

Standard Life Aberdeen

Investing for a better future

Corporate sustainability and stewardship report 2017

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For more information visit our corporate website: <https://www.standardlifeaberndeen.com/>

Our purpose is to invest for a better future. We do it to make a difference – to the lives of our clients and customers, our people and our shareholders. To achieve our purpose, we aim to build a world-class investment company.

We have a commitment to excellence in everything that we do – supported by innovation and collaboration from our talented people. We aim to develop products and services for evolving client needs, create a culture of inclusion and respect, and build beneficial relationships with all of our stakeholders.

Wherever we are in the world we strive to make a positive long-term impact. This means delivering world-class investment solutions that help clients achieve their long-term objectives. It also means operating ethically, encouraging good practices among companies we invest in, and providing support and expertise for the benefit of the communities in which we operate.

£655bn AUMA

Clients across	Offices in
80 countries	50+ locations
1,000+ investment professionals	

Introduction from the Co-Chief Executives



This year marked a huge milestone as we completed the merger to become one of the world's largest investment companies, Standard Life Aberdeen plc.

This merger brings together two companies, Standard Life plc and Aberdeen Asset Management PLC, both of which recognise that the building of a successful, long-term business involves creating value for, and acting responsibly on behalf of, our stakeholders. We have stakeholders around the world including our customers and clients, shareholders, employees, suppliers, regulators and policy makers, together with the communities and wider society in which we operate.

As a combined business we have an opportunity to create positive change to a greater extent than we could have done on our own. As a UN Global Compact signatory, we take this responsibility very seriously.

From an investment perspective, Aberdeen Standard Investments is one of the largest active fund managers in Europe, offering our clients access to a comprehensive range of developed and emerging market equities, multi-asset, fixed income, real estate and alternatives solutions. Our role in engaging with stakeholders, including the companies in which we invest, to provide long term returns for our clients and customers is vital.

In our savings business, Standard Life, we have a responsibility to support people through a difficult climate and increasingly complex financial decisions, helping them to save and manage their money and look to their future with confidence.

As a large plc we must ensure that the practices we expect of our investee companies are reflected in our own company too. It is not only the right thing to do, it adds value for our stakeholders.

Keith and Martin
Co-Chief Executives

Trends shaping our business

What we do

We invest our customers' and clients' money to help them achieve their financial aims.

We want to help people access saving and make important financial decisions with confidence

We have clear expectations of the companies we invest in and we hold ourselves to these standards too. It is vital that we govern ourselves with integrity, are an inclusive employer, contribute to local communities, and minimise our environmental impact.

Trends

As detailed in our annual report, we have identified four key trends which are material to our business and stakeholders. These represent both risks and opportunities for us, and, as a newly merged business will inform our long-term strategy.

Democratisation of financial risk

Changes in global policy and demographics mean that people are having to take ever greater responsibility for their and their families' financial futures. However, individuals may lack both confidence and financial know-how to do this. This is driving a need for clear and supportive financial guidance and advice, as well as simpler products and services so that people feel both equipped and included in the financial system.

Rebuilding trust in financial services

The global financial crisis damaged trust in financial services organisations and this is still to be regained. We recognise the responsibility we have to help with this - by demonstrating we are committed to doing the right thing, being transparent in the way we operate and offering products and services which meet the expectations of our customers and clients as well as contribute to the wider world.

Slow growth, low inflation, compressed return environment

In current market conditions, customers and clients are looking for simple and transparent products, with clear outcomes to meet their investment needs and improve their future financial prospects.

Innovation, technology, digitalisation

Our customers and clients expect innovative products and services, allowing them to access, invest and manage their assets when and how they want. As people take on more responsibility for their financial decisions, our services need to make this process as simple and efficient as possible – whether online, by phone or face-to-face.

These external trends are shaping and changing the environment in which we operate and in which our customers and clients make financial decisions. To become a trusted partner able to respond to their needs we need to be agile and flexible across all areas of our business. This includes our approach to corporate stewardship and sustainability.

These four trends influence our approach in four material areas:

ESG investment and stewardship

Supporting saving and managing money

Creating an inclusive culture

Responsible business practices

In this report we detail progress made during the year, challenges we face and outline our priorities as we undertake our global programme of integration as a newly merged business.

During 2018 and beyond we will set ourselves stretching goals and detail the metrics we will use to measure these. These will be focused on our four internal priority areas and the four external trends shaping our business.

As a large global business we have the opportunity to contribute positively to making saving more inclusive and generating long term value for our clients.

External assurance

We engaged KPMG LLP (KPMG) to undertake limited assurance over greenhouse gas emissions and progress against our Women in Finance Charter selected information targets using the assurance standard ISAE 3000 (and for greenhouse gas data, ISAE 3410) included within this report for the year ended 31 December 2017 marked with the symbol  KPMG's full assurance statement is available at www.standardlifeaberdeen.com/2017-Corporate-Sustainability-and-Stewardship-Report-KPI-Definitions

As we develop our strategy we will disclose a full set of new metrics and targets.

We support the UN Sustainable Development Goals (SDGs)

As a signatory of the UN Global Compact and the UN supported Principles for Responsible Investment (PRI), we have a role in contributing to the realisation of the SDGs.

This role relates to: our practices as a large, global plc; through the investments we make; as a leading provider of long-term savings; and through our philanthropic activities. Some of the goals are more relevant to our business than others. Examples include:

				
PLC	We focus on social mobility, removing barriers to employment and providing fair work that pays at least a living wage. P.28 We expect our suppliers and partners to adhere to our supplier code of conduct and modern slavery statement. P.32	Our Women in Finance commitments are designed to improve our representation of women in senior positions. P.27	We measure and are committed to reducing our operational environmental impact. P.34	We collaborate with government, trade and public bodies to help shape an environment, both political and economic, which operates in the long-term interests of our clients, employees, shareholders and wider stakeholders. P.33
Savings Provider	We support inclusive saving through auto-enrolment. P.14			We interact with policymakers to get the right outcomes for savers. P.33
Investor	Our UK Equity Impact – Employment Opportunities Fund, in conjunction with Big Issue Invest aims to generate a financial return over the long-term by investing in companies which promote and implement good employment opportunities and practices. P.8	We are an active member of the Investor Group of the 30% Club. P.10	Integrating material climate change considerations into our investment process across all asset classes adds value for our clients and promotes wider positive change. P.11	
Philanthropy		We ensure the charitable projects we fund are committed to gender equality. P.29		We work with charities to tackle broader issues including social mobility and employment barriers. P.28-29

As part of our long-term strategy development, we will be determining those goals which are most material to our business and stakeholders, and where we can have the biggest potential impact. We will be setting out our approach and metrics which align with and support the goals over 2018.





Corporate sustainability and stewardship report 2017

ESG investment and stewardship

The way in which businesses operate is under the spotlight. From carbon management strategies, to labour practices and company culture, Environmental, Social and Governance (ESG) factors have the potential to materially affect the financial performance of the investments we make on behalf of our clients. Stewardship and ESG integration are a fundamental element of our investment approach across all asset classes. We believe that the assessment of material ESG factors adds value to investment performance, through both risk mitigation and opportunity identification. While processes differ by asset class, a review of the material ESG considerations impacting investment decisions is a key aspect of our investment approach. In addition to the integration of material factors, we also offer clients bespoke ESG, thematic, impact and screened solutions to meet their investment needs.

“Excitingly, we have the opportunity to be an industry leader in this field as we develop our ESG capabilities under the Aberdeen Standard Investments brand. This is a strategic commitment for us. Put simply, we believe integrating these factors adds value for our clients and this is reflected in increasing client demand for investment strategies in this sector.”

Rod Paris, Chief Investment Officer.

