our charitable aims and funding criteria are outlined [here](#).

AABIE is managed by a Board of Trustees comprising of current and former members of AAB, and is chaired by Sheena Anderson, one of the founding partners of AAB. The AABIE Trustees meet to review applications quarterly, and we have set funding criteria to ensure the money donated has maximum impact.

AABIE's funds come from a range of sources - both big and small. Those with a car park space in the Aberdeen office pay a monthly donation for their space, and we hold numerous small-scale events throughout the year, such as bake sales and team fundraising challenges. Additionally, this year, we held our first charity ball at the Marcliffe Hotel and Spa in Aberdeen, raising an incredible £52,631. AAB often supports team fundraising initiatives, topping up individual fundraising efforts and collections through Giving Trees.

CHARITABLE & COMMUNITY ACTIVITY ACROSS AAB

UK-wide

- Make 2nds Count
- Alba Development Road Team (women's professional cycling)

Scotland

- Aberlour Children's Charity
- Alcohol Focus Scotland
- Befriend a Child
- Cruse Scotland Bereavement Support
- SiMBA
- The Outward Bound Trust
- Held in Our Hearts

Cumbernauld, Kilsyth, and surrounding villages

- Cumbernauld & Kilsyth Care

West Lothian

- Rosebery Centre SCIO

Midlothians

- Kinship Care Midlothian

Aberdeen

- Orchard Brae School
- Hope Counselling
- Camphill Trust
- Aberdeen Cyrenians
- Alford Academy
- Kemnay Football Club
- 27th Rosehill Scout Group
- Absafe SCIO
- Charlie House
- Sunrise Partnership
- Russell Anderson Foundation

Edinburgh

- Fetlor Youth Club
- Cancer Card
- Children 1st
- Smart Works Scotland
- Branch Out Together
- Care for Carers
- Impact Arts
- Scotland Yard Adventure Centre
- Birthlink
- Edinburgh Food Project
- Edinburgh Headway Group
- Eric Liddell Community
- Rowan Alba

York

- OSCARS Paediatric Brain Tumour Charity

Leeds

- The Country Trust
- Vicky Child - Top Up Funding
- The Safe Anchor Trust

Northern Ireland & Republic of Ireland

- Fighting Words – Northern Ireland
- Gary Kelly Cancer Support Centre – Ireland
- Down Right Brilliant – Newry and Mourne

CASE STUDY 1: OUR ABERDEEN TEAM'S VOLUNTEERING DAY AT CHARLIE HOUSE



Life is precious



Image source: <https://www.charliehouse.org.uk/>

In March 2023, our Business Development Team spent the day volunteering at Charlie House in Aberdeen. Charlie House supports babies, children and young people living with life-limiting or life-threatening conditions and their families who are based in the north-east of Scotland. They deliver inclusive and accessible activities and projects to enable families to gain confidence, engage socially, make memories together, meet others in similar situations and share information.

Our time in the morning was spent organising the craft and resources cupboards by categorising and cataloguing each box to make this more accessible to the team. It was amazing to see the resources that are provided for families and children when sorting out the boxes- books that help children process emotions and bereavement and the worry monster, which holds any worries a child has written down and wants to get rid of.

We also helped re-organise the lending library, which holds special pieces of equipment- such as hoists for families who may need to borrow these. In the afternoon we ran a business development workshop with the fundraising team to offer guidance on how they engage and develop relationships with corporates and significant donors.

CASE STUDY 2: RISE WORKSHOP



Image source: <https://rise-initiative.co.uk/>

In November 2023, some of our team volunteered their time to help out at a Rise Workshop at Peterhead Academy with all of their 4th year students. The Rise initiative exists to support young people in hard-to-reach areas of the UK, with the overall aim to improve social mobility by helping young people develop the skills that businesses need.

The initiative is produced in partnership with The Talent Foundry, and supported by AAB along with other organisations who share our commitment to improving social mobility in the UK and changing the career prospects of young people in low-income areas.

CASE STUDY 3: HELPING OUT AT THE YARD'S ACTIVITY CENTRE



Image source: <https://theyardscotland.org.uk/>

In February 2023, a team from the Edinburgh office used their volunteering day to help renovate and maintain The Yard's activity centre. The Yard Scotland provides fun and safe havens for play for disabled children and their families. They offer varied programmes of drop-in, respite and transition youth clubs, early years, specialist sessions with schools, family play session, and inclusive play and disability training.

The volunteers spent the day cleaning and doing maintenance work on their garden area and sand pit, as well as painting the interior of the centre.

GOVERNANCE

COMPANY STRUCTURE

Core to an effective ESG programme is effective governance, and as we have grown, so has our governance infrastructure. Our Pioneer TopCo Board is head of AAB, with representation from August Equity, our principal investor, our Non-Executive Chair, as well as five Executive Directors from AAB.

