

# We are futurists

**Standard Life**  **Aberdeen**

Corporate ESG Supporting Data 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: Standard Life Aberdeen's Annual Report, Proxy Statement, Investment Stewardship Annual Report, and the sustainability pages on our website,

We continue to enhance our sustainability reporting, which is why this year we are providing disclosure aligned to the SASB framework. This is an initial step in our evolution as we build a more unified sustainability disclosure framework.

We will 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.



**Stewardship report 2020**

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

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This symbol denotes where a data point relates to the SASB framework.

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# We are futurists

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

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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		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			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 GHG emissions per FTE	Tonnes CO2e/FTE	2.4	3.2	5.2	Total (locations based) Scope 1,2 and 3 GHG emissions per FTE for the continuing business.
Total GHG emissions (Scope 1&2) per FTE	Tonnes CO2e/FTE	0.7	1.1	1.6	
Total GHG emission (Scope 1&2 only) per £m of total income	Tonnes CO2e/£m		1.65	4.60	Gross global combined Scope 1 and 2 (location based) emissions for the reporting year in metric tons CO2e per £m total revenue
Total GHG emissions per £bn AUM	Tonnes CO2e/£bn		36	58	Gross global combined Scope 1,2 and 3 emissions for the reporting year in metric tons CO2e per £bn AUM

Business travel					
Measure	Unit	2020	2019	2018	Definition
Business flights	pMm		40,842	62,234	Passenger Megameters (Mm) travelled on business flights through our travel providers
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		23,529	35,017	Total energy consumption
Energy consumption UK	MWh	14,238	15,762	26,658	Total energy consumption MWh consumed in the UK (electricity, natural gas & stationary diesel)
Electricity used	MWh		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		27	92	Total MWh consumed through stationary diesel
Electricity used under a green/ renewable tariff	MWh	9,198	11,321	15,856	Total kWh under a green/renewable tariff
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 towards targets and pledges

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%	42%
Offset 110% of our operational carbon footprint by end of 2020	As of World Environment Day (5 June 2020) we are now carbon neutral <sup>2</sup>	

<sup>1</sup> In 2020 due to Covid19 there was very limited travel. This has impacted how we do business and how we will continue to view business travel.

<sup>2</sup> In 2020, due to Covid19 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:

## Investing with purpose - protecting our clients and mobilising private and institutional capital

### Equities

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 (20% of our total AUM) and our Fixed Income strategies (where a carbon footprint has been calculated for around 20% of our AUM). across regional investment desks. The higher carbon intensity of companies in emerging markets reflects that the use of fossil fuels is regionally still more dominant.
AsiaPac	tCO2e/US\$		377	
Global Emerging Markets	tCO2e/US\$		325	
Global Equities	tCO2e/US\$		175	
Europe	tCO2e/US\$		153	
US	tCO2e/US\$		152	
UK	tCO2e/US\$		104	
Japan	tCO2e/US\$		60	
Small Cap	tCO2e/US\$		37	
Fixed Income				
Em Credit	tCO2e/US\$		869	
US HY	tCO2e/US\$		361	
Global IG	tCO2e/US\$		270	
US IG	tCO2e/US\$		232	
Euro IG	tCO2e/US\$		193	
Euro HY	tCO2e/US\$		181	
Sterling IG	tCO2e/US\$		161	

## Investing with purpose – Environmental Targets and progress:

Our progress towards targets and pledges		
Target/pledge	2020	2019
All the landlord procured electricity in the real estate Aberdeen Standard Investments manages in the UK will be 100% renewable electricity by the end of 2020	Achieved	Achieved
Achieve 'net zero' emissions in the real estate Aberdeen Standard Investments manages by 2050	Published Global real estate net-zero investment framework	Pledge to publish our framework in 2020



[Our blueprint for net-zero carbon](#)

## Policies and Statements

-  It starts with us
-  Environmental Policy
-  Task Force for Climate Related Financial Disclosure report
-  Single-use plastics approach
-  Investing with purpose
-  ASI Position Statement – Fossil fuels
-  Paris alignment – our approach for investments



[Climate Change – our approach for investments](#)

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# 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 and Middle East 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.

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

Human capital development				
Measure	Unit	2020	2019	Definition
Employees covered by performance appraisals	%	100		Percentage of employees covered by performance appraisals <sup>1</sup>
Employee training cost	£m	4	6	External spend on employee training including support through degrees and qualifications, job specific training programs
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	tbc		
Participation in engagement survey	%	72		Percentage participation in staff engagement survey
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

<sup>1</sup> 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	number	1,076		Number of employees under the age of 30
30-50 years old	number	3,755		Number of employees between the ages of 30 and 50 years old
>50 years old	number	1,308		Number 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 top management (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
Managers women	%	38	-	Percentage of managers who are women
Women on board	%	45	45	Percentage of women on the Board of Directors
Ethnic minorities in our workforce UK	%	4	10	UK employees that do not identify as white British, white Irish, or white - other European/any other white background based on a voluntary data disclosure rate of 58%
Ethnic minorities on board	%	9	-	Percentage of board members that do not identify as white British, white Irish, or white – other European/any other white background as of the 31st of December
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	Company's 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
Part time female	%	89	88	Percentage of part time workforce that is female
Graduates	%	33	-	Early careers gender split - percentage of school leavers, graduates and graduate interns hired during the calendar year globally who were female
Graduate interns	%	49	-	
School leavers	%	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 Policy

Our Human Rights policy 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.



