

Together

we invest
for a better
future

Standard Life  **Aberdeen**

Modern Slavery Statement 2019/20

Our latest statement, published in accordance with the UK Modern Slavery Act 2015, sets out the steps Standard Life Aberdeen (Standard Life Aberdeen plc and each of its UK subsidiary commercial organisations) has taken during the year ending 31 December 2019 to help prevent modern slavery in our operations and supply chain.



All forms of modern slavery - from human trafficking and forced labour, to bonded labour and child slavery – have no place in our society. As a global investment company we want to do all that we can to help tackle these issues. We are committed to operating ethically, raising awareness of modern slavery issues, and encouraging good practices among our suppliers and the companies we invest in.

Mike Tumilty,
Global Chief Operating Officer and executive sponsor

Our purpose

Together we invest for a better future. We do it to make a difference to the lives of our clients and customers, our employees, society and our shareholders.

Our business

We meet the evolving needs of investors and savers. We do this by building lasting relationships and developing innovative products and services. We offer:

- Active asset management to institutional, wholesale and strategic insurance clients
- Wealth management, financial planning and advice services, either directly to customers or through financial advisers.

We also have significant holdings in associate and joint venture businesses: Phoenix in the UK, HDFC Life and HDFC Asset Management in India and Heng An Standard Life in China.

➤ See our legal structure

We are headquartered in Scotland and listed in London, with around 6,000 employees in over 50 locations worldwide. 13% are contractors and 83% are represented by a staff association or trade union.

➤ See our global locations

We work with around 5,000 suppliers who provide us with various goods and services. The majority of our spending is with suppliers of fully managed outsourced services, IT, professional services, and goods and services related to management of our premises.

We have a modern slavery working group with cross-business representatives from procurement, legal, sustainability, risk, compliance, company secretariat and ESG investment who ensure we continuously review and improve our approach. Mike Tumilty, Global Chief Operating Officer, is the executive sponsor.

The UK financial services industry is not considered a high risk sector for modern slavery. However, we are not complacent and recognise the possibility that modern slavery issues may exist somewhere in our supply chain. We expect transparency from our suppliers and will work with our business partners to support them in driving positive change. In the event that we did become aware of any modern slavery issues within any of our supply chains, this would be escalated to senior management through our enterprise risk management framework and appropriate action taken - depending on the circumstances, this may range from supporting a supplier to make a positive change to terminating the relationship with a supplier.

We also recognise that the biggest impact we can make is through our investment approach, engaging directly with high-risk companies and encouraging better practices.

What we've done this year at a glance

Launched a new modern slavery standalone training module and assessment for our people

Joined the "Find it, Fix it, Prevent it" investor collaboration

Engaged with investee companies on modern slavery issues and reported transparently on our discussions

Performed a regular risk assessment of our highest risk suppliers with a third party

Investment approach

A key way we can drive change is through how we invest. We incorporate environmental, social and governance (ESG) considerations into our investment approach across all asset classes. We take our responsibilities as an investor seriously and seek to encourage the adoption of best-practice ESG standards. We expect that the companies in which we invest meet internationally recognised modern slavery standards and industry best practices. We also expect companies to report to shareholders regarding policies, practices and the performance of all the steps taken to address modern slavery issues. Where we believe a company is exposed to modern slavery risk and not taking action to mitigate this, we will incorporate this into our investment view and engage with the company to drive positive change.

We are a founding member of The Investor Forum, through which we participate in collaborative projects to tackle modern slavery in high risk sectors. We also support initiatives in collaboration with industry peers and non-governmental organisations to advocate for better enforcement of anti-modern slavery legislation. An example of this is the "Find it, Fix it, Prevent it" investor initiative launched by CCLA and industry organisations and academics, designed to encourage UK businesses to find and help victims of slavery within their operations and supply chain. The first sector which will be focused on in this project is the hospitality industry.

➤ Find out more about our investment approach

Engagement case study Barratt Developments

The UK's largest house builder, Barratt Developments, is a company we hold in the UK Equity Impact – Employment Opportunities Fund. This fund aims to use capital as a source for strong financial returns and force for social good through supporting creation of quality jobs across the UK.

We prioritise our engagements based on risk and materiality. As the construction industry is in one of the high risk sectors for modern slavery, we spoke to the company to find out how it is managing this risk in its supply chain. We learned that the company has taken a number of positive steps: It is the first national house builder to sign up to the Gangmasters and Labour Abuse Authority's Construction Protocol; it has included modern slavery requirements in the contractual relationships with its suppliers; it has installed a confidential helpline for reporting suspicious incidents; it has put up anti-modern slavery posters on sites to help workers spot signs of slave labour; and it carries out audits on suppliers assessed as high risk.

