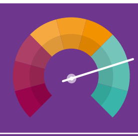
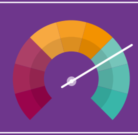
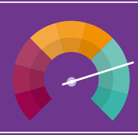
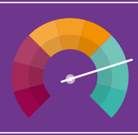
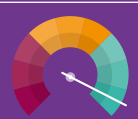
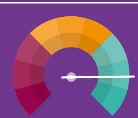
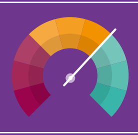
Annual Report of the Standard Life IGC

2022

Do customers get good value for money?	Yes
Costs and Charges Are the costs and charges you pay reasonable for what you get in return?	
Investment Performance How are your investments performing?	
Investment Services Are your investments well managed?	
Customer Service What is the quality of the service Standard Life provides?	
Communication and Engagement How well does Standard Life communicate with you and keep you up-to-date with your pension?	
Environmental, Social and Governance Is enough allowance made for ESG considerations in how your pension savings are invested?	
Investment Pathways How well are Standard Life's investment pathways performing?	

Independent Governance Committee

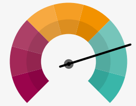
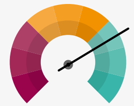
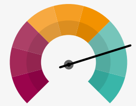
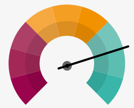
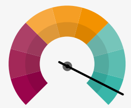
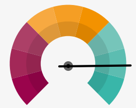
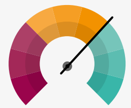
Welcome to this, the eighth annual report of the Standard Life Independent Governance Committee (IGC). This report is particularly relevant to you if you have a workplace personal pension plan provided by Standard Life Assurance Limited (Standard Life). It is also relevant to readers who have recently taken out an investment pathways plan with Standard Life. It provides you with important information about your plan and how to compare it with possible alternatives in the market. It also tells you what the IGC thinks of the value for money that you are receiving. Readers who would prefer more of a summary are encouraged to read the Value for Money Summary that can be found on the **IGC webpage**.

How to use this report. This report is written in layers, to enable readers to engage at whatever level of detail they want. We envisage that most readers will find the pages up to and including the Key Messages section sufficient, but hope that the structure of the more detailed sections makes it straightforward for those wanting more detail to get it. We would encourage all readers to consider if any of the Calls to Action on page 8 are particularly relevant to them.

Contents

Value for Money Summary

This dashboard gives you a summary of whether we think you are getting value for money from your pensions within the remit of the IGC. Much more information can be found in the pages that follow.

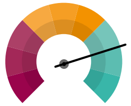
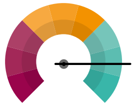
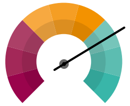
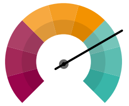
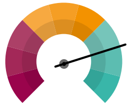
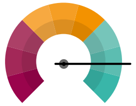
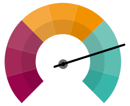
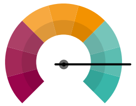
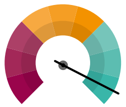
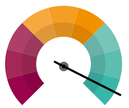
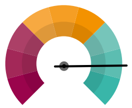
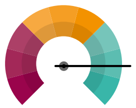
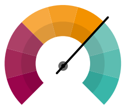
Do customers* get good value for money?		**Yes**
Costs and Charges	Are the costs and charges you pay reasonable for what you get in return?	
Investment Performance	How are your investments performing?	
Investment Services	Are your investments well managed?	
Customer Service	What is the quality of the service Standard Life provides?	
Communication and Engagement	How well does Standard Life communicate with you and keep you up-to-date with your pension?	
Environmental, Social and Governance	Is enough allowance made for ESG considerations in how your pension savings are invested?	
Investment Pathways	How well is your investment pathway performing?	

*when we refer to customer(s) we mean those customers who are in-scope of the Standard Life IGC. This report is for your information. You do not need to take action. However, we do recommend that you review your own pension arrangements on a regular basis and we hope this analysis helps you in doing so.

Value for Money Summary – What has changed since last year?

Why have some of the ratings changed?

In the pages that follow, we set out in increasing levels of detail, the results of the 2022 VFM analysis and what has led us to our conclusions. By way of "headlines", we would highlight the following:

		2022	2021
Costs and Charges	We remain broadly comfortable with the level of charges, but questions remain over charges greater than 0.75% pa, and the speed of progress for those who are paying less than 0.75% pa but still more than market comparators.		
Investment Performance	Although we are happy that the majority of funds have performed well against benchmarks in tough market conditions, the medium-term fund performance against competitor funds could still be better.		
Investment Services	The implementation of the new default fund designs was thorough and comprehensive, although more could have been done to consider the "before" and "after" outcomes for some groups of customers.		
Customer Service	Service quality remained high for much of the year, although staff attrition and sickness resulted in some delays. Processing of death claims can still take a long time, but good progress has been made on tracing customers who have not notified a change of address.		
Communication and Engagement	Communication quality remains a core strength, with a number of further improvements implemented, including more tailoring of messages to customers at different stages of their lives.		
Environment, Social and Governance	Improvements have been made to the already-strong policy and governance framework in place, and also in customer communications – though not as much as the IGC would like. Becoming a signatory to the Stewardship Code is an important external validation of the progress made.		
Investment Pathways	Investment performance compares better with competitors than last year. However, charges for pots under £25,000 or over £300,000 remain relatively uncompetitive.		

As is our usual practice, we have set out a number of challenges to Standard Life for 2023, and these are set out in the next few pages. We have also highlighted a number of "Calls to Action" in areas which could prove worthwhile for some customers.

Value for Money Summary – IGC Challenges to the Firm

Key Challenges

The IGC has challenged Standard Life in the following areas:

Costs and Charges

- To review any policyholders paying higher charges as a result of commission payments to advisers where no relationship now exists.
- To take action on scheme charges that are out of line with current business terms.

Investment Performance & Services

- To ensure that long-term pension fund performance remains ahead of high levels of inflation.
- To consider, when planning the transition programme for the default funds, the ‘before’ and ‘after’ positions of different cohorts of customers, including: the costs of transition; protecting customers from detriment; and remediation if material errors are made.
- To ensure that suitable processes are in place to identify and replace poorly performing funds with sufficient speed.

Customer Service

- To resolve the resourcing issues which arose in 2022, and stabilise service performance, especially in relation to retirement demand.
- To maintain service levels during the outsourcing of any operational activities.
- To continue to develop services for vulnerable customers.

Communication and Engagement

- To continue to focus on the agility of communications and the ability to respond to market conditions with communications that support member decision making and are tailored to member life stages.
- To take actions to ensure customer satisfaction is maintained at high levels.
- To consider communications to members throughout their lifecycles, especially those who no longer make pension contributions or have more than one pension with Standard Life.

ESG and Stewardship

- To agree which responsible investment considerations should be incorporated in the design and implementation of the remaining Standard Life-designed managed funds.
- To extend fund-level reporting on ESG considerations, enabling more customers to see the beneficial impact on the environment and society of how Standard Life funds are invested.

Investment Pathways

- To review charging levels for both very small and very large pension pots.
- To develop additional customer communications to confirm customer's choice of pathway.
- To consider whether any design modifications would be appropriate concerning the risk-return trade-offs for each of the four Investment Pathways.
- To continue to develop Investment Pathway-specific customer servicing management information.

Value for Money Summary – IGC Calls to Action for Customers

Customer Calls to Action

We strongly encourage you to review your pension plans in these turbulent times.

Costs and Charges

- Compare the charges you are paying with competitor charges, to see if any potential saving would be worth switching providers for.

Investment Performance

- Check you are comfortable with the types of funds you are currently invested in. Do they still fit with your appetite for risk?
- Are your retirement plans on course? If not, can you make any extra contributions to your pension?
- Review your planned retirement date. This may affect how your pension is invested when nearing your retirement date.
- If you are close to retirement, consider whether an annuity rather than income drawdown might be better for your future income.
- We recommend you seek guidance or independent financial advice to help you. If you're aged 50 or over, you can use the government's free Pensions Wise guidance service.

Customer Service

- Make sure your email address and all personal details are up to date, so you don't lose track of your pension savings.

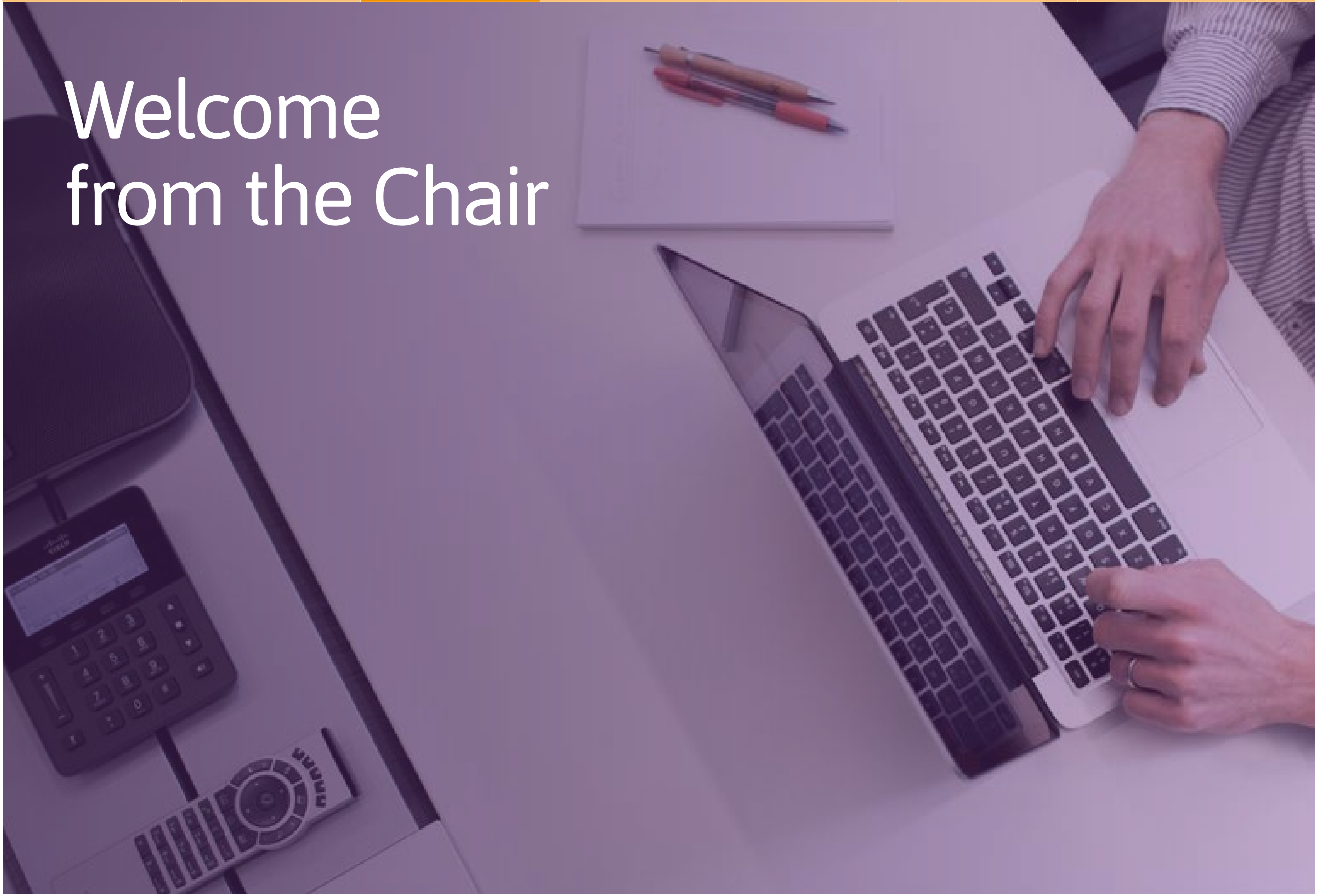
Communication and Engagement

- We recommend you register for digital access (online or via the App) and use it regularly to review and manage your pension savings.

Investment Pathways – current or potential customers

- Check whether the Investment Pathway you are in is still the most appropriate for you. For example, annuity offerings are much more generous than a few years ago.
- Compare the charges you are paying with competitor charges, to see if any potential saving would be worth switching providers for.

Welcome from the Chair



Welcome from the Chair

Welcome to this, the eighth annual report of the Standard Life Independent Governance Committee (IGC). This report is particularly relevant to you if you have a workplace personal pension plan provided by Standard Life Assurance Limited (Standard Life). It is also of relevance to readers who have taken out an investment pathways plan with Standard Life. It provides you with important information about your plan and how to compare it with possible alternatives in the market. It also tells you what the IGC thinks of the value for money that you are receiving.

There are other companies within the Phoenix Group that also provide workplace personal pension plans. They have their own IGCs, but with aligned membership across the Group. There are also other pension customers of Standard Life who are not within the remit of the IGC – predominantly holders of individual pension plans, rather than workplace arrangements, and also members of the Standard Life DC Master Trust. While some of our findings may be relevant to other portfolios of business within the Phoenix Group, the focus of this report is on what Standard Life is delivering for its pension customers within our scope.

There were a number of changes in membership of the Standard Life IGC during 2022 as part of a planned rotation in independent members and these are set out later in this report.

While some of the members may have changed, **the primary role of the Committee remains the same – to act solely in the interests of Standard Life in-scope pension and investment pathway customers and assess the value for money that you are receiving from your workplace pension or investment pathway plan.**

Assessing Value for Money (VFM)

The FCA (Financial Conduct Authority, the regulator which oversees the way pension providers like Standard Life treat their customers) wants to make it easier for IGCs to compare the VFM of pension products and services. To that end, they require that IGCs assess ongoing VFM by considering at least the following three factors:

- the level of costs and charges;
- investment performance; and
- the quality of services,

and how what is being provided compares with comparable options across the marketplace.

In order to support the FCA's intention, for last year's report we mapped our existing VFM framework onto these three factors, but with some further subdivisions within the third factor in order to separately assess:

- Communication and engagement;
- Customer service; and
- Investment services (e.g. default investment fund design and execution).

The IGC believes that "ongoing VFM" is fundamentally a forward-looking measure. Thus, of the following three questions:

1. Have you received VFM?
2. Are you currently receiving VFM?
3. Going forward, can you expect to receive VFM?

our assessment is mainly addressing questions 2 and 3.

Of course, past performance is still important, since it determines customers' experiences to date and, in particular, the current size of your pension pot. However, past good performance is not a guarantee that VFM will be delivered in the future, nor is past poor performance a sign that VFM cannot be delivered going forward. Nevertheless, where we find:

- Poor customer service which is not being addressed, or addressed quickly enough;
- Charges that are out of line with appropriate comparators and which are not being reviewed and/or reduced; or
- Poor investment performance (relative to the benchmarks set and/or relative to appropriate comparators within the industry) which is not being called out and the reasons for it not being addressed quickly enough,

the IGC would see these as potential barriers to a "clean bill of health" as far as ongoing VFM is concerned. However, where past issues with an aspect of the pension proposition have been addressed and, looking forward, what is being delivered and at what cost, compares well with appropriate comparators across the industry, the IGC's assessment of ongoing VFM from that factor is likely to be positive.

More detail on the various components of each factor that we look at in forming our VFM judgements can be found **here**.

It is currently not possible to get the equivalent level of detail across the market. However, we do what we can to draw conclusions from what other IGCs publish in their annual reports, from the results of the benchmarking exercises that Standard Life takes part in and from our research of other publicly-available information. In particular, this year's analysis has again benefited from the results of a cross-industry comparison exercise that covered a high proportion of the contract-based workplace pensions business across the UK market.

The comparison gave helpful insights on how Standard Life performance compared with other providers across all the key VFM areas, and included contracts that are no longer open to new members as well as current contract designs. The IGC is grateful to Standard Life for willingly supporting our participation in this important cross-industry exercise.

Adding additional value as an IGC

It is now over 8 years since IGCs were introduced by the UK regulator. Over that time, we have developed what we believe is a robust and rigorous approach to assessing value for money. However, of necessity, the VFM judgements are high level and based on portfolio-level considerations. While we still believe such VFM assessments are worthwhile, as an IGC we are keen to go further and explore where our insights and additional challenge could further improve outcomes for the Standard Life customers within our scope.

To that end, we have added to the scope of our work with the introduction of additional thematic reviews designed to focus attention on areas of particular importance to particular groups of customers. Our aim is to give comfort that any risk of potential harm to these customer groups is being appropriately guarded against, or to identify those areas where Standard Life could do more to ensure good customer outcomes for these people.

Our first area of additional focus concerns those customers expecting to retire over the next 18 months (which, at the time we started the investigation, comprised all of 2023 and the first six months of 2024). Following the economic turmoil of 2022, the IGC felt that it was important to ensure that the retirement journey being provided to such customers appropriately reflects the new circumstances (e.g. higher interest rates, higher inflation and, possibly, smaller pension pots following the fall in investment values). The IGC is pleased to report that Standard Life has welcomed this additional review activity and, at the time of writing, is supporting it effectively. We will report on our findings in next year's report, as well as describe the further areas that we plan to investigate over the next year or two.

Cost of living crisis

The IGC is very conscious that we are publishing our report on 2022 at a time of continued economic stress and real worry for many of the Standard Life customers within our scope. While we hope that our VFM analysis and the targets that we place on Standard Life are of long-term benefit to you, we realise that many of you will have short-term pressures that you need help with.

We have been pleased to see the work that Standard Life has done over the last year to ensure that it does what it can to support customers through these difficult times. We receive regular updates on the various customer service and communication initiatives that have been put in place and continue to be developed. We are confident that Standard Life is doing what it can to be flexible with requests from customers who are exploring their options and to provide helpful guidance. You can find this material, and also pointers to other sources of information and guidance, on the Standard Life **website**.

Purpose and structure of the report

The requirement on IGCs to produce an annual report, as well as the minimum content that it must contain, are set out in FCA rules and guidance. The IGC is fully supportive of the need for transparency around the work of the Committee, particularly in providing enough information to enable relevant stakeholders to assess how thorough the VFM assessment has been. However, research carried out for the IGC in 2020 and again in 2021 confirmed that, the longer the report, the less likely customers are to engage with it.

In order to cover the detail required, but in as accessible a format as possible, we have again structured this year's report around three levels:

- Key Messages;
- Further Commentary; and
- Supporting Material,

and added in additional summary pages at the start. We expect that the content in the Key Messages section will be sufficient for many readers. However, we hope that the clear sign-posting, and the embedded links between the different levels, will enable you to engage with the material at whatever depth works for you. However, we recognise that not many customers may want to engage with such a long document. For those readers who would prefer more of a summary, we have also produced a separate, IGC Value for Money Summary, drawn from the early sections of this report, which is available on the IGC's **webpage**.

Our VFM assessment considers all of Phoenix Group's pension products, those that continue to be on sale to customers (open products), and those products that are no longer on sale (legacy products). We look at Standard Life open products against comparable open products in the market and their legacy products against comparable legacy products from other providers where Standard Life generally compares well. However, we are yet to reach a satisfactory conclusion with Standard Life on whether legacy products should be compared with open products where the IGC is concerned that legacy products offer less value for money. We will continue these discussions urgently over the next year and continue to seek clarification from the regulator on their rules and guidance on this question.

We are keen to hear what you think – about the report, the additional summary, or any aspect of our work. Please do get in touch with us at **www.standardlife.co.uk/pensions/workplace-pension/igc**
Many thanks for reading our report.

IGC Independence and Membership Information

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Current membership

Dr David Hare – Chair, Independent

Maggie Craig – Independent Member (from January 2023)

Andrew Davies – Independent Member (from September 2023)

Rachel Haworth – Independent Member (from August 2022)

Andrew Milligan – Independent Member (from July 2022)

Steven Blight – Company Nominee

Rona Cameron – Company Nominee (until September 2023)

Members during 2022

Jo Hill – Independent Member (from July 2022 until September 2023)

Ingrid Kirby – Independent Member (until September 22)

Venetia Trayhurn – Independent Member (until December 2022)

Changes of Membership

There were a number of changes of membership during 2022, as part of a planned rotation of the independent members. As noted in last year's report, Sheila Gunn reached the end of her tenure on the Committee as an independent member in January 2022, and the Committee operated with five members until two new independent members, Jo Hill and Andrew Milligan, joined in July 2022. Another new member, Rachel Haworth, joined the Committee in August 2022 in anticipation of Ingrid Kirby's retirement from the Committee in September 2022. The final change last year was in response to a request from Venetia Trayhurn to stand down from the Committee before her term was up because of other workload pressures elsewhere. We were sorry to lose Venetia's input but understood fully the need to maintain a balanced workload. We were pleased to welcome Maggie Craig as a new independent member with effect from the start of 2023.

There have been two changes in membership to date this year. Rona Cameron has decided to step down from the IGC as the Company Nominee as of September 2023. Following Jo Hill's decision to return to a full-time Executive career, she is having to stand down from the IGC in September 2023, to be replaced by Andy Davies, an experienced pension professional. We now anticipate a period of stability in the independent membership of the Committee, at least until the current Committee Chair reaches the end of his term in September 2024. For further information about the Committee members please **click here**.

Independence

The role of the IGC is to make sure that customers are getting value for money from their provider, so it is crucial that we are independent. We maintain our independence in a number of ways. We make sure that there is a majority of independent members on the Committee and that company nominees do not have a direct link to any areas they are scrutinising. The two non-independent members were selected to bring valuable in-depth Standard Life policy-specific knowledge and understanding to the work of the Committee. In addition, both employee nominees were provided with side letters to their employment contract which made it clear that, when acting on the IGC, they must act solely in the interest of the in-scope policyholders and put aside the commercial interests of Standard Life. We also instruct independent consultants to carry out research on our behalf to ensure that the customers are getting value for money from their provider.

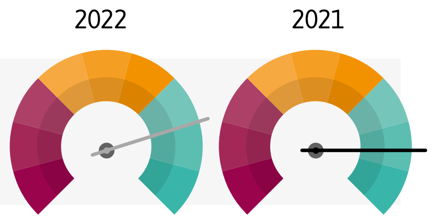
Competence

Members of the IGC are selected for the skills and experience they can bring to the Committee. In order to ensure we function appropriately, we carefully map the expertise required to provide robust oversight and then seek members who fulfil those criteria. For more information about how members of the Committee are selected please **click here**. We also undertake regular training to ensure that, as a Committee, we maintain the expertise necessary to represent customers.

Key Messages

Key messages

Costs and Charges



Overall, the IGC has given Standard Life a rating of GREEN for costs and charges for the following reasons:

- Standard Life has a maximum **ongoing charge** of 1% per year and most of you pay less than this, with 83% (81% in 2021) of you paying an ongoing charge of 0.75% or less. We are pleased to report that Standard Life has undertaken proactive activity to reduce customer charges through their Strategic Review of Investment Propositions resulting in lower charges for 1.5 million customers. Following discussion around data requested by the IGC Standard Life has implemented proactive reductions in charges for 12,000 customers where charges were viewed to be out of line with the market rate for a scheme.
- **Transaction costs** have been benchmarked using industry surveys. These are comparable to peers and as such we are comfortable that they remain reasonable. Standard Life's processes for monitoring, and the quality of the reporting of this information to us, has been maintained at a high standard over the year.

We continue to monitor the processes that Standard Life has in place to review **other charges** made for death in service benefits, funding of commission, with-profits guarantees and where you may pay more than 1% per year because you have selected particular funds. We continue to be broadly comfortable that these represent value for money. A review, and subsequent implementation, by Standard Life on the future treatment of commission is dependent on future systems migrations which are not expected to occur until, at the earliest, 2024. We have asked Standard Life to confirm if this will directly impact any charges paid by customers and if so have challenged them to accelerate this implementation for those customers. Most customers would pay no **exit charge** if you transferred your pension pot elsewhere and others have exit charges capped at 1%.

A key challenge raised in last year's report was the implementation of a reduction in charges for the 3,000 policies which still invest in initial units and also, for those under 55, to ensure they would be subject to an exit charge no greater than 1%. We are pleased to report that this change has been implemented with a backdating in the reduction of charges to January 2022 to ensure customers suffer no financial detriment because of this delay in implementation.

Key Challenges for 2023

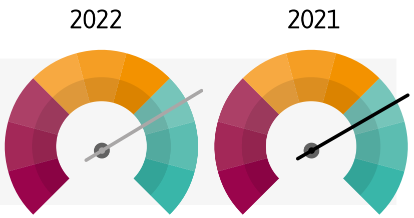
- To review any policyholders paying higher charges as a result of commission payments to advisers where no relationship now exists.
- To take action on scheme charges that are out of line with current business terms.

Customer Calls to Action

- Compare the charges you are paying with competitor charges, to see if any potential saving would be worth switching providers for.

Key Messages

Investment Performance

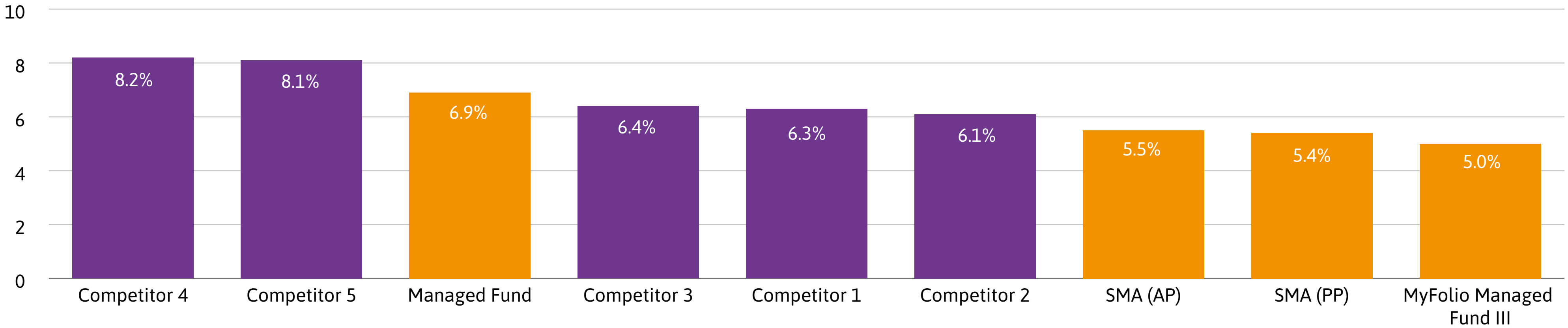


Overall, the IGC has given Standard Life a rating of GREEN for Investment Performance, for the following reasons:

Over the long-term, investment pots continue to grow at a reasonable rate compared with inflation.