ESG investment and stewardship

Asset class focus

We integrate ESG considerations across our asset classes. Here we highlight key developments in 2017:

In 2017 we launched a Global Equity Impact Fund which uses the 17 UN SDGs as a framework to invest in companies which have a positive impact on the environment and society, while generating strong financial returns. Our sponsorship of Good Money Week provided a platform for raising awareness of our new impact fund offering and our broader stewardship capabilities, together with engaging with stakeholders on these issues. Watch our video to find out more.



Our UK Ethical Equity Fund won an award for the best ethical fund at the 2017 Sustainable Investment Awards.

Equities

In equities, the merger has increased the amount of resource and expertise we now have dedicated to investment stewardship, ESG integration and thematic research. Our team is comprised of both ESG analysts on each of our regional desks, together with a central team.

Engagement with investee companies is a core element of our approach, focusing on governance factors such as board structure, diversity and succession planning, remuneration, regulatory developments and share blocking, together with the appraisal of environmental and social factors such as a company's environmental management strategy and how it understands and manages supply chain risks. We focus on the material risks affecting investee companies and the strategy for mitigating those risks.

In addition to our engagement activities, we also exercise proxy votes at shareholder meetings where authorised to do so by our clients. Through this mechanism we can formally hold boards of companies to account. Our votes are fully disclosed online together with a summary of our engagements.

In 2018 we launched the UK Equity Impact – Employment Opportunities Fund, in conjunction with Big Issue Invest. The aim of the Fund is to generate a financial return over the long-term by investing in companies which promote and implement good employment opportunities and practices. Of the Fund's earnings, 20% will go to Big Issue Invest, the social investment arm of The Big Issue.



Fixed Income

Interest from clients in our approach to ESG integration in fixed income has increased significantly over the past year. In addition to ensuring we are assessing all the factors which have the potential to have a material impact on the credit risk of an underlying investment, we have also found that our focus on ESG integration has increased our level of engagement with companies, as we seek to obtain an in depth understanding of the investments we make including, when material, their approach to factors such as the energy transition, governance and bribery and corruption.

We continue to offer clients customised solutions to meet their needs. As an example, our £1.2billion in low carbon strategies continues to meet the needs of clients who wish to capitalise on the trend towards a low carbon world.

As the world around us changes more quickly, our investors are demanding more than just a return from their investments.

Samantha Lamb,
Head of ESG – Fixed Income

During the year, representatives from our Fixed Income team were involved in industry consultations on the TCFD recommendations and the High Level Expert Group on Sustainable Finance, together with working groups including the PRI led ESG in Credit risk and ratings, green finance initiatives with the UK department for Business, Energy and Industrial Strategy and participation at COP23.

Real estate

Our newly enlarged Real Estate team embeds ESG factors into our investment process to ensure we create long term value for investors. This is achieved through risk management, portfolio competitiveness and increasing operational efficiencies for occupiers.

Our combined commitment was recognised in the annual GRESB assessment. Together, we achieved 21 'Green Star' ranked funds in the GRESB Real Estate Assessment, the global sustainability benchmark for real estate. This is the highest number of Green Stars awarded to any participant in the 2017 assessment, and our overall performance placed us in the top 20% of our peers. In addition, 20 Standard Life Investments funds were assessed against GRESB's voluntary Health & Wellbeing Module, with improvements on last year's scores.

"These results will only help us redouble our commitment to ensuring that ESG factors remain front and centre of our real estate investment process. Real estate accounts for around 40% of energy use globally, so how we manage buildings has an important role to play in cutting greenhouse gas emissions. Increasingly, real estate investors are seeking clear and detailed ESG strategies."

David Paine, Global Co-Head of Real Estate

Quantitative investments

In June, the quantitative equity investment team introduced a process to the entire Enhanced Index fund range, ensuring all funds at minimum match their benchmark's exposure to the overall ESG score as measured by our external ESG research provider. Exclusions based on specific ESG indicators were also incorporated into our Smart Beta funds, which are less benchmark aware in their construction than the Enhanced Index range. These funds target factors such as value, momentum and quality with a lower volatility than the relevant market cap benchmark. This product range excludes stocks deemed to have a severe negative impact on the environment and society, for example companies identified as being directly responsible for misconduct; those in which the ESG impacts and risks identified are severe and irreversible; and companies which have refused to address an ESG issue identified and/or have tried to conceal wrongdoing and/or involvement.

Next year, the team will build on this momentum and further adopt ESG considerations into our quantitative products, including the launch of the Smarter Beta index platform with Markit which will feature ESG in all indices, and continuing discussions with our major Insurance clients.

Alternatives

Our alternative offering includes private equity, infrastructure, private credit and real assets. During the year developments included the formalisation of our ESG policy for the Alternative Investment Strategies team; continued focus by our Infrastructure team on analysing existing investments from an ESG perspective together with broadening the scope to cover non UK projects; increasing engagement with our real assets investments and third party managers on ESG risks mitigation and capitalising on opportunities; and across all strands of our private equity business – primary funds, co-investments and secondary funds – understanding the ESG risks and opportunities associated with the investments we make through access questionnaires to General Partners and discussions with management teams.

Multi asset

Our multi asset funds are designed to address specific client needs, whether this be growth, capital preservation or regular income. Core to our multi-asset approach is genuine diversification which we achieve by actively managing a blend of traditional and alternative asset classes. We are now able to draw on the increased breadth of our investment capabilities, including ESG integration, to provide multi asset solutions to meet the needs of our investors.

Industry involvement

We play an active role in policy debates and discussions, seeking to use our influence and raise standards across markets. We are active members of industry groups and committees, which provide a vehicle for us to present our views on behalf of our customers and clients.

Some examples of our memberships and involvement include:

We're a signatory to the UK Stewardship Code, and a strong supporter of the principles set out in the Code.

We're a signatory to the PRI, score highly in their annual assessment of our policies and procedures and participate in a number of working groups including ESG in Credit risk and the UN SDGs in asset allocation.

We're on the Investor Advisory Group of the Sustainability Accounting Standards Board (SASB), which aims to provide decision-useful ESG information to investors, and be accessible and appropriate for companies.

We're committed to engaging on diversity and are an active member of the **Investor Group of the 30% Club**.

We're driving transparency of workforce data as part of a coalition of 79 asset managers who have signed the new **Workforce Disclosure Initiative (WDI)** asking the world's largest companies for data on their labour practices including staff on permanent contracts and minimum wages in order to identify workforces that are vulnerable to financial risk.

We're focused on climate change

The impact of climate change has continued to be the subject of much interest over 2017. Climate change is an investment risk we must consider across all asset classes so have been actively supporting efforts to promote more transparency on the climate risks companies may be facing and how they are monitoring, managing and mitigating them. We have publicly declared our support for the G20's TCFD. We believe the recommendations will contribute to improving the quality and usefulness of climate change disclosures. As an investor, a systematic assessment by companies of the impact of climate change on their business model will help us to determine the nature, scale and management of this factor. For our own operations, we will follow the recommendations to demonstrate to markets why climate change analysis is relevant and how it informs our approach to strategy, governance and risk management.

Together with 13 asset owners and five asset managers we are also supporting the new Transition Pathway Initiative (TPI). TPI is an online data-analysis tool which enables investors to assess how effectively companies are addressing climate related risks.

We are also a founding signatory of Climate Action 100+.

Supporting saving and managing money



People are facing an ever increasing range and complexity of financial options and decisions, but can lack both financial knowledge and confidence. This cuts across generations, from those starting out in the workplace, beginning their saving through auto-enrolment and potentially facing a savings gap, to those in retirement considering issues such as the cost of health and social care. Many people need more support and guidance than ever before when making financial decisions that affect them and their families – and we have the expertise and the will to help.

