

Sustainability KPI Definitions
March 2019

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Key Performance Indicators

Percentage of women at Board level

Measure

The percentage of Standard Life Aberdeen plc Board who are female as at 1 January 2019.

Description

The Standard Life Aberdeen plc Board currently comprises eight 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 31 December 2018.

Description

Our executive population is defined as: those one and two reporting levels below the Co-CEOs of Standard Life Aberdeen PLC. We do not include administrative employees in our total.

Data on both gender and reporting level is maintained and extracted from our Oracle and Workday people systems.

Percentage of women in our global workforce

Measure

The percentage of our global workforce who are female as at 31 December 2018.

Description

Our global workforce includes all full-time, part-time, fixed term 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 6,192 employees.

Data on gender is maintained and extracted from our Oracle and Workday people systems.

Percentage of women in our UK workforce

Measure

The percentage of our UK workforce who are female as at 31 December 2018.

Description

Our UK workforce includes all full-time, part-time, fixed term 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 4,727 employees.

Data on gender and location is maintained and extracted from our Oracle and Workday people systems.

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 for the reporting period (calendar year 2018) include both continued and discontinued operations as a result of the sale of the insurance business to Phoenix on 31 August 2018.

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.

The emissions associated with real estate investment assets owned by Standard Life Assurance Limited are not externally assured and are included separately in order to apply the most appropriate intensity metrics. Scope 1 is comprised of landlord consumed gas, Scope 2 is landlord consumed electricity, and Scope 3 is electricity and gas obtained by the landlord and sub-metered to tenants and transmission and distribution losses from landlord-obtained electricity.

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) or m³ for all in-scope operations and converted into tCO₂e emissions using the 2018 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 2018 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 2018 DEFRA guidance on conversion factors for average petrol or diesel vehicles.

Diesel

Any diesel used in back-up generators 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 2018 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 2018 DEFRA guidance on conversion factors for the UK. Outside the UK we used the 2018 factors from the International Energy Agency for offices, other than in Australia where we applied National Greenhouse Energy Reporting (NGER) emission factors for sites (these factors differ depending on the State i.e. Victoria or New South Wales).

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 2018 DEFRA guidance on conversion factors.

Scope 3

Business air miles

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 by distance (domestic, short haul and long haul) and class (Economy, Premium Economy, Business, and First). Once classified, mileage is converted into tCO₂e using the 2018 DEFRA guidance on conversion factors.

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 2018 DEFRA guidance on conversion factors.

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 miles 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, short-term car hire, and rail.

Independent Limited Assurance Report to Standard Life Aberdeen plc


KPMG LLP ('KPMG' or 'we') were engaged by Standard Life Employee Services Ltd to provide limited assurance to Standard Life Aberdeen plc ('Standard Life Aberdeen') over the Selected Information described below for the year ended 31 December 2018.

Our conclusion

Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information has not been properly prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of the remainder of this report, in particular the inherent limitations explained below and this report's intended use.

Selected Information

The scope of our work includes only the information included within Standard Life Aberdeen's Corporate Sustainability and Stewardship Report ('the Report') for the year ended 31 December 2018 marked with the symbol  ('the Selected Information').

We have not performed any work, and do not express any conclusion, over any other information that may be included in the Report or displayed on Standard Life Aberdeen's website for the current year or for previous periods unless otherwise indicated.

Reporting Criteria

The Reporting Criteria we used to form our judgements are Standard Life Aberdeen's Sustainability Key Performance Indicators Definitions 2018 as set out at https://www.standardlifeaberdeen.com/_data/assets/pdf_file/0029/39962/2018-Sustainability-KPI-Definition.pdf ('the Reporting Criteria'). The Selected Information needs to be read together with the Reporting Criteria.

Inherent limitations

The nature of non-financial information; the absence of a significant body of established practice on which to draw; and the methods and precision used to determine non-financial information, allow for different, but acceptable evaluation and measurement techniques and can result in materially different measurements, affecting comparability between entities and over time.

We have relied on the Standard Life Aberdeen People IT systems capturing all employees and containing gender classification data that originates from employees self-assigning their gender during the Standard Life Aberdeen recruitment process or when employees have subsequently provided information.

Directors' responsibilities

The Directors of Standard Life Aberdeen are responsible for:

- designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- selecting and/or developing objective Reporting Criteria;
- measuring and reporting the Selected Information in accordance with the Reporting Criteria; and
- the contents and statements contained within the Report and the Reporting Criteria; and
- the maintenance and integrity of information included on Standard Life Aberdeen's website.

Our responsibilities

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been prepared in accordance with the Reporting Criteria and to report to Standard Life Aberdeen in the form of an independent limited assurance conclusion based on the work performed and the evidence obtained.

Assurance standards applied

We performed our work in accordance with International Standard on Assurance Engagements 3000 – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' ('ISAE 3000') and, in respect of the greenhouse gas emissions information included within the Selected Information, in accordance with International Standard on Assurance Engagements 3410 – 'Assurance Engagements on Greenhouse Gas Statements' ('ISAE 3410'), issued by the International Auditing and Assurance Standards Board.

The work performed in a limited assurance engagement varies in nature and timing from, and is less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Independence, professional standards and quality control

We comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and we apply International Standard on Quality Control (UK) 1, 'Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements'. Accordingly, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements and professional standards (including independence, and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour) as well as applicable legal and regulatory requirements.

Summary of work performed

Considering the level of assurance and our assessment of the risk of material misstatement of the Selected Information, whether due to fraud or error, our work included, but was not restricted to:

- assessing the appropriateness of the Reporting Criteria for the Selected Information;
- conducting interviews with Standard Life Aberdeen management to obtain an understanding of the key processes, systems and controls in place over the preparation of the Selected Information;
- selected limited substantive testing at the head office locations in Edinburgh and London, including agreeing a selection of the Selected Information to corresponding supporting information;
- considering the appropriateness of the carbon conversion factor calculations and other unit conversion factor calculations used by reference to widely recognised and established conversion factors;
- reperforming a selection of the carbon conversion factor calculations and other unit conversion factor calculations;
- reviewing a selection of formulae used (including unit and carbon conversion factors) and manual calculations performed over the Selected Information
- performing analytical review procedures over the aggregated Selected Information, including a comparison to the prior period's amounts having due regard to changes in business volume and the business portfolio; and
- reading the Report and narrative accompanying the Selected Information in the Report with regard to the Reporting Criteria, and for consistency with our findings.

This report's intended use

This assurance report is made solely to Standard Life Aberdeen in accordance with the terms of the engagement contract between us. Those terms permit disclosure to other parties, solely for the purpose of Standard Life Aberdeen showing that it has obtained an independent assurance report in connection with the Selected Information.

We have not considered the interest of any other party in the Selected Information. To the fullest extent permitted by law, we accept no responsibility and deny any liability to any party other than Standard Life Aberdeen for our work, for this assurance report or for the conclusions we have reached.

KPMG LLP

KPMG LLP
Chartered Accountants
London 13 March 2019

The maintenance and integrity of Standard Life Aberdeen's website is the responsibility of the Directors of Standard Life Aberdeen; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Information, Reporting Criteria, or the Report when presented on Standard Life Aberdeen's website since the date of our report.



All figures have been calculated as at 31 December 2018 (unless otherwise indicated). This document has been published by Standard Life Aberdeen plc for information only. It is based on our understanding as at March 2019 and does not provide financial or legal advice.

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

www.standardlifeaberdeen.com

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