- The majority of your funds are performing in line with the benchmarks which have been set for the investment managers.
- A benchmarking assessment carried out by an external consultancy concluded that the design of your funds means that they should be able to achieve a good outcome for members.
- Nevertheless, we remain concerned that the medium-term performance of many of the key default funds still do not compare well against competitor funds offered by other firms, although there has been some improvement by your managers in recent years.

Long Term Performance



*Source: FE Fund Info, figures shown are on a gross basis per annum for period 31 December 2012 to 31 December 2022.

On balance, the IGC considers that your fund managers have done a reasonable job in relation to the investment briefs which they had been given, bearing in mind that 2022 was a particularly difficult year for investors due to the series of major economic and financial shocks resulting from the Russian invasion of Ukraine and the surge in inflation.

Key Challenge for 2023

- To ensure that long-term pension fund performance remains ahead of high levels of inflation.

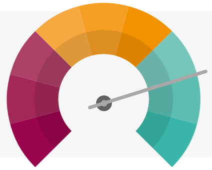
Customer Calls to Action

- Check you are comfortable with the types of funds you are currently invested in. Do they still fit with your appetite for risk?
- Are your retirement plans on course? If not, can you make any extra contributions to your pension?
- Review your planned retirement date. This may affect how your pension is invested when nearing your retirement date.
- If you are close to retirement, consider whether an annuity rather than income drawdown might be better for your future income.
- We recommend you seek guidance or independent financial advice to help you. If you're aged 50 or over, you can use the government's free Pensions Wise guidance service.

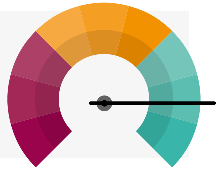
Key messages

Investment Services

2022



2021



Overall, the IGC has given Standard Life a rating of GREEN for Investment Services for the following reasons:

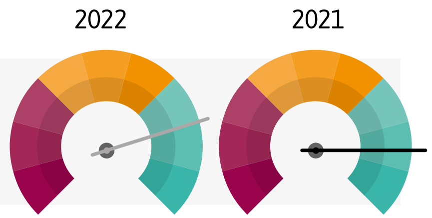
- The completed default fund design review was thorough and comprehensive, proposing fundamental changes to design principles as well as incorporating important ESG developments. The resulting Sustainable Multi Asset family of funds has been well-received by many financial advisers and consultants.
- Many of the changes required in the transition programme have been implemented although the scale and scope of this large exercise means that it will continue into 2023 and 2024.
- Significant efforts have been made in planning the considerable programme of asset transitions required, and lessons learned from the earlier phases.
- There is continuing evidence of ongoing mandate and manager reviews and changes being implemented where there is evidence of under-performing funds.
- The IGC have been concerned on occasion at the length of time it took for poorly performing funds to be replaced with suitable alternatives and will monitor this issue into 2023.

Key Challenges for 2023

- To consider, when planning the transition programme for the default funds, the 'before' and 'after' positions of different cohorts of customers, including: the costs of transition; protecting customers from detriment; and remediation if material errors are made.
- To ensure that suitable processes are in place to identify and replace poorly performing funds with sufficient speed.

Key messages

Customer Service



Overall, the IGC has determined a rating of GREEN for the customer service element of value for money for the following reasons:

- Most transactions were completed within their target time, despite some challenges in the second half of the year as a result of higher staff attrition and sickness than expected. Some customers may wait slightly longer than in 2021 to have transactions processed.
- Service quality is high – quality metrics have been met or exceeded during the year and complaint levels remain low.
- Bereavement processing remains a challenge, as for much of the industry given the complexity of modern family arrangements where the beneficiary can be unclear.
- There has been a significant reduction in the population of gone-away customers due to the improved tracing process implemented in 2021.
- Efforts have been made to encourage customers to register for online services, and nominate a beneficiary.
- External benchmarking has assessed Standard Life's services favourably against other providers.

Key Challenges for 2023

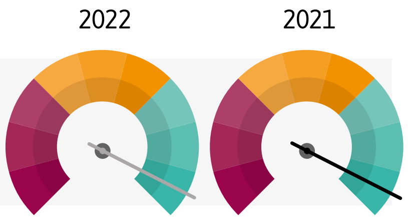
- To resolve the resourcing issues which arose in 2022, and stabilise service performance, especially in relation to retirement demand.
- To maintain service levels during the outsourcing of any operational activities.
- To continue to develop services for vulnerable customers.

Customer Call to Action

- Make sure your email address and all personal details are up to date, so you don't lose track of your pension savings.

Key messages

Communication and Engagement



Overall, the IGC have given Standard Life a rating of GREEN for communication and engagement for the following reasons:

- The IGC considers that this already strong area for Standard Life has continued to improve in the last year with a continuing clear commitment to producing quality, engaging communications and tools to help you keep track of your pension savings and make informed decisions throughout your journey to, and through, retirement.
- An area of particular focus over the last year for Standard Life has been increasing the focus on tailoring communications to meet the needs of specific groups of members at various lifestages resulting in high levels of engagement by members when compared to industry norms. The campaign to encourage all members to nominate beneficiaries was very successful with over 75,000 members adding beneficiaries to their policies.
- Standard Life responded quickly to the cost of living crisis providing additional targeted information, guides and tools to support members to navigate pension decisions. It also increased training on supporting vulnerable consumers for team members working directly with members.
- Standard Life has invested in helping members access information about their pensions online through further developments of the website and app. Over 42% of Standard Life members are now accessing their pensions via digital channels. Standard Life has invested in developing the help sections of the website and app to make it easier for members to access the information they need about their pensions and integrating secure messaging to allow members to ask for additional support.

Key Challenges for 2023

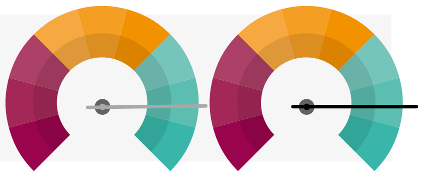
- To continue to focus on the agility of communications and the ability to respond to market conditions with communications that support member decision making and are tailored to member life stages.
- To consider communications to members throughout their lifecycles, especially those who no longer make pension contributions or have more than one pension with Standard Life.
- To take actions to ensure customer satisfaction is maintained at high levels.

Customer Call to Action

- We recommend you register for digital access (online or via the App) and use it regularly to review and manage your pension savings.

Key messages

ESG and Stewardship



Overall, the IGC has given Standard Life a rating of GREEN for its approach to ESG and Stewardship in relation to your pension savings for the following reasons:

- Standard Life continues to have a strong policy **framework** that sets out clearly how ESG and Stewardship considerations should be taken into account in investment decisions that impact customer outcomes. The policy framework covers factors that can influence the financial return from investments, but also recognises that some customers may wish to have their ethical, non-financial, values reflected in how their pension savings are invested. During 2022, the policy framework was strengthened in a number of ways, most notably through the introduction of a **Voting Policy** as part of a suite of measures to increase the impact that Phoenix Group (and hence Standard Life) can have over the companies that your savings are invested in.
- The policy framework is backed up by a strong governance framework, to ensure that the policy intentions are carried out. This framework was strengthened and deepened during 2022, and there are plans to further strengthen it to ensure it keeps pace with evolving regulatory requirements going forward.
- All investment decisions that Standard Life takes are required to meet certain minimum ESG standards. In addition, Standard Life offers a number of investment choices that incorporate more extensive requirements (e.g. screening out certain industries, or deliberately focusing investment decisions on companies with positive ESG attributes). Following the introduction of the Sustainable Multi-Asset Fund in 2020 (which is used as part of the default investment strategies for a number of Standard Life workplace pension arrangements), 2022 saw the implementation of a similar investment approach rolled out to all the other Standard Life-designed current default arrangements for workplace pension savings. This involved investment changes to over £13 billion of pension savings and impacted 1.5m customers within the scope of the IGC. While the changes play an important part in the wider Phoenix Group's plans to promote responsible investment practices and, in particular, to reduce carbon emissions, the changes were predominantly driven by risk management considerations – seeking to reduce the risk of climate change negatively impacting the size of customers' pension pots.
- During 2022, significant progress was made on extending the amount of reliable and relevant data available to Standard Life and the wider Phoenix Group in order to assess progress on their climate change targets and inform relevant decision-making. This data is key to the work of the team that oversees the investment decisions carried out on Standard Life's behalf by its fund manager external partners and the extent of scrutiny on ESG and Stewardship activity that they carry out. The data will also form a key foundation for the implementation of the Voting Policy developed in 2022.

- Standard Life carries out regular research on what customers want regarding ESG investment choices and the findings are used to inform the range of funds made available to you. During 2022, no additional funds were added to the range of self-select responsible investment funds, leaving the total available to Standard Life workplace pension customers at 22. Rather, as noted above, significant progress was made on replacing the existing range of Standard Life-designed default funds with a range that incorporate more explicit responsible investment (including ESG and Stewardship) considerations in their design and implementation.
- Standard Life continues to improve the visibility of its ESG and Stewardship activities to you as customers. As well as extra reporting available on the Phoenix Group website, the quarterly fund fact sheets for one of the key default funds now include extra detail on the difference that the ESG considerations are making.
- It is also continuing to take more of a leadership role in the industry, championing good practice in this important area. A key development in 2022 was the preparation of Phoenix Group's first application to become a signatory to the UK Stewardship Code. At the time of writing, it has recently been announced that the Financial Reporting Council (FRC) has accepted Phoenix Group as a signatory. This represents important external validation that Phoenix Group, and Standard Life in particular, are doing what they are claiming.
- In last year's report, we set out two key challenges for Standard Life, and the wider Phoenix Group – to communicate better the impact on the environment and society of Standard Life's responsible investment activity, and to implement the new range of default investment funds that incorporate more explicit responsible investment considerations in their design and implementation. Good progress has been made on the latter challenge, with the transfer of £13bn assets described in the investment Services section. In terms of the former challenge, most of Phoenix Group's publications in this area still focus at a more corporate level rather than showing the difference at an individual fund level. However, a welcome development in 2022 was the introduction of fund-level impact reporting for the Sustainable Multi-Asset Fund, through new sections added to the quarterly-produced fund fact sheets, and the IGC is keen to see this extended to other funds soon. Nevertheless, the IGC recognises the quality and value of the higher-level reporting that has been published, and the huge amount of effort that has been put into its development – both in terms of the commitments that have been made and the sourcing of robust data in order to evidence progress against them. The Phoenix Group 2022 Sustainability Report is available **here** and the Phoenix Group 2022 Climate Report is available **here** and both are worth reading.

Key Challenges for 2023

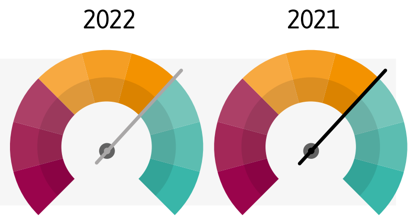
- To agree which responsible investment considerations should be incorporated in the design and implementation of the remaining Standard Life-designed managed funds.
- To extend fund-level reporting on ESG considerations, enabling more customers to see the beneficial impact on the environment and society of how Standard Life funds are invested.

Key Messages

Investment Pathways

Key messages

Investment Pathways



The IGC has given Standard Life's Investment Pathways proposition a GREEN/AMBER overall rating for VFM.

For many customers, the VFM rating is Green, but Amber is possible for some, as can be seen from the following ratings for the individual VFM components:

- Costs and charges – Green for many customers, but Amber for some, especially small pots.
- Investment performance – Green – funds are performing as designed. Now 2 years since launch, a review is underway to consider if other designs (i.e. different risk profiles) would be preferable.
- Customer service – Green.
- Communication and engagement – Green.
- Investment services – Green.

The rating for costs and charges for 2022 remains the same as 2021 because the key challenges highlighted in last year's report have yet to be addressed. If we don't see progress in 2023, particularly on charges, then the rating will deteriorate in our report next year. The key reasons for these ratings are set out below, with supporting detail presented in the associated **Further Commentary section**.

Costs and Charges – Green and Amber

- Following challenge by the IGC, Standard Life reduced charge levels for Investment Pathway pots between £25,000 and £500,000 in May 2022 and consequently for pots between £25,000 and £300,000 the charges would seem to be reasonably competitive.
- The charge level is not so competitive for the large volume of customers with pots worth under £25,000 or the minority of customers with larger pots (since some providers charge less for larger pots), particularly where Investment Pathways 1, 2 or 4 are chosen. For example, a customer with a pot less than £25,000 could save themselves up to £75 per annum in charges by moving to one of the cheaper providers in the market, whilst the small number of customers with a £300,000+ pot could save over £450 per annum.
- Some Standard Life customers are able to access Investment Pathways while retaining the employer-based discounts that applied to their pre-retirement savings. For such customers, this may prove quite an advantage.

- The transaction costs incurred in the investment management of the four Investment Pathway funds appear reasonable in the circumstances and do not raise any VFM concerns.

Investment Performance – Green

- The four Investment Pathway funds were launched in 2020 and so there is only limited past performance data available. The one-year performance figures as at 31st December 2022 demonstrate that the four funds are performing broadly in line with the targets set when they were designed. Independent benchmarking noted that the Investment Pathways tended to have a lower downside performance compared to some propositions during 2022, with correspondingly slightly lower upside returns when comparing to others.
- When the 1-year performance is compared with that of other providers' Investment Pathway funds, a very wide spread of results can be seen. This seems largely a consequence of different risk levels being chosen by different providers for the same Investment Pathway choice. Pathways 1 and 4 are performing towards the top of the comparison tables and Pathway 3 is performing broadly in line with the peer group.
- A review of the pathway fund designs is underway in 2023 and the IGC is keen to see what changes to Investment Pathway investment strategies are proposed and how this compares to others in the marketplace, given the range of alternative approaches available.

Customer service – Green

- The customer service for Investment Pathway customers is carried out by the same teams that carry out all the other retirement-related servicing. The IGC monitors the associated performance data every quarter. The results for 2022 showed acceptable levels of performance across the retirement customer journeys against a challenging background for customer service within Standard Life more generally, although the IGC are keen to see a reduction in delays to accessing tax-free cash.
- The IGC now reviews complaints specifically for Investment Pathway customers, which have remained extremely low in 2022 with no areas of concern.

Communication and engagement – Green

- Communications remain clear and understandable, and independent benchmarking supported this. The material was often rather easier to read than that produced by many of the peer companies. Findings from customer research and industry benchmarking exercises confirm that the communications are "fit for purpose".
- Customer research findings are generally positive about the Investment Pathway customer journey, particularly the guided telephony route, but also the online journey.
- Many customers seem more focussed on using Investment Pathways to access tax-free cash now rather than make longer-term decisions about future income in retirement. The IGC is keen to see how Standard Life responds to this and strengthens its communications to reduce the risk of customers taking inappropriate actions. It is, however, reassured that all customers who take an action out-of-line with their pathway choice are contacted as a consequence and informed of the purpose of the pathway and risks of acting differently.

Investment Services – Green

- The operation of the four Investment Pathways funds is subject to the same levels of oversight as other Standard Life-designed funds within the IGC's scope. This oversight confirms that the funds were operating as intending during 2022.
- The IGC will be keen to see how Standard Life responds to the very different strategies that some providers have chosen for some of their Investment Pathway funds in the current review.

Key Challenges for 2023

- To review charging levels for both very small and very large pension pots.
- To develop additional customer communications to confirm customer's choice of pathway.
- To consider whether any design modifications would be appropriate concerning the risk-return trade-offs for each of the four Investment Pathways.
- To continue to develop Investment Pathway-specific customer servicing management information.

Customer Call to Action

- Check whether the Investment Pathway you are in is still the most appropriate for you. For example, annuity offerings are much more generous than a few years ago.
- Compare the charges you are paying with competitor charges, to see if any potential saving would be worth switching providers for.

Further Commentary

Further Commentary

Costs and Charges

Further Commentary

Costs and Charges

What we look for

A number of costs and charges may apply to your plans and include:

- charges deducted on an ongoing basis (**'ongoing charges'**); and
- deductions to cover the costs of buying and selling the investments within the plan called **'transaction costs'**.

Some of you have other benefits or services on your plan – certain guarantees that apply to with-profits investments; protection benefits e.g. life insurance or waiver of contribution cover; where customers have specialist investments, or advice from an adviser. Customers typically pay extra for these benefits through '**other charges**'. Additionally, there may be an '**exit charge**' deducted from the value of a plan if it is transferred to another provider.

In determining whether the costs and charges you pay provide you with value for money, our primary driver (in line with Financial Conduct Authority (FCA) rules) in the assessment is against reasonably comparable scheme comparators that are available to you. These comparators can be within the Phoenix Group as a whole or available in the wider open market. We have always believed that ongoing charges greater than 1% per annum do not represent value for money unless there are associated additional benefits as described above. We remain satisfied that the vast majority of members are receiving value for money in relation to the charges they pay, however, there are c.17% of customers that are paying above 0.75%; most of these customers will not be in an active scheme. Given comparators we have seen in industry surveys and alternative options available within the Phoenix Group are priced at 0.65% per annum, we have challenged Phoenix to provide us evidence around why they still view that a 1% per annum threshold for charges provides value for money.

Whether a customer will receive better value by taking those lower cost options can be a complex decision as value depends on benefits received as well as the costs. What is critical is that customers are aware of and regularly review their options and we would encourage all to do so. We expect **transaction costs** to be within normal market ranges or, where they appear materially higher, to understand why this is the case and any action taken to offset the impact on customers.

Initial Units – an Explanation

Some of you have policies which still have what are known as initial units. These incur an ongoing charge of more than 1% per year and were originally designed to help pay, over time, for the costs of setting up the policy.

If you were to transfer your policy to another provider your 'transfer value' would also incur an exit charge based on those units – also designed to pay for the costs of setting up the policy because you were exiting earlier.

The exit fee reduces over time so, if you compare the transfer value of the policy from one year to the next, the policy will have seen an effective charge of 1% because the charge on the initial units will be higher over the year but the exit charge will have reduced.

However customers who stay with Standard Life will have simply paid the higher charge.

Where customers pay **other charges** for other benefits and services, then we consider this to be reasonable, provided customers know that they are paying for those other charges, understand (and still need) the benefits or services, and receive adequate communications. We also look to see that these other charges are reviewed periodically, to ensure that they remain appropriate.

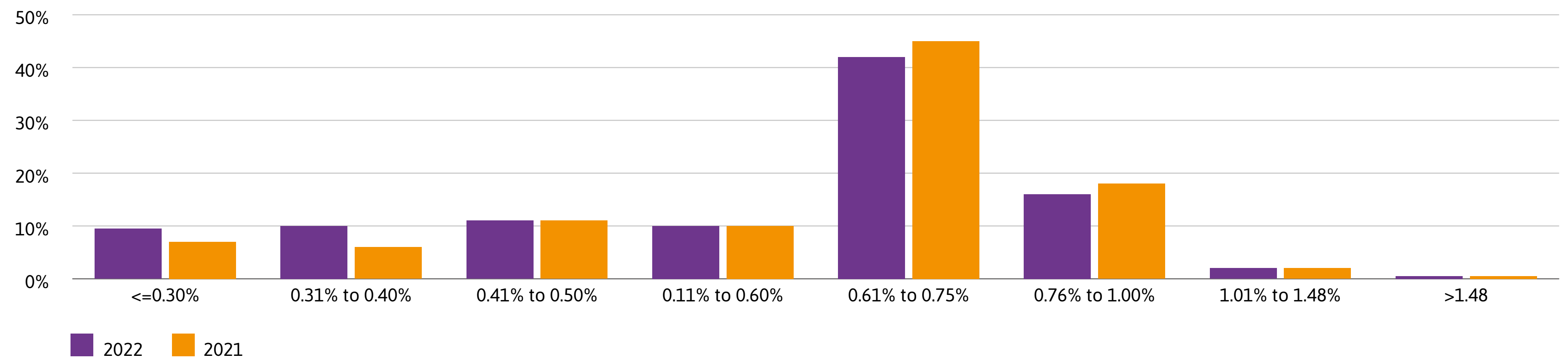
We are concerned if **exit charges** are above 1% of the value of the plan.

Ongoing Charges

Ongoing charges remain in line with what we have seen in previous years. 83% of you are now paying less than or equal to 0.75% per year (up from 81% the previous year). 0.75% per year is the maximum charge for default investment options in schemes under auto-enrolment, with many paying less as a result of discounts on the charge agreed with individual employers and/or due to the size of the plan value. No one is paying more than 1% per year in ongoing charges, other than where they are receiving other benefits or services – see below – and we currently consider this to be reasonable value for money for these benefits or services. A full breakdown is provided here.

We also look at the spread of charges (split into different charge bands) you are paying, and we are pleased to see that the trend is that more of you are falling into a lower charge band as can be seen in the chart below.

Customer Charge Bands



As you can see, there are proportionally less of you paying charges in each of the bands from 0.41% and above, with proportionally more of you paying charges of 0.40% or less. We are pleased to report that Standard Life has taken proactive actions to reduce charges for many of you in 2022 to support the trends shown above, which have included the following:

- As part of Standard Life's strategic review of investment propositions, ongoing charges reduced across the Active Plus III and Passive Plus III Pension Funds with a reduction of between 0.1% and 0.17% (for Active Plus III customers) and up to 0.02% (for Passive Plus III customers) on your ongoing charge.
- Proactive activity on a variety of schemes where specific schemes have been offered an improvement in terms where it has been observed that the current scheme charge is out of alignment with the market rate for the scheme. Standard Life have advised us that this is an ongoing piece of work and we look forward to receiving future details on this on an ongoing basis.

We are also very pleased to report that the second of the points listed above is a direct result of work requested by the IGC to understand the costs and charges you are paying, evidencing the benefit of the effective challenge we provide to Standard Life on your behalf as part of the overall value for money assessment.

In addition to the reasons above, the writing of new business and implementation of new terms for some schemes will have contributed to some of the changes in the year on year comparison.

In last year's report, we described how Standard Life were looking to implement changes for a group of approximately 3,000 pensions which had charges capped at 1% per year as measured on the basis used to assess ongoing charges when IGCs were first set up, but higher than 1% per year using the basis adopted within Standard Life. This was due to those policies still investing in initial units. We are pleased to report that these changes have now been implemented which will effectively further reduce charges on this group of policies. Given the delay in implementation, Standard Life has backdated any impact to January 2022 so customers are not at any detriment.

Other Charges

The proportion of customers who are paying more than 1% per year as a result of additional charges made to fund commission paid to advisers, or because of a more bespoke fund choice, has fallen slightly during the year.

When Standard Life capped ongoing charges at 1% in 2016, in some cases this resulted in charges applied to policies to fund commission being reduced and commission to advisers being similarly reduced unless the adviser provided customer consent for it to continue. Accordingly, some of you continue to pay charges for commission within the 1% per year ongoing charges and some agreed to continue to pay charges for commission to take the charge above 1% per year. A charge for commission can represent value for money provided the customer is still benefitting from advice.

A review, and subsequent implementation, by Standard Life on the future treatment of commission is dependent on future systems migrations which are not expected to occur until, at the earliest, 2024. We have asked Standard Life to confirm if this will directly impact any charges paid by customers and, if so, have challenged them to accelerate this implementation for those customers.

There are a small number of customers (around 100) with integrated death in service ('DIS') insurance cover as a protection benefit with their plans. DIS cover pays out a lump sum if the customer dies during the term of the policy and the cost of the benefit is met by cashing in part of the fund value each month. The cost rises with age, so can become significant relative to the contributions made each month as customers become older. The number of customers with this benefit has fallen considerably over recent years largely as a result of Standard Life writing periodically to remind them of the cover they have and asking them to consider whether they still require the benefit because it is of value to them or otherwise allowing them to cancel it.

We also continue to monitor the operation of with-profits investments and charges made for guarantees. We are pleased to report that Standard Life has reduced charges from April 2022 for guarantees applied to their **with-profits investments** to around 1/3rd of their previous value. The exact reduction will vary by product, but could be up to 0.5% per annum for some customers. We remain comfortable that the charges paid by customers are reasonable given the **guarantees** provided and therefore represent value for money.

Transaction Costs

The quality of **transaction cost** reporting to the IGC has continued to be high over the course of 2022. This reflects a continued high level of data coverage, Standard Life doing more in terms of analysis of costs and how these change from period to period, and investigating funds where charges appear particularly high. Our report covers the 2022 calendar year and includes 100% coverage of the transaction costs associated with the underlying investment held by the SLAL funds (100% in 2021), and 100% coverage of transaction costs related to the buying and selling of units in those underlying funds (99% in 2021).

However, the issues with the time it takes for transaction cost data to be reported to us described in previous reports still remain. This appears to be an industry-wide issue, in large part due to the delay in fund managers providing data to firms to enable them to collate, review and report e.g. Standard Life can only report a complete set of data to us when all the fund managers it uses have supplied the necessary data. This report is required to cover charges during 2022 but we did not receive data until end of April – almost four months later.

Transaction Costs for Managed, Active Plus III, Passive Plus III and With-Profits Pension Funds

This table shows transaction costs for the main growth funds used within the main Standard Life "off the shelf" Lifestyle categories.