“Yes my adviser was very, very helpful, ensured that I understood every little bit of information before moving on to the next one. I felt she was able to answer any queries that I may have and as before in the first conversation a few weeks ago took an interest in my personal life, had time for a chin wag and put me at ease and didn’t make out in any way that I was daft doing what I was doing, so very pleased.

Thank you.”

Standard Life customer

Supporting saving and managing money

A changing landscape

Over the last decade the UK pensions landscape has fundamentally changed, from the introduction of auto-enrolment to pension freedoms. These developments have resulted in greater risk and responsibility being transferred to individuals - increasing flexibility but also complexity. We support initiatives which encourage savings behaviour but understand these changes mean people may require more support when making financial decisions, especially at retirement.

Five years of auto-enrolment

During 2017 we celebrated an important milestone – five years of auto-enrolment. Auto-enrolment requires employers to automatically set up pensions for their employees helping to nudge people into the saving habit.

The main focus of the first five years was getting everybody into a workplace pension. Over the coming years this will shift to a focus on increasing contribution rates to ensure that people are saving enough for a more comfortable retirement.

This rise in contribution levels creates both risks and opportunities. Contribution levels will rise but opt-out rates may also increase, so our focus will be on supporting our customers to understand the value of saving more now for a better financial future. As contribution levels rise and pension pots increase it's inevitable that scrutiny over charging levels and how people's money is invested will also continue to increase.

One in eight of the nearly nine million UK employees auto-enrolled in workplace pensions are saving with us.

In 2017, Jamie Jenkins, Head of Pensions Strategy, was appointed as one of three independent chairs of a Government review of auto-enrolment. Jamie is looking at the overall coverage of auto-enrolment and any changes that need to be made, such as inclusion of people who are self-employed. The review is considering how successful auto-enrolment has been in encouraging people to save for retirement since its introduction in 2012, and how we can build upon that success in developing the policy further.



Hear more from Jamie

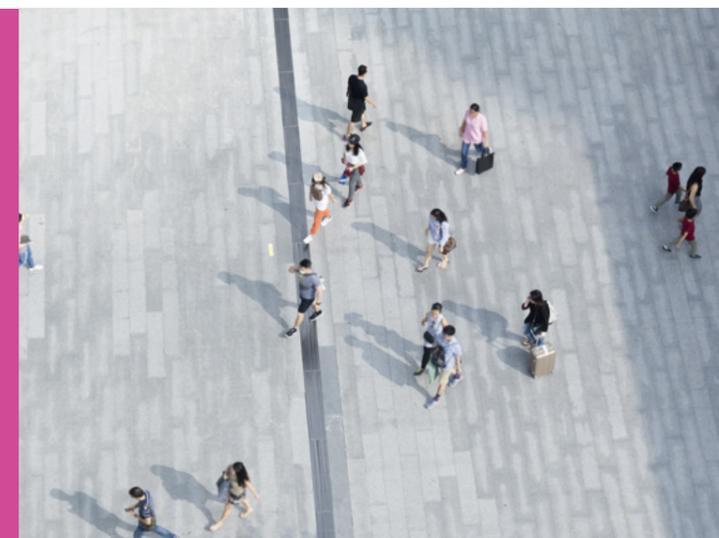
“It was a great privilege to take a leading role in this next stage of auto enrolment, working closely with the Department for Work and Pensions and the many stakeholders to explore the policy options available.”

Jamie Jenkins,
Head of Pensions Strategy

Vulnerable customers

We recognise that our customers could be facing challenges or difficulties in their personal lives. To ensure we identify and provide the right support and guidance to them, we've put in place our vulnerable customers policy. The policy focuses on areas such as the design and promotion of our products and propositions; communications and interactions with customers; and the capability of our people to ensure we are always focusing on our customers' best interests.

In 2017, our focus was on educating and training our people who interact directly with customers to strengthen their ability to identify and support vulnerable people. This included a number of workshops run by Age Scotland to provide tailored awareness and training.



Supporting saving and managing money

A need for financial guidance

“I found this type of thing quite difficult to deal with, so you’ve made it nice and easy.”

We are responding to the advice gap people are facing in a variety of ways. By building our advice business 1825, and supporting third party Independent Financial Advisers through our platforms and associated services, we provide high quality face-to-face and telephony advice to customers. For the large number of people who are unable or don’t want to pay for this kind of advice, we provide proactive guidance and support. For example, we have colleagues available to help on the phone in our Customer Hub, we hold events, and we have a wide range of information, guidance, blogs and tools available online.



Enabling advisers to support their customers

The changing Defined Benefit (DB) pensions landscape, along with the appeal of Defined Contribution (DC) flexibility, means more people are considering DB transfers and require advice when deciding on what to do. Our aim is to help advisers to provide advice in a market where there has been a significant increase in demand in 2017, but to be able to do this in such a way that helps them to deliver great customer outcomes tailored to every individual’s unique set of circumstances. We have developed support and education for advisers including holding Adviser Edge education events, which were attended by 286 advisers in 2017, together with videos and support material for advisers.

“Very good event, presenters extremely knowledgeable and put complex information across well”

Adviser attending the Adviser Edge DB to DC event, Aberdeen

In Germany, our Future Ready programme educated advisers on the importance of moving away from up front commission and providing clear and transparent pricing for their customers. We are also supporting them through new regulation which requires that advisers are professionally trained and qualified. It is critical that we use our expertise and influence to help their customers get the right information and outcomes.

Event

Retirement roadshows

- The events provide support and guidance to customers approaching retirement to help them make confident decisions
- After the success of the previous year, the number of events held increased to 48 (18 in 2016)
- 1,500 customers attended in 2017
- We held our first digital webinar and received positive customer feedback

Online

Spring 2017 statement

- We emailed 230,000 customers to simplify what the budget meant for them
- Our Spring statement blog was read 28,000 times

Supporting saving and managing money

Financial well-being

KickStart money

Research by the Money Advice Service and the UK Financial Capability Strategy shows that a significant proportion of the UK population have never received financial education and lack the skills and knowledge to effectively manage their money. To help increase the financial capability of a generation, we have joined with a number of other savings and investment firms to back an initiative called KickStart Money. This collaborative project aims to deliver financial education to over 18,000 primary school children across the UK, building a case for the impact you can have through earlier interventions and helping to create a national savings culture.



Standard Life Foundation

Standard Life Foundation was established in 2016 by Standard Life plc as a public interest, research-driven foundation. It is a registered charity with its own Board of Trustees, and operates separately from what is now Standard Life Aberdeen plc. It was funded by a donation of £84m of unclaimed assets remaining from Standard Life's demutualisation in 2006.

Following a careful process of evaluation, the Foundation is commissioning a systematic review of research into financial well-being and this will be published during the first half of 2018.

This review will form the key focus of the Foundation's activity in 2018 and will provide the building blocks to make a real and lasting impact to improving financial well-being and resilience across the UK.



We have been making customer-led improvements to enhance and simplify our products and services

Enhancing investment solutions

To help improve potential outcomes for over a million of our customers we made changes to one of the funds used in our 'lifestyling' investment solution. Phased switching or lifestyling, often the default investment option for pensions, was designed to help maintain the level of annuity individuals can buy by gradually investing funds in assets that change in line with annuity rates as they approach retirement. However the new pension freedoms rules mean less people are buying annuities and instead are remaining invested after retirement or taking lump sums so annuity targeted lifestyling is not always the best option. The changes we have implemented are therefore driven by customer needs and address the increasing choices people now have.

Our partnership with Sage - helping employers to help their employees to save

During the year, we fully integrated our auto enrolment solution with the payroll system Sage. Employers are able to send us employee and pension contribution data securely, directly, and in one click. This is particularly useful for smaller businesses, entering auto enrolment this year, as less time is spent on administrative tasks and more time can be used to support the employees entering the scheme.

