

We are
futurists

Standard Life  **Aberdeen**

Corporate ESG Disclosure 2020





Through a culture of curiosity, innovation and ownership, we'll deliver outcomes that help us shape better futures.


As an investor and advocate for greater transparency, we know that it must start with us. We are therefore committed to providing meaningful sustainability information to stakeholders. We disclose information about our sustainability and governance, social, and environmental practices through our Annual Report and Accounts, Stewardship Report, TCFD report and the sustainability and responsible investment pages on our website.

 www.standardlifeaberdeen.com/annual-report

 www.standardlifeaberdeen.com/corporate-sustainability

 www.aberdeenstandard.com/responsible-investing

 This symbol indicates a link to a web-page or on-line document where you can find more information.

 This symbol indicates a data point relates to the SASB framework.

We continue to enhance our sustainability reporting, which is why this year we are providing disclosure aligned to the Sustainability Accounting Standards Board (SASB) framework. SASB sets out standards for companies to report on their material ESG risks and encourages better transparency in company reporting. This is an initial step in our evolution as we build on our sustainability disclosure framework.

We also provide information on our progress towards pledges and targets, and key policies and other published documents which provide additional information about how we manage corporate ESG issues.

We are futurists

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Systematically explores possibilities about
the future and how they can emerge from
the present

enabling our clients
to be
better investors

Environment

It starts with us - Environmental data:

Greenhouse gas emissions					
Measure	Unit	2020	2019	2018	Definition
Scope 1	tonnes CO2e	1,212	1,784	2,667	Scope 1 GHG emissions from natural gas, fluorinated gases (f-Gas), fleet and diesel
Scope 2 - Location based	tonnes CO2e	3,177	4,807	7,069	Scope 2 GHG emissions from purchased electricity
Scope 2 - Market based	tonnes CO2e	1,081	2,146	4,376	Scope 2 GHG emissions from purchased electricity
Scope 3 - Location based	tonnes CO2e	10,045	13,078	22,482	Scope 3 indirect GHG emissions from business air travel, electricity transmission and distribution losses, and electricity consumption by a third party data centre
Scope 3 - Market based	tonnes CO2e	9,872	12,870	22,107	Scope 3 indirect GHG emissions from business air travel, electricity transmission and distribution losses, and electricity consumption by a third party data centre
Total coverage of emissions disclosure by FTE	%	100	100	100	The total number of our FTE for which we disclose GHG emissions in the reporting year
Total GHG emissions per FTE	tonnes CO2e/FTE	2.4	3.2	5.2	Total (location based) Scope 1,2 and 3 GHG emissions per FTE
Total GHG emissions (Scope 1&2) per FTE	tonnes CO2e/FTE	0.7	1.1	1.6	Total (location based) Scope 1 and 2 emissions per FTE
Total GHG emission (Scope 1&2 only) per £m of total income	tonnes CO2e/£m	1.22	1.65	4.60	(location based) emissions for the reporting year per £m total revenue
Total GHG emissions per £bn AUM	tonnes CO2e/£bn	27	36	58	Scope 1,2 and 3 (location based) for the reporting year per £bn AUM

Business travel					
Measure	Unit	2020	2019	2018	Definition
Business flights	pMm	6,230	40,842	62,234	Passenger Mega-metres (Mm) travelled on business flights booked through our travel providers. Note: 1Mm = 1,000km
Business rail	pMm	945	3,324	-	Passenger Mm travelled on business rail journeys through our travel providers
Road	pMm	180	2,105	2,965	Passenger Mm travelled by car for business and claimed through expenses
Total business travel	pMm	7,355	46,271	65,199	Passenger Mm travelled on business journeys through our travel providers