Fund Code	Fund Name	Fund Average NAV (£bn)	costs 2022 (%)	costs 2021 (%)	costs 2020 (%)
FA	Standard Life Managed Pension Fund	£22.6bn	0.181	0.122	0.121
DDNA	Standard Life Sustainable Multi-Asset (AP) Pension Fund	£4.8bn	0.091	0.173	0.221
CCHD	Standard Life Sustainable Multi-Asset (PP) Pension Fund	£6.3bn	0.106	0.162	0.134
LPNL	Standard Life Sustainable Multi Asset Growth Pension Fund	£0.2bn	0.063	0.065	n/a
W1	Standard Life Pension With-Profits Fund	N/A	0.042	0.116	0.136
W2	Standard Life Pension Inflation Plus Fund	N/A	-0.008	0.005	0.011
W8	Standard Life Pension 2 With-Profits 2 2006 Fund	N/A	0.021	0.173	0.189
WA	Standard Life Pension With-Profits One Fund	N/A	0.021	0.173	0.189
WC	Standard Life Pension Millennium With-Profits Fund	N/A	0.021	0.173	0.189
WJ	Standard Life Pension With-Profits One 2006 Fund	N/A	0.021	0.173	0.189
WN	Standard Life Pension 2 With-Profits 2 2006 Fund	N/A	0.021	0.173	0.189
WQ	Standard Life Pension Millennium With-Profits 2006 Fund	N/A	0.021	0.173	0.189
AW	Stakeholder With-Profits Fund	N/A	0.048	0.077	0.073
BO	Stakeholder With-Profits 2006 Fund	N/A	0.047	0.077	0.069
AW	Corporate Stakeholder With-Profits Fund	N/A	0.048	0.077	0.073
BO	Corporate Stakeholder With-Profits 2006 Fund	N/A	0.047	0.077	0.069

*The NAV is N/A as these are different pricing series of with-profits asset pots, so separate NAV's are not available

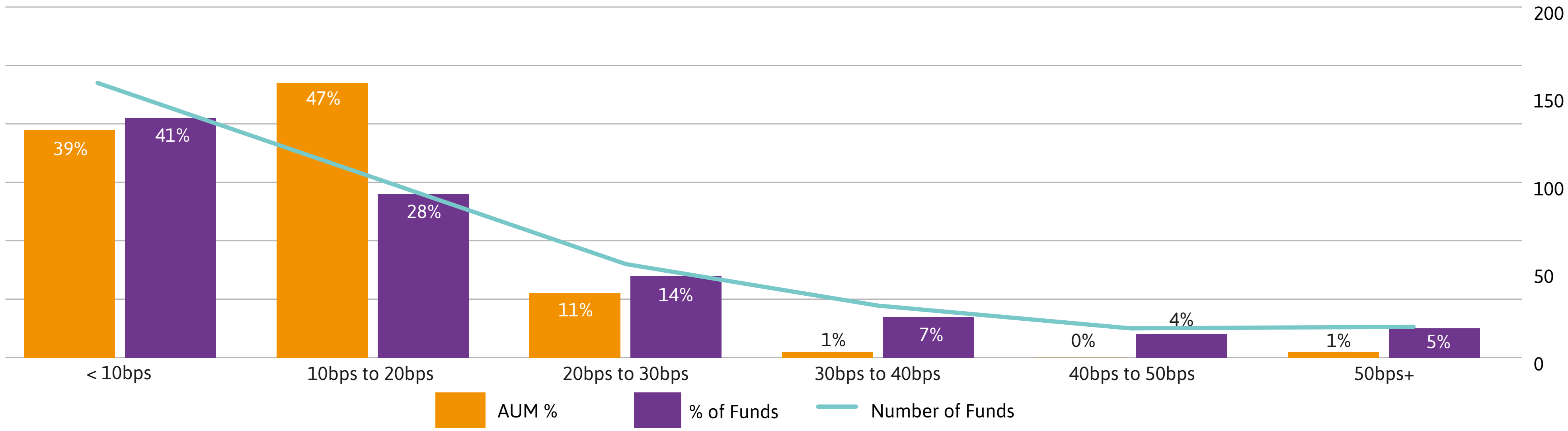
Transaction costs for 2022 are largely reduced compared to those experienced in 2021. However, the Standard Life Managed Pension Fund has seen an increase in transaction costs during 2022. The reasons for this have been investigated with the causes relating to a different asset allocation and an increase in implicit costs (which is a function of the methodology defined in calculating transaction costs). Overall, we are satisfied that this transaction cost remains reasonable, but we will continue to monitor and challenge during 2023 to ensure that this upward trend does not continue.

Following a strategic review of investment propositions by Standard Life, during 2022 many you will have seen a change to the investment strategy of your underlying pension funds where they are invested in 'default' funds (where this has affected you, Standard Life will have contacted you already). We have been monitoring the changes being implemented to ensure that the transaction costs arising because of this change are appropriately apportioned and that members would not be negatively impacted.

Transaction Costs for all Relevant Unit Linked Funds

Transaction costs for all 568 unit linked funds offered by Standard Life to customers who are within the scope of the IGC are available on our section of the Standard Life **website**. The chart below provides a summary view of these costs split into bands. This illustrates that around 69% (67% in 2021) of funds saw transaction costs below 0.20% and 86% (86% in 2021) below 0.30%. The chart also illustrates that higher costing funds tend to be smaller. We continually ask Standard Life to investigate funds with transaction costs at the extreme end i.e. in excess of 0.50%. In general, it appears that costs at this higher end are associated with implicit costs i.e. differences in the price the fund managers received or paid when they sold or bought underlying investments, compared to the price when they decided to trade. In other words, the costs are a feature of the methodology used to calculate transaction costs rather than due to higher explicit costs, such as commission and stamp duty. In some cases, the larger costs are associated with specialist funds and not out of line with the market. Importantly, Standard Life continues to look at the reasons for any funds with high transaction costs and provides regular information to the IGC around the reasons for these high costs.

Q4 2022 Standard Life Breakdown of Transaction Costs (bps*)



*bps or basis points refers to 0.01%

We continue to look regularly at industry benchmarking information to gain comfort that Standard Life transaction costs continue to be in line with typical market ranges. Our analysis indicates that Standard Life transaction costs at an asset class level continue to be in line with typical market ranges. Standard Life also took part in an industry benchmarking exercise that showed transactions costs were comparable to those reported by other group participants with the report noting that transaction costs were low.

Finally, it should also be noted that a higher transaction cost is not necessarily bad value for money, if it has resulted in a better investment return for customers, or is due to a change in investment strategy designed to improve future returns.

Overall, we continue to be comfortable with the level of transaction costs.

Increased Disclosure of Costs and Charges

Increased disclosure requirements introduced for our report last year required IGCs to publish costs and charges information in more detail.

The table of costs and charges covering all funds is available, along with sample illustrations to show the impact of those costs and charges, on the **website**.

The tables show the range of costs and charges incurred by individual customers and demonstrate that not all customers pay the same for the same fund but that costs and charges vary, generally due to the terms that your employer or previous employer agreed with Standard Life, but also potentially due to the type of policy you have. What you pay may also vary by the type of fund(s) that you are invested in. It is important, therefore, to understand how your charges compare with what you may be able to get elsewhere. The sample illustrations also show how significant ongoing charges can be on the ultimate value of your pension, particularly if you have a larger pot invested over a long period.

In addition, the Financial Conduct Authority (FCA) rules around assessing value for money in workplace pension schemes require IGCs to consider the most appropriate and proportionate way to assess an employer's scheme so that the IGC can produce a value for money assessment that is the most useful for members.

IGCs have a judgement to make on whether to assess costs and charges at an individual employer level, at an aggregated level or by a combination of both. We have chosen to assess costs and charges at an individual employer level rather than an aggregated level. We feel this is most appropriate, as it is at this level that you experience the service offered for the particular charge that you are paying and allows you to fully understand where your level of charges sits in comparison to other employer arrangements.

Additionally, we also feel it is appropriate to consider and report at an individual member level to show how your charges compare to all other Standard Life customers so that you can see how your charges compare to all other individual customers with a Standard Life policy.

We also recognise that the ongoing charge can justifiably vary for different employer arrangements, in particular due to the number of members and also the average assets under management for members. We have therefore asked Standard Life to provide us with additional granular information that shows how ongoing charges compare for employer arrangements with similar numbers of members and also similar average assets under administration for members. We have found this information very valuable and it has allowed us to challenge Standard Life around any outliers in terms of ongoing charges. We are also pleased to hear from Standard Life that they have found this information useful, with it being a contributing factor to the proactive activity they have carried out, resulting in several price reductions for certain schemes where the charges being applied were out of line with current market pricing. We will continue to do this using the internal Standard Life data that is available.

Externally, we have taken part in industry-wide benchmarking surveys to understand how the level and spread of charges compare with those across the industry. We will also continue to look at disclosures within our peer IGCs' reports to see how Standard Life's costs and charges compare across the industry.

A suggested action for you – we strongly encourage you to understand how the level of charges you pay compares to charges paid by other employer arrangements with Standard Life. Within this report (for default funds) and on the website (for all funds) there are details that show the distribution of charges at an employer and individual member level. We have chosen to present the data in this fashion as we believe this is a useful and effective way for you to understand how the level of charges you are paying compares with those of other employer arrangements within the same fund and, as such, what relative value for money you may be receiving.

In order to help you to be able to assess this, Standard Life has delivered a digital solution that will allow you to find the level of charges for all funds that you are invested in or are available to you. From the Standard Life **website**, you are able to enter your scheme number and be presented with all relevant costs and charges for both invested funds and funds available to you. You will be able to find your scheme number on your annual statement. In addition, your annual statement will show what charge you are paying and the online dashboard will show this in more detail by fund and as a percentage of the fund value. This means that some of you can see what charge you are paying as a percentage and therefore can use the table in this report to compare that with what others are paying for the same fund. You can contact Standard Life if you wish to register to gain access to the online dashboard.

In order for you to consider how the charges you are paying compare to those being applied to other members or employer arrangements provided by Standard Life, for each fund available we have set out, using various charge bands, the proportion of members and employers invested within that fund who are paying the level of charges indicated within the relevant band.

For example, the table below shows the distribution of charges for employer arrangements invested in the Standard Life Sustainable Multi Asset (PP) Pension Fund. If you are invested in this fund and paying a charge of 0.6% or higher, then 34% of other employer arrangements who are invested in this fund will be paying a lower charge, some significantly so. There may have been valid reasons for this, but, in this scenario, we would encourage you to consider whether you are receiving value for money given the charges being applied to other employer arrangements.

Fund Code	Fund Name	< 0.3%	0.3 to 0.39	0.4 to 0.49	0.5 to 0.59	0.6 to 0.75	0.76 to 0.85	0.86 to 0.95	0.96 to 1.00
CCHD	SL Sustainable Multi Asset (PP) Pension Fund	4%	11%	10%	9%	66%	0%	0.0%	0.0%

The distribution of charges for all other default funds can be found within this report. For all other investment funds, the distribution of charges is available on the Standard Life **website**.

Finally, we are required to publish the charges that apply to each fund that is available to invest in for each individual employer arrangement with Standard Life. We feel that the most effective approach for members to understand the charges applicable to them and how they compare to the charges of other members or employer arrangements invested in the same fund is through use of the digital solution described above in conjunction with the distribution of charges set out in this report. However, we do view it as important that we present data that satisfies the regulatory requirements, and this information is available on the Standard Life **website**.

Exit Charges

The majority of Standard Life plans have no exit charges, with others capped at a maximum of 1% of the plan value. We consider this to be value for money.

Further Commentary

Investment Performance

Further Commentary

Investment Performance

Overall, Standard Life's Investment Performance 2022 contribution to Value for Money for Customers is still assessed as GREEN, but only just. Assessment criteria scores were the same as in 2021, with 72% of the maximum score awarded.

What do we hope to find?

- Default funds are delivering sufficient returns on your retirement savings over the medium to longer-term to provide a decent outcome when you retire, without taking too much investment risk.

Although VFM is mainly about what you might get in the future, we look to see how your investments have performed in the past to confirm our findings. We look at how well fund managers have performed against the specific brief that they have been given, and we also examine how well funds have performed against similar funds that you or your Employer might have chosen instead. The ultimate test, though, is how your savings pot has grown over time, and for that we see how funds have performed in real terms, that is taking past inflation into account. Please note that the design of your default fund is now considered under the Investment Services section below.

What we found

2022 was a particularly difficult year for investors. Although the default funds in which most of you are invested had delivered strong returns in 2021, as economies started to recover from the worst impacts of the pandemic, this was reversed in 2022, when the world economy was hit by a series of major economic and political shocks. Over the long-term, retirement pots continue to grow at a reasonable rate. However, in the short-term, rapidly rising inflation has affected the purchasing power of any pot which a workplace pension scheme member has built up in recent years. Some people approaching retirement might benefit from examining the use of an annuity rather than income drawdown from their portfolio. On balance your fund managers have done a reasonable job over the past year when compared with the specific investment brief which they had been given. However, we remain concerned that some of the key default funds still do not compare well against those offered by other firms, despite some improvement by your managers in recent years.

Key Challenge for 2022

- The two challenges for 2022 were to complete the default changes required as cost-efficiently as possible, which was achieved, and secondly to improve performance vs peers, where there was some progress.

Key Challenge for 2023

- To ensure that long-term fund performance remains ahead of inflation.

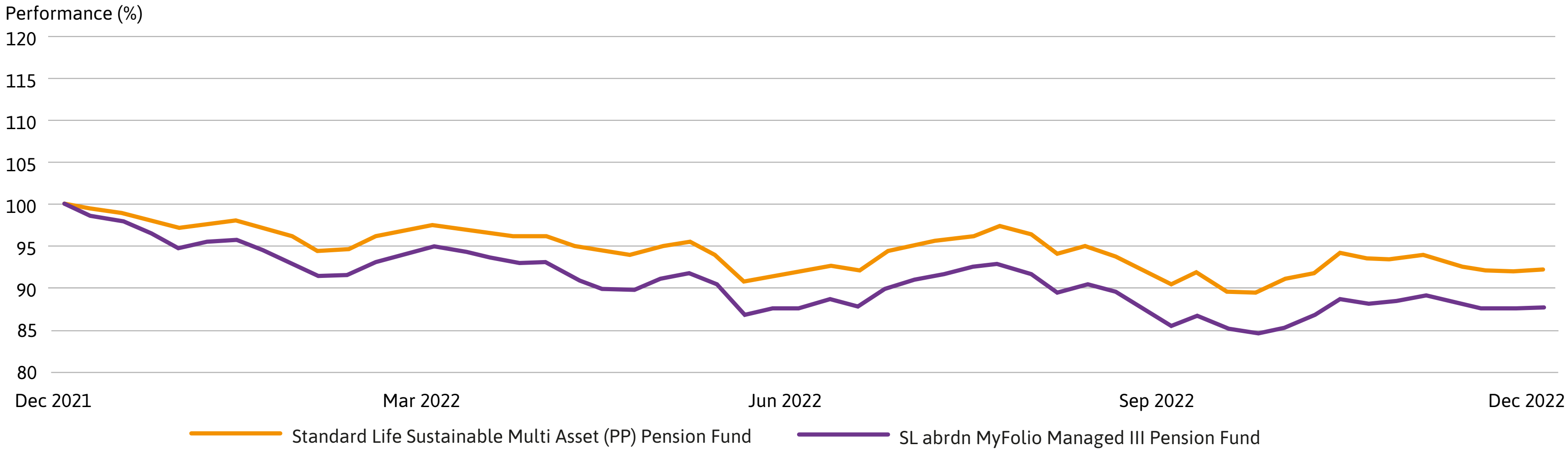
How did your funds do in 2022?

The multi-asset funds in which most of you are invested delivered negative returns in 2022, as almost all financial markets reacted badly to the combination of the Russian invasion of Ukraine, surging inflation, higher interest rates, and weaker economic growth in most countries. This reversed the strong returns seen across most financial markets in 2021 as economies started to recover from the worst impacts of the pandemic.

The effects can be seen in the graph below which shows the best and worst performing of the Standard Life key default funds in 2022, all of which ended the year with negative returns. Your default funds are usually invested in a mixture of equities, government and corporate bonds, and commercial real estate. All of these assets suffered in 2022 from the impact of higher interest rates, a squeeze on company profits, and much weaker economic activity. The difference between the 'high' and 'low' funds relates principally to differences in design, rather than the performance of their fund managers – the design of funds is considered in the Investment Services section below.

The other key Standard Life defaults, in which many of you are invested, posted returns between these two funds. However, others of you are invested in default funds designed by your Employers' advisers rather than by Standard Life, and these funds may have performed differently. Although Standard Life are not responsible for the design of these defaults to the same extent, we do assess the performance of the underlying funds in which they invest as part of our overall oversight, and specifically include them in the external validation analysis referred to below.

Highest and lowest performing key defaults in 2022



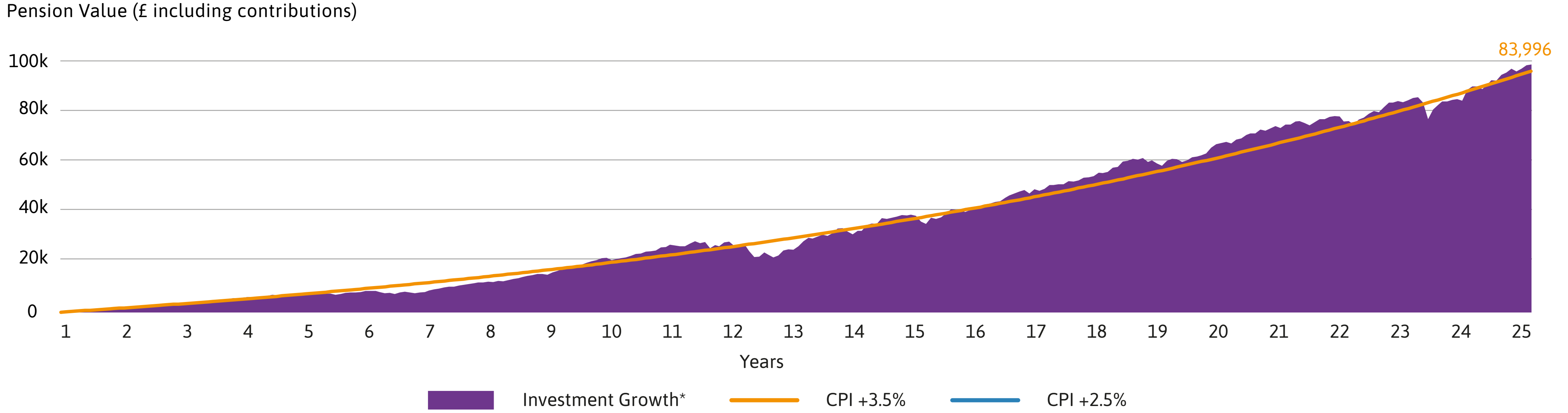
Source: FE Fundinfo, as at 30 Mar 2023.

What about over the longer-term, when compared with inflation?

Here we look at the performance of all available funds over the longest possible timescale, as many of you will be invested for several decades. Funds entirely or largely invested in stock markets would hope to beat inflation in most years, but short-term surges in inflation can mean that is not the case. For example, the headline rate of inflation in the UK touched 11% in the year to November 2022, its highest level in 41 years. The value of a fund after taking inflation into account matters especially for anyone using a retirement fund for drawdown; a key requirement when taking money periodically out of a fund is to maintain the fund's value or purchasing power in real terms.

The graph below illustrates how regular investment over a 25 years savings journey up to retirement would have grown compared to inflation over the same period (investing initially in the Standard Life Managed Fund, which is the default fund with the longest record, but switching into the Active Plus III Universal SLP and then the Sustainable Multi-Asset SLP when they were launched, plus gradually de-risking in the years approaching retirement as a result of the lifestyle strategy). The good news is that inflation has averaged about 2.0% a year over this 25 year period, whilst in comparison the investment would have achieved an annual return averaging 4.5%, hence a positive gap of about 2.5% per annum. However, in the year to 2021, lower levels of inflation and higher market values meant that such an investment pot would have seen long-term growth of 3.5%pa over and above inflation. These are still good outcomes, but they do show two points – the importance of inflation to savers and investors, and the need to look back over a long time rather than focusing on just one or two years. The size of the pot illustrated at the point of retirement also assumes you contributed throughout the journey.

25 Years Savings Journey, including Glidepath to Retirement



Source: FE Fundinfo, as at 03 March 2023.
* Standard Life Managed Fund moving into Active Plus III Universal SLP then Sustainable Multi Asset Universal SLP.

This is only one illustration, but we do look at the results of all funds and raise queries on any that have not beaten inflation over five years where it is not immediately obvious why that might be the case (a cash fund or fixed interest fund for instance) and where this has not already been highlighted on other performance grounds.

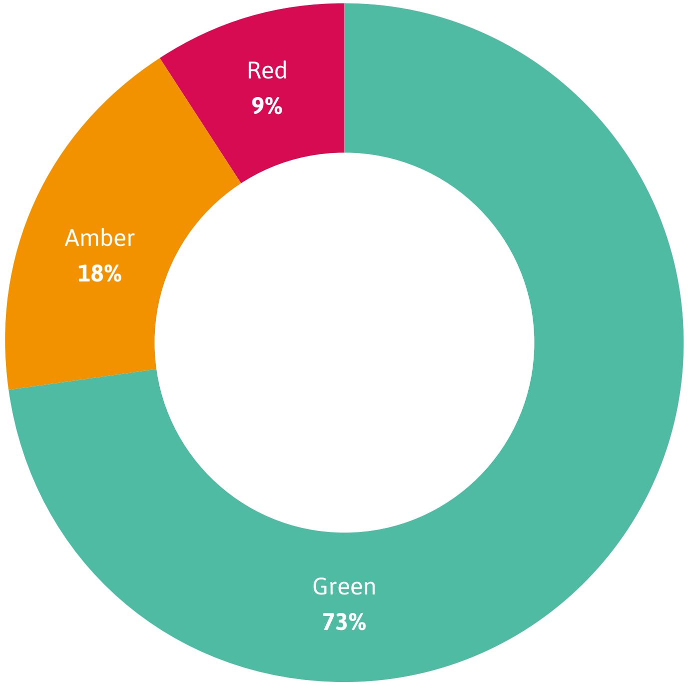
How good a job are the fund managers doing?

To assess this the IGC has devised a Red/Amber/Green performance flag ("RAG") which looks at how funds have performed compared to the benchmarks that have been set for the managers. The benchmarks could be a published market index like the FTSE All Share, or a customised combination of indices, or the average return of a suitable peer group.

We look every quarter at three-year performance, and the RAG assessment takes into account how we would expect a fund to perform, given the instructions which the manager had been given. For instance, if the brief was to match an index, we expect performance to be very close to index performance. If it's an actively managed core fund, we look for outperformance but understand that in the short-term results can be more variable.

The proportions of Red/Amber/Green across all Standard Life funds available for investment by workplace customers such as you are shown in the chart alongside. This shows that a majority of fund managers are delivering positive results against the brief they have been given, whether to match the return of a benchmark comparator, or to beat it. However, we are concerned that about one in five funds have some warning signs and there are deeper concerns about one in ten funds. After some improvement in 2021, this returns the RAG rankings closer to those seen in 2020. We do accept, however, that last year was a very difficult one for almost all fund managers, not just Standard Life, and hence we will monitor the situation closely into 2023.

Performance RAG distribution (rated funds)

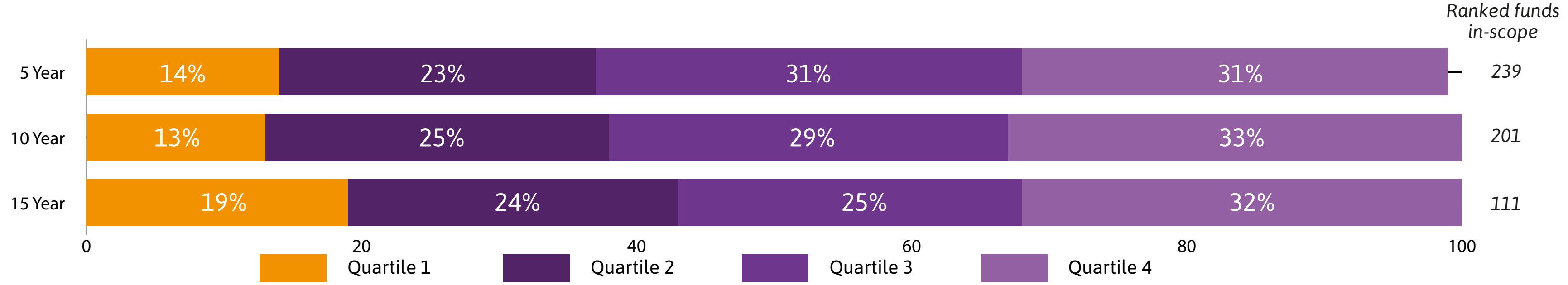


There were 55 unrated funds due to unavailability of data

How do these funds and profiles compare with peers?

The quartile rankings of those funds which can be compared against ABI (Association of British Insurer) sectors of similar competitor funds over various periods are set out below. 'Quartile ranking' involves arranging in order all similar funds from the best to worst performing, and then dividing the list into four groups with quartile 1 reflecting the best performing quarter of the list, quartile 2 the next best and so on; hence quartile 4 is the worst performing funds. Two points are worth considering in relation to the 2022 results. First of all, the majority of Standard Life funds were in the bottom half of the table, that is in the bottom two quartiles. This is similar to the situation seen in 2020 and in 2021. Secondly, there are some signs that the situation is not improving. Over the 15 years to 2022, 43% of funds were in the top two quartiles, whilst in the five years to 2022 the figure was 37%. This occurred because the earlier, better performing, years have been replaced by recent years that performed less well. It is not immediately obvious what has caused this drop because, although we can analyse Standard Life's performance, we don't know how competitor results were achieved. One possibility is that other competitor funds invested more aggressively in fast-growing equity markets outside the UK. Nonetheless, this is an adverse indicator for your VFM as it suggests that better results could have potentially been obtained elsewhere if you (or your Employer) had made different choices.

Quartile Rankings (Ranked Funds)



The table shows the number of funds assessed over each time period, and the percentage falling into each quartile. Source: FE Fundinfo, data to 31/12/22.