The company has confirmed to us that it has found no incident of modern slavery in its own operations or supply chain. However, given the prevalence of this issue in the construction industry, we encouraged Barratt Developments to keep up its scrutiny of suppliers further down the chain.

Policies

We have a number of policies and statements, collectively demonstrating our approach to identifying and mitigating modern slavery risks:

➤ Global code of conduct

Our global code of conduct describes the principles and standards that we hold ourselves to and we ask all our employees to consider these in every decision and action that they take. Within the code, we specifically highlight our commitment to tackling modern slavery.

Our employees receive training on the content and meaning of the code, and are required, at least annually, to confirm that they have read and agree to abide by its principles.

➤ Supplier code of conduct

Our supplier code of conduct sets out the standards we expect from our suppliers. It specifically highlights the UK Modern Slavery Act 2015 as well as our wider interest and focus on ensuring that human rights and labour standards are respected. We ask our suppliers to inform us if they have any issues or concerns.

We support freedom of association and collective bargaining

Other policies (third party management, outsourcing, corporate transactions, and people)

These policies form part of our enterprise risk management framework and support our commitment to tackling modern slavery through our interactions with our suppliers, our people, and new business partners. Each policy owner is required to complete and sign-off a quarterly certification confirming the business area's adherence to the policy, and where necessary, develop action plans to resolve any issues of non-compliance with policy standards. Regular updates on policy compliance are reported to our Board-level Risk and Capital Committee.

Speak up hotline

If our employees identify any issues relating to modern slavery we encourage them to report this to their manager. If they feel uncomfortable raising their concern using their normal reporting line, or wish to do so anonymously, an independently managed confidential speak up hotline is available. All concerns raised are taken seriously and anyone raising a concern will not be at risk of losing their job or suffering any form of reprisal as a result, even if the concern is proved to be unfounded. This hotline is also advertised to our suppliers who can use it in the same way. All reports received are investigated and appropriate action taken. In 2019 we received no calls related to modern slavery.

Training

To raise awareness amongst our employees of both modern slavery and the speak up arrangements available to them, this year we provided a new standalone modern slavery learning module for all our people to complete. This online training provides details on how to identify modern slavery, relevant requirements of legislation across the globe, and what action to take. 92% of our people have completed the 2019 training and the accompanying assessment to test their understanding. We provide modern slavery training to all our people on at least an annual basis.

Due diligence and risk assessment of suppliers

We want to reduce the risk of modern slavery in our operations and supply chain. Heightened modern slavery and human trafficking risk exists in relation to certain territories, and in relation to the production of certain goods and supplies.

During 2019 we continued to work with a third party who performed an independent risk assessment of the suppliers we work with that we have identified as presenting the greatest risk of modern slavery. The initial output from this activity is that none of the suppliers assessed by the third party are deemed high risk. We will continue to review our suppliers in this way and will take appropriate action if any are identified as being high risk.

In 2020 we are evolving our risk assessment of suppliers to further inform our responsible sourcing decisions, and develop and enhance our compliance with our regulatory obligations.

Measurement

Our progress against our key performance indicators established in 2018 is as follows:

1. We raise awareness amongst our employees of modern slavery issues and how to respond
92% of our people have completed our 2019 modern slavery online training.
2. We complete modern slavery risk assessments of our Suppliers

In 2019 we continued using the third party service to assess a subset of our suppliers operating in specific sectors and countries – none were deemed to be high risk. In 2020 we will continue to evolve and strengthen our risk assessment of suppliers and use this to inform our sourcing decisions and supplier management approach.

3. Modern slavery considerations are integrated into our investment process

See section 'Investment approach' which details our Integration and provides an engagement example.

This Statement was approved by the Board of Directors of Standard Life Aberdeen plc on 5 February 2020 and by each qualifying Standard Life Aberdeen Subsidiary Board between 31 March and 11 June 2020, and is signed by:



Keith Skeoch
Chief Executive

June 2020

This Statement has been approved by the Board of Directors on behalf of the following companies:

- Aberdeen Asset Investments Limited
- Aberdeen Asset Managers Limited
- Aberdeen Standard Capital Limited
- Aberdeen Standard Fund Managers Limited
- Elevate Portfolio Services Limited
- Ignis Investment Services Limited
- Standard Life Employee Services Limited
- Standard Life Investments (Corporate Funds) Limited
- Standard Life Investments Limited
- Standard Life Savings Limited



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