Energy consumption					
Measure	Unit	2020	2019	2018	Definition
Total energy consumption	MWh	17,733	23,529	35,109	Total energy consumption (electricity, natural gas & stationary diesel)
Energy consumption UK	MWh	14,238	15,762	26,658	Total energy consumption in the UK (electricity, natural gas & stationary diesel)
Electricity used	MWh	12,012	16,655	23,440	Total electricity consumption
Natural gas used	MWh	5,494	6,393	10,109	Total natural gas consumption
District heating	MWh	191	454	1,468	Total MWh consumed through district heating
Stationary diesel	MWh	24	27	92	Total MWh consumed through stationary diesel
Electricity used under a green/ renewable tariff	MWh	9,205	11,321	15,856	Total kWh under a green/renewable tariff, including locations where the landlord is responsible for the choice of electricity provider
Procured electricity under a green tariff	%	98	99	99	Total kWh under a green/renewable tariff where we procure the energy

It starts with us – Environmental targets and progress:

Our progress		
Target/pledge	2020	2019
Reduce Scope 1 and 2 emissions per FTE by 50% by 2030	53% reduction	33% reduction
Reduce Scope 1 and Scope 2 emissions by 50% by 2030	55% reduction	39% reduction
Procure 100% renewable electricity at the offices we operate globally by the end of 2020	98%	99%
Reduce our energy (kWh) usage by 30% by 2030	50% reduction	33% reduction
We will promote travel alternatives and low carbon options with our people, such as video conferencing, and domestic rail use over air travel. We measure progress in emission reductions from business flights against our 2018 baseline	91% ¹ reduction	42% reduction
Offset 110% of our operational carbon footprint by end of 2020	As of World Environment Day (5 June 2020) we are now carbon neutral ²	

¹ In 2020 due to COVID-19 there was very limited travel. This has impacted how we do business and how we will continue to view business travel.

² In 2020, due to COVID-19 we've included the emissions from the majority of our people working from home as part of our carbon neutral pledge.

Investing with purpose – Environmental data:

Protecting our clients and mobilising private and institutional capital

Weighted Average Carbon Intensity (Scope 1 & 2)

Measure	Unit	2020	2019	Definition
Equities				The weighted average carbon intensity (in tonnes of CO2e per million USD sales) as of January 2020 for our Equity holdings (around 20% of our total AUM) and our Fixed Income strategies (around 20% of our AUM) across regional investment desks. Carbon intensity related to our portfolios in Japan are now reflected in the AsiaPac numbers.
AsiaPac	tCO2e/US\$	271	377	
Global Emerging Markets	tCO2e/US\$	160	325	
Global Equities	tCO2e/US\$	224	175	
Europe	tCO2e/US\$	177	153	
US	tCO2e/US\$	183	152	
UK	tCO2e/US\$	112	104	
Japan	tCO2e/US\$	-	60	
Small Cap	tCO2e/US\$	65	37	
Fixed Income				Note that emissions data has a 1-2 year lag and 2020 carbon footprinting reports therefore reflect 2018 or 2019 corporate emissions. Carbon intensity numbers may increase due to falling revenue numbers even if absolute emissions decline.
Em Credit	tCO2e/US\$	339	869	
US HY	tCO2e/US\$	251	361	
Global IG	tCO2e/US\$	320	270	
US IG	tCO2e/US\$	327	232	
Euro IG	tCO2e/US\$	197	193	
Euro HY	tCO2e/US\$	82	181	
Sterling IG	tCO2e/US\$	153	161	

Weighted Average Carbon Intensity (WACI) shows a portfolio's exposure to carbon-intensive companies. As carbon-intensive companies are likely to be more exposed to carbon pricing mechanisms or other carbon regulatory risks, this metric is regarded as a useful indicator of a portfolio's potential exposure to transition risks (such as policy intervention or changing consumer behaviour) relative to other portfolios or benchmarks. Investors can calculate weighted average portfolio carbon intensity by combining Scope 1 and Scope 2 GHG emissions then allocating based on portfolio weights (current value of the investment relative to current portfolio value). Note that we consider Scope 3 emissions for companies and sectors where these are material, but due to data gaps and inconsistencies these are not incorporated into portfolio level reporting.

