

UN Global Compact

Communication on Progress
June 2021



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Letter from our CEO

Sustainability is an ethos that the Group was founded with – just not a word we used then. In many ways it is simply ‘the Howden Group Way’. The ability of the Group to adapt to change has been amongst its greatest strengths. We have grown by attracting talent and always putting our people first, identifying the emerging needs of our clients, and imaginatively matching expertise with capital and distribution to provide best-in-class solutions for a quarter of a century. We did that on day one and we do it today.

The idea of sustainability reaches right from the importance of our independence and employee ownership to our People First culture and the balance of the geographies in which we operate. But the challenges the world faces today and the changes we need to see in the Group are not the same as those we were delivering to 10 or 20 years ago. As we look to the next 25 years, we must give today’s challenges, and those of the future, a renewed focus and even greater effort.

The Sustainability Committee, chaired by Non-Executive director and leading sustainability investor, John Bernstein, was formed with three specific pillars of focus.

The first pillar is concerned with our own standards; the importance of ensuring our own operations are the very best they can be in terms of governance, environmental sustainability, and diversity and inclusion.

The second is focused on giving back, and the Howden Group Foundation, funded through its shareholding in the company so that it grows as we do, spearheads our efforts to support the communities in which we live and work.

The third is concerned with driving change through innovation – “changing the insurance narrative” – and it is through this pillar that the Group has the biggest sustained impact.

The power of insurance to play a part in solutions to the major challenges the world faces – as it always has – is incredible. I have long said that insurance is the oil in the engine or better, the battery in the Tesla. Building a sustainable business is not about scratching a moral itch. Rather it is about building better, more resilient businesses.

With that in mind I am delighted to share our inaugural Communication on Progress, affirming our support of the UN Global Compact, and renewing our commitment to the initiative.



A handwritten signature in black ink, appearing to read 'David Howden'.

David Howden CEO, Howden Group

UNGC 10 principles

Human rights

1. Businesses should support and respect the protection of internationally proclaimed human rights.
2. Make sure that they are not complicit in human rights abuses.

Labour

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. The elimination of all forms of forced and compulsory labour.
5. The effective abolition of child labour.
6. The elimination of discrimination in respect of employment and occupation.

Environment

7. Businesses should support a precautionary approach to environmental challenges.
8. Undertake initiatives to promote greater environmental responsibility.
9. Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

Sustainability at Howden Group Holdings

This is our inaugural Communication of Progress which will cover initiatives in place, case studies to demonstrate them and our ambitions going forward.

Our three pillars of focus



Our standards

Ensuring our own operations are the very best they can be in terms of environmental, social and governance practices.



Giving back

Supporting the communities in which we live and work through volunteering, fundraising and the Howden Group Foundation. The Foundation is funded through its shareholding in the company so that it grows as we do.



Changing the insurance narrative

Using the power of insurance to play a part in the solutions to the major challenges the world faces. This is the area where we have the chance to make the biggest sustained impact whilst building long-term value for our stakeholders and creating a business we're proud of.



Reporting

Internally we are now using an ESG benchmarking tool to collect global data annually from across the Group. This tool will help keep track of our progress and keep us accountable.

Externally we have recently completed our first EcoVadis membership where we received a silver medal with a score of 60/100 putting us in the 85th percentile.



60/100
overall score

Howden Group Holdings at a glance

Howden Group companies serve clients around the world from 45 territories.

