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Standard Life  **Aberdeen**

Sustainability KPI Definitions

Key Performance Indicators

Carbon footprint

Measure

Annual total carbon emissions (units: tCO₂e) across Scope 1, 2 and 3.

Description

The carbon reporting methodology aligns with the Greenhouse Gas Protocol. While both location-based and market-based emissions are reported, only the location-based emissions are externally assured. Standard Life Aberdeen uses an operational control boundary to determine which entities are reported. Therefore the businesses we report on are Standard Life Aberdeen plc and its wholly owned and operated subsidiaries, and exclude joint ventures and associates. Our figures are for the reporting period (calendar year 2019).

Where data is unavailable, it is estimated based on the same time period for the facility for the previous year, or the average consumption for the facility for the current reporting year, or a similar site within the portfolio. Where we have used the latter estimation process we have calculated based on FTE/kWh for both electricity and natural gas.

Exclusions

In addition to joint ventures and associates, the following sources are also excluded from the carbon footprint:

- energy consumed within properties Standard Life Aberdeen plc and its subsidiaries have invested in other than those directly owned by Standard Life Aberdeen plc and its subsidiaries
- air travel or rail travel that are not booked through the corporate third-party travel operators
- other types of employee business travel and commuting, for example employee travel by taxi and short-term car hire.

Scope 1

Natural gas

Natural gas used in Standard Life Aberdeen's office buildings, including owned, leased and serviced office spaces, and where possible apportioned communal space. Gas is reported in kilowatt hours (kWh) for all in-scope operations and converted into tCO₂e emissions using the 2019 Department for Environment, Food and Rural Affairs (DEFRA) guidance on conversion factors.

Fluorinated gas

Fluorinated gases (F-gas) used in equipment that is the responsibility of Standard Life Aberdeen to operate and maintain. The F-gas usage is measured by the weight (kg) of gas replaced due to leakage or maintenance in each building. The gas is recorded as kilograms and converted into tCO₂e emissions using the 2019 DEFRA guidance on conversion factors.

Business fleet miles

Fleet miles for owned and long-term leased vehicles recorded by Standard Life Aberdeen. The mileage recorded is converted into tCO₂e emissions using the 2019 DEFRA guidance on conversion factors for average unknown vehicles.

Diesel

Any diesel used in back-up generators, and generators on site where there is no natural gas grid, that are the responsibility of Standard Life Aberdeen to operate and maintain. The diesel is recorded in litres and converted into tCO₂e emissions using the 2019 DEFRA guidance on conversion factors.

Scope 2

Electricity

Electricity used in Standard Life Aberdeen's office buildings, including owned, leased and serviced office spaces, and where possible apportioned communal space. Electricity is metered and measured in kWh for all in-scope operations and converted into tCO₂e emissions using the 2019 DEFRA guidance on conversion factors for the UK. Outside the UK we use the 2018 factors from the International Energy Agency for offices, other than in Australia, Canada and the United States where we apply the most accurate/granular published factors available for a region. For the US this means eGrid electricity factors, for Canada this means national inventory factors for the provinces/territories and for Australia this means NGERs state and territory factors.

A small number of leased and serviced office spaces receive heat and cooling from district heating schemes. The conversion factors used are locally provided. District heating is metered and measured in kWh for all in-scope operations and converted into tCO₂e emissions using the 2019 DEFRA guidance on conversion factors.

Scope 3

Business air passenger kms

All flights booked for business purposes through Standard Life Aberdeen's third-party travel operators. The travel operator's records provide the basis for reporting and we rely on the classification provided by the travel operator for the purpose of the calculation. Flights are classified as per the DEFRA guidance, detailed in the table below:

| Activity | Haul | Class | Unit |
|-----------------------|-------------------------------|-----------------------|--------------|
| Flights | Domestic, to/from UK | Average passenger | passenger.km |
| | | Economy class | passenger.km |
| | Short-haul, to/from UK | Business class | passenger.km |
| | | Average passenger | passenger.km |
| | Long-haul, to/from UK | Economy class | passenger.km |
| | | Premium economy class | passenger.km |
| | | Business class | passenger.km |
| | | First class | passenger.km |
| | International, to/from non-UK | Average passenger | passenger.km |
| | | Economy class | passenger.km |
| Premium economy class | | passenger.km | |
| Business class | | passenger.km | |
| | | First class | passenger.km |

Once classified, km is converted into tCO₂e using the 2019 DEFRA guidance on conversion factors.