Investing with purpose – Environmental targets and progress:

Our progress		
Target/pledge	2020	2019
100% of the real estate where Aberdeen Standard Investments (ASI) has procurement responsibility for electricity will use renewable electricity by the end of 2020. Note: This excludes real estate where the tenant has responsibility for procuring electricity	Achieved	Achieved
Achieve 'net zero' emissions in the real estate ASI manages by 2050	Published Global real estate net-zero investment framework	Pledge to publish our framework in 2020



www.aberdeenstandard.com/our-blueprint-for-net-zero-carbon

Policies and Statements

It starts with us



Environmental policy
www.aberdeenstandard.com/environmental-policy



Task Force on Climate-related Financial Disclosures (TCFD) report
www.aberdeenstandard.com/tcf-d-report



Single-use plastics approach
www.aberdeenstandard.com/single-use-plastics-approach

Investing with purpose



Position statement – Fossil fuels
www.aberdeenstandard.com/fossil-fuels



Paris alignment – our approach for investments
www.aberdeenstandard.com/paris-alignment



Climate change – our approach for investments
www.aberdeenstandard.com/climate-change

Social

It starts with us – Social data:

Employees - Full time Equivalent				
Measure	Unit	2020	2019	Definition
Total	number	5,988	6,239	Total global FTE
UK	number	4,705	4,794	Total FTE in the UK
EMEA (non UK)	number	346	396	Total FTE in Europe, Middle East and Africa
Asia Pacific	number	563	630	Total FTE in Asia and the Pacific
Americas	number	374	419	Total FTE in the Americas

All FTE figures are given as of the 31 December 2020.

Human capital development

Measure	Unit	2020	2019	Definition
Employees covered by performance appraisals	%	100	-	Percentage of employees covered by performance appraisals ¹
Employee training spend	£m	4	6	External spend on employee training including support through degrees and qualifications, and job specific training programmes
Employee training hours	hours	19	23	Average number of hours employees participated in training
Employees receiving training	%	100	100	Percentage of employees receiving training
Employee training hours female	hours	20	-	Average number of hours of training provided to female employees (on an FTE basis)
CEO to median worker pay UK	Ratio	29:1	23:1	Ratio of CEO to median worker pay (50th percentile) for total remuneration of FTE UK employees
Participation in employee engagement survey	%	72	-	Percentage participation in staff engagement survey. Note: no survey took place in 2019
Engagement score from employee survey	%	72	-	Engagement score from the staff engagement survey. Note: no survey took place in 2019
Employees in pension scheme	%	94	93	Percentage of employees in the company pension scheme, data covers FTE in the UK which accounts for 78% of our workforce
Employee share ownership	%	49	59	Percentage of employees on our payroll who are contributing to one of our employee share options
Employee turnover	%	13	16	Number of employees that left the company within the past year as a percentage of the total number of employees
Voluntary turnover	%	7	10	Number of employees that left the company voluntarily within the past year as a percentage of the total number of employees
Involuntary turnover	%	6	6	Number of employees that left the company involuntarily within the past year as a percentage of the total number of employees
Contractor FTE versus employee FTE	%	7	13	Number of contractors as a percentage of total number of employees
Employee representation	%	83	83	The number of employees that belong to staff associations, have staff representatives or unions as a percentage of the total number of employees
Community spending	£m	2	3	Total contribution including cash, time, in-kind giving, pro bono contribution of service and management costs
Paid volunteer time	hours	2,523	17,921	Total number of hours employees have logged as paid volunteer time

¹ Individual performance goals are clearly defined, with regular performance reviews. KPIs relating to financial and non-financial targets are set at a level appropriate for each role. Everyone receives a yearly performance rating, taking into account their delivered outputs, conduct and behaviour.