Reporting into our Pioneer Board is our Group Executive Team, who primarily deal with key operational and trading matters. This includes delivery of our ESG strategy, where our CEO is executive sponsor. The Group Executive Team includes the Executive Directors of Pioneer TopCo, two additional Executive Directors and our operating unit divisional heads.

Following our latest mergers and acquisitions, we are working to integrate all entities through the calibration of our policies and procedures.



HOW WE MANAGE OUR POLICIES

It is important to have clear and consistent policies and procedures in place to provide guidance and best practice relating to employment rights, benefits and support for colleagues. Our senior management team are responsible for maintaining the upkeep of all our policies, ensuring they remain fit for purpose, current, and in line with all legislative requirements.

Our management team undertake regular policy training, and we have mandatory and annual refresher training for all colleagues on key policies. Team members receive training on all policies during induction and are alerted when policies are updated. To ensure transparency, all policies are readily available to all employees across AAB.

Standards of Conduct Policy

This helps our colleagues understand what is expected of them in the workplace. We create a positive culture at work when we are clear with team members, letting them know that we want them to apply their knowledge, skills, and judgement to the best of their ability, to bring credit to the firm, and to maintain effective working relationships, by being responsible, constructive, respectful, and mindful of others.

Agile & Hybrid Working

Our agile and hybrid working policies recognise the need for flexibility in working practices to enhance productivity and support work-life balance. Where it is possible and feasible, agile working can provide flexibility to enable our teams to use their own judgment around their workload to determine working hours and working pattern, recognising the seasonality and fluctuations in client requirements. Hybrid working blends office and remote work, supporting a flexible environment while encouraging in-person collaboration.

Equal Opportunities and Dignity at Work Policy

AAB is committed to providing equal opportunities for all job applicants, workers, and colleagues and our Equal Opportunities Policy includes guidance on dignity at work which aims to ensure that the work environment is free from bullying and harassment. The policy is supported and reinforced by our Diversity and Inclusion Roadmap, Delivery Plan and our Recruitment Policy.

Anti-Fraud & Corruption Policy

Our Anti-Fraud & Corruption policy outlines our commitment to the prevention of fraud, bribery, corruption and tax evasion and has this year been updated to include the specific requirements of recognising and managing potential Corporate Criminal Offences.

This policy ensures we always operate to the highest ethical standards and in full compliance with current laws and regulations.

Business Continuity and Crisis Management Planning

Our Business Continuity Plan (BCP) ensures that if disaster strikes, we have a plan to recover and continue with the minimum of disruption to our own operations and that of our customers.

We keep track of our risks through our Risk Register and identify how to mitigate and manage these risks. Emerging ESG risks include the risk of reputational damage resulting from over-promising or 'green washing', the impact of extreme weather and climate change risk related to flooding, fires, excessive heat and energy reliability.

Data Protection, Privacy, and Cybersecurity

Cybersecurity is a key governance focus area for AAB as cyberattacks have the potential to create losses and disruptions to core parts of the business. To mitigate against these very real risks, we have created highly secure systems and processes, and these have passed stringent tests. Our information security management systems (accredited to ISO 27001:2013) are being integrated as our business grows. We are Cyber Essentials and Cyber Essentials Plus certified, which ensures we meet the highest standards of information security management. We recognise how important it is to remain vigilant, to prevent these attacks, and to ensure our systems remain secure. We regularly test our processes and procedures for weaknesses and vulnerabilities.

Our suite of data protection, privacy, and security policies ensure the highest standards for our colleagues, clients, and supply chain, to ensure compliance with UK and EU data protection laws. Our Data Protection Policy, Data Incident Management Policy, Information Security Policy, Human Resources Security Policy, and Acceptable Use Policy provide a comprehensive set of guidance. Our Cyber Response Team, Information Security Team, and Data Protection Officer are responsible for reporting on and responding to any breaches, weaknesses, and near misses.



SUPPLY CHAIN

Our supply chain mainly involves consulting and service providers, making supply chain risks relatively low. Nonetheless, we collaborate with suppliers to enhance their ESG practices. Over the past year, we launched our Supplier Code of Conduct, setting expectations for our suppliers. To improve oversight, we are now mapping our supply chain to better categorize suppliers by tier. Once completed, we plan to distribute a questionnaire to gather information on suppliers' ESG practices and establish a baseline for improvement.



AAB

AAB PEOPLE

AAB [wealth]

AA3IE
CHARITABLE INITIATIVE



GROWING SUSTAINAABLY TOGETHER

AAB prides itself on providing excellent service and support to our clients and the businesses we work with. Our ESG activity highlights recent achievements and current commitments, but we understand there will always be more work to do. Within this year's report, we have set clear goals to manage our impact and achieve high ESG performance across our business in the future. This extends to continuing to work with our stakeholders on this sustainability journey, as we look forward to turning our current ESG vision into an everyday reality.

AAB