Rail travel kms

All rail travel booked for business purposes through Standard Life Aberdeen's third-party travel operators. The travel operator's records provide the basis for reporting and we rely on the classification provided by the travel operator for the purpose of the calculation. Rail distance travelled is converted into emissions using the 2019 DEFRA guidance conversion factors for national and international rail travel.

Transmission and distribution losses

Transmission and distribution (T&D) losses are energy losses which occur in the process of supplying electricity to consumers due to technical and commercial factors. All emissions are converted from kWh of electricity to tCO₂e using the 2019 DEFRA guidance on conversion factors.

Key Performance Indicators

Kilowatt hours

Measure

Annual total kilowatt hours (kWh)

Description

kWh used within Standard Life Aberdeen's operational control boundary for the reporting period (calendar year 2019). Calculations of kWh are for stationary diesel, natural gas, district heating and electricity.

Where data is unavailable, it is estimated based on the same time period for the facility for the previous year, or the average consumption for the facility for the current reporting year, or a similar site within the portfolio. Where we have used the latter estimation process we have calculated based on FTE/kWh for both electricity and natural gas.

Exclusions

In addition to joint ventures and associates, the following sources are also excluded from the kWh calculations:

- energy consumed within properties Standard Life Aberdeen plc and its subsidiaries have invested in other than those directly owned by Standard Life Aberdeen plc and its subsidiaries

Percentage of women at Board level

Measure

The percentage of Standard Life Aberdeen plc Board who are female as at 1 January 2020.

Description

The Standard Life Aberdeen plc Board currently comprises seven non-executive Directors and four executive Directors. Data on gender of our Board is found on our website at www.standardlifeaberdeen.com.

Percentage of women in our global executive population

Measure

The percentage of our executive population who are female as at 7 January 2020.

Description

Our executive population is defined as: those one and two reporting levels below the CEO of Standard Life Aberdeen plc. We do not include administrative employees in our total, who are removed based on their job title. Data on both gender and reporting level is maintained and extracted from our Workday people system.

Data has been reported at 31 December in previous years but due to data impacts associated with migrating HR systems on 6 January 2020, data is shown as at 7 January 2020 for this reporting cycle only.

Percentage of women in our global executive population

Measure

The percentage of our global workforce who are female as at 7 January 2020.

Description

Our global workforce includes all full-time, part-time, fixed term, graduates, apprentices, secondees and intern employees of Standard Life Aberdeen plc and its wholly owned subsidiaries. We do not make any adjustments for part-time working (full time equivalent) and count each person as one employee; however, this does not include individuals who are currently undertaking maternity cover. In total, we have 6,213 employees. Data on gender is maintained and extracted from our Workday people system. Data has been reported at 31 December in previous years but due to data impacts associated with migrating HR systems on 6 January 2020, data is shown as at 7 January 2020 for this reporting cycle only.

Percentage of women in our UK workforce

Measure

The percentage of our UK workforce who are female as at 7 January 2020.

Description

Our UK workforce includes all full-time, part-time, fixed term, graduates, apprentices, secondees and intern employees of Standard Life Aberdeen plc and its wholly owned subsidiaries located within the UK. We do not make any adjustments for part-time working (full time equivalent) and count each person as one employee, however, this does not include individuals who are currently undertaking maternity cover. In total, we have 4,846 employees. Data on gender and location is maintained and extracted from our Workday people system.

Data has been reported at 31 December in previous years but due to data impacts associated with migrating HR systems on 6 January 2020, data is shown as at 7 January 2020 for this reporting cycle only.