New online registration process

We knew that our online registration process had hindered many from getting online, with a registration conversion rate of just 26%. Our new registration process is designed based on customers' feedback and now follows a simple step by step process. We no longer send out activation codes by post which has enhanced security around registration and account access; made it easier for our customers to regain access if they ever forget log in details; and has saved 240,000 sheets of paper per year. The registration rate is now 80%.

Putting things right

We take all customer complaints seriously. When we get something wrong, we want to do all we can to put it right. Where we can't fix the issue at the point of contact, we have a dedicated complaints team, with highly experienced staff, to investigate what has happened. Our aim is to ensure we reach a fair and reasonable outcome for any complaint we deal with. Learning from complaints is an important part of our control risk framework. Root cause analysis is undertaken for each complaint and is used to improve the service and experience for all our customers.

External recognition

Standard Life Germany and Austria won the Financial Advisors award for our life insurance product WeitBlick at the Cash Financial awards. The nominees in our category were selected for their achievements in being innovative, transparent, investor-friendly, and broker-friendly. Standard Life won the award for 20 years of excellence in defined contribution pension schemes at the Professional Pensions UK Pensions Awards – a special category introduced to celebrate the awards' 20th anniversary. The judging panel named Standard Life as achieving the highest level of innovation, performance and service to occupational pension schemes and their members and having done the most to improve this over two decades. Judges recognised how our services and products meet the needs of clients - helping pension schemes, employers, trustees and scheme members.

Creating an inclusive culture



We want to attract and retain a diverse workforce, provide inclusive and engaging employment and help our people to achieve their aspirations. 2017 has been a transformative year for us, as we have come together to form Standard Life Aberdeen. Our people are the heart of our company and this is a time of change for many as both heritage organisations integrate, explore new ways of working and forge our identity as a world-class investment company. Such times can be unsettling for people so we have invested in programmes that specifically support change and help us to support and retain the talent we need for our long term success.

We have engaged with people across the new company using a variety of methods including interviews, focus groups and an all employee survey to gain insight and help nurture and support a culture which employees want to be part of.

Creating an inclusive culture

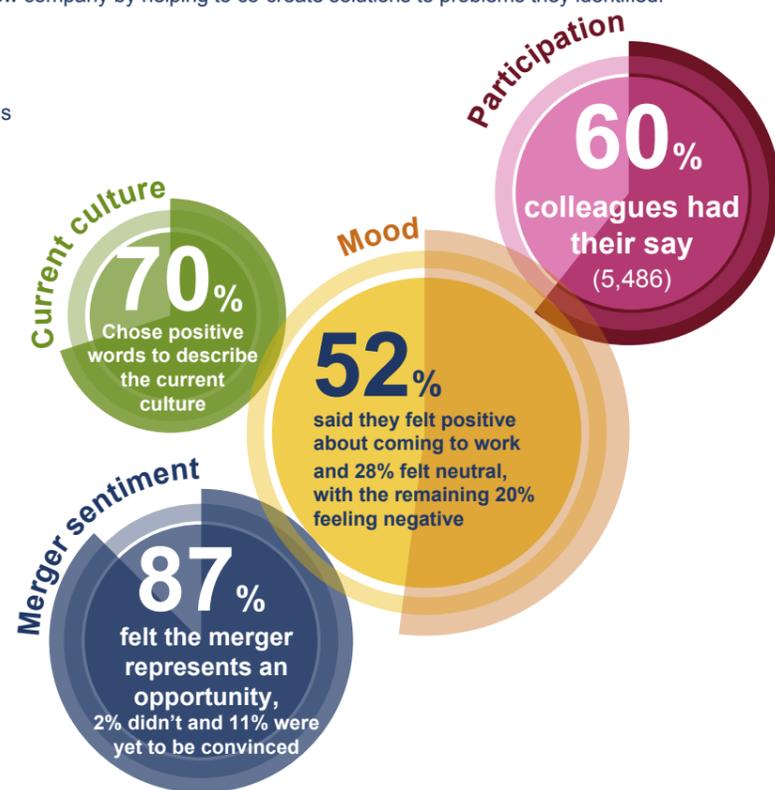
Merger sentiment

Our most recent employee survey collected data immediately following the merger. It was a new type of survey that neither company had used in the past and focused on mood and sentiment towards our merger. It provided an opportunity for our people to describe current culture and be a part of defining the culture in the new company by helping to co-create solutions to problems they identified.

Results

Our results showed high levels of positivity towards the opportunity that the merger presents. This means we have a strong foundation to build on and there is a sense of momentum and excitement around the merger, particularly towards the potential for global reach, world class investment and diverse talent. The results also highlighted concerns; colleagues are looking to leaders for a clear view of the future. As the impact of the merger unfolds, employees will need to see evidence that the right action is being taken.

In 2018 we will continue to measure mood, sentiment and culture whilst reviewing our approach to engagement and enablement.



Training and development

We know that attracting, developing and retaining talented people is essential for the long term success of our business. We compete in a global marketplace where talented people are in high demand.

Ensuring a diverse pipeline of talent for senior roles continues to be an important focus. We have a robust succession planning process in place for our strategic executive committee members. This includes ongoing talent management for individuals who have the potential and drive to become our future business leaders. We also invest in mentoring, coaching and training programmes as part of ongoing career development and engagement.

This year's highlights include:

- Around 1,300 managers took part in programmes designed to build resilience and ability to manage and lead through change. Ongoing support was available for all employees through an extensive online curriculum.
- We enhanced our digital learning proposition to provide bite-sized learning opportunities that support personal and career development for all employees – including resilience and well-being, great conversations, career and personal development and team effectiveness
- We invested in a video learning campaign, Leading Edge, which uses stories and experiences to support our people and their development through the merger.

Non-Exec Development (NED) Scheme

Our NED scheme encourages our people to gain external experience and skills, and volunteer their time by applying for a role on a plc board, as a charity trustee or on a local government body. We advertise opportunities and offer workshops for those that would like to take part, and provide three days paid leave for them to do so.

This year we supported Trustees' Week to help celebrate the time that one million people in the UK spend each year helping govern charities effectively.

Creating an inclusive culture

Well-being

It's important our people feel well and able to give their best every day. We use insight and research to inform our well-being focus and activities to support them.

Mental well-being

We want our employees to feel they can talk openly about mental health issues, knowing it is within a supportive workplace environment. During 2017 we held a series of events:

- World Mental Health Day brought us together on this important issue. We shared our stories and experiences and took part in activities including meditation sessions at our Shanghai office, a sunset yoga class in Kuala Lumpur, a presentation on supporting family members with mental health issues in our Americas offices, and a 'Walk and Talk' in Edinburgh.
- We supported our UK charity partner Place2Be, who work to improve children's mental health in schools, with their Children's Mental Health Week. The aim of the week was to encourage everyone - adults and children alike - to spread a little kindness. We sent schools Place2Be resources, held a reception at the Scottish parliament to raise awareness and flew the children's mental health week flag.
- We are training Mental Health First Aiders to support others.
- We supported Time to Talk Day - a campaign to raise awareness of mental health issues linked to the Time to Change pledge we signed. This year's theme was 'Conversations Change Lives'. Senior leaders made time to talk about mental health and shared their conversation with our people.
- During Mental Health Awareness week we looked at mental health from a new angle. Rather than ask why so many people are living with mental health problems, we thought about why too few of us are thriving with good mental health. We ran a number of activities and many powerful stories were shared by our people.
- We held a Mental Health Strategy Workshop to look at how to continue to support a mentally healthy workplace.
- We continued our mindfulness lunchtime sessions across our Edinburgh buildings.