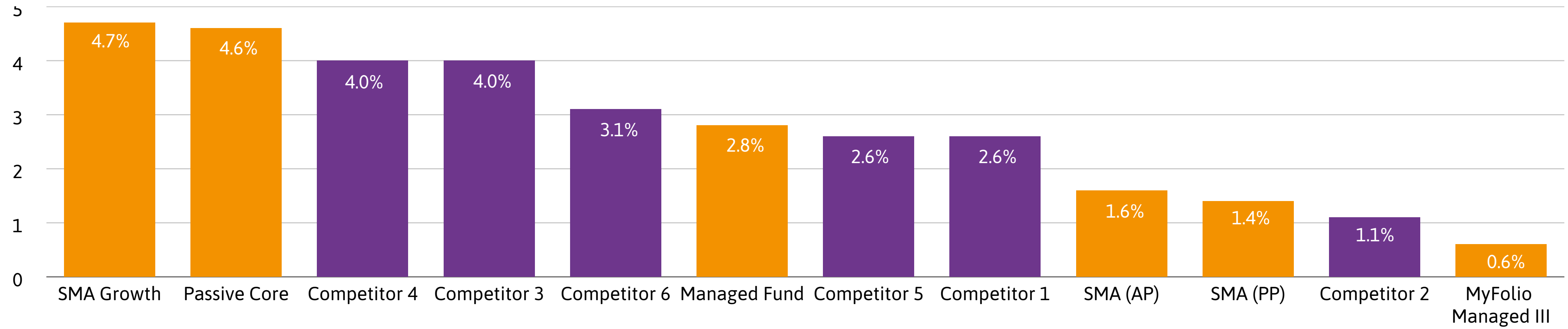
The default funds which most of you invest in are not included in the above analysis because they have customised benchmarks and therefore don't fit neatly into any of the ABI sectors. However, we have looked at how those default funds compare with competitor firms' auto-enrolment defaults over the last ten years. It had been the case that, with the exception of the Managed fund, the performance of the other three major default funds did not compare favourably either, as shown in the secondchart below. However, the introduction of the new Sustainable Multi-Asset (SMA) range of funds has improved the situation, as shown in the first chart below. Looking over the past three years, the SMA funds are ahead of or in line with their main competitors. All in all, over recent years the company has begun to take more steps to close the gap which had appeared between the Standard Life default funds and other default funds.

The reasons for the differences in performance largely reflect the design of each portfolio, for example the amount of equities which each fund contains and hence in broad terms the willingness to accept a higher or lower amount of risk, We note, for example, that the more modern Standard Life defaults still have less in alternative assets such as real estate or private equity than some of their competitors, as historically they have had a greater focus on managing downside risk and dampening volatility.

SL Defaults & Competitors

The chart highlights the position of SLAL's core defaults against peers. Despite the most challenging year on record for multi-asset portfolios, Standard Life's SMA, and Passive Core strategies continue to show top-quartile peformance over more meaningful periods and in line with CPI +3.5% expectations. Our more traditional defaults have now upgraded to a version of the SMA strategy. Their pre-existing lower equity/volatility-controlled approach was less impacted than some over 2022, but they did miss out on the strong market conditions to 2021 and their medium to longer term performance lags as a result.

3 year performance



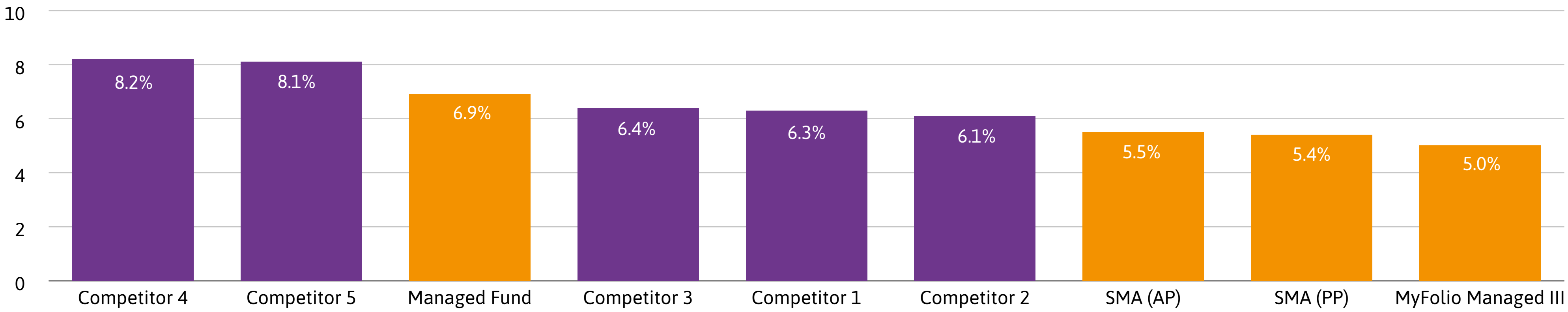
The information shown relates to the past. Past performance is not a guide to the future. The value of investments can go down as well as up and may be worth less than paid in. Source: FE Fund Info, figures shown are on a gross basis for periods ending 31 December 2022. Passive Core was launched on 02.10.2019. The 3 and 5 year performance and 3 year volatility figures are based on simulated performance using underlying fund and index data. Sustainable Multi Asset (SMA) was launched on 14.12.2020. The 3, 5 year performance and 3 year volatility figures are based on simulated performance using underlying fund and index data.

Competitor selection

Competitors for this comparison were selected using the Defaqto Workplace Pensions Guide 2020. These insurers have the largest market share by both AUM and members.

The chart highlights the position of SLAL's core defaults against peers since the end of 2012 to provide an indication of performance since the launch of auto enrolment in April 2012. This extended period captures a range of market events, including the extended bull market post the EU referendum, to the more recent market challenges driven by a perfect storm of inflationary, recessionary and geo-political issues. The positioning of the Standard Life's AP and PP defaults is reflective of their outgoing risk-based approach which resulted in a lower participation in equity market growth than others in the market. The upgrade of these strategies to a more growth oriented strategy is now complete.

Long term performance



*Source: FE Fund Info, figures shown are on a gross basis per annum for period 31 December 2012 to 31 December 2022.

The information shown relates to the past. Past performance is not a guide to the future. The value of investments can go down as well as up and may be worth less than paid in.
*Source: FE Fund Info, figures shown are on a gross basis for period 31-Dec-2012 to 31-Dec-2022.

What external validation do we have for our assessment? (see **Supporting Material**)

Several years ago, the IGC worked with Redington, a firm of investment consultants, to devise a framework for assessing all the different default profiles, including those used by client schemes and their underlying funds, and highlighting for further investigation those that might not be offering VFM either due to poor performance, or questions of suitability for their part of the savings journey. Subsequently Redington have deployed some parts of this framework in their industry benchmarking assessments, comparing the offerings from many of Standard Life's competitors although the focus is on selected key defaults only. The work by Redington involves both backward-looking and forward-looking assessments. The former examines the past performance and risk profile of funds; the latter considers the likelihood that the fund will achieve a good outcome for members. Further details are in the Supporting Material.

Starting with the backward looking assessment, this year's results of 177 Standard Life funds initially concluded that 86% of them warranted further examination, However, on further analysis Redington concluded that there was no major cause for concern; as '2022 was a particularly difficult year for investment markets due to the uncertainty from the inflation concerns, and increased correlation of assets. This led to almost all funds being flagged from the corridor method. Given that backdrop, therefore we suggest no further action for these funds'.

There were some suggestions which the IGC will monitor into 2023. Some bespoke client funds and a diversified growth pension fund were flagged as their benchmarks relate to short term interest rates and inflation, both of which increased significantly in 2022, compounded by a difficult investment environment. We accept the recommendation from Redington that we should monitor the performance of these funds and ask Standard Life for regular updates. We are also discussing with Standard Life the appropriate benchmark for the Standard Life Ethical Pension Fund as its performance was affected by the exclusion of securities in the oil, gas, and defence sectors.

Redington also used its forward-looking analysis to assess 121 Standard Life Profile and Bespoke Lifestyle Profile funds. Two were flagged for further investigation, after which no further action was required.

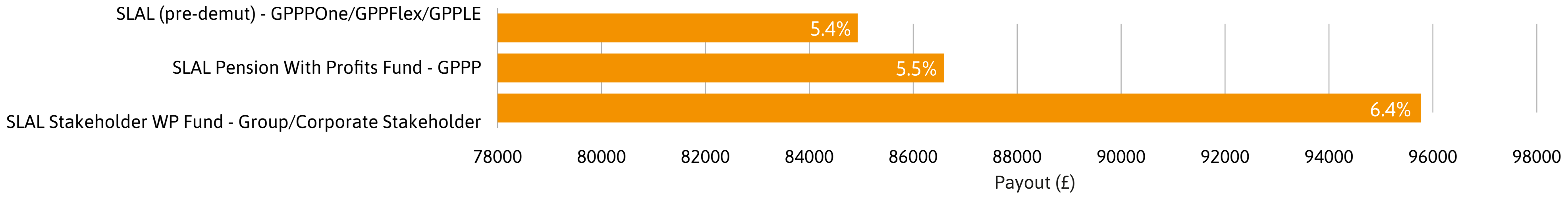
We are reassured that this comprehensive external assessment by a large external consultancy has only confirmed issues already picked up by the IGC and Standard Life's Manager Oversight team that are already understood and where actions are already underway. In particular, it was also useful to note one aspect of the Redington report, namely that 'negative returns during calendar year 2022 were not so severe for Standard Life's mixed asset portfolios compared to many other providers' portfolios'.

What about With-profits funds?

It is not straightforward to compare short-term performance in With-profits funds against unit-linked funds given that year to year bonus rates will be affected by smoothing, whereas eventual payouts will reflect both the performance of the underlying asset shares, any estate distribution, any investment guarantees – and a Market Value Reduction (MVR) may apply if taken earlier than at retirement. VFM can really only be assessed once benefits are finally taken.

In addition to tracking the performance of the underlying asset shares net of costs, which is what drives terminal bonuses and guarantee deductions, and monitoring the asset allocation for likely future performance, we also look at performance over a variety of time periods compared to headline CPI inflation (see **Supporting Material**). Overall, we concluded that example 20-year payouts and returns on premium on retirement in 2022 were reasonable, showing returns of about 5.5-6.5% a year, compared with CPI which averaged about 2.5%pa over the same period. We will continue to monitor this issue closely, however. There is evidence that With-profits funds are not out-performing against inflation over 5 year periods and in some cases even 10 years. The precise details of each scheme will vary, for example whether annual guarantees are included, but it does show the danger from the recent surge in inflation and the need to take a long-term view when investing.

Example 20 year payouts and return on premium



However, we remain concerned about one aspect of with-profits funds, namely where MVRs are expected to apply they can be rather large, averaging around 30%. Last year we reported that Phoenix had put on hold their previous proposal to offer customers substantial enhancements to their pension pots in return for giving up their guarantees, as the uncertainty surrounding the pandemic did not feel an appropriate time to ask customers to make decisions about giving up guarantees. The group is now considering options for this block of business under a broader "Cost of Living" project, which may no longer be in the form of an offer requiring customers to give up their guarantee for an enhanced pension pot, but still with the aim of reducing the potentially large MVRs currently in place. We will continue to monitor this situation.

Lastly, we are reassured that the potential difference between transfer values and retirement values relating to with-profits products are clearly set out and explained to you both in your regular statements and in anonymised recordings of phone calls with customers which members of the IGC have listened to.

Further Commentary

Investment Services

Further Commentary

Investment Services

Overall Standard Life's Investment Services were assessed at GREEN although the overall score has fallen back from 89% in 2021 to 83% in 2022.

What do we hope to find?

That the funds offered to you are well-designed, well-managed and administered in order to meet your expectations. To assess this, we look at regular governance reports, particularly focusing on actions taken to address any issues which are uncovered. In addition, in 2022 we also spent a considerable time examining some major changes to your default funds, and hoped that these would proceed smoothly.

What did we conclude?

- The default design review leading up to the new range of Sustainable Multi Asset (SMA) funds was thorough and comprehensive, proposing fundamental changes to design principles as well as incorporating important ESG developments.
- That the first phase of changes required has been implemented successfully, with subsequent reviews to learn lessons, for example about the costs involved and tracking error experienced during the transition. Due to the scale and scope of the programme, more customers will be moved, and additional fund changes will be made, during 2023 and 2024. The IGC are monitoring these aspects very closely, but so far is reassured that significant efforts are being made in planning the considerable programme of asset transitions required in 2023-24.
- In addition, there is continuing evidence of ongoing mandate and manager reviews and changes being implemented.
- The IGC were concerned on occasion at the length of time it took for poorly-performing funds to be replaced with suitable alternatives and will monitor this issue into 2023.

Key Challenge for 2023

- That in the detailed planning of the transition exercise to move from the existing default fund solutions to the new Sustainable Multi Asset (SMA) strategy, due consideration should be given to the 'before' and 'after' positions of different groups or cohorts of customers. This should include taking into account the likely costs of transition, suitable action taken to protect customers, and any remediation put into place, if necessary.

Does the design of current defaults provide Value for Money?

In 2022, we noted that a comprehensive review of default fund design was underway, revisiting original design principles, and seeking to incorporate the Phoenix Group's overall approach to ESG (see the following section for more information about ESG issues). Once the review was duly completed, the changes proposed were so significant and so comprehensive in terms of the number of customers and products affected that they required careful transition planning. After customer communications had been sent out, then a lengthy transition exercise took place during 2022. In effect, £13 billion of assets for over 1 million customers was moved into the new family of Sustainable Multi-Asset (SMA) funds.

What was the basis of the design changes to the default funds?

The key conclusions of the default design review were that, in order to produce better outcomes for customers, they should invest more in equities in the early stages of their investment journey, and reduce these shareholdings more gradually over a longer 'glidepath' into retirement. This was based on the company's understanding of customer behaviour, including the trend for some customers to access their pensions at age 55. Alongside launching the Sustainable Multi Asset (SMA) default strategy, this required evolving the existing Active Plus and Passive Plus solutions to adopt the same approach undertaken by the SMA solution which, in addition to investing more in equities, incorporates within these shareholdings the exclusion of some stocks and sectors, and positive tilting towards other companies, on ESG-related risk grounds, as well as building in specific targets for reductions in carbon-emissions.

The objectives and the outcome of the review were explained in detail to the IGC, following which we concluded that the review process was comprehensive, rigorous and soundly-based, with a clear focus on improving your outcomes in retirement.

When will the changes take effect, and how will I be impacted?

A considered plan of phased activity (or transition) to move to the new strategy starting in May 2022 was drawn up to minimise operational risk and market impact. The transaction costs (those costs generated by selling and buying investments) incurred by the transition are borne by the funds, and ultimately therefore by you, the customer. Hence, they have to be carefully managed and taken into account in assessing the expected benefits. To support them in completing this activity, Standard Life appointed an external specialist transition manager with significant experience in managing similar exercises.

We are very pleased that Standard Life made changes to the default solutions in which existing customer were invested (the Active and Passive Plus solutions) rather than merely introducing new ones, but it does mean that the scale of activity required to do so was considerable and so the transition had to be implemented in phases. We were reassured to see the level of care applied to this programme overall, but wanted to see evidence that customers for whom the changes are not expected to be so beneficial (given their current position on a glidepath for instance) are adequately provided for.

How successful was the transition and what lessons have been learned?

The transition was a success, despite the volatile nature of the markets during much of 2022. A review is being carried out by an external company to assess the costs of the exercise. The investment team at Standard Life have also been assessing the tracking errors of the various funds which make up the overarching SMA to assess whether performance is within acceptable standards. These reports have been supplied to the IGC during 2023 and will be commented on in next year's IGC report.

What evidence is there of ongoing review of my funds?

Standard Life's response to the unexpected Russian invasion of Ukraine in spring 2022 provides a useful case study. The Strategic Partnerships & Research team quickly reviewed Group-wide exposures to Russia, Ukraine and related countries within funds held by customers such as you. They established that most exposure was via Emerging Market Equity and Debt funds, and that 99% of overall exposure was held in mandates with key Asset Management partners. They worked directly with these partners to understand their before/after performance impacts and the actions which had been taken.

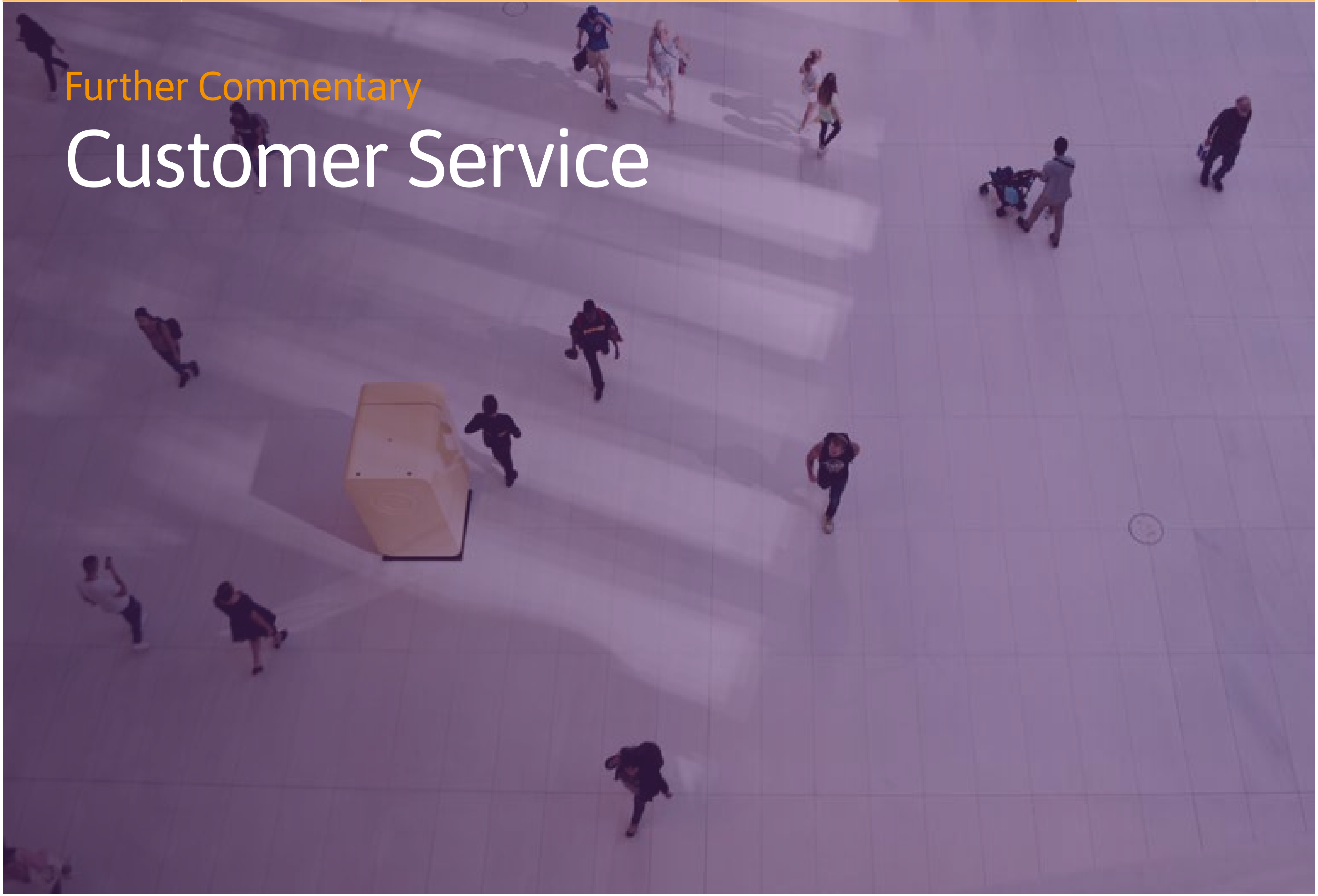
Standard Life's internal governance team report to us every quarter under a RAG (Red/Amber/Green) system, providing commentary on why funds are flagged as Amber or Red, and whether any further action needs to be or is being taken, engaging with fund managers as necessary. Where Standard Life controls the mandate, their Manager Oversight team make recommendations to the Group's Investment Committee and can implement any changes to the mandate or manager required once approved. However, if you or your Employer had specifically chosen a fund, Standard Life would need to engage with you or your Employer's adviser to highlight particularly poor performance, but ultimately you or your Employer would need to make the necessary switch.

Last year we saw the UK equities changes recommended and approved in 2022 being implemented, with assets moving from abrdn to Enhanced Index strategies managed by Invesco, Janus Henderson and HSBC Asset Management. We have also seen changes to North American equities mandates with assets moving from Active to Passive management with abrdn. There has also been an allocation in with-profits funds to a Multi Asset Climate Solutions mandate managed by Robeco.

We have also seen further evidence of the evolution of the relationship with abrdn following the purchase of the Standard Life brand, simplifying previously vertically-integrated mandate structures. abrdn however continues to be the main strategic investment management partner for Standard Life, and has won several key new ESG mandates.

Further Commentary

Customer Service



Further Commentary

Customer Service

Overall, the IGC has determined a score of 32 out of 42 (76%) and a rating of GREEN for the customer service element of value for money for the following reasons:

What are we looking for?

The IGC's responsibility in respect of customer service under the FCA's regulations is to determine "whether core scheme financial transactions are processed promptly and accurately". Our actual assessment of customer service is much wider than this and in 2022 has focused on:

- Performance against target service levels (including the prompt and accurate processing of core transactions;
- How Standard Life has developed its services for customers with additional needs and vulnerabilities;
- How complaints are dealt with; and
- Continuous improvements to service that respond to customer needs and are designed to provide a high quality experience.

We assess a wide variety of information to make our assessment, including:

- Metrics which seek to measure the end to end customer experience on a quarterly basis, such as how long it takes transactions to be completed, or issues to be resolved;
- Customer survey satisfaction scores and feedback;
- Examples of recorded customer calls which are selected by Standard Life as representative of a range of customer demands, together with live call listening exercises;
- Complaint levels, resolution times, themes complained about and the action taken by Standard Life in response. We also monitor the number of complaints overturned by the Financial Ombudsman Service;
- The output of Standard Life's internal assurance activity and testing;
- The results of external benchmarking conducted by independent consultants; and
- Information regarding business strategy and key projects which impact on the customer servicing approach and experience.

[1]FCA Conduct of Business Sourcebook 19.5.5 R2 (c)

What did we find in 2022?
Service levels and performance against key targets

Transaction processing

During 2022, Standard Life dealt with 400,639 manual transactions which was a 4% decrease compared to 2021. The target for manual transactions is to complete 90% within 5-20 working days (depending on demand type). Many other transactions are automated and completed within their target time. The IGC receives information on performance in relation to specific transaction types including payments in/out, retirement claims, fund switches, and bereavement claims. Detail on performance by transaction type is set out in the **Supporting Material** (Tables A & B – Core Financial Transactions).

Some parts of Standard Life's operations have been under strain in the second half of 2022. Staff attrition and sickness has been higher than planned and has impacted services in some areas. Bereavement claims processing has not met target processing times, as in previous years. Around half of these claims are processed within the target time of 20 days. Processing of scheme payments and retirement claims has also not met target processing times this year, although most of these transactions were still processed within 10 days.

In 2022, performance against the target for manual transactions was an average of 89%. This compares with an average of 95% in 2021 and 94% in 2020. Over both automated and manual transactions, 95.8% were completed within 10 days in 2022 (2021: 99.7%, 2020: 97%).

The number of manual transactions which have taken longer than target time to process continues to increase. In total, there were 41,423 manual transactions completed over their target time in 2022, significantly more than in 2021 and 2020 (2021: 32,574, 2020: 23,143). See Table C in the Supporting Material for further detail. The number of cases over target increased significantly from H2 2022. A challenge for Standard Life will be to resolve resourcing issues and reduce them in 2023.

Bereavement claims

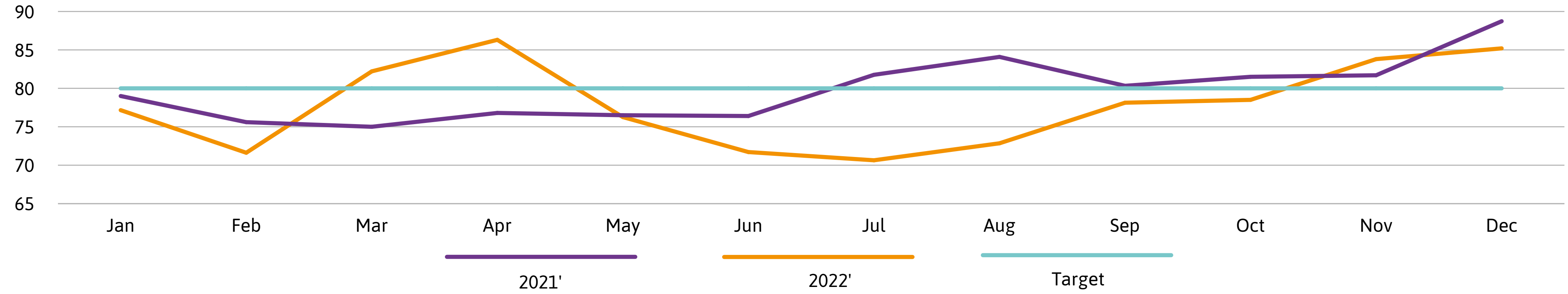
Bereavement claims continue to be a challenging area for Standard Life. Claims decreased substantially in 2022 (2,640 in 2022, 3,095 in 2021, 3,367 in 2020). 39.35% were resolved within the 20 day target time. The average turnaround time during 2022 for settlement of bereavement claims was 43.2 days (2021:29 days, 2020:21 days). 60% of cases took longer than 20 days to complete (2021: 42%, 2020: 33%, 2019: 28%).

It should be noted that bereavement claims have dependencies on third parties such as beneficiaries and legal representatives, which can create significant delays. During 2022, Standard Life contacted a large number of customers to prompt them to complete beneficiary nomination information. We have suggested that Standard Life re-visits target processing time for bereavement claims, and sets appropriate expectations with customers.

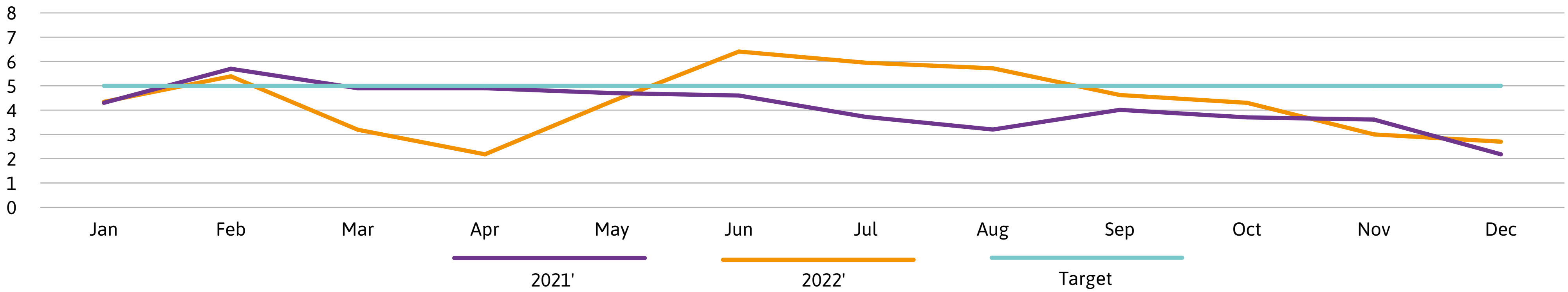
Telephony performance

Standard Life's internal targets are to answer 80% of calls within 120 seconds and have no more than 5% of calls abandoned after 20 seconds. There were some periods during the middle of the year when these targets were not met. Details are in the charts below:

Calls answered within 120 seconds (%)



Call abandonment rate (%)



The handling of retirement claims has become more challenging this year due to pressure on resources in some operational areas. Standard Life's internal target is to provide 90% of customers with their retirement benefits within 5 days. Overall, in 2022 77% of customers received their retirement benefits within 5 days and 92% within 10 days. Some customers were waiting longer to receive their funds than in 2021.