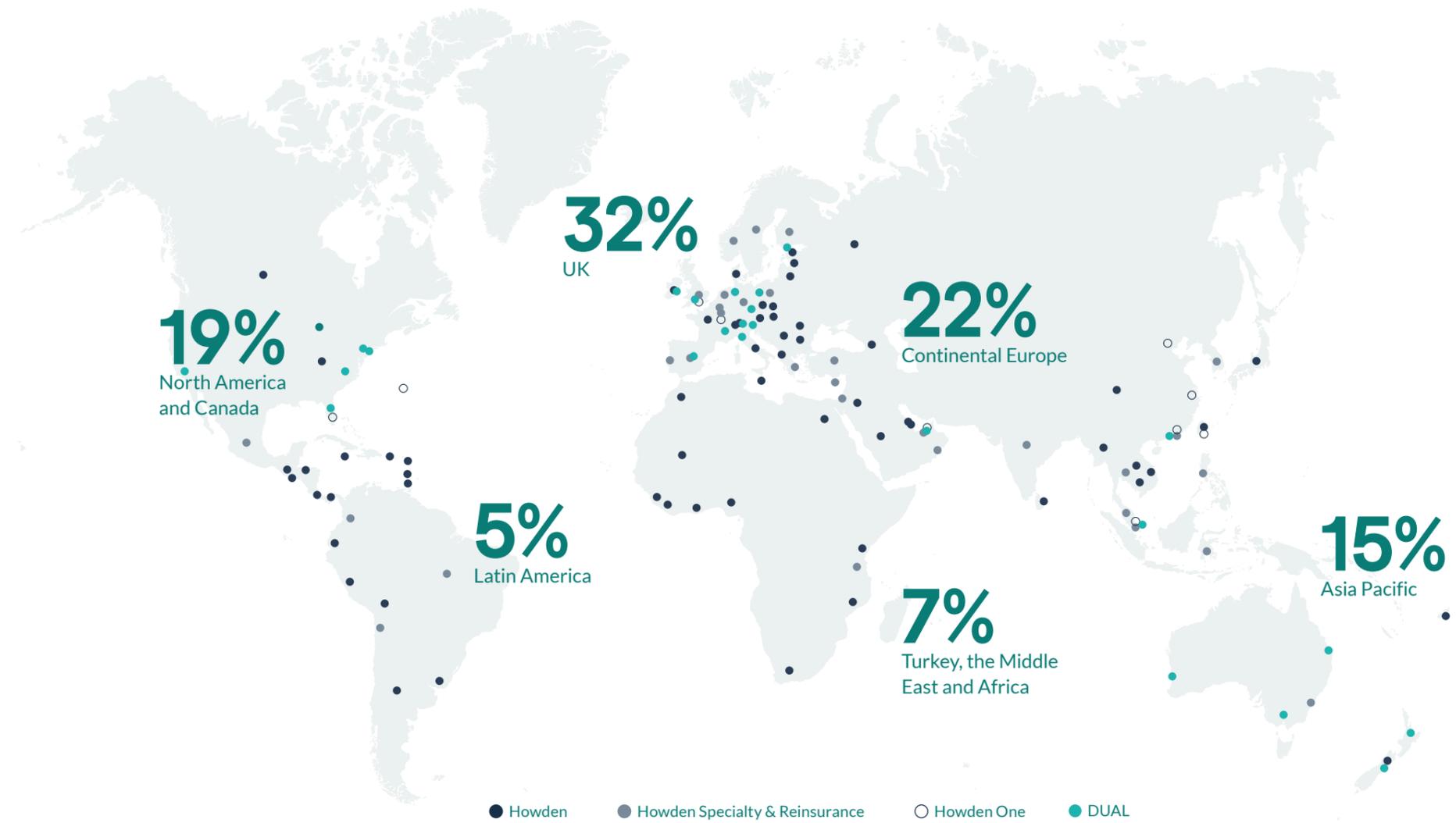
This report covers the activities of the Group which is headquartered in London and has over 8,500 employees in entities across the world.

The Group has a decentralised structure where each business is managed in country and in accordance with local governance and regulation. The majority of this Communication on Progress makes reference to UK activity with global activity included where appropriate.

Our history

Since it was founded in 1994, Howden Group has grown as a company with a difference. By putting employee ownership at our heart and keeping clients front of mind, we have become the largest independent insurance intermediary group outside the US handling over \$11bn of premium for clients globally.

The Group comprises Howden, the international challenger broker, DUAL, the largest international MGA, and HX, one of the leading digital, data and analytics businesses in the insurance industry. We are a group of international experts with a local touch and a digital backbone.



45 Territories globally

8,500 Employees globally

\$11bn Worth of premiums

Our sustainability journey



About the Howden Group Foundation

The Foundation is one of our proudest achievements. Established in 2014 to celebrate and extend the charitable work of our people around the world. Everyone in the Group gets a voice and a choice in the causes we partner with.

By making the Foundation a shareholder in our business we have also ensured that it, and the good work we can do through it, will continue to grow as we do. As a group, we have six key objectives that we strive to achieve through our charitable work.

Howden Group Foundation key objectives:

1. Relieve sickness
2. Relieve poverty
3. Relieve disasters
4. Relieve unemployment
5. Advance education
6. Environmental sustainability

How it works

Our people raise money for the Foundation; organising events, completing challenges and donating through Give As You Earn. Every pound, euro, or dollar that our people raise for the Foundation goes straight to the charities we support. Along with that, in 2020, the Foundation became a shareholder meaning as the Group grows, so will our charitable work. This results in employees being able to apply for up to £750 match funding per year when raising money for the charities of their choice. It also allows the Foundation to make one-off donations to charities supported or selected by our employees these are sometimes global initiatives or annual awareness raising events for example raising awareness of Mental Health Awareness week.