Diversity and inclusion

Measure	Unit	2020	2019	Definition
<30 years old	%	18	-	Percentage of employees under the age of 30
30-50 years old	%	61	-	Percentage of employees between the ages of 30 and 50 years old
>50 years old	%	21	-	Percentage of employees over the age of 50 years old
Women in workforce	%	45	46	Women employed by the company as a percentage of the total number of employees
Women in global executive population (CEO-1 & CEO -2)	%	37	36	Women employed by the company one and two reporting levels below the CEO as a percentage of the total number of employees. Administration assistants are excluded.
Women executives	number	3	-	Women employed by the company who are on the Executive Leadership team
Women in management positions in revenue-generating functions	%	40	-	Women in management positions in the following areas of the company: Advisor, ASI, Distribution, Investment Management, Personal, Regional Management
Women in management	%	38	-	Percentage of managers who are women
Women on board	%	45	45	Percentage of women on the Board of Directors
Ethnic minorities in our UK workforce	%	4	10	Percentage of UK employees who identify as ethnic minority based on a voluntary disclosure rate of 58%
Ethnic minorities on board	%	9	-	Percentage of board members who identify as ethnic minority
Women in upper pay quartile	%	26	25	Percentage of women in upper pay quartile
Women in second pay quartile	%	42	40	Percentage of women in second pay quartile
Women in third pay quartile	%	52	50	Percentage of women in third pay quartile
Women in lowest pay quartile	%	62	64	Percentage of women in lowest pay quartile
Median gender pay gap	%	30	31	Median gender pay gap for the company's domestic operations
Full time to part time FTE	%	93	92	Percentage of employees who are full time
Women - part time	%	89	88	Percentage of part time workforce that is female
Women in graduate roles	%	33	-	Early careers gender split - percentage of school leavers, graduates and graduate interns hired during the calendar year globally who are female
Women in graduate intern roles	%	49	-	
Women in school leaver roles	%	41	-	

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Health and safety				
Measure	Unit	2020	2019	Definition
Absentee rate	%	3	2	Average number of sick days per FTE as a percentage of total days scheduled
Absentee rate -data coverage	%	93	99	% of employees in workforce used to measure absentee rate
Workforce accidents	number	7	26	Number of employees who experienced an accident at the company resulting in harm to that employee
Fatalities	number	0	0	Number of contractor and employee fatalities

Policies and Statements

Human Rights statement

Our Human Rights statement summarises our approach to identifying and upholding the human rights of our people, clients and customers, community and those impacted by our suppliers, partners and the companies we invest in.



www.aberdeenstandard.com/human-rights-statement

Modern Slavery statement

Our Modern Slavery statement outlines our approach to tackling human trafficking, forced labour, bonded labour and child slavery.



www.aberdeenstandard.com/modern-slavery-statement

Governance

It starts with us - Governance data

Responsible business				
Measure	Unit	2020	2019	Definition
Global tax contribution	£m	484	526	Global tax contribution in £m
Bribery and corruption breaches	number	0	0	Number of bribery and corruption breaches
Whistleblowing reports received	number	14	5	Whistleblowing notifications which resulted in investigation. Note: 2 additional calls were made, but transferred after initial investigation showed they had contacted the wrong company
Code of Conduct – completion of My Conduct training	%	99	100	Percentage of employees who have agreed to comply with code of conduct (including attestation of compliance with the code)

Transparent and fair information for customers				
Measure	Unit	2020	2019	Definition
Scope of employee training on data security and/or privacy-related risks and procedures	%	99	99	Percentage of employees completed training on data security and/or privacy-related risks and procedures



Investing with purpose - Governance data

Incorporation of ESG in investment management and advisory

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Measure	Unit	2020	2019	Definition
AUM in SRI / client driven / sustainability driven funds	£bn	30	22	Assets under management in funds which fulfil specific ethical, values based, thematic, impact or SRI type requirements
Equity	£bn	6	7	
Fixed income	£bn	21	14	
Multi-asset	£bn	0.4	0.4	
Quantitative Equity	£bn	2	1	
Alternatives	£bn	-	0.2	
AUM by asset class that employ integration of ESG issues	%	100	100	We employ ESG integration for 100% of our asset classes apart from our Quantitative funds that track a market index
ESG dedicated employees	number	21	-	Dedicated employees responsible for analysing ESG issues and monitoring ESG engagement policies in our central ESG team
ESG asset class experts	number	31	-	ESG asset class experts

Qualitative governance disclosures

SASB Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers

SLA did not sustain any monetary losses in the reporting period as a result of legal proceedings associated with its marketing and communications to customers, as described above.