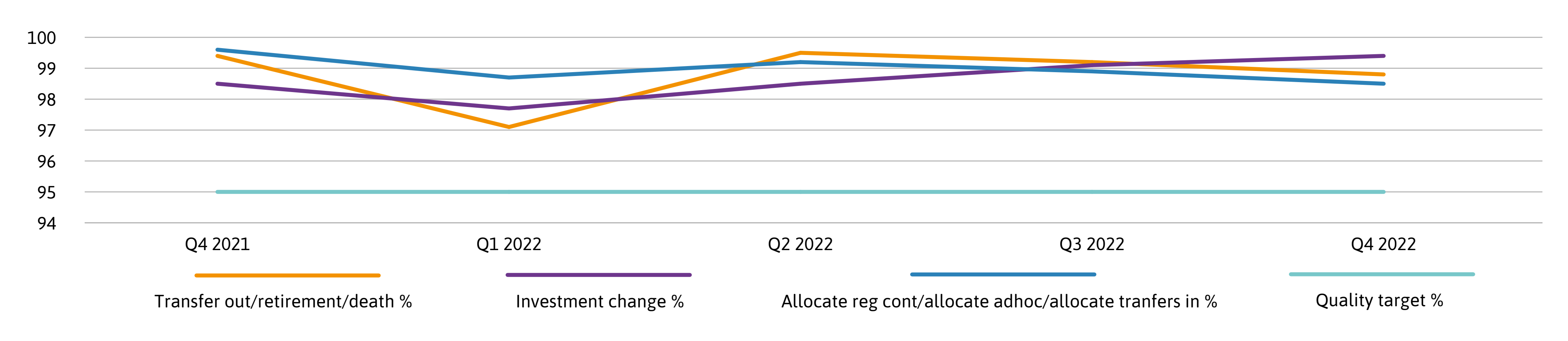
In addition to the telephony channel, the IGC notes that most customers have access to a digital retirement journey and more than 50% of customers choose this route. The IGC will continue to encourage Standard Life to develop its digital proposition and increase customer engagement with this option as an alternative to telephony – especially at peak times.

The IGC has found the recorded calls provided to us, along with live call listening, to be extremely helpful in understanding the experience of customers. We continue to note the positive and supportive tone of call handlers and their responsiveness to what can be complex customer needs.

We will continue to ensure we receive a good range of calls which are representative of transaction type and complexity.

Service Quality

The IGC has continued to monitor service accuracy and compare it to previous periods. Standard Life quality checks a statistically significant sample of each transaction type in order to monitor processing accuracy, customer experience and overall quality. The IGC notes that the target for "right first time accuracy" is that 95% of all transactions sampled will have adhered to the required process steps and be of an appropriate quality. Throughout 2022, this target has been exceeded by all processing types (see the table below for further details).



Where errors are discovered in transactions, an assessment is made to determine whether the error is an individual one or more systemic. Errors are corrected to ensure that customers suffer no detriment. Systemic errors are reported via an "incident" process to identify and remediate any customers impacted by the same issue, and ensure that processes are changed to prevent the error arising again.

Digital Services

Standard Life continues to develop digital services and a wide range of transactions can now be conducted online for most products via the customer dashboard and app. Improvements in 2022 have included access to the "MoneyHub" service through the online dashboard which supports better budgeting and financial planning for customers.

Complaint Handling

During 2022 Standard Life received a total of 1,699 complaints from workplace pension customers. This is higher than 2021 (1,031) and 2020 (774) but the IGC notes that complaint levels remain low at around 12 complaints per 100,000 policies per quarter.

The most common reasons for complaint amongst customers in 2022 continued to be processes/procedures, human error and turnaround times. This covers issues such as the length of time to answer calls or process transactions, and processing errors or inaccurate information. These themes accounted for around two thirds of complaints, as in previous years. Further information in relation to complaint reasons is set out in Table F of the Supporting Material.

Most complaints are resolved within 10 days. However, there are a small number of cases that can take considerably longer to resolve due to complexities. Standard Life has processes in place to identify and manage these cases to resolve them more quickly.

Of the complaints received in 2022, almost 39% were upheld by Standard Life and the others rejected. This compares to 53% in 2021 and 50% in 2020. A total of 112 complaints were referred to the Financial Ombudsman Service during 2022 (19 in 2021 and four in 2020). 8 of these complaints were subsequently declined by the Ombudsman, and decisions are awaited in respect of the remainder.

Based on information published by the Financial Services Ombudsman for the period July to December 2022, the industry average for the life and pensions complaints category is 62% upheld (in favour of the provider) (2021:77% 2020: 81%).

Service enhancements

In 2022 significant improvements were made to the tracing of gone away customers (those who are no longer contactable at the address held). The success rate for tracing remains at around 80%. This has led to a reduction in the number of gone-away customers over the last year, reducing the risk of unclaimed pensions and improving customer outcomes.

An ongoing challenge for Standard Life is to record more personal email addresses for customers given that individuals (especially younger customers) are more likely to move residential address than change their personal email account. Digitial registrations did increase during 2022.

Customer survey and feedback results

Standard Life conducts a number of customer surveys to measure customer satisfaction and experience and the high-level results of these are shared with the IGC. Customer satisfaction scores remained at or above the benchmark for almost all of 2022.

Vulnerable Customers

The IGC continues to receive regular updates on how services meet the needs of customers with challenges due to their individual circumstances or underlying conditions. Standard Life adheres to the FCA's final guidance (FG21/1) on the treatment of vulnerable customers and has developed a new set of vulnerable customer standards and Management Information in response.

Standard Life goes beyond the regulatory minimum requirements and offers a broader range of services to help customers with particular needs. Standard Life has "helping hand" champions within their operations to support better colleagues dealing with vulnerable customers. Standard Life also captures data regarding vulnerable customers to support tailored services for them. All staff are required to complete an e-learning module regarding vulnerabilities, with in depth training provided for contact centre staff.

Standard Life also provides various accessibility options for customers including translation services where possible for non-English speaking customers, Braille and alternative format communications and has obtained AA accessibility standards for the secure customer website.

During 2022, Standard Life has provided additional support to customers experiencing difficulties due to the cost of living crisis. This has included additional communications and new online/telephony support options.

How does Standard Life compare with other pension providers?

Standard Life participated in an external benchmarking exercise for IGCs comparing servicing data with that of other providers. Standard Life compared favourably with other providers. It compares well in relation to call wait times, tracing customers who had lost contact, online service usage, and automated processing levels. In relation to the processing of financial transactions, Standard Life generally compares well with other providers. It was slightly slower for some transactions, including for retirement demand, than some providers using the same methodology.

What are our conclusions in relation to value for money?

The Value for Money section at the end of our report sets out the criteria taken into consideration by the IGC in its overall assessment, including how we consider customer service. The IGC has concluded an overall rating of Green for the customer service element of Value for Money (scoring 32 out of 42 or 76%).

Standard Life has had some challenges in the second half of 2022 as staff attrition and sickness were higher than expected. This impacted service levels in some areas, although most transactions were processed within target times. Extra support has been offered to customers impacted by the cost of living crisis, and efforts have been made to encourage customers to sign up for online services and nominate a beneficiary. External benchmarking compared Standard Life services favourably to those of other providers.

[2] https://www.financial-ombudsman.org.uk/data-insight/half-yearly-complaints-data

Further Commentary

Communication and Engagement

Further Commentary

Communication and Engagement

Overall, communication and engagement at Standard Life was assessed as GREEN with a score of 21 out of 21.

Why are communications from Standard Life important?

Communications in whatever form – by letter, email, text message, through the website, app, or by telephone – are essential to provide you with information about your pension pot and about services that Standard Life offers you.

But, providing you with information alone is not sufficient to enable you to make informed choices. Standard Life must also engage with you as a customer to ensure that:

- the language and format used are understandable to you, signposting you to any action you should take and where to find out more;
- information is given to you at the right time; and
- information is given to you through an appropriate channel.

Communications form part of our Value for Money assessment

Your IGC are responsible for ***assessing*** whether Standard Life's communications to customers are **fit for purpose and properly take into account customers' characteristics, needs and objectives** (the 'fit for purpose requirement').

What does this mean?

Standard Life has given careful thought to the challenge presented by this IGC responsibility, what 'fit for purpose' means in this context, and has agreed with the IGC the following meaning:

"A communication which takes into account the needs and objectives of the customer and is provided to them in a timely fashion. It should contain content which is relevant, salient and informative, taking into account the financial literacy levels of the customers. The content of a communication should support the customer to recognise the information they may need to know or the appropriate action(s) they may need to take, which enables them to keep on track with their retirement plans and support their desired outcomes."

We have assessed a range of communications produced by Standard Life during 2022, including:

Informative Communications: providing customers with necessary information and educational material to support their understanding, including communications issued where there is a regulatory requirement.

Action-Focused Communications: designed to encourage customers to complete a call-to-action to assist their retirement outcome – for example, reviewing investments and contributions, nominating beneficiaries, or registering online.

Customer Journeys: journeys designed to support customers to take steps towards their desired outcome at retirement, including both digital options and over-the-phone.

What steps has Standard Life taken to embed the fit for purpose requirement in communications with its customers and how will the IGC assess this?

Working with the IGC, in 2020 Standard Life developed a Fit for Purpose Protocol, detailing four separate stages to be completed by the author of any relevant communications. To see this Protocol, click here. The Fit for Purpose Protocol was embedded during 2021 and has been fully utilised throughout 2022 by Standard Life with every communication assessed against it.

Key communication campaigns undertaken by Standard Life in 2022

As an IGC we have been encouraged by Standard Life's commitment to tailoring communications for specific groups of customers. Some examples of these communications include:

- The development of MoneyPlus monthly emails presenting bite-sized information on key topics to members with simple actions to take. This included a targeted communication on delaying retirement in March, which saw 61% of those emailed open the email, whilst in January 2023 a feature on digital access saw 3,500 more members log on to their digital account and engage with their pension.
- 4000 members who had previously made a one-off payment into their pension received a reminder in early March around the approaching tax year end which prompted 30% of those emailed to make a further one-off contribution.
- Personalisation of digital access has also been a significant focus for Standard Life this year with both the app and website receiving updates to make the content more user friendly and navigable.

Standard Life responded quickly to the cost of living crisis, implementing bespoke support and communication for members considering accessing their pension or concerned about investment performance. Dedicated training was given to customer service teams to support members and bespoke inserts were included in annual statements to provide additional information and reassurance.

Engagement activity

Embedded in the Fit for Purpose Protocol is the need for evidence of how each communication has been designed and/or presented to make it as accessible and appealing as possible to the customer. Standard Life maintains that customer insight is critical to understanding the needs, feelings and feedback of customers in relation to all aspects of their experience with Standard Life.

So, what other evidence have we seen during 2022 of Standard Life engaging with customers in order to gain insights and understand the challenges facing them? And how has that impacted on Standard Life's communications with customers?

During 2022, Standard Life continued to collect customer insight through two routes: the Voice of the Customer Programme, and Customer Quest. Customer insight is also collected bi-annually through the Customer Connection Programme, and the 2023 data will be analysed in next year's Annual IGC Report.

Voice of the Customer Programme

i. Telephony: 'Rant & Rave' is the short survey of customers after telephone calls on specific interactions. Information is collected on call quality, ease of experience, complaints and the overall brand. The information from this is passed on so that there can be an immediate call to the customer to understand how the journey or experience can be improved, ensuring quick implementation of any improvements.
ii. Digital: 'Journey & Page Ratings' allows customers the opportunity to review an online journey through a considered response, or to rate a webpage they have accessed through an instant response. This records a customer's satisfaction with the process, capturing the reason for the journey and any challenges the customer faced. This supports immediate service recovery and quick implementation of any necessary improvements.
iii. Journeys: An end-of-journey survey is issued after a customer completes a journey to consolidate their pension pots or to encash their pension for retirement, and also where a customer transfers all funds away from Standard Life.

Key metrics coming out of the Voice of the Customer programme for 2022 showed the following feedback from customers, compared to the corresponding figures in the prior year:

	2021	2022
% who rated their call experience as excellent or good	92%*	90%
% who said it was extremely easy or easy to achieve what they wanted	87%	85%
% who rated their overall satisfaction with Standard Life as excellent or good	90%	88%
% who rated their online experience as excellent or good	95%*	94%
% who said it was extremely easy or easy to transfer their pension	93%	91%
% who rated their retirement experience as excellent or good	91%	85%

*exceeded target

These scores from the Voice of the Customer programme indicate that customer feedback across all channels continues to be strongly positive overall. We have seen some small impact on customer feedback from the staff shortages described in Customer Service above. However, we are satisfied that customer feedback remains strong and Standard Life are focussed on resolving the staffing issues.

Customer Quest

Quest is a quarterly online survey sent out to 50,000 randomly selected customers. The Customer Quest Survey also provides us with evidence of levels of satisfaction in some key areas of communications during 2022.

	31 December 2021	31 December 2022
Quality of email communication	84%	82%
Quality of communications sent by post	81%	80%
Quality of online services	87%	85%
Quality of service when you call Standard Life	87%	85%
Satisfaction with the information provided to make decisions on pensions and investments	69%	67%

These Customer Quest results show a slight decline in all categories over 2022, which in part the IGC believes may be attributed to staffing shortages and the general economic environment. Standard Life's scores in these areas remain high relative to comparable industry data. However, there remains room for improvement here. The IGC will monitor performance closely throughout the coming year to challenge Standard Life to raise its customer feedback scores to levels previously observed and to push to exceed them where possible.

Targeted IGC reviews of Member Journeys

During the course of the year the IGC has undertaken deep dives into the communications you can expect to receive as a member of a Standard Life Pension Scheme. We reviewed:

- The full lifecycle of communications from joining a scheme to taking your pension with a particular focus on how Standard Life supports key periods of time during that journey such as being promoted and receiving a pay rise, hitting key age milestones such as your 50's and how Standard Life communicates in the countdown to retirement to support you making decisions.

- How Standard Life is using digital tools such as its member websites and app to engage and support you in making decisions about your pension.

It is clear from our reviews that Standard Life is investing heavily in member communication and engagement and thinking carefully about how to tailor and personalise communications to make them relevant and easy to understand for you. Two areas of focus the IGC has raised with Standard Life are:

- Alongside its work to consider communications to members through the lifecycle that it considers key cohorts of members who do not fit into the lifecycle, such as those who are no longer making contributions to their pension or may have more than one pension with Standard Life.
- High inflation and cost of living challenges are continuing in 2023 and it will be important for Standard Life to build its capability to provide appropriate tailored communication to members to support their decision-making in the context of these challenges. A key focus for the IGC will be ensuring that Standard Life is able to do this in a more agile and speedy way.

Conclusion

SCORING: Standard Life has continued to evidence strong forward momentum in the area of communication and engagement. Recognising this, we would award them a RAG rating of GREEN.

Further Commentary

ESG and Stewardship

Further Commentary

ESG and Stewardship

IGCs are required to consider and report on how ESG considerations and other aspects of what it is often called "Responsible Investment" are taken into account in the provider's investment decisions that impact in-scope customers' pension pots and/or investment pathway funds. This is an important part of the Government's strategy to ensure that pension savings play their part in combatting climate change and promoting good outcomes for society as well as good outcomes for pension savers.

Our role is to review three key areas of investment considerations, looking at what the provider intends to do regarding each (i.e. their "policy") and how good they are at doing it (i.e. "implementation"). The three areas are:

- ESG financial considerations ("environmental, social and governance factors (including climate change) that are material to the sustainability of an investment");
- Non-financial matters ("factors which may influence a firm's investment strategy or decision, and which are based on the views (including ethical concerns regarding environmental, social and governance issues) of the firm's clients or relevant policyholders"); and
- Stewardship (which the FRC (Financial Reporting Council) define as: "Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society").

The Phoenix Group, of which Standard Life is a part, takes its responsibilities to the environment and wider society very seriously. For many years, it has published reports of its activities in these areas, and these can be found on the Phoenix Group **website** .While setting a helpful context for the IGC's assessment, our focus is narrower and concentrated on the adequacy and quality of the policies that impact the investment returns that in-scope customers receive.

In last year's report, we outlined the important steps that Standard Life had taken, as part of a wider initiative across the whole of the Phoenix Group, to ensure Responsible Investment principles were taken into account in their investment **decision-making**.

In 2022, significant further progress has been made to strengthen the policy framework that applies and ensure that it is robustly implemented. In particular:

- Standard Life has further strengthened its **policy framework**. The existing policies that deal with ESG and Stewardship considerations have been updated to ensure effective stewardship approaches. In addition, new policies and supporting documents have been developed to deepen the impact Phoenix Group seeks to have in this area. In particular, a set of Global Voting Principles have been developed which summarise the Group's high-level beliefs and expectations of good ESG practices that asset manager partners should take into account when making investment decisions on Phoenix's behalf.
- Standard Life has further strengthened the **governance infrastructure** around Responsible Investment, to ensure that the policy intentions are definitely carried out, and can be seen to be. The ESG assessment framework that applies to the Group's five strategic asset manager partners has been enhanced, and extended to cover six of the managers with smaller mandates from the Group. The framework supports the evaluation of a manager not only on its ESG capabilities at the firm level, but also on how a relevant strategy integrates ESG issues into investment analysis and stewardship activities.
- Standard Life has also introduced additional ESG-specific reporting for the Sustainable Multi-Asset Fund, adding helpful information to the quarterly fund factsheets that sets out the impact that the ESG focus is having. The IGC were pleased to see this development, having been pushing for it for some time, and we are keen to see this fund-level reporting extended to other workplace pension investment choices.
- No new options have been added to the existing **choice of options** for those Standard Life customers who are particularly keen to have the investment of their savings reflecting particular ESG values and concerns. Instead, Phoenix Group (and hence Standard Life) has been focussing on developing plans to extend the ESG approach mentioned above to all the other default funds in which Standard Life workplace pension savings are invested, with an initial focus on increasing the ESG influence within the investment choices of UK and US equity holdings.
- Phoenix Group continues to play a leading role, working with sector peers to highlight the important role of private finance in combatting climate change. Phoenix has also further extended its strategic industry partnerships to promote collective action on climate **change**.
- Following the introduction of its **Stewardship Policy in 2021**, Phoenix Group (and hence Standard Life) has been working hard in 2022 on evidencing its implementation sufficiently to become a signatory to the UK Stewardship Code (produced by the Financial Reporting Council). The resulting evidence pack, in the **Stewardship Report 2022** which was published in March 2023, makes impressive reading. At the time of writing, it has recently been announced that the Financial Reporting Council (FRC) has accepted Phoenix Group as a signatory.

The IGC has been pleased to see continued progress in 2022. There is still more to be done, particularly in the implementation of ESG-influenced investment choices in the rest of the workplace default fund range, and also in the area of communication – helping customers to see the beneficial impact on the environment and society of how their pension pots and drawdown funds are being invested. Nevertheless, 2022 has been another good year as far as ESG and Stewardship are concerned.

IGC conclusion

Standard Life's policy on ESG matters and Stewardship is clearly set out.

- It covers the key financial risks, and also opportunities, arising from ESG considerations.
- It sets out clear standards that must be followed in the investment of in-scope customers' savings, where that investment is carried out on behalf of Standard Life.
- It highlights the importance of being responsible investors, having a policy of active engagement with the firms that are invested in, including exercising voting rights and holding management to account over their governance standards and business behaviour.
- The policy framework also recognises the significance of non-financial matters to many customers, and a range of appropriate investment options is available to respond to their ethical concerns.

The standards are linked to the United Nations Principles for Responsible Investment, which is a helpful reference point as to adequacy and quality. Another helpful reference point is the acceptance by of the FRC of Phoenix Group's March 2023 application to become a signatory to the UK Stewardship Code.

Thus the IGC is able to confirm that the Standard Life policy on ESG financial and non-financial matters, along with Stewardship, is both adequate and of an appropriate quality.

In the comments above, the IGC has given a flavour of what has happened over 2022. Those readers who wish to know more about any area highlighted here can find additional information in the appropriate **Supporting Material**.

The IGC is pleased to rate Standard Life **GREEN** in this area, and looks forward to see what further developments 2023 will bring.

Further Commentary

Investment Pathways

Investment Pathways

Standard Life launched its Investment Pathways proposition in February 2021, in line with the introduction of new rules by the regulator, the Financial Conduct Authority.

Investment Pathways was a new initiative, introduced by the regulator, to enable providers like Standard Life to develop a proposition aimed at customers taking retirement benefits who did not wish to engage a financial advisor in the process. The regulations require that such customers are asked to choose between one of four options, with the provider then offering what it believes is an appropriate investment option for the associated pension pot. These four options are:

1. I have no plans to touch my money in the next 5 years.
2. I plan to use my money to set up a guaranteed income (annuity) within the next 5 years.
3. I plan to start taking my money as a long-term income within the next 5 years.
4. I plan to take out all of my money within the next 5 years.

Before the proposition design was finalised, the IGC reviewed the potential VFM that it represented and concluded that it represented reasonable value for money at that time and offered the prospect of good outcomes for customers. We set out our detailed findings in a separate report that is available on the IGC's **webpage**, including a note of the areas that we would be particularly monitoring post launch.

Since then, the IGC has regularly monitored the VFM being delivered by Standard Life's Investment Pathways product, using the same assessment areas as we use in the rest of our VFM analysis described elsewhere in this report, namely:

- Costs and charges;
- Investment performance;
- Customer service;
- Communication and engagement; and
- Investment services.

We have also worked with Standard Life to develop appropriate MI (management information) to enable us to monitor ongoing VFM, and also ensured that Standard Life took part in industry benchmarking of Investment Pathways in order to help inform our VFM analysis.

The purpose of this Further Commentary is to provide more detail on the IGC's VFM assessment summarised in the corresponding Key Messages **section**, along with some relevant statistics on the size of the Investment Pathways business that we have reviewed for the purpose of this report.

Size of the Investment Pathways business

At the end of 2022, Standard Life had 40,800 Investment Pathways customers, with investments in Investment Pathways funds totalling £1,571m.

The following table shows the spread across the four possible Investment Pathway options at that date.

	Pathway 1	Pathway 2	Pathway 3	Pathway 4
Customers (40,800)	14,705	1,880	10,046	14,857
Assets (£1,571m)	£666.3m	£58.1m	£565.1m	£281.6m
Average size of pot	£45,313	£30,879	£56,254	£18,957

As can be seen, most of the Investment Pathways assets are in options 1 and 3. Around one fifth of the assets are in Pathway 4 but chosen by 36% of customers – hence the smaller average pot size for this option. Very few customers (5%) have so far selected Pathway 2.

Because the charges that Standard Life apply vary by the size of Investment pathway pot, it is helpful to see the proportion of customers with different sizes of pot:

Proportion (%) of customers within each Investment Pathways pot size for each pathway						
	up to £25k	£25k - £50k	£50k - £100k	£100k - £250k	£250k - £500k	£500k +
Pathway 1	45.8%	26.4%	18.2%	8.4%	1.1%	0.2%
Pathway 2	58.4%	24.7%	12.9%	3.7%	0.3%	0.0%
Pathway 3	38.2%	26.3%	21.8%	11.3%	1.9%	0.4%
Pathway 4	70.1%	20.5%	7.8%	1.4%	0.1%	0.0%

Costs and Charges – Green/Amber

At the time of the pre-launch assessment, it was becoming clear that Standard Life's approach to Investment Pathway pricing was different to some other competitors. In particular, Standard Life was proposing to apply the same charge, irrespective of which of the 4 possible investment pathways a customer selected. The IGC also had evidence that suggested that, for some investment pathways, the proposed Standard Life charge could turn out to be towards the top of the market range. We challenged Standard Life on this and were very pleased when, in May 2022, the level of charge was reduced for Investment Pathway pots between £25,000 and £500,000.

The charge level is not so competitive for pots of under £25,000, particularly where Investment Pathways 1, 2 or 4 are chosen. For example, the average size of Investment Pathway 4 pots in Standard Life has been consistently below £25,000 since the proposition was launched and relevant customers could save themselves up to £75 per annum in charges by moving to one of the cheaper providers in the market.

There are some providers whose charge levels are potentially more competitive than Standard Life's for very large pots (e.g. £300,000 plus). While Standard Life has relatively few of its Investment Pathways customers with such large pots, the IGC is challenging Standard Life on this element of value since it is likely that the number of customers with larger Investment Pathway pots will grow over time and they could save over £450 per annum. However, some Standard Life customers are able to access Investment Pathways while retaining the employer-based discounts that applied to their pre-retirement savings. It may be that, for such customers, this benefit outweighs the relative price differentials just highlighted.

The transaction costs Incurred in the investment management of the four investment pathway funds appear reasonable in the circumstances and do not raise any VFM concerns, as can be seen from the following table.

Aggregate Transaction Costs (%) over preceding 12 months		
	12 months to end Dec 2022	12 months to end Sept 2022
Pathway 1	0.061	0.056
Pathway 2	0.017	0.041
Pathway 3	0.046	0.044
Pathway 4	0.033	0.051

Investment Performance – Green

As noted in the Key Messages section, as a result of the newness of the Investment Pathways proposition, there is only limited data on past investment performance available to the IGC.