Physical well-being

We promote the benefits of physical activity and healthy lifestyles in achieving both physical and mental wellbeing. We support our people across the globe in a number of ways:

- Providing annual onsite health checks.
- Taking part in the Virgin Pulse Global Challenge for the past six years. Over 1000 employees work in teams, aiming for 10,000 steps a day over 100 days. Our end of challenge reports showed benefits to physical health, sleep, nutrition and mental health. We averaged 13,929 steps a day.
- Holding health talks for our people to raise awareness on topics including nutrition, sleep and breast cancer awareness.
- Providing discounted gym membership, and sports and social clubs.
- Providing private healthcare for many of our people.
- Holding an annual wellness fair in our Americas offices.

Financial well-being

As well as providing benefits that support our people to improve or maintain their physical and mental well-being – we also provide financial well-being support. In 2017 we launched a financial wellness programme for our people in the UK to help them better understand their finances, from making the most of their pension, through to estate planning and saving for the future, including retirement. The programme includes face-to-face presentations and webinars.

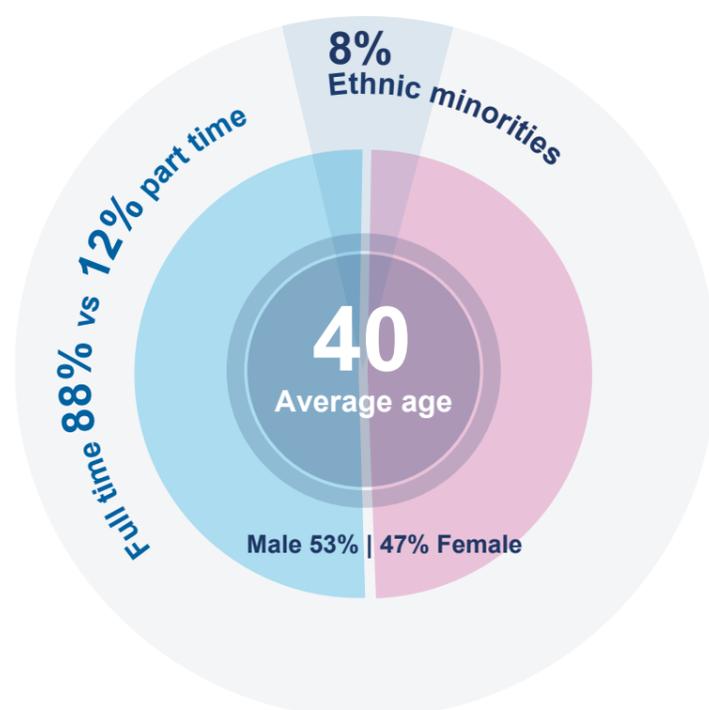
Creating an inclusive culture

Diversity and inclusion

We are committed to creating an inclusive workplace for our global workforce. We have created an inclusion strategy that defines our priorities over the next three to five years. It aims to embed inclusion in everything we do, and improve transparency in how we talk about and report on diversity in our business. We have a long way to go but we have made this a priority.

Employee networks

Our employee networks continue to expand their global reach, with over 1,900 members. We have a number of networks focused on gender, LGBT+, ethnicity, disability, mental health, young people, carers and armed forces, together with specific regional networks. These groups, run by and for employees, challenge the company, provide support and drive change.



See Appendix for further detail on methodology

Gender pay gap and gender targets

Under new legislation, UK companies with more than 250 employees are required to report their gender pay gap – the difference between the average amount that women and men are paid across the whole workforce. We believe increasing transparency is vital to close the gender pay gap and we welcome this legislation as a catalyst for change.

As at April 2017, men were paid on average 34% more than women at Aberdeen, and 42% more than women in the Standard Life Group*. This is an area in which we want to perform better. Our pay gap is primarily driven by the fact that we have more men than women in our senior roles. We are committed to improving our gender balance, and we believe progress here will positively impact our business, our industry and our society.

We also believe in working across our industry to support actions that will address gender equality for our sector. We were among the first signatories to the HM Treasury's Women in Finance Charter, pledging to improve gender balance in our senior management populations with specific targets, and so help to reduce the gender pay gap across our industry. In October 2017 we publicly reported the actions taken and committed to next steps in making progress over the next 12 months.

Amanda Young, Head of Responsible Investment, and Mandy Pike, Global Head of Investment Execution were listed within the 100 Most Influential Women in Finance.

Amanda has integrated responsible investing into our mainstream investment processes and helped develop two impact investment products. Mandy is an advocate of inclusion and champions gender and class diversity through the Investment 20:20 employment programme.

Our gender targets

Making sustainable progress in achieving a better gender balance at all levels takes time and commitment. We have a long-term plan that focuses on three main areas:

- Our culture: understanding and removing the barriers for women reaching senior management or which result in many leaving our industry altogether
- Our industry: addressing industry-wide practices and influencing across our sector, to help make senior roles more accessible to women
- Our people: providing every opportunity for our people to reach their potential, regardless of gender.

As part of our Women in Finance Charter commitments, we have published the following targets for women in our different roles:

Level	Target by June 2020 %	31 Dec 2017 %	31 Dec 2017 Number
Board	[33] KPI	[25]	4 of 16
Executive	[33] KPI	[27]	49 of 183
Entire global workforce	[50] ¹ KPI	[47]	4569 of 9651
Entire UK workforce	[50] ¹ KPI	[47]	3634 of 7803

To demonstrate progress in developing our talent pipeline we will continue to track the gender balance in the succession pool, for those ready for our most senior roles within the next three to five years. At February 2018 women were in 44% of these roles, and we expect this figure to increase year on year. We will also track gender balance among our executive positions at the third level below CEO.

¹ Target has a tolerance of 3%

*These are the mean gender pay gaps for the employing entities where there are more than 250 employees. For Standard Life Group this information is for three employing entities, for Aberdeen this is for two employing entities.

Creating an inclusive culture

Supporting our people and wider society

We have a responsibility not just as an employer, but also in terms of the influence we can have on our industry and wider society. Our involvement with external initiatives helps us to evaluate the progress we've made and what we can do in the future.

Championing social mobility

- A key area of focus as employment provides the foundation for saving and financial inclusion
- Ranked fourth in the first ever UK Social Mobility Employer Index
- Continued to support the Edinburgh Guarantee scheme, providing paid work experience placements to 30 young people
- Supported programmes to help people gain skills and opportunities for work, in partnership with charities including Career Ready, The Prince's Trust and SkillForce
- Accredited as Living Wage employers in the UK since 2014

5 years of the Edinburgh Guarantee Scheme

Our inclusive employment programme, the Edinburgh Guarantee Scheme, provides six-months' work experience, paid at the UK Living Wage. This year we celebrated five years of running the scheme and the achievements of two of our alumni. Mathew Stachan, now one of our IT Apprentices, won the Prince's Trust Young Achiever of the Year Award for Scotland and Sophie Henderson won Best Newcomer at the Institute of Internal Auditors Annual Awards.

Supporting carers

- Accredited as a 'Carer Positive Established' employer in Scotland, in recognition of our work to support employees who are also carers
- Carers' network won the 'Network of the Year' award in the UK from the Employers Network for Equality and Inclusion

Addressing cultural barriers

- Named as one of the UK's Best Employers for Race by Business in the Community – a charity that engages businesses in helping to build a fairer society

Promoting gender equality

- Member of the 30% Club, an organisation that campaigns for greater representation of women on the boards of FTSE100 companies
- Member of both the advisory council and steering committee for the Diversity Project, which aims to accelerate progress in making our industry more inclusive
- Sponsor of the Awards Alumni Network for Women In Banking and Finance, a not-for-profit organisation that promotes better gender balance in our industry
- Provide 'returner' programmes supporting women and other groups who have had a career break back into the workforce

Supporting the armed forces community

- Signatory to the UK Armed Forces Corporate Covenant – an initiative that supports current and former members of the Armed Forces, and their families, in the workplace
- Collaborated with Business in the Community, and other businesses, to launch a toolkit for employers to support veterans and make the most of military talent
- Provided support and business expertise to the Scottish Veterans Fund, and pledged to donate £240,000 to the fund over a three-year period from 2017
- Set out new commitments in our Armed Forces Impact Report
- Recognised with a Silver Defence Employer Recognition Scheme award



Charitable giving and volunteering

We partner with charities in all of the local communities in which we operate globally, together with national partners in the UK, and internationally with a focus on emerging markets. We seek partnerships that engage our employees and provide opportunities for them to use their time and skills to create additional value. In support of this, we provide paid volunteering leave to our people.