[Human Rights Policy](#)

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### Modern Slavery Statement

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



[Modern Slavery Statement](#)

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# Governance

## It starts with us - Governance Data

Responsible business				
Measure	Unit	2020	2019	Definition
Global tax contribution	£m		526	Global tax contribution in £m
Bribery and corruption breaches	number	0	0	Number of bribery and corruption breaches
Whistleblowing calls	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 information and fair for customers				
Measure	Unit	2020	2019	Definition
Covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	number	0	-	A covered employee is any employee who is either the principal executive officer or whose total compensation is required to be reported by the Securities and Exchange Commission
	%	0	-	
Scope of employee training on data security and/or privacy-related risks and procedures	%	99	99	Everybody in our global business is trained to understand our risks, accountabilities and expectations regarding information security and cyber security.



## Investing with purpose - Governance Data

### Incorporation of ESG in investment management and advisory

	Measure	Unit	2020	2019	Definition
SASB	AUM in SRI / client driven / sustainably driven funds	£bn	30	22	Assets under management in funds which fulfil specific ethical, values based, thematic, impact or SRI type requirements
SASB	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 who track a market index.
SASB	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
	AUM by asset class, that employ sustainability themed investing and screening				Amount of assets under management, by asset class, that employ (2) sustainability themed investing, and (3) screening
SASB	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	

### Systematic risk management

	Measure	Unit	2020	2019	Definition
SASB	Percentage of open-end fund AUM by category of liquidity classification:				Percentage of open-end fund assets under management (AUM) by category of liquidity classifications, as defined by the U.S. Securities and Exchange
	Highly liquid investments	%	63	60	
	Moderately liquid investments	%	11	11	
	Less liquid investments	%	11	11	
	Illiquid investments	%	16	18	
SASB	Total exposure to securities financing transactions	£			
SASB	Net exposure to written credit derivatives	£			

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## Qualitative governance disclosures

### **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, 2020<sup>1</sup>.

### **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.

### **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.

### **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.

### **Stewardship report 2020**

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

### **Responsible Investing**

### **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

### **Global Code of Conduct**

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.

# Ratings and recognition

## External recognition of our ESG credentials

External indices, initiatives and frameworks					
Ratings and recognitions	Unit	2020	2019	2018	Definition
DJSI (Robecosam) Score	%	98	97	96	Percentile ranking
FTSE4Good	%	97	97	100	Percentile ranking
CDP	Score	B	C	C	Score
MSCI	ESG rating	AA	A	A	MSCI ESG Ratings aim to measure a company's resilience to long-term, financially relevant ESG risks.
GRESB Real Estate	Number of green stars	22	33	26	GRESB Real Estate assessment measures fund ESG performance, awarding green stars for reaching an absolute level of performance
Principles for Responsible Investment (PRI)	Rating	A+			PRI rating for the Strategy and Governance module
Hampton-Alexander Review	Rank		10	92	Ranks all FTSE 350 companies on the gender representation of their Boards and Executive teams
Bloomberg Gender-Equality Index	Included (Yes/No)	Yes	Yes	Yes	Recognises our progress and transparency on gender equality at all levels of the business

# 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.	<a href="#">Stewardship report 2020</a>	4, 5, 13, 20, 21, 22, 23	
	<a href="#">Social report 2020</a>	4 - 10	
	<a href="#">TCFD and Environment report 2020</a>	3 - 9	

  

Human Rights			
UNGC Principle	2020 Update	Company reference(s)	Page number(s)
<b>Principle 1</b> 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.	<a href="#">Stewardship report 2020</a>  <a href="#">Social report 2020</a>	39  7,10
<b>Principle 2</b> 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.	<a href="#">Stewardship report 2020</a>  <a href="#">Social report 2020</a>	15  7,12,13,15

Labour			
UNGC Principle	2020 Update	Company reference(s)	Page number(s)
<b>Principle 3</b> 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.	<a href="#">Social report 2020</a>	16, 37
<b>Principle 4</b> Businesses should uphold the elimination of all forms of forced and compulsory labour  <b>Principle 5</b> 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.	<a href="#">Social report 2020</a>	10, 12, 15, 20, 23, 29, 32, 37
<b>Principle 6</b> 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.	<a href="#">Social report 2020</a>	6, 7, 12, 15, 16

Environment			
UNGC Principle	2020 Update	Company reference(s)	Page number(s)
<b>Principle 7</b> 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.	<a href="#">TCFD and Environment report 2020</a>	11, 28
<b>Principle 8</b> 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.	<a href="#">TCFD and Environment report 2020</a>	6
<b>Principle 9</b> 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.	<a href="#">TCFD and Environment report 2020</a>	26

Anti-Corruption			
UNGC Principle	2020 Update	Company reference(s)	Page number(s)
<b>Principle 10</b> 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.	<a href="#">Annual report and accounts 2020</a>	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.	<a href="#">Social report 2020</a>	24, 29
We invest in various strategic social and environmental charitable programmes.	<a href="#">TCFD and Environment report 2020</a> <a href="#">Social report 2020</a>	44 33
We form partnerships and collaborate to support collective action.	<a href="#">Stewardship report 2020</a> <a href="#">Social report 2020</a> <a href="#">TCFD and Environment report 2020</a>	38 - 41 31, 32, 38, 39, 40 44, 46, 47