In terms of 1 year performance against the (customised) benchmarks set by Standard Life, performance to 31st December 2022 has been comparatively good and should be considered in light of the turbulent market conditions discussed in the Investment Performance section:

Investment performance to 31st December 2022 (gross of charges)						
	1 Year Fund performance	Comparator index	Difference	2 Year Fund performance	Comparator index	Difference
Pathway 1	-6.56%	-6.87%	+0.30	0.34%	0.76%	-0.42
Pathway 2	-26.44%	-26.68%	+0.24	-31.06%	-30.13%	-0.93
Pathway 3	-8.63%	-8.54%	-0.10	-4.42%	-3.04%	-1.38
Pathway 4	-2.69%	-2.65%	-0.04	-3.05%	-1.98%	-1.07

It should also be noted that Pathway 2 is designed to track the price of a guaranteed income stream (i.e. via taking an annuity). Over the 12 months, it outperformed market data, that is annuity prices fell, as a consequence of rising interest rates, more than the rate of loss of Pathway 2.

In terms of performance relative to other investment pathway options provided by other providers, the position is comparatively good:

- For Pathway 1 and 4, Standard Life's 1 year past performance is near the "top of the pack".
- For Pathway 3, Standard Life performs broadly in line with the peers.

The levels of risk to target, and what asset classes to choose to invest in, are decisions for providers to make. The impact of such judgements on customer outcomes could significantly outweigh all the other VFM considerations discussed here – with no guarantee that the impact would always be positive.

Nevertheless, the IGC takes comfort from the fact that, on a forward-looking basis, expected return and risk measures place Standard Life Investment Pathway options broadly in the middle of the pack. A review of the pathway fund designs is underway in 2023 and the IGC is keen to see what changes to the Investment Pathway investment strategies are proposed and how this compares to others in the marketplace, given the range of alternative approaches available.

Customer Service – Green

As noted in the **Key Messages section**, Investment Pathways administration is integrated with that of other retirement "Drawdown" products. Consequently, customer servicing MI (including performance on core financial transactions) focussed solely on Investment Pathways is not currently available to the IGC. In due course, we would like to be able to review such focussed data. However, in the meantime, we believe it is sufficient to monitor the more aggregated data, supplemented by complaints data which is specific to Investment Pathways.

During 2022, the target service level for the Retirement customer demand measure that covers the setting up of an Investment Pathway was generally met. Across all customer servicing activity within the scope of the IGC, a VFM assessment of Green was allocated, as explained elsewhere in this report, although the IGC are keen to see a reduction in delays to customers accessing tax-free cash.

The level of complaints from Investment Pathway customers during 2022 was extremely low. While the IGC has not seen details of all the specific complaints raised, the MI suggests that there are no issues with how Standard Life has addressed the complaints, and nor do the complaints raise questions about the VFM of the Investment Pathway proposition servicing.

The results of a comparative benchmarking study across a limited number of Investment Pathway propositions from other providers also supports the conclusion that there are no VFM issues arising from Standard Life customer servicing – either in terms of the service levels delivered or the range of servicing options and tools provided by Standard Life.

Communication and Engagement – Green

As explained elsewhere in this **report**, the IGC has agreed with Standard Life a "fit for purpose" protocol that will be applied before, during and on completion of the design and content of all, particularly material, communications with customers within our scope.

Prior to the launch of Investment Pathways, the IGC reviewed and considered the relevant communications to be used when customers first enter Investment Pathways and subsequently. Our conclusion was that the Investment Pathways communications developed for launch were "fit for purpose" and set out the relevant information clearly and understandably, as well as explaining their purpose.

The comparative benchmarking study across a limited number of Investment Pathway propositions from other providers already mentioned also supported this conclusion. However, it did also identify some areas of emerging best practice where Standard Life could enhance its customer communications. During 2023, the IGC will be looking to see how Standard Life takes on board this feedback. Recent independent benchmarking also rated the ease of reading of key documents and found they scored well against the peer group.

Following up inconsistent actions

Standard Life has analysed customer data of those who have taken up Investment Pathways since launch and has not found anything to suggest that customer behaviour is materially out of line with what might have been expected on the basis of the Investment Pathway chosen.

Nevertheless, there is consistently a small proportion of customers who seek to access cash after choosing an Investment Pathway that would have suggested this was not going to be their intention (e.g. Investment Pathways 1 and 2).

This raises the question of whether the relevant customers sufficiently understood the Investment Pathways proposition and, if not, what changes should be made to the associated communications.

Standard Life has carried out research of customers who have behaved inconsistently with the Investment Pathway selected. The findings suggest that customers do understand the 5 year objective of the Investment Pathway they have selected, but also understand that they can access their money at any time, and are taking cash to deal with unexpected events. Nevertheless, these customers will have received warnings from Standard Life at the point of the inconsistent behaviour. They will also receive ongoing annual communications that outline that their actions may mean that their Investment Pathway selection is no longer appropriate for their needs and that they may wish to review it.

Customer research

In addition to the specific research mentioned above, last year's report highlighed Standard Life's wider piece of research to investigate how customers are finding the Investment Pathway "customer journey" and the extent to which they are understanding the proposition.

The key conclusion from the 2021 research was that the priority for customers considering Investment Pathways is to gain access to their tax-free cash at retirement, although consolidating different pension pots is also a priority for some. Selection of an Investment Pathway seems very much a secondary consideration and, for some customers, purely a process that they feel “forced to go through”.

The IGC welcomes these research findings and looks forward to seeing how Standard Life takes them on board to further support good customer outcomes from Investment Pathways.

Investment Services – Green

The same high standards of oversight apply to the operation of the four Investment Pathway funds as apply to the other Standard Life-designed funds within the IGC’s scope. The quarterly governance reviews during 2022 confirmed that the funds were being operated as intended, and as customers would expect, given the published fund descriptions.

As noted earlier, the design of Investment Pathway funds varies quite considerably across the market. The IGC reviewed the design process for the four Standard Life Investment Pathway funds as part of our pre-launch review. We concluded that the risk and return characteristics of each of the four Standard Life funds had generally been designed in the interest of customers who were likely to select them. However, the IGC will be keen to see how Standard Life responds to the different approaches that some other providers seem to be taking as part of its current review of Investment Pathways.

Two final comments

The four Standard Life Investment Pathway funds do not as yet have any particular ESG features. They are, however, included within the overall approach to Responsible Investment that applies across all the IGC in-scope funds where Standard Life makes the investment decisions that impact customer returns. The IGC has rated Standard Life Green for this performance area over 2022, as can be seen elsewhere in this report.

IGC's approach to VFM comparisons

New regulations introduced for last year's IGC reports require IGCs to consider whether to assess investment pathway investments on an individual basis or on an aggregated basis using cohorts of sufficiently similar pathway investments, or a combination of both, to enable the IGC to produce a value for money assessment that is the most useful for the pathway investors, but which is also appropriate and proportionate in the circumstances.

For the purposes of our VFM assessment of Standard Life's Investment Pathways, we have taken the view that, because much of the proposition is common across whichever Investment Pathway option is chosen (e.g customer journey to access Investment Pathways; customer servicing thereafter; annual statement mailing; design process and governance oversight of the four fund options), it makes sense to carry out the VFM assessment at the level of the overall proposition.

However, because Standard Life charges vary by size of pension pot and, in the wider marketplace, charges can also vary by which investment pathway option is chosen, our analysis of Costs and charges is on a more granular basis, reflecting pot size and fund chosen.

Publicly-available data for a wide selection of other Investment Pathway providers has been used for our VFM assessment of Costs and Charges, Investment Performance, and parts of Investment Services. For the other VFM areas, we have used internal MI, supplemented by detailed comparator results from a specially-commissioned benchmarking exercise amongst a relatively small number of Investment Pathway propositions.

Supporting Material

Supporting Material

Costs and Charges

Supporting Material

Costs and Charges

Distribution of customer charges

Table 1 shows the number of members with total charges above 1.00% at 31 December 2022 with the split between the current and former workplace customers.

Table 1

Total member charge	Number of workplace personal pension members	Number of former workplace personal pension members	Total
>1.48%	6,590	6,201	12,791
1.01% to 1.48%	17,557	16,754	34,311
	24,147	**22,955**	**47,102**

It should be noted that this excludes around 100 customers who are paying additional charges for death in service cover that we describe in the main body of the report.

Table 2 provides a breakdown of the total who are paying more than 1.00% per year by reason – those who pay additional charges to cover commission to an adviser, those who pay additional charges for specific higher charging fund choices, and those who pay extra for both reasons. The majority of those who pay additional charges do so because of choice of fund. The figures shown exclude self-invested assets and those customers and former customers in drawdown.

Table 2

	Number of workplace and former workplace personal pension members			
Total member charge	**Higher commission but no higher charge funds**	**Higher commission and higher charge funds**	**Higher charge funds only**	**Total**
>1.48%	77	60	12,654	12,791
1.01% to 1.48%	47	20	34,244	34,311
	124	**80**	**46,898**	**47,102**

* The figures above exclude self-invested assets and those members and former members in drawdown.

Finally, Table 3 gives the distribution of charges across the book of workplace personal pension plans.

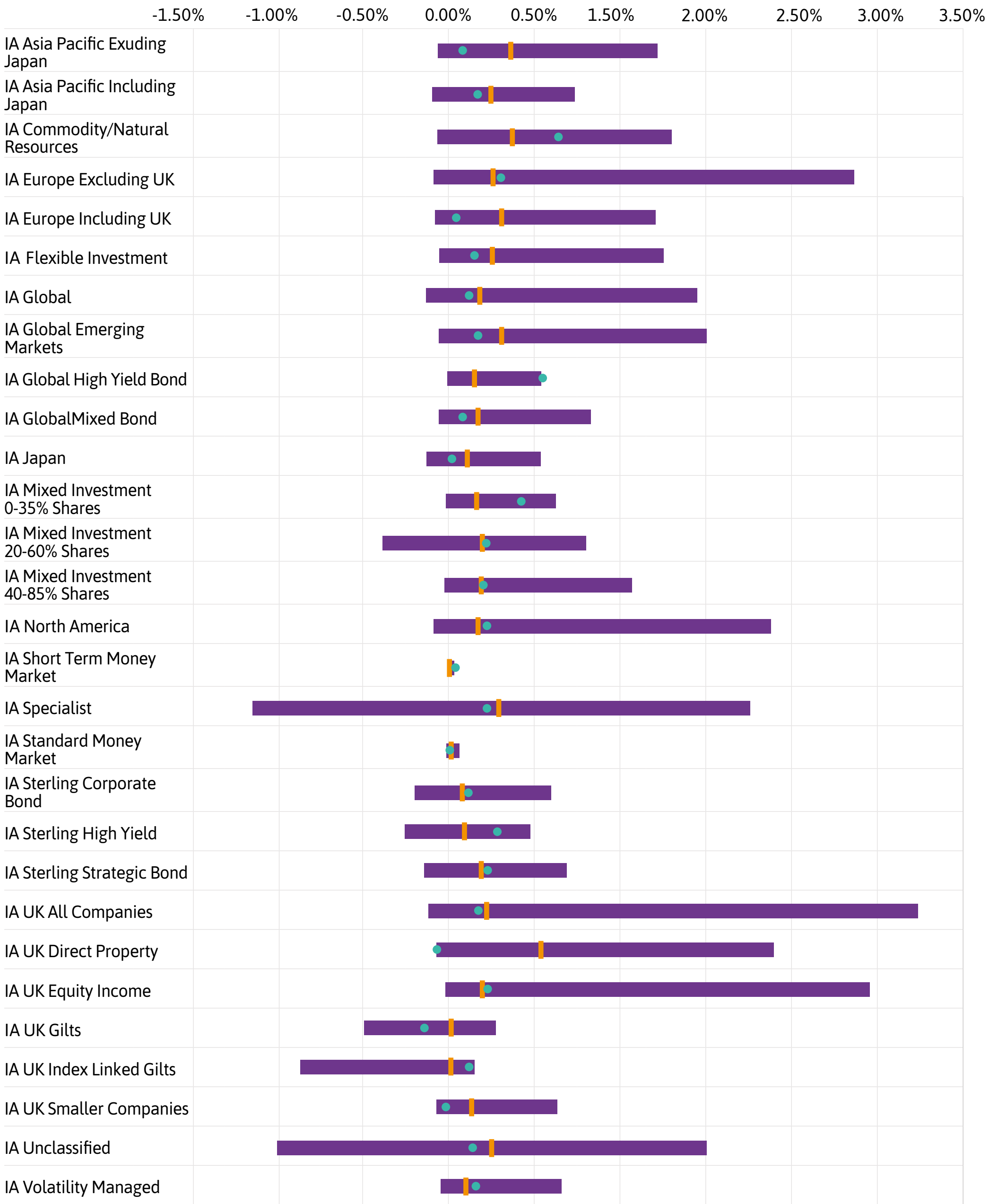
Table 3

Total member charge	Number of workplace and former workplace personal pension members	Percentage	Assets (£m)	Percentage
>1.48%	12,791	0.5%	363	0.7%
1.01% to 1.48%	34,311	1.3%	1,519	3.0%
0.76% to 1.00%	410,155	15.7%	8,229	16.2%
0.61% to 0.75%	1,092,125	41.7%	10,877	21.4%
0.51% to 0.60%	254,801	9.7%	6,502	12.8%
0.41% to 0.50%	291,962	11.2%	6,747	13.3%
0.31% to 0.40%	262,945	10.0%	6,806	13.4%
<=0.30%	257,556	9.8%	9,857	19.4%
	2,616,646		**50,900**	

Transaction costs for Managed, Active Plus III, Passive Plus II and With-profits pension funds

Fund Code	% Not obtained	Aggregate Transaction Costs 2022 (%)	Explicit Transaction Costs 2022 (%)	Implicit Transaction Costs 2022 (%)	Indirect Transaction Costs 2022 (%)
Standard Life Managed Pension Fund	0	0.181	0	0.015	0.166
Standard Life Sustainable Multi-Asset (AP) Pension Fund	0	0.106	0	0.020	0.086
Standard Life Sustainable Multi-Asset (PP) Pension Fund	0	0.091	0	0.000	0.091
Standard Life Sustainable Multi Asset Growth Pension Fund	0	0.063	0	0.002	0.061
Standard Life Pension With-Profits Fund	0	0.042	0	0.005	0.036
Standard Life Pension Inflation Plus Fund	0	-0.008	0	-0.009	0.001
Standard Life Pension 2 With-Profits 2 2006 Fund	0	0.021	0	0.008	0.013
Standard Life Pension With-Profits One Fund	0	0.021	0	0.008	0.013
Standard Life Pension Millennium With-Profits Fund	0	0.021	0	0.008	0.013
Standard Life Pension With-Profits One 2006 Fund	0	0.021	0	0.008	0.013
Standard Life Pension 2 With-Profits 2 2006 Fund	0	0.021	0	0.008	0.013
Standard Life Pension Millennium With-Profits 2006	0	0.021	0	0.008	0.013
Stakeholder With-Profits Fund	0	0.048	0	0.019	0.029
Stakeholder With-Profits 2006 Fund	0	0.047	0	0.019	0.028
Corporate Stakeholder With-Profits Fund	0	0.048	0	0.019	0.029
Corporate Stakeholder With-Profits 2006 Fund	0	0.047	0	0.019	0.028

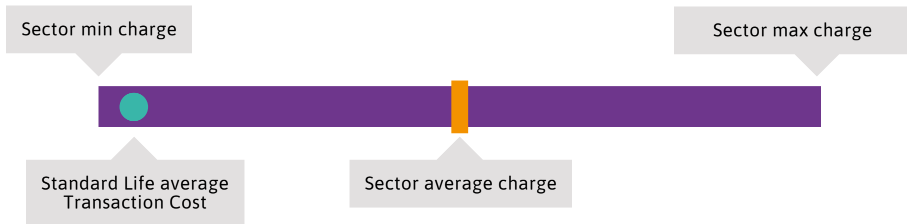
Transaction cost – benchmarking



Where a transaction cost for Standard Life funds in a particular sector is higher than average, it is appropriately challenged to understand the causes. In particular, the Global High Yield Bond Sector and the 0-35% Mixed Investment sector both show to have materially higher than average transactions costs for that sector. We are satisfied that the reasons for the higher than average transactions costs are either a result of the underlying methodology to be used or in line with the expectations for the particular funds in question and hence provide no value for money concerns.

Methodology

- The chart shows the range of transaction costs being reported in the Investment Association (IA) sectors.
- Each bar demonstrates the minimum, maximum and average transaction cost reported for each IA sector.
- The average Standard Life insured fund transaction cost has been overlaid for comparison purposes. Insured funds have been aligned to IA sectors based on their respective ABI sector.



Disclosure of costs and charges by individual customer

The tables below show the range of charges applied to customers' policies for:

- Each of the default investment funds used by customers within the relevant schemes; and
- Each of the 'quasi' default investment funds which are funds treated as default investment funds because of the number of customers invested in them.

Customers can see from their annual benefit statement and online dashboard which type of policy they have and the name of the fund they are invested in. For example, the table below shows that, if you are invested in the Standard Life ASI MyFolio Market III Pension Fund (which is the second row of the table), 100% customers pay an ongoing charge of between 0.60% and 0.75% per year.

Costs and Charges for Standard Life Default Investment Funds

Fund Code	Fund Name	< 0.3%	0.3 to 0.39	0.4 to 0.49	0.5 to 0.59	0.6 to 0.75	0.76 to 0.85	0.86 to 0.95	0.96 to 1.00	1.01 to 1.25	1.26 to 1.40	> 1.40%	Transaction Cost
2B	SL Fidelity European Pension Fund	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	TCD n/a and under investigation
AAAF	SL abrdn MyFolio Managed III Pension Fund	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0.205%
AACE	SL abrdn MyFolio Market III Pension Fund	0%	0%	81%	12%	7%	0%	0%	0%	0%	0%	0%	0.040%
AAJJ	Standard Life * Money Market Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.038%
AAKI	Standard Life Money Market Pension Fund (HNR)	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.038%
ADCF	Standard Life * Pre-Retirement Pension Fd	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0.139%
ADCG	Standard Life * Balanced Growth Pension Fd	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0.167%

Fund Code	Fund Name	< 0.3%	0.3 to 0.39	0.4 to 0.49	0.5 to 0.59	0.6 to 0.75	0.76 to 0.85	0.86 to 0.95	0.96 to 1.00	1.01 to 1.25	1.26 to 1.40	> 1.40%	Transaction Cost
ADIC	SL * Growth Pension Fund	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0.116%
ADLA	SL * At-Retirement (Flexible Inc) Pn	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0.291%
ADLL	SL 7IM Adventurous Pension Fund	0%	0%	0%	0%	0%	50%	0%	0%	50%	0%	0%	0.036%
BBAG	Standard Life * Mixed Bond Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.008%
BBDF	Standard Life * Balanced Risk Growth Pension Fd	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0.099%
BBED	Standard Life Pre Ret (MyFolio Managed Universal)	0%	0%	0%	99%	1%	0%	0%	0%	0%	0%	0%	0.207%
BBKA	Standard Life 30:70 Gbl Equity (BlackRock) Pn	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.114%
BCGE	Standard Life * Defensive Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.100%
BDAD	Standard Life Sust Mul-Ast At Ret AP Univ Pn Fd	1%	6%	7%	4%	82%	0%	0%	0%	0%	0%	0%	0.145%
BDAE	Standard Life Sust Mul-Ast Pre Ret AP Univ Pn Fd	1%	5%	6%	5%	82%	0%	0%	0%	0%	0%	0%	0.173%
BDMJ	SL * ESG Flexible Retirement Growth Pension Fd	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0.720%
BEBD	Standard Life Vanguard Growth Pension Fund	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.045%
BFAK	Standard Life Mixed Blend Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.055%
BFCK	SL Vanguard FTSE UK All Share Index Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.102%
CCFF	Standard Life * Money Market Pension Fund	53%	0%	0%	47%	0%	0%	0%	0%	0%	0%	0%	0.038%

Fund Code	Fund Name	< 0.3%	0.3 to 0.39	0.4 to 0.49	0.5 to 0.59	0.6 to 0.75	0.76 to 0.85	0.86 to 0.95	0.96 to 1.00	1.01 to 1.25	1.26 to 1.40	> 1.40%	Transaction Cost
CCGA	Standard Life * Growth Pension Fund	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0.191%
CCHB	Standard Life * Mixed Bond Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.008%
CCHD	SL Sustainable Multi Asset (PP) Pension Fund	33%	13%	11%	6%	36%	0%	0%	0%	0%	0%	0%	0.091%
CCMJ	Standard Life * Drawdown Pre-Retirement Pn Fd	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0.180%
CCMN	SL * Money Market Pension Fund	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.038%
CEMH	SL Sustainable Multi Asset Pre Retirement Pn	26%	45%	24%	2%	4%	0%	0%	0%	0%	0%	0%	0.116%
CFAA	SL * Growth Investment Pn Fd	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0.379%
CGLC	Standard Life * Pre Retirement Pension Fund	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0.227%
DBPN	SL Sustainable Multi Asset Pre Ret (Univ S3) Pn	0%	40%	18%	22%	20%	0%	0%	0%	0%	0%	0%	0.210%
DDAA	Standard Life Pre Ret (Stakeholder Universal S6)	0%	4%	96%	0%	0%	0%	0%	0%	0%	0%	0%	0.138%
DDFF	SL iShares Emerging Markets Equity Index Pn Fd	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0.391%
DDMP	Standard Life * Multi-Asset Pension Fund	0%	0%	50%	50%	0%	0%	0%	0%	0%	0%	0%	0.102%
DDNA	Standard Life Sustainable Multi Asset (AP) Pn Fd	2%	5%	6%	6%	82%	0%	0%	0%	0%	0%	0%	0.106%
DDNC	SL Sustainable Multi Asset At Ret (AP Drawdown) Pn	0%	0%	68%	0%	32%	0%	0%	0%	0%	0%	0%	0.219%

Fund Code	Fund Name	< 0.3%	0.3 to 0.39	0.4 to 0.49	0.5 to 0.59	0.6 to 0.75	0.76 to 0.85	0.86 to 0.95	0.96 to 1.00	1.01 to 1.25	1.26 to 1.40	> 1.40%	Transaction Cost
DGBC	Standard Life * At-Ret (Flexible Income) Pen Fd	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.298%
DGND	Standard Life * UK Gilt Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-0.460%
DKHC	SL Sustainable Multi Asset Growth (Series 3) Pn	0%	43%	30%	15%	12%	0%	0%	0%	0%	0%	0%	0.135%
EEJD	Standard Life Growth Investment Pension Fund (HNR)	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.164%
EELG	Standard Life Pre Ret (Stakeholder Universal)	0%	0%	98%	0%	2%	0%	0%	0%	0%	0%	0%	0.116%
EGMF	SL * At-Retirement (Drawdown) Pn	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	-0.069%
F8	Standard Life Multi Asset Mgd (20-60% Shares) Pn	2%	8%	18%	16%	56%	0%	0%	0%	0%	0%	0%	0.168%
F9	Standard Life At Retirement (Multi Asset Univ) Pn	2%	11%	18%	9%	61%	0%	0%	0%	0%	0%	0%	0.224%
FA	Standard Life Managed Pension Fund	5%	11%	21%	8%	55%	0%	0%	0%	0%	0%	0%	0.181%
FBEC	SL * Diversified Bond Pension Fund	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0.339%
FBKG	SL * ESG Flexible Retirement Pre-Retirement Pn	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0.521%
FFMP	SL Sustainable Multi Asset At Ret (Univ S3) Pn	0%	43%	15%	21%	21%	0%	0%	0%	0%	0%	0%	0.325%
FL	Standard Life Index Linked Bond Pension Fund	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.060%
FP	Standard Life Mixed Bond Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.068%

Fund Code	Fund Name	< 0.3%	0.3 to 0.39	0.4 to 0.49	0.5 to 0.59	0.6 to 0.75	0.76 to 0.85	0.86 to 0.95	0.96 to 1.00	1.01 to 1.25	1.26 to 1.40	> 1.40%	Transaction Cost
G4	Standard Life Deposit and Treasury Pension Fund	23%	10%	15%	9%	44%	0%	0%	0%	0%	0%	0%	0.038%
G6	Standard Life FTSE Tracker Pension Fund	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.003%
G7	Standard Life Ethical Pension Fund	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0.111%
GANH	SL * Diversified Growth Pension Fund	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0.473%
GBMC	SL Inv Pathway Option 4 Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.033%
GGAC	SL iShares Pacific ex Japan Equity Index Pn Fd	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.123%
GGBA	Standard Life At Ret (Stakeholder Universal S6)	0%	4%	96%	0%	0%	0%	0%	0%	0%	0%	0%	0.111%
GGCB	Standard Life * Money Market Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.038%
GGJG	Standard Life Diversified Growth Pension Fd (HNR)	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0.483%
GGMJ	SL Vanguard US Equity Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.000%
GGND	Standard Life At Ret (MyFolio Market Universal)	0%	50%	14%	36%	0%	0%	0%	0%	0%	0%	0%	0.038%
GGPF	SL Aberdeen Standard European Smaller Cos Pn Fd	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	-0.008%
GS	Standard Life Money Market Pension Fund	3%	10%	8%	4%	75%	0%	0%	0%	0%	0%	0%	0.000%
GZ	Standard Life Overseas Equity Pension Fund	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.154%

Fund Code	Fund Name	< 0.3%	0.3 to 0.39	0.4 to 0.49	0.5 to 0.59	0.6 to 0.75	0.76 to 0.85	0.86 to 0.95	0.96 to 1.00	1.01 to 1.25	1.26 to 1.40	> 1.40%	Transaction Cost
H5	Standard Life Overseas Tracker Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.146%
H8	Standard Life Global Equity 50:50 Tracker Pension	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0.034%
HAIA	Standard Life * At Retirement Pension Fund	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.238%
HB	Standard Life Long Corporate Bond Pension Fund	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.170%
HKMM	Standard Life At Ret (MyFolio Managed Universal)	0%	0%	30%	70%	0%	0%	0%	0%	0%	0%	0%	0.155%
HT	Standard Life Global Equity 50:50 Pension Fund	0%	21%	0%	0%	79%	0%	0%	0%	0%	0%	0%	0.100%
IALC	Standard Life Vanguard At-Retirement Pension Fund	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.079%
IAPI	SL * ex Tobacco Corp Bd Pn	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0.195%
IDHG	SL * Property Pension Fund	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	-1.406%
JB	SL HSBC Islamic Global Equity Index Pension Fund	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	-0.007%
JCCD	Standard Life * Pre Retirement Pension Fund	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.063%
JJBG	SL * Pre-Retirement (Flexible Inc) Pn	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0.376%
JJCC	Standard Life* Drawdown At-Retirement Pn Fd	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0.176%
JJHA	SL Sustainable Multi Asset At Ret (PP Univ) Pn Fd	38%	10%	18%	4%	30%	0%	0%	0%	0%	0%	0%	0.041%