We place a particular focus on charities which work to build skills, confidence and experience to help break down the barriers people may face when gaining employment or understanding finances.

Examples of some of our partners over the year include:

Junior Achievement Ireland – 2017 saw the launch of the employee volunteering in schools programme in partnership with Junior Achievement Ireland to retain children in education and improve employability and life outcomes. In the first year of working with Junior Achievement, 12 volunteers inspired and motivated 290 students in nine local schools.

The Princes Trust Get Hired – we continue to tackle youth unemployment through supporting The Prince's Trust Get Hired days in the UK which support young people looking for work and businesses looking for talented new recruits. The speed-dating style recruitment includes interviews and networking with local businesses. Get Hired first came about three years ago following a pilot funded by Standard Life Charitable Trust and run by The Prince's Trust in London. With its success and Standard Life's support the programme is now being launched across the UK.

Cradles to Crayons – we have supported the Cradles to Crayons back-pack-a-thon in Philadelphia for a number of years. Many children start school without a pencil to take with them on day one. The back-pack-a-thon allows hundreds of backpacks to be filled with much needed stationery so that all children have the start required in life.

buildOn – 18 employees from eight of our global offices went to Nepal to begin the process of building a small school for the community of Nandagaun. buildOn is an international non-profit organisation which constructs schools in villages which, historically, have not had an adequate school structure. Importantly, buildOn works in partnership with the very people who will be benefiting from the schools with a gender-balanced leadership team, thousands of hours of unskilled volunteer labour and a promise that girls will attend the school in equal numbers with boys.



Inspiration Awards

In September, we held our annual Inspiration Awards and our first as Standard Life Aberdeen. The awards recognise the contribution our people make in their local communities, as well as the achievements of individuals and teams in helping to make our business innovative and sustainable.



We recognise our responsibilities – individually, to each other, to our customers and to those we impact through our operations. We are committed to good governance and responsible business practices and encouraging this behaviour in our stakeholders. We have high standards, and we believe this approach is not only the right thing for us to do but also adds value to our business. It sets the tone for the type of business that we are and our culture.

Corporate sustainability and stewardship report 2017

Responsible business practices

Responsible business practices



Code of conduct

We recently updated our global code of conduct which details the standards of behaviour we expect across the company. All of our employees are required to read, agree and adhere to the principles of the code which focuses on doing the right thing and putting our customers and clients at the heart of our business. If they have any concerns relating to issues covered by the code such as bribery, environmental or human rights issues, we encourage them to speak to their manager in the first instance. If they feel uncomfortable raising an issue in this way, we provide an independent and confidential whistleblowing helpline they can call.

Our suppliers

Our relationship with suppliers is based on fairness, transparency and integrity. We expect suppliers to uphold the values we have. We also aim to create a positive and constructive relationship with them. We are committed to building a diverse supply base and our supplier management processes allow us to work with suppliers to help them to develop their own policies and processes to meet ESG responsibilities. To help foster this approach, our supplier codes of conduct set out our commitments to uphold these principles and sets our expectations to the companies that we work with.

Cyber crime and information security

Like all financial services companies, we operate in a challenging and constantly evolving cyber environment. We have a strong commitment to our security and IT capabilities, including long-term security programmes, partnerships with third party specialists and a dedicated internal IT function. These are designed to protect customer and corporate assets and information from misuse, the effects of crime and the impact of a significant disruption to our operations. The relationships we have with our customers, clients and the financial adviser community are at the heart of our business so security of their information is always of paramount importance to us. Key security controls and practices include:

- A cyber security policy and standards aligned with industry good practice and the UK Government's 'Cyber Essentials' scheme.
- ISO22301 certification for Business Continuity and plans in place to achieve ISO27001 and Cyber Essentials Plus security certification.
- Layers of controls across a breadth of security domains, to protect both our perimeter and our internal assets from harm. We carry out regular penetration testing to identify any vulnerability in our systems and network that could be used against us.
- Regular, independent assurance and benchmarking exercises across our business by internal and external audit and specialist third party consultants to ascertain the effectiveness of our security control environment, security strategy and programme and governance processes.
- Dedicated Cyber Intelligence, Cyber Response and Financial Crime teams in place to effectively deal with emerging cyber threats and criminal campaigns. Our response plans are tested regularly.
- Security and resilience awareness campaigns to help our customers and our people understand the threats and how to improve their security. Our most recent campaign explained why phishing is a risk, what to look out for to avoid it and what to do if you are suspicious or actually click on a link by mistake.

Engaging on public policy matters

We always aim to represent the best interests of our customers, clients, employees and shareholders. As such, we take an active interest in a broad range of public policy issues which are relevant to our stakeholders. While we remain a strictly apolitical company, we regularly meet with a range of government ministers, politicians, civil servants and other key influencers to express our views, as well as working closely with our main trade bodies.

For example, the UK's anticipated exit from the European Union will have implications for our c.600,000 customers in Germany, Austria and Ireland as it's very likely we will no longer be able to use existing provisions which enable us to 'passport' our products and services into these countries. Over recent months we have raised this issue with relevant departments within the UK Government, the European Commission and the European Parliament to ensure the interests of our customers are considered as part of the exit negotiations and any future economic relationship between the UK and the EU.

We have also engaged with policymakers on UK domestic issues such as the government review of automatic enrolment of employees into workplace pensions. By sharing our knowledge and experience as a leading pensions provider we are able to help shape policy and deliver better retirement outcomes for millions of savers.

Bribery and corruption

We have a zero tolerance approach to financial crime, bribery and corruption. We've continued to maintain our high standards in this area through policies, training and making it easy for employees to do the right thing:

- We have policies to prevent money laundering and financial crime. These help to ensure that we only receive or pay money to or from clients, third parties, partners and suppliers that we've identified as suitable to do business with.
- We run mandatory annual training which requires passing a test that confirms their understanding of both our policies and the part they play.
- We do not offer, request or accept any payments, gifts or other advantages to or from anyone that might induce them to act in a certain way.
- We maintain a register for any gifts and entertainment we receive and provide.
- We have processes for reporting and reviewing breaches. In 2017 we had no breaches.

Modern slavery

Over 40 million people around the world are in modern slavery. As a global investment company, we must act to help tackle human trafficking, forced labour, bonded labour and child slavery. We focus our approach on the areas in which we believe we can drive real change - our supply chain and our investment process. In 2017 we lent our voice - through blogs, articles and social media - in support of both Anti-Slavery Day and UN International Day for the Abolition of Slavery. We have also published our first statement as a newly merged company, allowing us to reinforce our commitment to this important issue.

Human rights

Protecting and respecting human rights is important to us and we know our stakeholders feel the same. To clearly explain our approach we have a policy which sets out why it is important that we uphold, and take action to protect, the rights of our people, customers and community as well as those impacted by our suppliers, business partners and the companies we invest in.

In 2017 our ESG investment and stewardship team published a thought leadership paper looking at why companies should ensure that their actions do not violate or infringe upon the human rights of their stakeholders and how failing to manage human rights risks may result in operational and reputational impacts.

