

Standard Life Aberdeen group
Modern Slavery Statement

This statement, published in accordance with the UK Modern Slavery Act 2015, sets out the steps Standard Life Aberdeen group (Standard Life Aberdeen plc and its subsidiaries) has taken during the year ending 31 December 2017 to help prevent modern slavery in our operations and supply chain.

“There are an estimated 40 million people in modern slavery across the world today. As a global investment company and UN Global Compact signatory, we want to do all we can to help tackle human trafficking, forced labour, bonded labour and child slavery. This statement represents our first as a newly merged company and allows us to reinforce our commitment to this important issue - we don’t want to just meet minimum standards, we want to operate with integrity and motivate others to do so too. Over 2017, we have taken action to strengthen our policies and employee training, raised awareness amongst our stakeholders, and continued incorporating modern slavery considerations across our investment approach.”



Bill Rattray,
Chief Financial Officer and executive sponsor

Business structure and organisation

Standard Life Aberdeen plc was formed in August 2017, from the merger of two leading financial services companies: Standard Life plc and Aberdeen Asset Management PLC.

Headquartered in Scotland, we have employees located in 50 offices worldwide. In terms of assets under management, we are now the largest active asset manager in the UK and the second largest in Europe. The newly combined group includes Aberdeen Standard Investments*, our asset management business, and Standard Life, our pensions and savings business.

We aim for excellence in everything we do. Whether it’s looking after our clients’ investments, offering our employees a rewarding career path, or helping ensure we’re operating sustainably and for the long term good of society and our planet.

We work directly with around 7,000 suppliers who provide us with 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. However, we seek to apply the same ethical expectations across our suppliers, large or small.

The UK financial services industry is not within a high risk sector for modern slavery. However, we are not complacent and recognise the possibility of modern slavery issues existing somewhere in our supply chain. We take our responsibilities seriously and have a modern slavery working group with cross-business representatives from procurement, legal, sustainability, risk, compliance, responsible investment, stewardship and human resources who ensure we continuously review and improve our approach. Bill Rattray, Chief Financial Officer, is our executive sponsor.

We will not knowingly support any business involved in modern slavery. We expect transparency 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 and appropriate action taken depending on the circumstances – from supporting a supplier to make a positive change to terminating the relationship with the supplier.

*Aberdeen Standard Investments is a brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments.

Aberdeen Standard Investments

A key way we can drive change is through how we invest – incorporating **environmental, social and governance (ESG) considerations** into our investment approach across all asset classes. At Aberdeen Standard Investments, we take our responsibilities as an investor seriously and seek to encourage the adoption of best-practice ESG standards, with a view to protecting and enhancing the value of our clients’ investments.

We assess modern slavery risk as part of our on-going assessment of a company’s approach to ensuring respect for human rights. We expect that the companies in which we invest meet internationally recognised human rights 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 human rights issues. Where we believe a company is exposed to modern slavery risk and not taking action to mitigate this risk, we will look to incorporate this into our investment view and engage with the company to drive positive change.

We also incorporate modern slavery considerations into the management of our real estate portfolios.

Policies

We have a number of group policies and statements, collectively demonstrating our approach to identifying and mitigating modern slavery risks, which we enhanced and strengthened in 2017.

Global code of conduct

Our global code of conduct describes the principles and standards that we hold ourselves to and ask all our employees to consider in every decision and action that they take. Within the code, we specifically highlight our commitment to tackling modern slavery. All our employees are required, at least annually, to confirm that they have read the code and agree to abide by its principles.

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

The above policies form part of our risk policy framework which sits within our enterprise risk management framework. They 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 Standard Life Aberdeen’s Board-level Risk and Capital Committee.

Human rights statement

Our statement sets out our commitment to: treat employees and customers with respect and fairness; influence our supply chain to manage any human rights issues; contribute positively to society, for example, through our accreditation as a UK Living Wage employer; and to incorporate human rights considerations into our investment process.