Alongside work with local charity partners, we also support global organisations through long-term strategic partnerships which link closely with our Group CSR strategy to support Education, Entrepreneurship and the Environment. They also align with Howden Group's Sustainability Charter, helping us to create a cleaner, fairer, healthier and safer world through business and charitable work. Some of these partnerships include the Prince's Trust and The Nature Conservancy. The money from the Foundation also supports our Investing in the Community Awards, which are one-off grants of £5,000 or equivalent for grassroots organisations that are making a big difference in our local communities.

£750
annual match funding allowance for employees

£5k
one-off grants for grassroots organisations

Foundation in numbers:



162 Charities supported

Through match-funding, volunteering, grants, and more.



254 Fundraising events

Organised by our employees and CSR champions.



£1.9 Million Donated

To charities around the world.



£100k Match-funded

Supporting our people's personal challenges.

Human rights



Principles

1.

Businesses should support and respect the protection of internationally proclaimed human rights.

2.

Make sure that they are not complicit in human rights abuses.

What we are doing

Whistleblowing

The Group encourages all its employees, clients and other business partners to report any concerns related to the direct activities, or the supply chains, of the organisation. This includes any circumstances that may give rise to an enhanced risk of slavery or human trafficking. The Group's whistleblowing procedure is designed to make it easy for employees to make disclosures, without fear of retaliation. Employees who have concerns can use our confidential helpline through SafeCall, which is monitored by our Group COO, notify their line manager, or contact a legislative body as listed in the Group Policy. Across all disclosure routes, no calls or direct disclosures were made in 2020 in relation to modern slavery and trafficking.

Human rights

The Group has a commitment to be a responsible global business, recognising the importance and advancement of Human Rights as an issue that is integral to our core business, our operations and us as employers across all our entities worldwide.

The Group operates a suite of policies adopted within Group companies and at Group level that reflect and embed its commitment to human rights. In 2019, we also formed a Sustainability Committee tasked with furthering environmental, social and governance interests within and external to the Group. As part of this in 2020, we developed an internal ESG benchmark, which included sections specifically on our employees, clients, human rights and supply chain to ensure we understand our ESG baseline and able to identify where risks may lie and how we can improve. In 2021, we will work to improve our policies and procedures to ensure best practice is shared amongst the Group, whilst also being sensitive to local regulations and legislation worldwide.

We respect human rights standards for the workforce of our suppliers and promote sustainability standards in our supply chain. We share best practice widely across the Group and, globally, we ensure clients of the Group are treated fairly and data privacy is protected at all times.

As an employer we respect international human rights standards. At present all Group entities are located in jurisdictions which have signed to the Universal Declaration of Human Rights or equivalent. The Group promotes fair reward and recognition, diversity, inclusion and equal opportunities in all employee dealings including decisions on hiring, remuneration, training and promotion.

To date no infringements on human rights have been reported, but should a human rights risk be identified, we will involve the Group Sustainability Committee and Group services including risk, operations and communications to address and mitigate future human rights risk.

Please see our latest [FY20 Modern Slavery Statement](#)

In 2020 our senior leads including: Head of Operations, Procurement Officer, Head of CSR, HR representatives, COO, Shared Service Centre representation attended Modern Slavery and Human Tracking Training. Whilst no further in-person training was delivered in 2020, we were able to share some educational videos on modern slavery to help raise awareness, which received over 1,000 views and this will continue to remain on our Sustainability Committee's agenda.

Procurement

Working with contractors and suppliers to ensure they share our zero tolerance approach to modern slavery and compliance with all the relevant standards, laws and regulations continues to be a work in progress. We are strengthening our controls as new contracts are agreed, this includes modern slavery questions within our due diligence questionnaire and training/raising awareness communications amongst employees. At present we are undertaking a due diligence process for supply spend in excess of £100,000, this figure aligns with the sourcing principles adopted by our UK businesses. For example, serious violations by suppliers may lead to the termination of the business relationship, to date this has never occurred.

Across the UK we are a living wage employer. Our payroll and benefits team monitor this on an ongoing basis, and a review is also taken every April in line with the increase. If someone is employed below the National Minimum Wage or National living wage then this is flagged back to HR. Furthermore, a review is also taken every April in line with the increase.

Ambitions

- Offer broadened modern slavery and human rights training
- Review our sustainable procurement framework.

EcoVadis score
for Sustainable
Procurement

50/100



Case study:

Volcano Catastrophe Bond Product

This insurance product is the first time a global charity, the Danish Red Cross, has used insurance for the benefit of their disaster relief programmes thereby allowing donations received to go 20 times further than they would have without the use of insurance. There were 10 named volcanoes covered under the policy and they were chosen due to the threat that they pose to lives. In the event of a significant eruption in the next three years, \$3 million will be paid out enabling aid to be on the scene as quickly as possible and therefore reducing suffering. This is a new way of looking at disaster relief and the role insurance can play in helping humanitarian organisations make better use of their capital.