“At Standard Life Aberdeen plc we don't want to just meet minimum standards, we want to operate with integrity and motivate others to do so too. We interact with many people both directly and indirectly and have no tolerance for human rights abuses in any parts of our business or supply chains. We work hard to prevent any issues and will put things right if they do occur. We integrate human rights and modern slavery considerations across our entire investment process, meet with investee companies to drive positive change and transparently report on our discussions.”

Bill Rattray, Chief Financial Officer

Tax strategy

We recognise the importance of the contribution we make to public finances through our payment of taxes. It's important to us that our approach reflects the interests of our stakeholders in a balanced way. We have a tax policy, underpinned by our tax principles, which take account of our clients, shareholders, employees, tax authorities and the wider community. These principles guide our processes, behaviours and decisions.

We provide products to a diverse range of clients, from a variety of global locations - so our savings and investment products are set up to follow each location's tax legislation. We also follow local and international rules around reporting to tax authorities about our customers' investments. We engage openly with tax authorities, government and representative bodies ensuring we play our part in helping to develop a sustainable framework for tax policy and legislation. We also transparently report on our total tax contribution within our annual report & accounts.

 **Read more about our responsible business practices**

Responsible business practices

Environmental impact

The environmental impact of our operations is relatively small compared to other sectors, but it's important that we do what we can to reduce it. Our direct footprint is mostly comprised of the energy we use in our buildings and business flights. To reduce our impacts in these areas we track our consumption, pursue ongoing improvements in building management, and encourage our people to reconsider the need for air travel through technology solutions. We also encourage our people, and those we work with, to minimise their environmental impact through our Global Code of Conduct and Supplier Code of Conduct.

Our greatest impact is through how we invest our customer and clients' money.

 [Read more about our investment approach](#)

Travel

As a growing international company, air travel is a necessary part of doing business. However, we also need to take responsibility for the environmental impact of this travel and do what we can do to reduce it. We have invested in video conferencing and remote technologies, and promote domestic rail use over air travel. Since 2014 Aberdeen achieved has seen a 91% increase in the use of video conferencing facilities, with over 10,000 connections made during 2017. At Standard Life we hold an annual sustainable travel week to raise awareness of what we can all do to commute with less impact, and in 2017 installed electric car chargers in one of our main offices to support staff in making the switch to greener transport. We are sharing and building upon good practices like these across the two companies.

Energy

In our buildings we've already done a lot to reduce our impact – we continually upgrade to more efficient lighting, have new chillers in our main buildings, and use advanced building management systems. We go a step further by purchasing renewable electricity for major sites in the UK, Germany, Ireland and Luxembourg, and across our corporate offices we are using a total of 75% renewable electricity. We're aiming to increase this percentage in 2018.

Paper

As with all large companies, it is important that we consider the paper we use and implement ways to reduce our consumption. In 2017, Aberdeen published Paper Purchasing Standards to articulate this duty and outline how we will mitigate the impacts from our paper use. In addition, Standard Life's in-house print operation is FSC certified and we insist that all approved external print suppliers are also FSC accredited. This means that we sustainability source all of the paper that goes into our office and marketing materials.

Events

Throughout 2017 we continued to engage our people to reduce their environmental impact both at work and at home, and lead by example where possible. We're supported by a global network of environmental advocates who go above and beyond their day jobs to support our environmental aims and initiatives. Activities undertaken included a beach clean, waste tour, recycling challenges, climate presentations, reusable coffee cup giveaways, and competitions for the best sustainability ideas.

Land Rover BAR sponsorship and sustainability

In March 2017, Aberdeen joined forces with Land Rover BAR, the British America's Cup team led by Sir Ben Ainslie, as the Official Performance Partner. Land Rover BAR committed to being the most sustainable sports team and continued to demonstrate their commitment in this area through their activity during the America's Cup.

This included working with all their partners to help them promote five key behaviours that have a big impact on climate change and encourage people to think about changing their ways. While in Bermuda, Land Rover BAR launched the 11th Hour Racing Exploration Zone which educated over 8,000 visitors through interactive displays on marine environmental issues such as ocean plastics, the environmental lionfish species and alternative materials.

Events



Sustainable Travel Week – we took part in the Scottish Workplace Journey Challenge and encouraged staff to log their journeys to and from work to win prizes.



We ran electric vehicle information sessions with the Energy Savings Trust and Home Energy Scotland with around 100 staff in attendance. We also installed 2 electric car chargers at our biggest Edinburgh office.



Looking forward with our senior leaders

Our customers need help to access good financial advice and to make choices that will help them build a better future. We help them with their life savings, by offering high quality propositions and customer experience.

Following the introduction of auto enrolment in the UK, the focus will be on gradually increasing employer and employee contributions. In a challenging economic context, this may lead to an increase in opt-out rates. We therefore need to proactively engage customers to help them understand the importance of building up their life savings.

The significant growth in the number of people now saving for the first time, including previously under-served groups like women and young people, is a great platform to build on. Individuals are increasingly aware of their life savings, including the level of employer pension contributions. Higher employer contributions will increasingly become a sign of a quality employer.

As well as an increased awareness of pension contributions, we expect customers to take more interest in how their money is being invested. Alongside the high quality life savings propositions we offer, we believe that Standard Life Aberdeen is in a great position to help customers understand the link between their savings and investments.

Barry O'Dwyer, Chief Executive, Standard Life

The cyber threat affects us all and continues to evolve rapidly. Our customers and clients rightly expect us to ensure the security of the information that they entrust to us. That is why we have dedicated teams of experts, standards and robust processes and controls in place. We also raise awareness amongst our customers and employees of how they can protect themselves and the data we hold. With the new General Data Protection Regulation coming into force, we have further enhanced our existing practices, reinforcing our commitment to data privacy, and being clearer with our customers and clients about how we'll use their information to communicate and work with them.

David Scott, Chief Information Security Officer

At Aberdeen Standard Investments, the investment needs of our clients drive everything we do. We look to support them with a full range of investment opportunities and solutions, and the highest level of service and support. As a major asset manager, we have the resources to transform new investment ideas into practical investment products and the scale to deliver real value for money to investors. Our focus on responsible investment reflects both our clients' needs and our approach.

Effective stewardship is critical, but clever algorithms do not make good stewards. As active, responsible investors, we are committed to delivering strong sustainable returns for our clients. Our approach means we are in a unique position to influence wider change that can transform societies and the environment in the long term.

Campbell Fleming, Global Head of Distribution

The world of work is constantly changing. We need to ensure we continue to invest in our people and our working environment is one that enables talented people to flourish and be at their best. Our business has made good progress with becoming more inclusive in recent years. We're proud to be recognised for our support for social mobility, helping young people from different backgrounds to access fairly-paid and meaningful careers. It's important we build on this and we are especially committed to improving our gender balance and ethnic diversity. As a global business that wants to win the trust of customers in communities around the world, our workforce should be representative of the society we serve and I'm committed to continuing the progress we're making in this area.

Kerry Christie,
Chief People Officer

The pace of change in both the regulatory environment in which we operate and in the needs of our customers and clients shows no signs of abating. While we move ahead with our global integration programme, our focus will remain on the delivery of good customer and client outcomes.

Mandy Pike,
Global Head of Investment Execution

Against a backdrop of global recovery and capital continuing to flow relatively freely, economic fundamentals arguably should carry greater sustained weight than political risks. Politics is not the be all and end all, but I expect it to have a big bearing in 2018.

Lucy O'Carroll, Chief Economist

Asset management has its own trust issue and we must try to restore that by doing a better job for our clients. But we live in a world of echo chambers where people very often seek out others with the same opinion – less able to identify risks or indeed opportunities. As investors, we must therefore continually question what we see, probe further and avoid the echo chamber. In my opinion, that is the best way that we can support our clients in a complex and changing world.