The data included in response to this item is based on the population of covered employees (as defined by SASB) on December 31, 2020¹.

SASB Description of approach to incorporation of liquidity risk management programmes into portfolio strategy and redemption risk management

SLA has an European Securities and Market Authority (ESMA) aligned liquidity stress testing policy. In accordance with this policy we calculate the cost and time to exit for assets in portfolios and also stress test the assets and liabilities of funds and consider any mismatch between portfolio asset liquidity and expected or stressed redemptions. This policy ensures that we operate in line with our fiduciary duty to our clients, by ensuring that managers are aware of the liquidity risk within the funds and that is built into the product design. We use ongoing stress testing as a tool to mitigate this risk and we have a clear governance process for the management of a liquidity risk event. All SLA's funds within the UK and Europe are managed in alignment to this and we are expanding adherence to this policy throughout our funds globally.

SASB Description of approach to informing customers about products and services

SLA is a publicly traded investment management firm, offering a wide range of investment products and services through three channels: Investment, Advisor and Personal.

Our Global Product and Services Forum (GPSF) ensures we maintain a governed, tailored approach to informing customers about products and services. The GPSF focuses on ensuring we release the right products to the right clients for the right reasons, and that existing products operate in line with legal, mandate and client expectations. The forum is chaired by the Global Head of Product & Client Solutions, who is responsible for escalating relevant issues to the Executive Leadership Team. For all products we provide comprehensive product literature including the fund offering documents (Prospectus and Key Investor Information Document) as well as marketing materials such as fund factsheets.

SASB Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies.

Responsible investing is about delivering value for clients. We use ESG factors to help decide where best to invest by integrating ESG into our research, analysis and decision-making processes. We also manage specialised funds that incorporate stronger sustainability or ethical principles. Active ownership is how we look after these investments. As shareholders, we vote in a considered manner and work with companies to drive positive change. We also engage with policymakers on ESG and stewardship matters. Our website provides more detail on how we incorporate ESG factors.

 www.aberdeenstandard.com/responsible-investing

SASB Proxy voting and investee engagement.

A detailed description of our proxy voting decision process and investee engagement policies and procedures, and definition of our approach to materiality is provided in our Stewardship Report.

 www.aberdeenstandard.com/stewardship-report

We communicate our voting decisions and the rationale within our annual AGM voting season review. We also disclose this information within our quarterly reports.

 www.aberdeenstandard.com/responsible-investing

SASB Whistle blower policies and procedures.

Our employees have access to an independently managed confidential speak up hotline and web reporting process if they would like to raise any concerns anonymously. All concerns raised are taken seriously and any victimisation, harassment, discrimination or bullying of anyone raising a genuine concern will not be tolerated and will be considered a disciplinary matter. We also advertise this hotline to our suppliers who are able to use this in the same way.

A detailed description of our approach and procedures can be found on page 20 of our Global Code of Conduct

 www.aberdeenstandard.com/global-code-of-conduct

1. SASB defines 'Covered employees' as employees subject to filing the following forms:

Form U4 with the Central Registration Depository ("CRD")

of the Financial Industry Regulatory Authority ("FINRA")

Form U5 with the CRD of the FINRA

Form U6 with the CRD of FINRA

Form BD with the Investment Adviser Registration Depository ("IARD")

of the U.S. Securities and Exchange Commission ("SEC")

Form BDW with the IARD of the SEC

UN Global Compact - Communication on Progress (COP)

Statement of continuing support

Message from CEO Stephen Bird can be found in our [Stewardship report 2020](#) on page 6.