Watch this [video](#) to find out more.

UN SDGs:



Labour



Principles

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

5. The effective abolition of child labour.

4. The elimination of all forms of forced and compulsory labour.

6. The elimination of discrimination in respect of employment and occupation.

What we are doing

A worldwide employee engagement survey was conducted in 2020 to gather confidential feedback from our employees on their experience working for the Group. The survey measured engagement across a number of factors as well as our emergency response to COVID-19. Participation was very strong with 86% of employees (4537 out of 5298) choosing to share their views. This means we can be very confident that the data is representative of our employee population as a whole. 67 questions were asked across 15 different factors some of which included Work & Life Blend, Social Connection, Alignment & Involvement and Enablement. Our overall engagement score was a very strong 80%.

Our results around our emergency response were exceptional and there were a number of factors we came out as being very strong in including Leadership, Company Confidence, Enablement, and Social Connection. We were also strong on Work & Life Blend (74%) and Alignment & Involvement (76%).

The intention is that the Global Engagement Survey will be run on an annual basis to allow us to benchmark ourselves and measure progress year on year. The next survey is provisionally scheduled to take place beginning of 2022.

Throughout FY20, employee wellbeing was an important focus for us, especially through the global pandemic. We introduced a number of Mental Health Champions early in FY20, who are trained mental health first aiders. We provided a range of supportive guides and webinars through the early stages of the pandemic to help employees. We made HR policy enhancements to offer more support in light of the challenges employees were facing, including up to 5 days of paid leave for carers. We added a further element of support to UK employees by adding the Thrive mental health wellbeing app to our employee benefits package in July 2020.

Our engagement survey at a glance

86%

of employees (4537 out of 5298) choosing to share their views

67

questions were asked across 15 different factors

80%

engagement score

74%

of employees felt they had a good Work & Life Blend

Gender pay gap

The data reported shows no improvement in our gender pay gap and that there continues to be a significant difference in both the mean and median pay of males and females across all our UK business units, driven essentially by the lack of women in mid-level to senior roles. In recent years, we have delivered a number of initiatives to help redress the imbalance. And whilst we know it will take some time before we see a meaningful reduction in our gender pay gap, we would obviously like to see evidence of impact sooner. We are steadfast in resolving our gender pay gap and we will work harder to increase the number of women in our mid to senior roles. As a People First company, we remain committed to building a sustainable and inclusive business. To that end, we will continue to adjust, focus, and readdress the imbalance to improve gender diversity across the Group permanently.

“Our gender pay gap is around the 40% level and it is something we want to address and make meaningful progress on over the long-term. We are taking a number of actions that will have a positive impact on inclusivity over the long-term, as well as those that should have a positive impact specifically on the gender pay gap”.

Actions around inclusivity that should have the impact of improving diversity more widely (as well as supporting narrowing the gender pay gap over time):

- Produced and launched an inclusive hiring toolkit designed to drive greater gender balance in shortlists put forward for roles across all seniority levels, to support gender balanced hiring in upper pay quartiles
- Acquired a tool to produce more inclusive and gender-neutral job descriptions to attract the most diverse range of applicants
- Implementing Inclusive Interview Training for all line managers to better equip hiring managers to make objective hiring decisions
- Piloting Early Careers programmes in Financial Lines, HX, IT and Howden Specialty (with a view to launching a global programme across the Group)
- Evolving our approach to performance assessment, promotion decisions and annual compensation review outcomes to help our businesses make appropriate decisions based on objective criteria and data
- Established a Group D&I Committee, to hold us to account on our actions and assess whether they are achieving the outcomes intended (supported by [RESPECT](#) and a global working group).

Actions that will have a more specific impact on the gender pay gap:

- Introducing parental coaching and developing a Maternity Toolkit which is aimed at supporting females return to work after maternity leave
- Participating in returner programme to support those who have taken a career break to return to working in insurance
- Implemented a new process for identifying potential female talent ready for promotion as part of the year-end compensation review process
- Continue to partner with everywoman to develop senior female leaders, raise the profile of senior female role models and deliver the everywoman in insurance forum.

D&I Committee

Our Group D&I Committee, chaired by members of our Group Board and Group Executive Committee, has been established to ensure that Howden is an inclusive working environment where a diverse group of talented individuals can thrive.

Diversity for Howden Group is achieving a rich pool of entrepreneurial talent with different personal and economic characteristics to drive sustainable value creation borne from different thinking.