Devan Kaloo,
Global Head of Equities

Our focus on the impact of environmental issues on investment performance will continue in 2018 – from how countries and companies can anticipate and adapt to climate change, to the significant challenges water scarcity is bringing to communities and the global issue of resource depletion. These factors impact our investments across all asset classes and in all geographies and our clients increasingly want to know more about our approach.

Euan Stirling,
Global Head of Stewardship
and ESG Investing



Appendix

People section				
Report segment	Measure	Unit	2017	Definition
Training	Employee training cost	£m	£7.1m	Spend on employee training
	Employee training hours	hours	26.4	Average number of hours employees participated in training
Community	Employees in pension scheme	%	97	Percentage of employees in the company pension scheme, data covers FTE in the UK which accounts for 78% of our workforce
	Employee share ownership	%	55	The number of employees on our payroll who are contributing to the employee share plan. (Aberdeen and 1825 employees not employed by Standard Life are not participants in the plan)
	Community spending	£m	3.2	Total contribution including cash, time, in-kind giving, pro bono contribution of service and management costs
	Paid volunteer time	days	2,291	Total number of days employees have logged as paid volunteer time
Labour practices and decent work	Number of employees	number	9,931	Total number of employees including our German office
	Employee turnover	%	12%	The number of employees that left the company within the past year as a percentage of the total number of employees
	Voluntary	%	8%	The number of employees that left the company voluntarily within the past year as a percentage of the total number of employees
	Involuntary	%	4%	The number of employees that left the company involuntarily within the past year as a percentage of the total number of employees
	Employees represented by a staff association, representative or union	%	84%	The number of employees that belong to staff associations, have staff representatives or unions as a percentage of the total employees
	Employees in a D&I network	%	19%	The number of employees that belong to a diversity and inclusion network as a percentage of the total employees
	Employee average age	years	40	Average age of employees
	Women in workforce	%	47%	Women employed at the company as a percentage of the total number of global employees
	Women in management	%	37%	Percentage of women employed in people management positions at the company
	Women in executive population	%	27%	Those one and two reporting levels below the CEO. Executive Assistants or Personal Assistants are not included in total
	Women on board	%	25%	Percentage of women on the Board of Directors
	Minorities in our workforce	%	8%	Percentage of the total number of UK employees who do not identify as White British/English/Scottish/Welsh/Northern Irish ⁽¹⁾
	Disabled people in our workforce	%	4%	Number of employees stating they are disabled as part of our voluntary data collection, taken as a percentage of the population who submitted the data ⁽²⁾
	Employee parents returning to work	%	98%	Percentage of the total number of employees who have returned to work following maternity, paternity or shared parental leave
	Contractors versus employees	%	13%	Percentage of contractors as a percentage of our total employees, including our German office
	Full time to part time employees	%	88% full time	Percentage split of full time to part time employees
Part time female/male	%	91% female	Percentage of part time workforce that is female	
Workforce accidents - employees	number	34	Number of accidents at the company resulting in harm to employees	
Fatalities	number	0	Number of contractor and employee fatalities at the company	

Unless otherwise stated, the figures are for our global population with the exception of Standard Life Germany employees due to local employment practices.

¹ Data covers our UK employees only and comes from voluntary data which covers 35% of our people. 62% of our FTE are based in Scotland where the 2011 census data shows that 96% of people identify as White Scottish or White British.

² Our definition of a 'disability' is a 'physical or mental impairment which has a substantial and long term adverse effect on a person's ability to carry out normal day to day activities'. In September 2017 11% of the UK's workforce was disabled. The UK represents 78% of our workforce.
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/latest>
<http://www.dif.org.uk/content/key-facts>

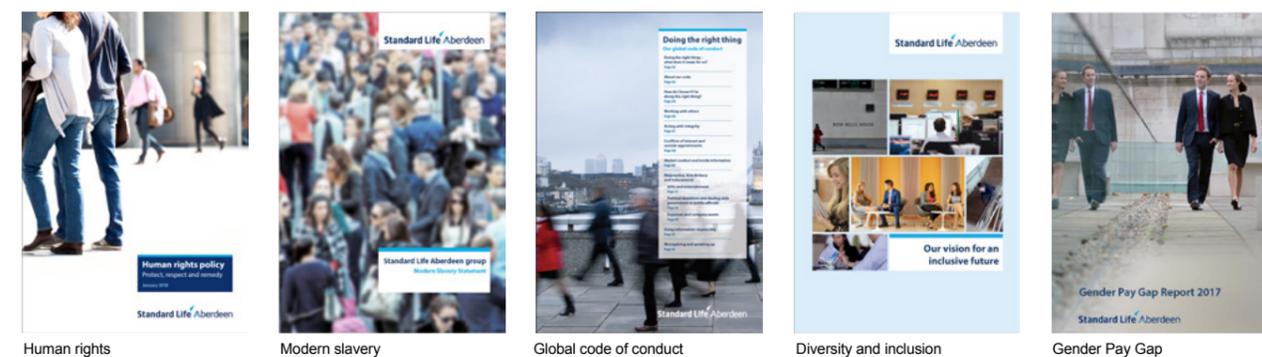
Environment section					
Report segment	Measure	Unit	2017		Definition
			Location based	Market based	
Emissions	Scope 1	tonnes CO ₂ e	3,518	3,518	Scope 1 GHG emissions from natural gas, fluorinated gases (F-Gas), fleet and diesel
	Scope 2	tonnes CO ₂ e	14,717	8,694	Scope 2 GHG emissions from purchased electricity
	Scope 3	tonnes CO ₂ e	17,543	17,118	Scope 3 indirect GHG emissions from business air travel, electricity transmission and distribution losses, and electricity consumption by a Standard Life third party data centre
Energy	Total energy consumption	MWh	57,115		Total energy consumption
	Electricity used	MWh	42,103		Total electricity consumption
	Natural gas used	MWh	15,012		Total natural gas consumption
Compliance	Environmental fines	number	0		Number of environmental fines paid by the company during the reporting period
	Sites that are ISO14001 certified	number	3		Number of sites that are ISO14001 certified.

The emissions and energy above refer to the activities associated directly with Standard Life Aberdeen offices and staff and exclude emissions and energy associated with real estate investment assets.

Responsible business practices			
Measure	Unit	2017	Definition
DJSI Score	%	95	Percentile ranking
FTSE4Good score	%	97	Percentile ranking
Number of key suppliers signed up to the supplier code of conduct	number	410	Number of key suppliers signed up to the supplier code of conduct as at 31 December 2017
Bribery and corruption breaches	number	0	Number of bribery and corruption breaches
Whistleblowing calls	number	9	Whistleblowing notifications which resulted in investigation

Policies	
Code of conduct and whistleblowing policy	www.standardlifeaberdeen.com/_data/assets/pdf_file/0022/15853/Code_of_Conduct_1217indd_EXTERNAL.pdf
Human rights statement	www.standardlifeaberdeen.com/_data/assets/pdf_file/0020/16427/Human-rights-online-FINAL.pdf
Modern slavery statement	www.standardlifeaberdeen.com/Standard-Life-Aberdeen-Modern-Slavery-Statement-2017-18
Inclusion strategy	www.standardlifeaberdeen.com/_data/assets/pdf_file/0023/16871/Our-vision-for-an-inclusive-future.pdf
Tax policy	www.standardlifeaberdeen.com/our-tax-responsibilities
Environment strategy	www.standardlifeaberdeen.com/corporate-stewardship-and-sustainability/responsible-business/our-environment
Document library	www.standardlifeaberdeen.com/corporate-stewardship-and-sustainability/reports-archive

Recent publications





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