Supplier code of conduct

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

Whistleblowing hotline

If our employees identify any issues relating to modern slavery we encourage them to report this to their manager. If they feel uncomfortable reporting in this way, we have an independent and confidential whistleblowing service (‘Speak Up’) which they can call. We commit to support the caller and that there will be no detriment to them. 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 2017 we received no calls related to modern slavery.

Training

To raise awareness amongst our employees of both modern slavery and the whistleblowing processes available to them, we have rolled out training across the business. An additional phase, extending coverage across the combined business following the merger, will be delivered in 2018. This is mandatory training and will be completed on an annual basis. We also delivered tailored education sessions to relevant employee groups including our conduct committee and risk community.

Raising awareness

Throughout 2017 we sought to use our influence to raise awareness of the scale of modern slavery and encourage and mobilise others to be part of a momentum for change. To mark Anti-Slavery Day on 18 October, we published an article and blog for our employees to help them understand what modern slavery is and how they can play their part in addressing it, and Martin Gilbert wrote an **article** encouraging all businesses to drive change. On 2 December, as part of the UN International Day for the Abolition of Slavery, our executive sponsor, Bill Rattray, provided an **update** on our activities and reinforced our commitment to helping end modern slavery.

Due diligence and risk assessment

We are aware that heightened modern slavery and human trafficking risk exists in relation to certain territories, and in relation to the production of certain goods and supplies. Therefore we incorporate these considerations when assessing the risk of modern slavery during our procurement process. We have adopted a materiality approach by trying to understand where the risks of modern slavery are greatest and prioritising our activity accordingly. We are working to further strengthen our process for supplier due diligence and will use this to emphasise our focus on modern slavery.

Our supplier code of conduct reinforces the standards we expect from our suppliers and modern slavery is a standing agenda item with relevant suppliers during regular governance meetings.

In addition, we take targeted action in specific sectors and geographies. For example, we have an ongoing commitment to fair pay as an accredited UK Living Wage employer which encompasses contractors working in our buildings such as caterers or cleaners. We require companies supplying those services to pay contractors at least the UK Living Wage.

Measurement

Our progress against our key performance indicators, set in 2017 prior to the merger, is as follows:

1. Modern slavery questionnaires issued to our top 400 suppliers and follow up action taken as appropriate.

We have completed our initial survey and taken follow up action with a small number of suppliers to understand more about the approach they are taking. Informed by discussion with independent experts, we are reviewing our approach to strengthen and focus our risk assessment going forward.

2. Sampling of questionnaire responses and modern slavery statements to identify both gaps and opportunities to re-inforce the actions we take in response to the UK Modern Slavery Act 2015.

We have reviewed questionnaire responses and modern slavery statements from a large number of companies across a range of industries. We have also engaged with experts and peer organisations to identify best practices. This has helped to validate our work to date and is informing our approach going forward.

3. Modern slavery training delivered to all our people in 2017.

Modern Slavery training was delivered to all employees of Standard Life group (Standard Life plc and its subsidiaries) prior to the merger. An additional phase, extending coverage across the combined business will be delivered in 2018.

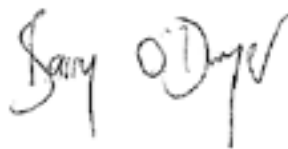
Looking forward

In 2018 we will focus on:

- Using our influence as an investor and through our procurement to increase the focus on the eradication of modern slavery and help drive improved practices.
- Engaging with experts to further strengthen our risk assessment, deepen our understanding and identify areas where we can target our efforts to have most impact.
- Mobilising our employees by educating them and supporting them to take action on this issue.

We will develop new performance indicators that reflect these areas of focus for our newly combined business.

This Standard Life Aberdeen Group Modern Slavery Statement, which was approved by the Board of Directors of Standard Life Aberdeen plc, has been approved by the Board of Directors of Standard Life Assurance Limited and is signed by:



Barry O'Dwyer
Chief Executive

31 May 2018