Inclusion for Howden Group is achieving this value creation by being a remarkable place that brilliant people want to work because they are seen and accepted as individuals, valued for the individual difference that they bring to the table, and because they work for a business that allows them to balance their life against the requirements of work.

People First culture

When a business puts its people first they feel a greater sense of ownership, commitment and fulfilment, and they want to go further for their clients. As a People First company, we are committed to inclusion across race, gender, age, religion, sexual orientation, identity, abilities and experience. We work to ensure that everyone is respected and empowered, including when they apply for jobs, in training and career development, and when making strategic decisions about the Group's direction. We support a variety of grassroots employee groups around the world, including the LGBTQ+ and Allies Network, Howden Group 4 Women, Parents at Work, and Health and Wellbeing, which is supported by our Group-led Diversity and Inclusion Committee. We also have an engagement group called RESPECT, which is an on-going initiative to create an open, respectful and inclusive culture, with committees focussed on gender equality, workplace culture, mental health, and multicultural & ethnic diversity.

The Group is also a proud member of Stonewall and everywoman.



We intend to release our April 2020 and April 2021 gender pay gap results during 2021



“ The inclusive hiring toolkit is an important step in driving a consistently rigorous and fair approach to hiring across the Group.

Diahann Williams
Group HR Director

Textio

As part of our mission to hire the best talent and promote more inclusive hiring practices, an inclusive job advert writing tool, Textio, is now integrated into the Workday platform, which is used by HR.

Inclusive recruiting toolkit

Our inclusive recruiting toolkit went live in 2020 and is an important step in driving a consistently rigorous and fair approach to hiring across the Group. The toolkit is intuitive and user friendly and will really help hiring managers make the right choice when hiring future talent for the Group. This toolkit supports and guides us through each step of the recruitment process, providing employees with useful tips and tools and helping us to attract the best talent.

Training

Annual inclusive recruitment workshops take place for managers across the UK looking at virtual and in-person interview skills to ensure inclusive hiring practices.

Payroll awards

We have won a number of payroll awards over the years. One employee was voted amongst the top 25 international payroll professionals in the UK and recognised as payroll manager of the year in the prestigious CIPP awards. On top of that, the payroll teams won at the Reward Strategy awards: team of the year and crisis management of the year, and another employee won rising star of the year.

Tackling the digital divide

At Howden we have partnered with the Princes Trust, to provide mentorship and opportunities for young people to get into business. From an IT perspective, this is a fantastic opportunity for us to inspire the next generation into technology and provide them with the experience and awareness of IT as a career. Via the partnership, we also share vital skills and experience to help the next generation. Furthermore, the IT leadership team are creating an apprenticeship programme that will hire potential talent via specialist talent networks to attract minority and disadvantaged groups into tech. Employees have also participated in community-based volunteering opportunities - colleagues with IT skills and expertise are able to mentor, volunteer and donate to local groups and schools who have reduced access to digital training. We have also created a laptop loans initiative and the Foundation donated the surplus to local schools.

One employee was
voted amongst the
Top 25
international payroll
professionals

Health and wellbeing

As part of our continued focus on wellbeing, in 2020, we announced the UK-wide roll out of Thrive, our new mental health wellbeing app. Thrive provides easy access to mental wellbeing tools, techniques and clinical support 24x7x365. Focusing on preventing and managing common mental health conditions such as stress, anxiety and mild-depression, the Thrive app uses clinically effective methods, including cognitive behavioural therapy (CBT) and mindfulness techniques.

In 2021 we introduced a wellbeing hub which is a platform for employees to find wellbeing tips, links to recorded webinars, calendars of activities and more information on topics such as wellbeing champions.

Toro de Oro awards

Each year we host an annual award ceremony which recognises and celebrates our people who live our values and shape our culture through their contributions.

Ambition

- Gender equality/ target – we have mapped out a roadmap to track the gender, ethnicity, sexual orientation, disability and age of our board level and senior management. In FY22 we hope to report on this for the UK and going forward we will work on capturing the data globally
- Creation of a D&I shadow committee
- Formation of a reverse mentoring programme
- Inclusive recruitment and early careers programmes in place
- Report on average training hours per employee.

EcoVadis score
for Labor and
Human Rights

60/100



Case study:

RESPECT

RESPECT is an employee-led network founded in 2018 in the UK with the purpose of creating an inclusive culture and this year it will be rolled out globally. It is made up of multiple employee resource groups with the aim of raising awareness and providing education around key areas and topics concerning our employees, these include multi-culturalism, LGBTQ+ and gender equality employee resource groups (ERG).

UN SDGs:

 **1** No poverty

 **3** Good health and well-being

 **4** Quality education

 **5** Gender equality

 **8** Decent work and economic growth



Environment



Principles

7.