Fund Code	Fund Name	< 0.3%	0.3 to 0.39	0.4 to 0.49	0.5 to 0.59	0.6 to 0.75	0.76 to 0.85	0.86 to 0.95	0.96 to 1.00	1.01 to 1.25	1.26 to 1.40	> 1.40%	Transaction Cost
JJJA	Standard Life Passive Plus IV Pension Fund	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.068%
JJKM	Standard Life Passive Plus II Pension Fund	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.062%
JJNJ	Standard Life Pre Ret (MyFolio Market Universal)	0%	48%	14%	38%	0%	0%	0%	0%	0%	0%	0%	0.051%
JJNK	Standard Life At Ret (Stakeholder Universal)	0%	0%	99%	0%	1%	0%	0%	0%	0%	0%	0%	0.111%
JLKH	Standard Life * Growth Investment Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.239%
JLLC	Standard Life * Pre-Ret (Flexible Income) Pen Fd	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.309%
JO	SL BlackRock Managed (50:50) Global Equity Pension	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0.046%
KBNI	SL Sustainable Multi Asset At Ret (Drawdown) Pn	11%	89%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.191%
KFMA	SL Sustainable Multi Asset At Ret (Univ 10Yr) Pn	0%	0%	0%	10%	90%	0%	0%	0%	0%	0%	0%	0.237%
KIAE	SL * ex Tobacco Gbl Eq Pn	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0.246%
KIHE	SL * Deposit & Treasury Pn	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0.038%
KKFF	SL Sustainable Multi Asset Pre Ret (PP Univ) Pn Fd	39%	11%	17%	5%	28%	0%	0%	0%	0%	0%	0%	0.058%
KKIF	Standard Life At Ret (Passive Plus Universal S3)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	TCD n/a and under investigation
KKJD	SL * Growth Investment Pension Fund	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.256%

Fund Code	Fund Name	< 0.3%	0.3 to 0.39	0.4 to 0.49	0.5 to 0.59	0.6 to 0.75	0.76 to 0.85	0.86 to 0.95	0.96 to 1.00	1.01 to 1.25	1.26 to 1.40	> 1.40%	Transaction Cost
KLIB	SL Inv Pathway Option 1 Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.061%
KNBA	Standard Life Pre Ret (Passive Plus Universal S3)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	TCD n/a and under investigation
KPHK	Standard Life Passive Core Pension Fund	38%	14%	48%	0%	0%	0%	0%	0%	0%	0%	0%	0.079%
LCKK	SL Inv Pathway Option 3 Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.046%
LFPL	SL * ESG Flexible Retirement At-Retirement Pn	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0.329%
LLEK	Standard Life 50:50 Gbl Equity (BlackRock) Pn	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0.124%
LLHF	Standard Life * Pre-Retirement (Flexible Tgt) Pn	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0.106%
LLJE	SL abrdn MyFolio Market II Pension Fund	0%	0%	2%	92%	6%	0%	0%	0%	0%	0%	0%	0.051%
LLLB	Standard Life * UK Gilt Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-0.460%
LLNB	SL abrdn MyFolio Market IV Pension Fund	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.027%
LLPA	Standard Life Active Plus II Pension Fund	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.059%
LLPM	Standard Life Diversified Bond Pension Fund (HNR)	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0.395%
LPNI	SL Sustainable Multi Asset Pre Ret (AP Drawdown)Pn	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0.336%
LPNL	Standard Life Sustainable Multi Asset Growth Pn	31%	48%	14%	3%	4%	0%	0%	0%	0%	0%	0%	0.063%

Fund Code	Fund Name	< 0.3%	0.3 to 0.39	0.4 to 0.49	0.5 to 0.59	0.6 to 0.75	0.76 to 0.85	0.86 to 0.95	0.96 to 1.00	1.01 to 1.25	1.26 to 1.40	> 1.40%	Transaction Cost
MADF	Standard Life * Early Stage Growth Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.159%
MBLA	Standard Life * At Retirement Pension Fund	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.086%
MFED	SL Sustainable Multi Asset Pre Ret (Drawdown) Pn	13%	87%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.167%
MLIE	SL Sustainable Multi Asset Pre Ret (Univ 10Yr) Pn	0%	0%	0%	14%	86%	0%	0%	0%	0%	0%	0%	0.188%
MMAB	Standard Life Passive Plus III (Series 3) Pension	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	TCD n/a and under investigation
NAMI	SL * Transition Pension Fund	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0.075%
NBCE	Standard Life * Global Equity Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.106%
NCKI	Standard Life * Growth Pension Fund	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.050%
NDPA	SL Sustainable Multi Asset Growth (10 Year) Pn Fd	0%	0%	19%	0%	81%	0%	0%	0%	0%	0%	0%	0.146%
NJEE	SL Inv Pathway Option 2 Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.017%
NKAJ	Standard Life * Growth Pension Fund	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0.129%
NLCB	SL Pre Retirement (Passive Core Universal) Pn Fd	54%	15%	30%	0%	0%	0%	0%	0%	0%	0%	0%	0.077%
NLPD	Standard Life Vanguard Pre-Retirement Pension Fund	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.059%
NNAA	Standard Life * Global Equity Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.106%
PAMG	Standard Life * Growth Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.055%

Fund Code	Fund Name	< 0.3%	0.3 to 0.39	0.4 to 0.49	0.5 to 0.59	0.6 to 0.75	0.76 to 0.85	0.86 to 0.95	0.96 to 1.00	1.01 to 1.25	1.26 to 1.40	> 1.40%	Transaction Cost
PIGC	Standard Life * Diversified Pension Fund	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0.469%
PLND	SL Sustainable Multi Asset At Retirement Pn	25%	45%	24%	2%	3%	0%	0%	0%	0%	0%	0%	0.170%
PNCD	SL At Retirement (Passive Core Universal) Pn Fd	53%	15%	32%	0%	0%	0%	0%	0%	0%	0%	0%	0.100%
S6	Standard Life BT Share Pension Fund	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0.140%
YP	SL LF Macquarie Global Infrastructure Secs Pn Fd	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0.289%
YX	SL abrdn Global Absolute Return Strategies Pn Fd	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0.745%

Costs and Charges for Standard Life 'Quasi Default' Investment Funds

Fund Code	Fund Name	< 0.3%	0.3 to 0.39	0.4 to 0.49	0.5 to 0.59	0.6 to 0.75	0.76 to 0.85	0.86 to 0.95	0.96 to 1.00	1.01 to 1.25	1.26 to 1.40	> 1.40%	No AMC Calc	Transaction Cost
AAAF	SL abrdn MyFolio Managed III Pension Fund	0%	0%	0%	0%	93%	0%	0%	0%	7%	0%	0%	0%	0.20%
AACE	SL abrdn MyFolio Market III Pension Fund	0%	0%	0%	49%	51%	0%	0%	0%	0%	0%	0%	0%	0.04%
AADC	SL abrdn MyFolio Multi-Manager II Pension Fund	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0.18%
AAMI	SL abrdn MyFolio Managed II Pension Fund	0%	0%	0%	0%	81%	0%	5%	14%	0%	0%	0%	0%	0.21%
BBIA	SL abrdn MyFolio Market V Pension Fund	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0.01%

Fund Code	Fund Name	< 0.3%	0.3 to 0.39	0.4 to 0.49	0.5 to 0.59	0.6 to 0.75	0.76 to 0.85	0.86 to 0.95	0.96 to 1.00	1.01 to 1.25	1.26 to 1.40	> 1.40%	No AMC Calc	Transaction Cost
BC	SL BlackRock Managed (70:30) Global Equity Pension	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.01%
BDAD	Standard Life Sust Mul-Ast At Ret AP Univ Pn Fd	0%	9%	0%	13%	78%	0%	0%	0%	0%	0%	0%	0%	0.14%
BDAE	Standard Life Sust Mul-Ast Pre Ret AP Univ Pn Fd	0%	12%	0%	20%	68%	0%	0%	0%	0%	0%	0%	0%	0.17%
CCHD	SL Sustainable Multi Asset (PP) Pension Fund	1%	1%	4%	7%	86%	0%	0%	0%	0%	0%	0%	0%	0.09%
CY	SL iShares Corporate Bond Index Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.06%
DDNA	Standard Life Sustainable Multi Asset (AP) Pn Fd	0%	7%	0%	38%	55%	0%	0%	0%	0%	0%	0%	0%	0.11%
F8	Standard Life Multi Asset Mgd (20-60% Shares) Pn	2%	11%	13%	10%	64%	0%	0%	0%	0%	0%	0%	0%	0.17%
F9	Standard Life At Retirement (Multi Asset Univ) Pn	1%	13%	12%	9%	65%	0%	0%	0%	0%	0%	0%	0%	0.22%
FA	Standard Life Managed Pension Fund	1%	5%	10%	6%	78%	0%	0%	0%	0%	0%	0%	0%	0.18%
FB	Standard Life Stock Exchange Pension Fund	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0.17%
FM	Standard Life Property Pension Fund	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.22%
FP	Standard Life Mixed Bond Pension Fund	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.07%

Fund Code	Fund Name	< 0.3%	0.3 to 0.39	0.4 to 0.49	0.5 to 0.59	0.6 to 0.75	0.76 to 0.85	0.86 to 0.95	0.96 to 1.00	1.01 to 1.25	1.26 to 1.40	> 1.40%	No AMC Calc	Transaction Cost
G4	Standard Life Deposit and Treasury Pension Fund	4%	33%	5%	12%	46%	0%	0%	0%	0%	0%	0%	0%	0.04%
GBMC	SL Inv Pathway Option 4 Pension Fund	0%	0%	0%	25%	75%	0%	0%	0%	0%	0%	0%	0%	0.03%
GS	Standard Life Money Market Pension Fund	0%	11%	19%	1%	69%	0%	0%	0%	0%	0%	0%	0%	0.00%
H8	Standard Life Global Equity 50:50 Tracker Pension	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0.03%
HH	Standard Life Corporate Bond Pension Fund	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.05%
HT	Standard Life Global Equity 50:50 Pension Fund	0%	0%	49%	2%	50%	0%	0%	0%	0%	0%	0%	0%	0.10%
JJHA	SL Sustainable Multi Asset At Ret (PP Univ) Pn Fd	4%	3%	2%	4%	87%	0%	0%	0%	0%	0%	0%	0%	0.04%
JJJA	Standard Life Passive Plus IV Pension Fund	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.07%
JJKM	Standard Life Passive Plus II Pension Fund	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.06%
JO	SL BlackRock Managed (50:50) Global Equity Pension	2%	91%	2%	5%	0%	0%	0%	0%	0%	0%	0%	0%	0.05%
JU	SL BlackRock Aquila Connect Consensus Pension Fund	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.05%

Fund Code	Fund Name	< 0.3%	0.3 to 0.39	0.4 to 0.49	0.5 to 0.59	0.6 to 0.75	0.76 to 0.85	0.86 to 0.95	0.96 to 1.00	1.01 to 1.25	1.26 to 1.40	> 1.40%	No AMC Calc	Transaction Cost
KF	SL BNY Mellon Global Balanced Pension Fund	0%	0%	0%	1%	96%	2%	0%	0%	0%	0%	0%	0%	0.10%
KKFF	SL Sustainable Multi Asset Pre Ret (PP Univ) Pn Fd	3%	2%	4%	4%	86%	0%	0%	0%	0%	0%	0%	0%	0.06%
KLIB	SL Inv Pathway Option 1 Pension Fund	3%	7%	27%	10%	53%	0%	0%	0%	0%	0%	0%	0%	0.06%
KO	SL Fidelity Special Situations Pension Fund	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	TCD n/a and under investigation
LCKK	SL Inv Pathway Option 3 Pension Fund	0%	18%	27%	0%	55%	0%	0%	0%	0%	0%	0%	0%	0.05%
LLJE	SL abrdn MyFolio Market II Pension Fund	0%	0%	0%	47%	53%	0%	0%	0%	0%	0%	0%	0%	0.05%
LLPA	Standard Life Active Plus II Pension Fund	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.06%
MMKF	SL abrdn MyFolio Multi-Manager III Pension Fund	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0.20%
NB	SL iShares Index Linked Gilt Index Pension Fund	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0.06%
ND	SL iShares Over 15 Year Gilt Index Pension Fund	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	-0.01%
NJEE	SL Inv Pathway Option 2 Pension Fund	0%	0%	33%	0%	67%	0%	0%	0%	0%	0%	0%	0%	0.02%
S8	SL BlackRock Aquila Connect Sterling Govt Liq Pn	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0.00%

The fund names marked with an * are redacted as they are for the sole use of employees of specific employers and it is not appropriate to disclose their name in a publicly-available document. If you are an employee of one of these employers, the full fund names are available to you via your employer's dedicated pension scheme micro site and/or relevant pension scheme documentation.

Disclosure of costs and charges by individual employer arrangement

The tables below show the range of charges applied within each individual employer arrangement used by customers for:

- Each of the default investment funds used by customers; and
- Each of the 'quasi' default investment funds which are funds treated as default investment funds because of the number of customers invested in them.

Customers can see from their annual benefit statement and online dashboard which type of policy they have and the name of the fund they are invested in. The tables below show how many employer arrangements there are in each charge band, in contrast to the previous tables that showed the number of individuals.

Costs and Charges for Standard Life Default Investment Funds

Fund Code	Fund Name	< 0.3%	0.3 to 0.39	0.4 to 0.49	0.5 to 0.59	0.6 to 0.75	0.76 to 0.85	0.86 to 0.95	0.96 to 1.00	1.01 to 1.25	1.26 to 1.40	> 1.40%	No AMC Calc	Transaction Cost
2B	SL Fidelity European Pension Fund	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	TCD n/a and under investigation
AAAF	SL abrdn MyFolio Managed III Pension Fund	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0.205%
AACE	SL abrdn MyFolio Market III Pension Fund	0%	0%	80%	10%	10%	0%	0%	0%	0%	0%	0%	0%	0.040%
AAJJ	Standard Life * Money Market Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.038%
AAKI	Standard Life Money Market Pension Fund (HNR)	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.038%

Fund Code	Fund Name	< 0.3%	0.3 to 0.39	0.4 to 0.49	0.5 to 0.59	0.6 to 0.75	0.76 to 0.85	0.86 to 0.95	0.96 to 1.00	1.01 to 1.25	1.26 to 1.40	> 1.40%	No AMC Calc	Transaction Cost
ADCF	Standard Life * Pre-Retirement Pension Fd	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.139%
ADCG	Standard Life * Balanced Growth Pension Fd	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.167%
ADIC	SL * Growth Pension Fund	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.116%
ADLA	SL * At-Retirement (Flexible Inc) Pn	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0.291%
ADLL	SL 7IM Adventurous Pension Fund	0%	0%	0%	0%	0%	50%	0%	0%	50%	0%	0%	0%	0.036%
BBAG	Standard Life * Mixed Bond Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.008%
BBDF	Standard Life * Balanced Risk Growth Pension Fd	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0.099%
BBED	Standard Life Pre Ret (MyFolio Managed Universal)	0%	0%	0%	50%	50%	0%	0%	0%	0%	0%	0%	0%	0.207%
BCGE	Standard Life * Defensive Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.100%
BDAD	Standard Life Sust Mul-Ast At Ret AP Univ Pn Fd	0%	1%	2%	3%	94%	0%	0%	0%	0%	0%	0%	0%	0.145%
BDAE	Standard Life Sust Mul-Ast Pre Ret AP Univ Pn Fd	0%	1%	1%	3%	95%	0%	0%	0%	0%	0%	0%	0%	0.173%
BDMJ	SL * ESG Flexible Retirement Growth Pension Fd	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0.720%

Fund Code	Fund Name	< 0.3%	0.3 to 0.39	0.4 to 0.49	0.5 to 0.59	0.6 to 0.75	0.76 to 0.85	0.86 to 0.95	0.96 to 1.00	1.01 to 1.25	1.26 to 1.40	> 1.40%	No AMC Calc	Transaction Cost
BEBD	Standard Life Vanguard Growth Pension Fund	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.045%
BFAK	Standard Life Mixed Blend Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.055%
BFCK	SL Vanguard FTSE UK All Share Index Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.102%
CCFF	Standard Life * Money Market Pension Fund	67%	0%	0%	33%	0%	0%	0%	0%	0%	0%	0%	0%	0.038%
CCGA	Standard Life * Growth Pension Fund	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0.191%
CCHB	Standard Life * Mixed Bond Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.008%
CCHD	SL Sustainable Multi Asset (PP) Pension Fund	4%	11%	10%	9%	66%	0%	0%	0%	0%	0%	0%	0%	0.091%
CCMJ	Standard Life * Drawdown Pre-Retirement Pn Fd	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0.180%
CCMN	SL * Money Market Pension Fund	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.038%
CEMH	SL Sustainable Multi Asset Pre Retirement Pn	28%	34%	18%	6%	14%	0%	0%	0%	0%	0%	0%	0%	0.116%
CFAA	SL * Growth Investment Pn Fd	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0.379%
CGLC	Standard Life * Pre Retirement Pension Fund	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.227%
DBPN	SL Sustainable Multi Asset Pre Ret (Univ S3) Pn	0%	33%	33%	17%	17%	0%	0%	0%	0%	0%	0%	0%	0.210%

Fund Code	Fund Name	< 0.3%	0.3 to 0.39	0.4 to 0.49	0.5 to 0.59	0.6 to 0.75	0.76 to 0.85	0.86 to 0.95	0.96 to 1.00	1.01 to 1.25	1.26 to 1.40	> 1.40%	No AMC Calc	Transaction Cost
DDAA	Standard Life Pre Ret (Stakeholder Universal S6)	0%	50%	50%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.138%
DDFF	SL iShares Emerging Markets Equity Index Pn Fd	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0.391%
DDMP	Standard Life * Multi-Asset Pension Fund	0%	0%	67%	33%	0%	0%	0%	0%	0%	0%	0%	0%	0.102%
DDNA	Standard Life Sustainable Multi Asset (AP) Pn Fd	0%	1%	1%	2%	95%	0%	0%	0%	0%	0%	0%	0%	0.106%
DDNC	SL Sustainable Multi Asset At Ret (AP Drawdown) Pn	0%	0%	50%	0%	50%	0%	0%	0%	0%	0%	0%	0%	0.219%
DGBC	Standard Life * At-Ret (Flexible Income) Pen Fd	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.298%
DGND	Standard Life * UK Gilt Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-0.460%
DKHC	SL Sustainable Multi Asset Growth (Series 3) Pn	0%	33%	33%	17%	17%	0%	0%	0%	0%	0%	0%	0%	0.135%
EEJD	Standard Life Growth Investment Pension Fund (HNR)	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.164%
EELG	Standard Life Pre Ret (Stakeholder Universal)	0%	0%	50%	0%	50%	0%	0%	0%	0%	0%	0%	0%	0.116%
EGMF	SL * At-Retirement (Drawdown) Pn	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-0.069%

Fund Code	Fund Name	< 0.3%	0.3 to 0.39	0.4 to 0.49	0.5 to 0.59	0.6 to 0.75	0.76 to 0.85	0.86 to 0.95	0.96 to 1.00	1.01 to 1.25	1.26 to 1.40	> 1.40%	No AMC Calc	Transaction Cost
F8	Standard Life Multi Asset Mgd (20-60% Shares) Pn	2%	4%	11%	9%	74%	0%	0%	0%	0%	0%	0%	0%	0.168%
F9	Standard Life At Retirement (Multi Asset Univ) Pn	2%	5%	10%	9%	74%	0%	0%	0%	0%	0%	0%	0%	0.224%
FA	Standard Life Managed Pension Fund	2%	5%	11%	8%	74%	0%	0%	0%	0%	0%	0%	0%	0.181%
FBEC	SL * Diversified Bond Pension Fund	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.339%
FBKG	SL * ESG Flexible Retirement Pre-Retirement Pn	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0.521%
FFMP	SL Sustainable Multi Asset At Ret (Univ S3) Pn	0%	33%	33%	17%	17%	0%	0%	0%	0%	0%	0%	0%	0.325%
FP	Standard Life Mixed Bond Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.068%
G4	Standard Life Deposit and Treasury Pension Fund	3%	6%	11%	10%	70%	0%	0%	0%	0%	0%	0%	0%	0.038%
G7	Standard Life Ethical Pension Fund	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0.111%
GANH	SL * Diversified Growth Pension Fund	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0.473%
GBMC	SL Inv Pathway Option 4 Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.033%
GGAC	SL iShares Pacific ex Japan Equity Index Pn Fd	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.123%

Fund Code	Fund Name	< 0.3%	0.3 to 0.39	0.4 to 0.49	0.5 to 0.59	0.6 to 0.75	0.76 to 0.85	0.86 to 0.95	0.96 to 1.00	1.01 to 1.25	1.26 to 1.40	> 1.40%	No AMC Calc	Transaction Cost
GGBA	Standard Life At Ret (Stakeholder Universal S6)	0%	50%	50%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.111%
GGCB	Standard Life * Money Market Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.038%
GGJG	Standard Life Diversified Growth Pension Fd (HNR)	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0.483%
GGMJ	SL Vanguard US Equity Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.000%
GGND	Standard Life At Ret (MyFolio Market Universal)	0%	50%	33%	17%	0%	0%	0%	0%	0%	0%	0%	0%	0.038%
GGPF	SL Aberdeen Standard European Smaller Cos Pn Fd	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	-0.008%
GS	Standard Life Money Market Pension Fund	4%	4%	13%	9%	70%	0%	0%	0%	0%	0%	0%	0%	0.000%
H5	Standard Life Overseas Tracker Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.146%
H8	Standard Life Global Equity 50:50 Tracker Pension	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0.034%
HAIA	Standard Life * At Retirement Pension Fund	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.238%
HKMM	Standard Life At Ret (MyFolio Managed Universal)	0%	0%	50%	50%	0%	0%	0%	0%	0%	0%	0%	0%	0.155%

Fund Code	Fund Name	< 0.3%	0.3 to 0.39	0.4 to 0.49	0.5 to 0.59	0.6 to 0.75	0.76 to 0.85	0.86 to 0.95	0.96 to 1.00	1.01 to 1.25	1.26 to 1.40	> 1.40%	No AMC Calc	Transaction Cost
HT	Standard Life Global Equity 50:50 Pension Fund	0%	25%	0%	0%	75%	0%	0%	0%	0%	0%	0%	0%	0.100%
IALC	Standard Life Vanguard At-Retirement Pension Fund	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.079%
IAPI	SL * ex Tobacco Corp Bd Pn	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.195%
IDHG	SL * Property Pension Fund	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-1.406%
JB	SL HSBC Islamic Global Equity Index Pension Fund	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	-0.007%
JCCD	Standard Life * Pre Retirement Pension Fund	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.063%
JJBG	SL * Pre-Retirement (Flexible Inc) Pn	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0.376%
JJCC	Standard Life* Drawdown At-Retirement Pn Fd	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0.176%
JJHA	SL Sustainable Multi Asset At Ret (PP Univ) Pn Fd	3%	9%	8%	10%	70%	0%	0%	0%	0%	0%	0%	0%	0.041%
JJNJ	Standard Life Pre Ret (MyFolio Market Universal)	0%	50%	33%	17%	0%	0%	0%	0%	0%	0%	0%	0%	0.051%
JJNK	Standard Life At Ret (Stakeholder Universal)	0%	0%	67%	0%	33%	0%	0%	0%	0%	0%	0%	0%	0.111%

Fund Code	Fund Name	< 0.3%	0.3 to 0.39	0.4 to 0.49	0.5 to 0.59	0.6 to 0.75	0.76 to 0.85	0.86 to 0.95	0.96 to 1.00	1.01 to 1.25	1.26 to 1.40	> 1.40%	No AMC Calc	Transaction Cost
JLKH	Standard Life * Growth Investment Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.239%
JLLC	Standard Life * Pre-Ret (Flexible Income) Pen Fd	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.309%
JO	SL BlackRock Managed (50:50) Global Equity Pension	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0.046%
KBNI	SL Sustainable Multi Asset At Ret (Drawdown) Pn	50%	50%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.191%
KFMA	SL Sustainable Multi Asset At Ret (Univ 10Yr) Pn	0%	0%	0%	14%	86%	0%	0%	0%	0%	0%	0%	0%	0.237%
KIAE	SL * ex Tobacco Gbl Eq Pn	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0.246%
KIHE	SL * Deposit & Treasury Pn	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.038%
KKFF	SL Sustainable Multi Asset Pre Ret (PP Univ) Pn Fd	4%	10%	10%	9%	67%	0%	0%	0%	0%	0%	0%	0%	0.058%
KKJD	SL * Growth Investment Pension Fund	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.256%
KLIB	SL Inv Pathway Option 1 Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.061%
KPHK	Standard Life Passive Core Pension Fund	38%	31%	28%	3%	0%	0%	0%	0%	0%	0%	0%	0%	0.079%
LCKK	SL Inv Pathway Option 3 Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.046%

Fund Code	Fund Name	< 0.3%	0.3 to 0.39	0.4 to 0.49	0.5 to 0.59	0.6 to 0.75	0.76 to 0.85	0.86 to 0.95	0.96 to 1.00	1.01 to 1.25	1.26 to 1.40	> 1.40%	No AMC Calc	Transaction Cost
LFPL	SL * ESG Flexible Retirement At-Retirement Pn	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0.329%
LLEK	Standard Life 50:50 Gbl Equity (BlackRock) Pn	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0.124%
LLHF	Standard Life * Pre-Retirement (Flexible Tgt) Pn	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.106%
LLJE	SL abrdn MyFolio Market II Pension Fund	0%	0%	25%	50%	25%	0%	0%	0%	0%	0%	0%	0%	0.051%
LLLB	Standard Life * UK Gilt Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-0.460%
LLNB	SL abrdn MyFolio Market IV Pension Fund	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.027%
LLPM	Standard Life Diversified Bond Pension Fund (HNR)	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0.395%
LPNI	SL Sustainable Multi Asset Pre Ret (AP Drawdown)Pn	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0.336%
LPNL	Standard Life Sustainable Multi Asset Growth Pn	31%	33%	17%	7%	11%	0%	0%	0%	0%	0%	0%	0%	0.063%
MADF	Standard Life * Early Stage Growth Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.159%
MBLA	Standard Life * At Retirement Pension Fund	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.086%