Principles and reference

Implementing the Ten Principles into Strategies & Operations			
2020 Update	Company reference(s)	Page number(s)	
ESG is embedded and integrated within our corporate strategy and operations. We detail our business overview and purpose, ESG governance structures, material issues, key SDGs we are tackling, our key targets, and our approach to ESG incentivisation.	Stewardship report 2020	4, 5, 13, 20, 21, 22, 23	
	Social report 2020	4 - 10	
	TCFD and Environment report 2020	3 - 9	

Human Rights			
UNGC Principle	2020 Update	Company reference(s)	Page number(s)
Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights	We published our Human Rights Statement identifying the salient human rights for key stakeholders we interact with, and a document outlining our approach to human rights in investments.	Stewardship report 2020 Social report 2020	39 7,10
Principle 2 Businesses should make sure that they are not complicit in human rights abuses	We launched an Investments Labour & Human Rights Working group to support the integration of these issues into investment decision-making. We ask Third Parties to sign up to our Global Third Party Code of Conduct which contains human and labour rights standards we expect them to adhere to.	Stewardship report 2020 Social report 2020	15 7,12,13,15

Labour

UNGC Principle	2020 Update	Company reference(s)	Page number(s)
Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	We support the principle of freedom of association and collective bargaining.	Social report 2020	16, 37
Principle 4 Businesses should uphold the elimination of all forms of forced and compulsory labour Principle 5 Businesses should uphold the effective abolition of child labour	We are committed to promoting fair work which is free from any form of modern slavery. Our annual modern slavery statement covers our approach to identifying and mitigating modern slavery risks. We are also part of a number of initiatives to help tackle modern slavery including CCLA's 'Find it, Fix it, Prevent it' initiative, 'Investors Against Slavery and Trafficking APAC' and as a founding member of The Investor Forum.	Social report 2020	10, 12, 15, 20, 23, 29, 32, 37
Principle 6 Businesses should uphold the elimination of discrimination in respect of employment and occupation	Discrimination, bullying and harassment have no place in our business. Action in 2020 included setting new gender and ethnicity targets, becoming accredited as a Living Hours employer to tackle in work poverty, implementing a gender equal and award winning parent leave policy, and continued integration into our investment process.	Social report 2020	6, 7, 12, 15, 16

Environment

UNGC Principle	2020 Update	Company reference(s)	Page number(s)
Principle 7 Businesses should support a precautionary approach to environmental challenges	We have a robust risk management and governance process, and focus on our most material impacts from a carbon footprint perspective. We also integrate climate change risk into the investment process.	TCFD and Environment report 2020	11, 28
Principle 8 Businesses should undertake initiatives to promote greater environmental responsibility	We detail our commitments, climate-related aims and achievements in our TCFD and Environment report including our Net Zero targets and investment processes.	TCFD and Environment report 2020	6
Principle 9 Businesses should encourage the development and diffusion of environmentally friendly technologies	We support the transition to the low carbon economy and integrate climate-related considerations into our investment process.	TCFD and Environment report 2020	26

Anti-Corruption			
UNGC Principle	2020 Update	Company reference(s)	Page number(s)
Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery	We describe our approach and policies. In 2020 we had no breaches and an independent assessment of our anti-money laundering framework was completed. We are now following the recommendations that came out of the review, and will have an even stronger control framework as a result.	Annual report and accounts 2020	29

Taking Action in Support of Broader UN Goals and Issues		
2020 Update	Company reference(s)	Page number(s)
We integrate the UN Sustainable Development goals into our processes and our products.	Social report 2020	24, 29
We invest in various strategic social and environmental charitable programmes.	TCFD and Environment report 2020	44
	Social report 2020	33
We form partnerships and collaborate to support collective action.	Stewardship report 2020	38 - 41
	Social report 2020	31, 32, 38, 39, 40
	TCFD and Environment report 2020	44, 46, 47