Businesses should support a precautionary approach to environmental challenges.

8.

Undertake initiatives to promote greater environmental responsibility.

9.

Encourage the development and diffusion of environmentally friendly technologies.

What we are doing

- As part of our volunteering commitments, employees worldwide have taken part in litter picking, tree and mangrove planting and much more this year, in order to help restore and protect their local environments
- All our UK offices are in the process of moving to renewable energy tariffs when existing terms expire
- We have eliminated all avoidable plastic within our London HQ building including in our in-house café with the introduction of compostable take away containers and reusable husk cups
- Reusable cups and bottles that were given to all UK employees as welcome gifts
- In December 2018 we moved our Group HQ into our new London office – an ecobuilding with a BREEAM rating 'Excellent'. And worldwide we are making a conscious effort to operate from environmentally-friendly buildings, for example in 2020 our Singapore office moved to one of the most sustainable office buildings.

Our CEO is a member of the Sustainable Market's Initiative Insurance Taskforce which brings together leaders in the industry to work on meaningful and actionable plans to help accelerate the world's transition to a sustainable future.

As a Group we are a signatory to HRH Prince of Wales' Terra Carta, a charter that puts sustainability at the heart of the private sector.



One Broking Platform

We have created a new broking platform which will reduce carbon dioxide emissions, waste and improve energy efficiency as well as enable customer stewardship, employee satisfaction and product responsibility. Furthermore, with the platform there will be improved data security management, it will enable better risk management, create and allow us to access increased quality of data and increase compliance.

How the Broking Platform will help reduce our CO² emissions

Our datacentres currently emit **c.47 tonnes** of CO² per month, annually this equates to:



231 economy seats
London to Sydney



Amount of carbon that
26,259 trees absorb
in a year



Boiling water for over
77 million cups of tea

“ The delivery of the **Broking Platform** and phase out of legacy platforms will contribute to achieving the Group’s cloud strategy and reduce the datacentre power consumption by **c.24%** ”

Recycle

All of our UK offices have recycling for paper, confidential information, cardboard, glass, batteries, and food waste. We are also replacing paper with electronic communications wherever possible. In two of our offices, we reduced our paper usage by almost 30% in just one year. That’s a saving of 2.7 million sheets – which, laid end-to-end, would stretch from London to Beijing.

In the UK, we donate all old and unwanted furniture to our local charity/school partners. We have a partnership with Restore to reuse or recycle all our old IT equipment and in 2 years we have achieved:

Howden Group Services Limited (January 2018 –December 2020)

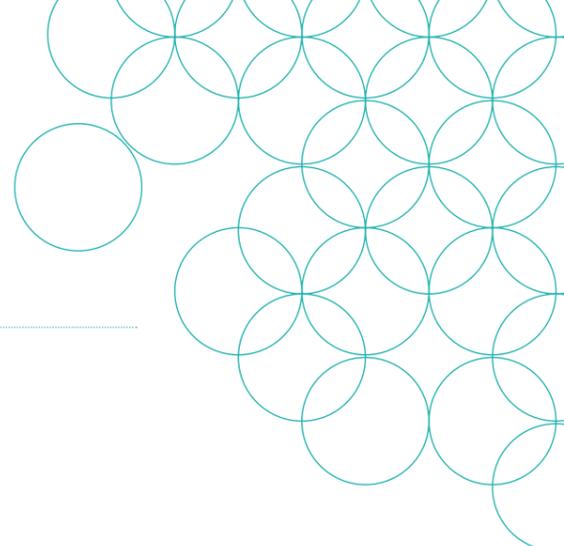
Source	Quantity	Weight (kg)
Recycling	1,197	8,687
Remarketing	3,432	29,842
Redeployment/Donation	674	4,547

Steel*	Aluminum*	Copper*	Brass*	Br w/Au*	Stainless*
2894.82	554.93	2894.82	9.69	2.18	34.85
PCB*	Plastic*	CRT*	Glass*	Bulb*	Battery*
828.52	1585.61	2894.82	0.00	0.24	4.98

Resource Demand	From Reuse	From Recycling	Total
Energy (kWh)	9,456,645	27,699	9,484,344
Crude Reduction (55gal. Barrels)	26,514	79	26,593
Landfill Space Reduction (Cubic meters)	116	60	176

Equivalencies	Total
Homes annual energy supply	1,724
Car annual emissions	244

*kg



ClimateWise membership

In 2020 we joined ClimateWise – a network of 26 leading insurers, reinsurers, brokers and industry service providers facilitated by the University of Cambridge’s Institute for Sustainability Leadership (CISL). Through this membership, we benefit from the Institute’s knowledge and research on product development. We will take part in cross-industry discussions, giving us the opportunity to connect with potential buyers of our new products and collaborate with others in the market on tackling sustainability issues through product design.



