

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.


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.

 [www.standardlifeaberdeen.com/annual-report](http://www.standardlifeaberdeen.com/annual-report)

 [www.standardlifeaberdeen.com/corporate-sustainability](http://www.standardlifeaberdeen.com/corporate-sustainability)

 [www.aberdeenstandard.com/responsible-investing](http://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 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	8,871	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% <sup>1</sup> 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 <sup>2</sup>	

<sup>1</sup> 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.

<sup>2</sup> 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	
<b>Equities</b>					
AsiaPac	tCO2e/US\$	271	377	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.	
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		
<b>Fixed Income</b>					
Em Credit	tCO2e/US\$	339	869		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.
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](http://www.aberdeenstandard.com/our-blueprint-for-net-zero-carbon)

## Policies and Statements

### It starts with us



**Environmental policy**  
[www.aberdeenstandard.com/environmental-policy](http://www.aberdeenstandard.com/environmental-policy)



**Task Force on Climate-related Financial Disclosures (TCFD) report**  
[www.aberdeenstandard.com/tcf-d-report](http://www.aberdeenstandard.com/tcf-d-report)



**Single-use plastics approach**  
[www.aberdeenstandard.com/single-use-plastics-approach](http://www.aberdeenstandard.com/single-use-plastics-approach)

### Investing with purpose



**Position statement – Fossil fuels**  
[www.aberdeenstandard.com/fossil-fuels](http://www.aberdeenstandard.com/fossil-fuels)



**Paris alignment – our approach for investments**  
[www.aberdeenstandard.com/paris-alignment](http://www.aberdeenstandard.com/paris-alignment)



**Climate change – our approach for investments**  
[www.aberdeenstandard.com/climate-change](http://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 <sup>1</sup>
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

<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	%	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](http://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](http://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

SASB

## Investing with purpose - Governance data

Incorporation of ESG in investment management and advisory					
Measure	Unit	2020	2019	Definition	
SASB AUM in SRI / client driven / sustainability driven funds	Equity	£bn	30	Assets under management in funds which fulfil specific ethical, values based, thematic, impact or SRI type requirements	
	Fixed income	£bn	21		
	Multi-asset	£bn	0.4		
	Quantitative Equity	£bn	2		
SASB	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
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

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

**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.

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

**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](http://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](http://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](http://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](http://www.aberdeenstandard.com/global-code-of-conduct)

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	Definition
DJSI (Robecosam) Score	%	98	97	Percentile ranking for our sector on our management of material ESG issues
FTSE4Good	%	97	97	Percentile ranking for our sector on our management of material ESG issues
CDP	Score	B	C	Score based on our environmental performance
MSCI	ESG rating	AA	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	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, 2020 figure is not available until April 2021
Hampton-Alexander Review	Rank	13	10	Ranks all FTSE 350 companies on the gender representation of their Boards and Executive teams
Bloomberg Gender-Equality Index	Included (Yes/No)	Yes	Yes	Recognises our progress and transparency on gender equality at all levels of the business