Independent Assurance Statement

Introduction and objectives of work

Bureau Veritas UK Ltd. (Bureau Veritas) has been engaged by Standard Life Employee Service Ltd (SLESL) to provide limited assurance over selected sustainability performance indicators for inclusion in the Sustainability Report 2019 ('the Report'). This Assurance Statement applies to the related information included within the scope of work described below.

Scope of assurance

The scope of our work was limited to assurance over the following content included within the Report for the period 1 January 2019 to 31 December 2019 (the 'Selected Information'):

1. Percentage of women at Board level
2. Percentage of women in global executive population
3. Percentage of women in the global workforce
4. Percentage of women in UK workforce
5. Scope 1 emissions
6. Scope 2 emissions (location based)
7. Scope 3 emissions
8. Annual total kWh

Reporting Criteria

The Selected Information has been prepared in accordance with internal definitions set by Standard Life Aberdeen. The carbon reporting methodology for Standard Life Aberdeen aligns with the Greenhouse gas protocol.

Limitations and Exclusions

The scope of our work does not include any verification of information relating to:

- Positional statements (expressions of opinion, belief, aim or future intention by Standard Life Aberdeen) and statements of future commitment; and
- Any other information included in Standard Life Aberdeen's Report outside the defined scope and reporting period above.

This limited assurance engagement relies on a risk based selected sample of sustainability data and the associated limitations that this entails.

Our work was limited to head office based activities and understanding how Standard Life Aberdeen consolidates and reconciles data provided by local markets/countries. The reliability of the reported data is dependent on the accuracy of data collection and monitoring arrangements at market/site level, not addressed as part of this assurance.

This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

Responsibilities

The preparation and presentation of the Selected Information in the Report are the sole responsibility of the management of Standard Life Aberdeen.

Bureau Veritas was not involved in the drafting of the Report. Our responsibilities were to:

- Obtain limited assurance about whether the Selected Information has been prepared in accordance with internationally acceptable definitions of the relevant indicators;
- Form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- Report our conclusions and findings to the Standard Life Aberdeen's management in the form of a Management Report.

Assessment Standard

We performed our work in accordance with the requirements of the International Standard on Assurance Engagements ('ISAE') 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after December 15, 2015).

Methodology followed and summary of work performed

Our conclusions are for 'limited' assurance as set out in ISAE 3000.

Methodology followed and summary of work performed
As part of our independent verification, we undertook the following activities:

- Examined the data collection and consolidation processes used to compile the Selected Information, including assumptions made, and the data scope and reporting boundaries;
- Conducted interviews with relevant personnel from Standard Life Aberdeen Head Office;
- Reviewed documentary evidence provided by Standard Life Aberdeen on a sample basis;
- Re-performed a selection of aggregation calculations of the Selected Information;
- Assessed the disclosure and presentation of the Selected Information to ensure consistency with assured information.

Conclusion

On the basis of our methodology and the activities described above, nothing has come to our attention to indicate that the Selected Information is not fairly stated in all material respects.

Further detailed recommendations are provided to Standard Life Aberdeen in the form of an internal Management Report.

Statement of Independence, Integrity and Competence

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety and social accountability with over 185 years history. Its assurance team has extensive experience in conducting verification over environmental, social, ethical and health and safety information, systems and processes.

Bureau Veritas operates a certified¹ Quality Management System which complies with the requirements of ISO 9001:2015, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspection Agencies (IFIA)², across the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behaviour and high ethical standards in their day-to-day business activities.

The assurance team for this work conducted the verification independently and to our knowledge does not have any conflict of interest due to any other Bureau Veritas projects with Standard Life Aberdeen.



**BUREAU
VERITAS**

**Bureau Veritas UK Ltd.
London**

10 March 2020

¹ Certificate of Registration available on request

² International Federation of Inspection Agencies – Compliance Code – Third Edition

Standard Life Aberdeen plc is registered in Scotland (SC286832) at,1 George Street, Edinburgh EH2 2LL.

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