Our journey and commitment to becoming Climate Positive

One of the [Howden Group Foundation's](#) objectives is Environmental Sustainability. As such, in September 2020, we made a strategic donation to environmental charity The Nature Conservancy (TNC). Our donation will enable TNC to retire 25,000 tonnes of CO2 through the purchase of certified carbon credits from projects in Africa that also benefit communities and conservation.

This will help address climate change, safeguard local habitats and wildlife, and benefit the livelihoods of rural communities in Kenya and Tanzania. We will also be substantially reducing emissions and establishing robust data collection protocols on unavoidable emissions. Find out more by watching [this video](#).

In the UK, Howden Group Holdings falls under the Energy Savings Opportunity Scheme (“ESOS”) and completed both Stage 1 and Stage 2 well within the deadlines set. In addition, we understand our responsibility under the Streamlined Energy & Carbon Reporting (“SECR”) which is a UK Government reporting programme that came into force on 1 April 2019. Companies within scope must collect and measure their energy and carbon information – and submit this as part of their annual accounts filed with Companies House.

ESG product development

In February 2020 we launched a Product Working Group comprising 10 individuals from various areas of the business, including Employee Benefits, Reinsurance, Energy, Casualty, and more. The Working Group meets once a quarter, to share sustainable product innovation ideas for the changing risk landscape that we find ourselves in. The Working Group has a particular focus on sharing social and environmental ideas across product divisions.

EcoVadis
score for
Environment
60/100

Ambition

- Review and update our environmental policy
- Collect carbon emissions data, reduce and set global targets
- Begin plastic offsetting and waste auditing with Seven Clean Seas
- Continue to grow our engagement with policymakers to develop or advocate for policy changes.



© Ami Vitale



Case study: Carbon Offset Invalidation Insurance

We have developed an ESG product which provides coverage against the risk of carbon offsets, purchased under the California Carbon Cap and Trade Scheme, being invalidated by regulators. The insurance product protects the client from invalidation from the following exposures:

1. Material overstatement of greenhouse gas reductions
2. The project does not comply with environmental regulation at the time of the credit issuance
3. Double-counting of offsets.

To date, we have wrapped 24 million carbon offsets under the California Carbon Cap and Trade Scheme with insurance, with a total of 6 bound policies. The insurance policy not only guarantees the offset credits against invalidation (thereby securing their value), it also increases the liquidity of the Californian market. We are now pursuing ideas about how we can use what we have learnt in the California Carbon Cap and Trade Scheme to create a market in the voluntary carbon offset market. We believe that there could be a huge demand and opportunity for a similar insurance product where globally the demand for voluntary carbon offsets is expected to grow 15-fold over the next 10 years.



Case study: Seven Clean Seas

We are a funding partner of Seven Clean Sea's River Plastic Recovery System which will help collect plastics from some of the most polluted rivers in Asia preventing plastic from entering into the ocean. Funding from Howden Group Foundation is supporting the manufacturing and operation of this new system which will be piloted in Vietnam or Thailand later this year.

UN SDGs:

 6 Clean water and sanitation	 9 Industry, innovation and infrastructure	 11 Sustainable cities and communities
 12 Responsible consumption and production	 13 Climate action	 15 Life on land

Anti-Corruption



Principles

10.

Businesses should work against corruption in all its forms, including extortion and bribery.

What we are doing

Code of Conduct

With effect from the 31 March 2021 the Financial Conduct Authority (FCA), the regulator for the UK regulated entities, mandated a number of conduct rules that all employees working within the Financial Services industry must comply with. These include ensuring colleagues act with integrity, due skill, care and diligence whilst being open and transparent with regulators and customers. Additional rules apply to the company's Senior Managers and actions will be taken against employees in breach of these conduct rules.

All employees (UK) were asked to complete a short training module to ensure understanding and compliance with the new Senior Managers & Certification Regime (SMCR) Conduct Rules. This training was rolled out in October 2020 with completion being mandatory. SMCR Conduct Rules training was also rolled out to WNS employees (from our shared service centre) who provide services to UK Regulated Entities.

Additionally our outsourced shared service centre, which has offices in a number of high-risk countries has a Code of Conduct which is updated annually. Our internal audit team regularly audit the team against this, to date no issues have been identified.

Right of Audit

All offices in the Group are subject to periodic audits. Audit work includes an assessment of our modern slavery processes within relevant audits. During the year ended 30 September 2019 there were no incidents relating to modern slavery identified within audits performed across the Group.

There is a formal policy that integrates qualitative objectives/commitments on anti-corruption & bribery issues (including for example conflict of interest, fraud and money laundering) in the supporting documentation provided by the company.

EcoVadis score
for Ethics.

70/100

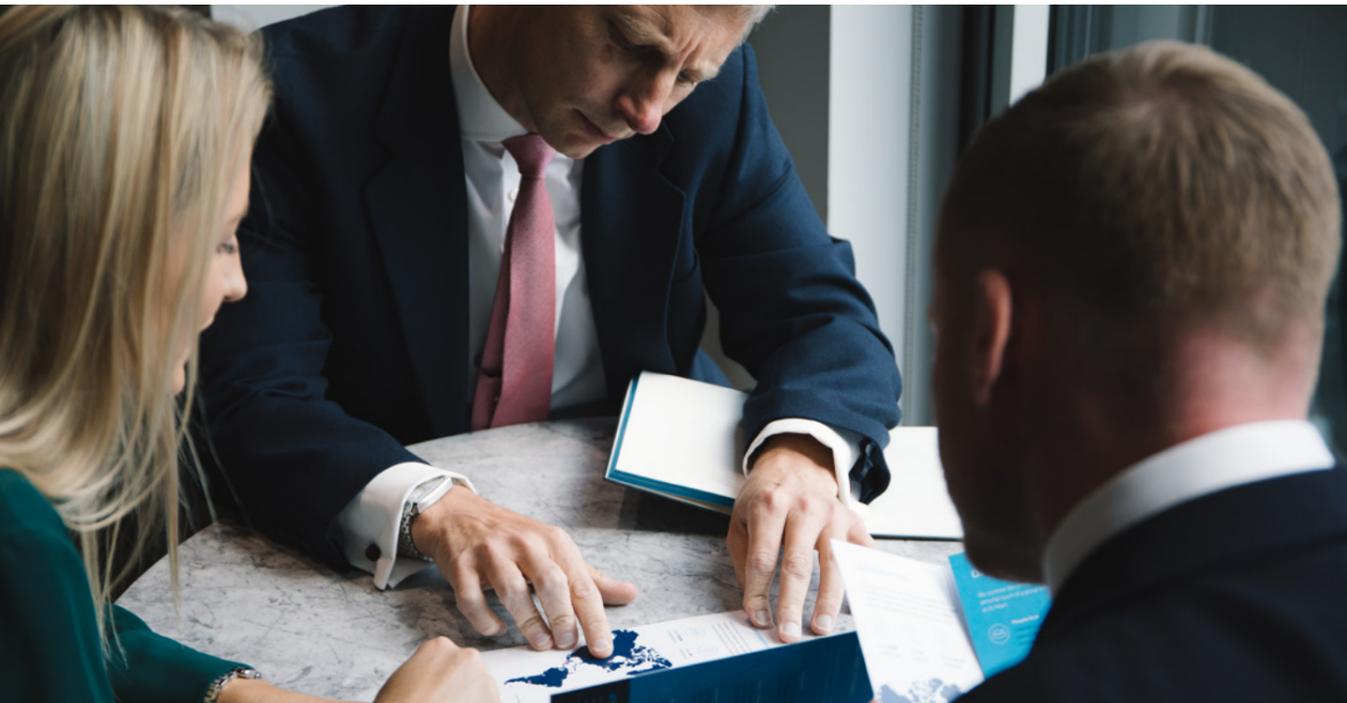
Training

From 2020 all new starters have to do training in:

- Insurance market and errors & omissions including contract certainty
- Non-financial misconduct including ethics, corporate governance and internal controls
- Conduct and regulatory risk including conflicts of interest and treating customers fairly
- Financial fraud including money laundering and countering bribery and corruption
- Data protection and information security including GDPR essentials and information security.

Ambition

- Create internal code of conduct/ethics
- Review of our internal anti-corruption due diligence programme
- Become ISO27001 certified in the UK.



Partnership with ComplyAdvantage

All Group entities have policies and procedures relating to financial crime identification and prevention to ensure the Group is not used as a conduit for proceeds of crime. These include due diligence measures to be undertaken on all client engagements both before and during the lifetime of the engagement. To assist the Group in this goal, all entities use a third-party client screening tool called ComplyAdvantage that screens against the following financial crime related subjects:

- Economic sanctions
- Regulatory warnings
- Fitness & probity
- Politically exposed persons (PEP)
- Adverse media.

As a Group over the 5 years we have been engaged with ComplyAdvantage we are proud that we have turned down numerous business opportunities for legal and ethical reasons.

UN SDGs:



Peace, justice and strong institutions

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June 2021