Fund Code	Fund Name	< 0.3%	0.3 to 0.39	0.4 to 0.49	0.5 to 0.59	0.6 to 0.75	0.76 to 0.85	0.86 to 0.95	0.96 to 1.00	1.01 to 1.25	1.26 to 1.40	> 1.40%	No AMC Calc	Transaction Cost
MFED	SL Sustainable Multi Asset Pre Ret (Drawdown) Pn	50%	50%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.167%
MLIE	SL Sustainable Multi Asset Pre Ret (Univ 10Yr) Pn	0%	0%	0%	13%	87%	0%	0%	0%	0%	0%	0%	0%	0.188%
NAMI	SL * Transition Pension Fund	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0.075%
NBCE	Standard Life * Global Equity Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.106%
NCKI	Standard Life * Growth Pension Fund	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.050%
NDPA	SL Sustainable Multi Asset Growth (10 Year) Pn Fd	0%	0%	12%	0%	88%	0%	0%	0%	0%	0%	0%	0%	0.146%
NJEE	SL Inv Pathway Option 2 Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.017%
NKAJ	Standard Life * Growth Pension Fund	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.129%
NLCB	SL Pre Retirement (Passive Core Universal) Pn Fd	41%	30%	26%	4%	0%	0%	0%	0%	0%	0%	0%	0%	0.077%
NLPD	Standard Life Vanguard Pre-Retirement Pension Fund	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.059%
NNAA	Standard Life * Global Equity Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.106%
PAMG	Standard Life * Growth Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.055%

Fund Code	Fund Name	< 0.3%	0.3 to 0.39	0.4 to 0.49	0.5 to 0.59	0.6 to 0.75	0.76 to 0.85	0.86 to 0.95	0.96 to 1.00	1.01 to 1.25	1.26 to 1.40	> 1.40%	No AMC Calc	Transaction Cost
PIGC	Standard Life * Diversified Pension Fund	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0.469%
PLND	SL Sustainable Multi Asset At Retirement Pn	27%	34%	18%	6%	15%	0%	0%	0%	0%	0%	0%	0%	0.170%
PNCD	SL At Retirement (Passive Core Universal) Pn Fd	38%	27%	31%	4%	0%	0%	0%	0%	0%	0%	0%	0%	0.100%
S6	Standard Life BT Share Pension Fund	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.140%
YP	SL LF Macquarie Global Infrastructure Secs Pn Fd	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0.289%
YX	SL abrdn Global Absolute Return Strategies Pn Fd	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0.745%

Costs and Charges for Standard Life 'Quasi Default' Investment Funds

Fund Code	Fund Name	< 0.3%	0.3 to 0.39	0.4 to 0.49	0.5 to 0.59	0.6 to 0.75	0.76 to 0.85	0.86 to 0.95	0.96 to 1.00	1.01 to 1.25	1.26 to 1.40	> 1.40%	No AMC Calc	Transaction Cost
AAAF	SL abrdn MyFolio Managed III Pension Fund	0%	0%	0%	0%	80%	0%	0%	0%	20%	0%	0%	0%	0.20%
AACE	SL abrdn MyFolio Market III Pension Fund	0%	0%	0%	40%	60%	0%	0%	0%	0%	0%	0%	0%	0.04%
AADC	SL abrdn MyFolio Multi-Manager II Pension Fund	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0.18%
AAMI	SL abrdn MyFolio Managed II Pension Fund	0%	0%	0%	0%	60%	0%	20%	20%	0%	0%	0%	0%	0.21%
BBIA	SL abrdn MyFolio Market V Pension Fund	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0.01%
BC	SL BlackRock Managed (70:30) Global Equity Pension	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.01%
BDAD	Standard Life Sust Mul-Ast At Ret AP Univ Pn Fd	0%	20%	0%	20%	60%	0%	0%	0%	0%	0%	0%	0%	0.14%
BDAE	Standard Life Sust Mul-Ast Pre Ret AP Univ Pn Fd	0%	20%	0%	20%	60%	0%	0%	0%	0%	0%	0%	0%	0.17%
CCHD	SL Sustainable Multi Asset (PP) Pension Fund	2%	2%	7%	16%	73%	0%	0%	0%	0%	0%	0%	0%	0.09%
CY	SL iShares Corporate Bond Index Pension Fund	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.06%
DDNA	Standard Life Sustainable Multi Asset (AP) Pn Fd	0%	14%	14%	14%	57%	0%	0%	0%	0%	0%	0%	0%	0.11%

Costs and Charges for Standard Life 'Quasi Default' Investment Funds

F8	Standard Life Multi Asset Mgd (20-60% Shares) Pn	3%	1%	10%	13%	73%	0%	0%	0%	0%	0%	0%	0%	0.17%
F9	Standard Life At Retirement (Multi Asset Univ) Pn	3%	4%	8%	14%	71%	0%	0%	0%	0%	0%	0%	0%	0.22%
FA	Standard Life Managed Pension Fund	2%	2%	9%	11%	76%	0%	0%	0%	0%	0%	0%	0%	0.18%
FB	Standard Life Stock Exchange Pension Fund	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0.17%
FM	Standard Life Property Pension Fund	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.22%
FP	Standard Life Mixed Bond Pension Fund	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.07%
G4	Standard Life Deposit and Treasury Pension Fund	6%	9%	9%	15%	61%	0%	0%	0%	0%	0%	0%	0%	0.04%
GBMC	SL Inv Pathway Option 4 Pension Fund	0%	0%	0%	29%	71%	0%	0%	0%	0%	0%	0%	0%	0.03%
GS	Standard Life Money Market Pension Fund	0%	3%	12%	3%	82%	0%	0%	0%	0%	0%	0%	0%	0.00%
H8	Standard Life Global Equity 50:50 Tracker Pension	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0.03%
HT	Standard Life Global Equity 50:50 Pension Fund	0%	0%	33%	33%	33%	0%	0%	0%	0%	0%	0%	0%	0.10%
JJHA	SL Sustainable Multi Asset At Ret (PP Univ) Pn Fd	3%	3%	3%	11%	81%	0%	0%	0%	0%	0%	0%	0%	0.04%
JO	SL BlackRock Managed (50:50) Global Equity Pension	17%	50%	17%	17%	0%	0%	0%	0%	0%	0%	0%	0%	0.05%

Costs and Charges for Standard Life 'Quasi Default' Investment Funds

JU	SL BlackRock Aquila Connect Consensus Pension Fund	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.05%
KF	SL BNY Mellon Global Balanced Pension Fund	0%	0%	0%	33%	33%	33%	0%	0%	0%	0%	0%	0%	0.10%
KKFF	SL Sustainable Multi Asset Pre Ret (PP Univ) Pn Fd	2%	2%	6%	12%	78%	0%	0%	0%	0%	0%	0%	0%	0.06%
KLIB	SL Inv Pathway Option 1 Pension Fund	5%	5%	19%	14%	57%	0%	0%	0%	0%	0%	0%	0%	0.06%
LCKK	SL Inv Pathway Option 3 Pension Fund	0%	18%	27%	0%	55%	0%	0%	0%	0%	0%	0%	0%	0.05%
LLJE	SL abrdn MyFolio Market II Pension Fund	0%	0%	0%	25%	75%	0%	0%	0%	0%	0%	0%	0%	0.05%
MMKF	SL abrdn MyFolio Multi-Manager III Pension Fund	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0.20%
NB	SL iShares Index Linked Gilt Index Pension Fund	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0.06%
ND	SL iShares Over 15 Year Gilt Index Pension Fund	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	-0.01%
NJEE	SL Inv Pathway Option 2 Pension Fund	0%	0%	33%	0%	67%	0%	0%	0%	0%	0%	0%	0%	0.02%
S8	SL BlackRock Aquila Connect Sterling Govt Liq Pn	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0.00%

The fund names marked with an * are redacted as they are for the sole use of employees of specific employers and it is not appropriate to disclose their name in a publicly-available document. If you are an employee of one of these employer's the full fund names are available to you via your employer's dedicated pension scheme micro site and/or relevant pension scheme documentation.

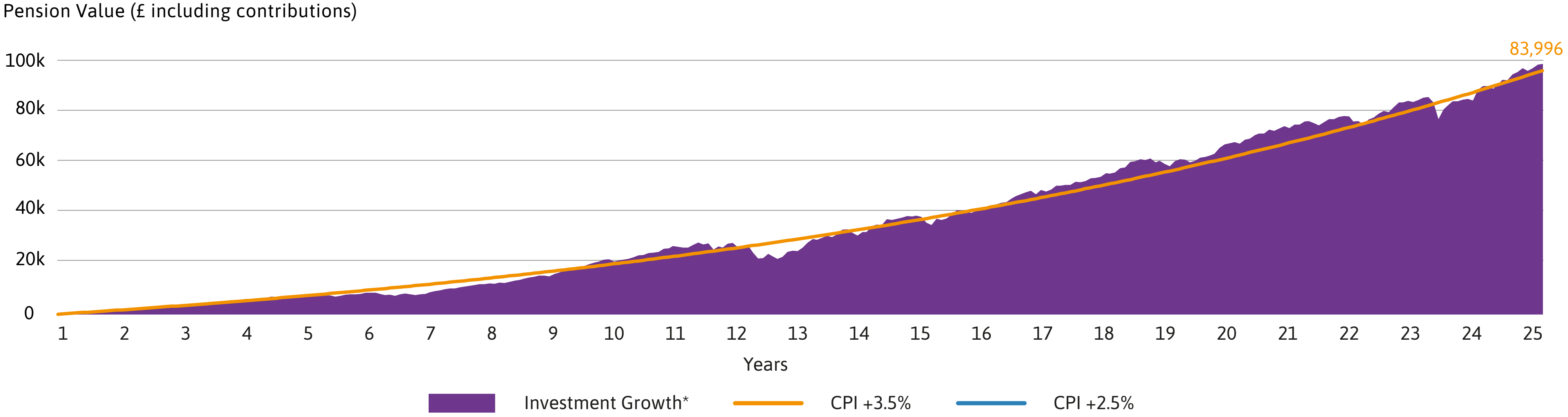
Supporting Material

Investment Performance and Services

Supporting Material

Investments

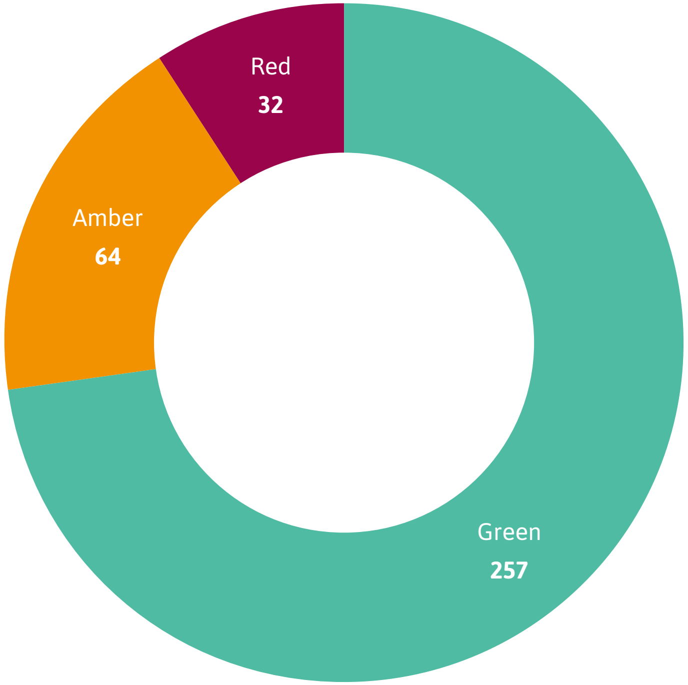
25 Years Savings Journey, including Glidepath to Retirement



	Annualised adjusted performance over a 25 year investment period*
Standard Life Managed Fund moving into Active Plus III Universal SLP	5.5%
CPI +3.5%	5.5%

*Performance adjusted to reflect 0.75% charge cap for default investment strategies. Pension value included contributions equivalent to £200 per month allowing for inflation. Source: FE Fundinfo FinXL, as at 7 April 2021 with performance shown for the period 31/12/1995 – 31/12/2020.

Performance RAG distribution (rated funds)



There were 55 funds (13% of total) which were unrated due to unavailability of data.

Note: the IGC performance RAG assesses each fund's performance relative to its own stated benchmark over 3 years and is reported every quarter. Funds are flagged as Amber or Red if relative performance is outside a specified tolerance range for each type of investment strategy (Passive, Core Active, High Alpha, Unconstrained).

Summary (Proportion of overall fund range in each Quartile)	Quartile rankings		
	5 Year	10 Year	15 Year
Quartile Summary (% of Ranked funds in each quartile over stated periods)			
Quartile 1	14%	13%	19%
Quartile 2	23%	25%	24%
Quartile 3	31%	29%	25%
Quartile 4	31%	33%	32%
TOTAL number of ranked funds	239	201	111
Where funds are in ABI Unclassified and ABI Specialist sectors performance ranking of these funds as a whole is inappropriate given the diverse nature of the sector constituents. Values below show the percentage of SLAL IGC in-scope Unit-Linked insured funds which are either Unclassified or Specialist.			
Unranked (% of total number of funds which are unranked)	51%	32%	15%
Total number of funds in-scope	484	295	130

Source: Quartile rankings and ABI Pension Sector: FE. The rankings range from 1 to 4, with 1 representing those funds within the top 25% of sector and 4 those funds within the lowest 25% of their sector. Where funds are in the ABI Unclassified and Specialist sector, Quartile rankings are not appropriate due to the diverse nature of their components. All other information: Standard Life.

External Assessment of Value for Money in Investments

This section explains how Standard Life and Redington developed an investment VFM assessment framework.

The framework enables the IGC to identify, on a quantitative basis alongside existing controls and reporting, if any default strategies or single funds may not be providing value for money. For those strategies or funds which are identified, further investigative work is carried out to determine if it is offering value for money or not as deemed by the IGC.

The assessment takes into account the differing objectives of an investment strategy through the retirement journey.

It is made up of both a **forward-looking** and **backward-looking assessment**. A final score of less than 3 for either the forward or backward-looking assessments will require further investigation. A final score of 3 or more effectively passes the assessments.

Forward-Looking Assessment

This considers the entire investment journey for a member, focusing on four particular time-based slices.

The assessment looks to determine:

- If the strategy has the propensity to deliver a good outcome for members; and
- Whether the target of the strategy (e.g. cash, annuity, drawdown) is aligned to the investments used at the end of the glidepath.

Backward-Looking Assessment

This considers past performance and the tracking error of the underlying funds. A tracking error is where the actual fund performance deviates from the expected return when comparing with the fund's benchmark.

The purpose is to ensure the IGC can identify fund-specific issues that would prevent a strategy from being value for money, for instance:

- Poor performing actively managed funds (significant and sustained);
- Passively-managed funds with significant tracking errors;
- Actively-managed funds which are closet index-trackers: and
- Expensive passive funds.

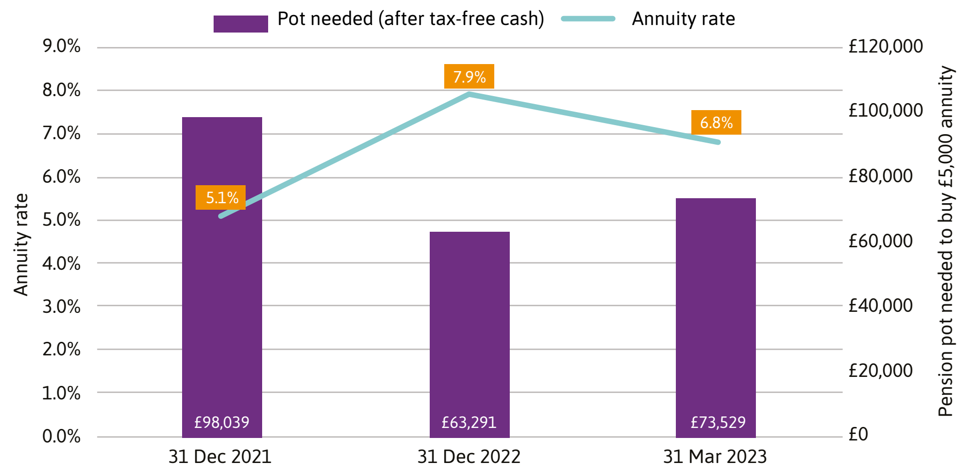
With-profits funds underlying asset share performance vs CPI

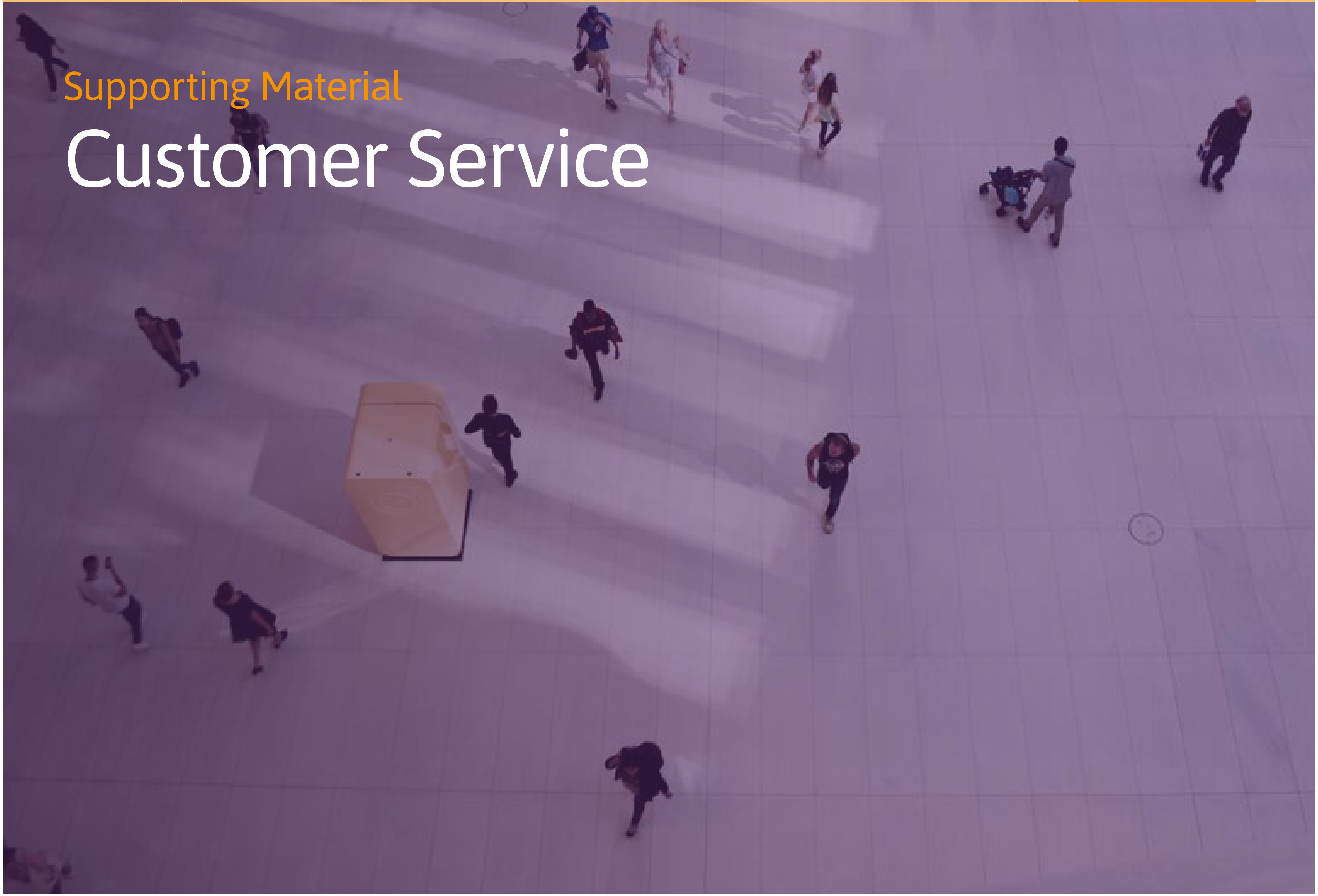
The following table provides a comparison of the annualised investment return for six major With-profits funds, after taking expenses and charges into account, over the last 1, 3, 5 and 10 year periods compared against headline CPI inflation. Inflation was as low as 2.7% a year in the past decade but has risen to an average of 3.9% in the past 5 years and 10.5% in 2022. This table therefore gives an indication as to how the portfolios which underly your policies have performed in real or inflation adjusted terms. In summary, most with-profits funds have not out-performed inflation over a 5 year period but almost all of them have out-performed inflation over a 10 year period.

SLAL Fund	1yr	3yr	5yr	10yr
Pension with-profits Fund	-21.6%	-8.4%	-5.3%	-1.7%
Pension Millennium WP Fund (repriced)	-16.4%	-4.4%	-2.5%	1.8%
Single Charge Funds (pre-demutual)	-16.5%	-4.6%	-2.7%	1.6%
Single Charge Funds (post-demutual)	-16.6%	-4.7%	-2.8%	1.6%
Stakeholder WP Fund	-17.2%	-4.7%	-2.5%	2.2%
Stakeholder WP 2006 Fund	-17.2%	-4.7%	-2.6%	2.1%

Changes in annuity rates & pension pot (after tax-free cash) needed to buy £5,000 annual income (65 year old, single life, level, no guarantee).

Source: Retirement Line, May 2023.





Supporting Material

Customer Service

Supporting Material

Customer Service

Customer Service Data

In this appendix we provide some detailed data on the performance measures which the IGC has used to determine its value for money assessment for customer service.

Table A – Automated and Manual Transactions

The table below shows the speed of processing by Standard Life of the core financial transactions during 2022.

	Percentage of Total Core Financial Transactions					Number of Core Financial Transactions					
Core Financial Transaction	**Same Day**	**Next Day**	**2 to 5 days**	**6 to 10 days**	**Over 10 days**	**Same Day**	**Next Day**	**2 to 5 days**	**6 to 10 days**	**Over 10 days**	**Total Frequency**
Regular Contributions	91.1%	6.5%	2.1%	0.1%	0.3%	9,365,213	666,621	211,660	10,168	27,165	10,280,827
Ad-Hoc Contributions	97.9%	0.6%	0.3%	0.3%	0.8%	75,883	470	232	271	618	77,474
Single Contributions	80.5%	7.3%	7.3%	2.1%	2.8%	26,699	2,428	2,411	707	940	33,185
Transfers In	86.5%	3.4%	7.7%	1.4%	1.0%	17,548	699	1,565	286	199	20,297
Fund Switches	98.8%	0.9%	0.1%	0.1%	0.2%	2,659,723	24,080	1,824	1,517	5,821	2,692,965
Transfers Out (End to End)	37.6%	10.0%	47.6%	3.5%	1.2%	23,532	6,288	29,836	2,202	768	62,626
Retirements (End to End)	42.9%	28.3%	21.9%	5.4%	1.5%	4,947	3,262	2,530	623	175	11,537
Death Settlements (End to End)	1.1%	0.3%	1.2%	3.9%	93.4%	17	5	19	60	1,439	1,540
Transfers Out (Asset Sale Only)	38.2%	9.8%	47.4%	3.4%	1.2%	24,280	6,205	30,119	2,162	787	63,553
Retirements (Asset Sale Only)	67.9%	4.4%	21.9%	4.5%	1.4%	7,893	507	2,551	523	159	11,633
Death Settlements (Asset Sale Only)	100.0%	0.0%	0.0%	0.0%	0.0%	2,780	0	0	0	0	2,780

Source: Standard Life *The measurement of death settlement is date of death to final settlement date.

Table B – Core Financial Transactions (manual only)

Core Financial Transactions Not Processed "Straight Through"

The table below shows Standard Life's performance in relation to core financial transactions which were unable to be processed on an automated basis.

IGC Annual Report	System name	Total Cases Completed 2022	Cases Over 10 Working Days 2022	% Within 10 Working Days 2022
Contributions Allocated (excluding online payments)	Contributions Allocated (excluding online payments)	21,708	159	99.27%
Allocate Transfer of Benefits in	Transfer In	67,561	4,154	93.85%
Information Requests issued	Provide Scheme/Member Information (non-telephone)	89,655	18,240	79.66%
Updates to records	Update Scheme/Member records	159,421	12,672	92.05%
Leavers Processed (not online)	Leaver (excluding online)	4,550	920	79.78%
Change or Switch Investments (not online)	Fund Switch/Redirection	7,715	100	98.70%
Pay Transfer of Benefits Out	Transfer Out	60,768	4,094	93.26%
Pay Benefits on Retirement	Retirement	7,706	496	93.56%
Pay Benefits on Death	Death	2,650	1,945	26.60%

Table C – Oldest cases

Non-Automated Demand Oldest Cases

The table below shows how many transactions took longer than 10 days for Standard Life to process during 2022 and how this compares in each quarter.

Days	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Total
11 to 20 Days	3,038	4,749	12,829	13,667	34,283
21 to 30 Days	439	480	1,106	1,764	3,789
31 to 50 Days	356	391	403	1,072	2,222
51 to 75 Days	144	128	112	118	502
76 to 100 Days	84	75	58	47	264
101 to 150 Days	58	55	50	42	205
151 to 200 Days	20	25	26	17	88
Over 201 Days	22	13	21	14	70
Under 10 days	100,882	99,523	85,208	73,603	359,216
Total	105,043	105,439	99,813	90,344	400,639

Source: Standard Life.

Supporting Material

Communication and Engagement

Supporting Material

Communication and Engagement

Fit for Purpose Protocol

1. **What is the PURPOSE of this communication and desired outcome for:**
    i. the provider.
    ii. the customer.

(NB: purpose could be to provide information, inform a decision, prompt action or give comfort that an existing decision is still fine).

2. **How are the contents FIT for the identified PURPOSE – that is:**
    i. contains at least the minimum information required for the identified purpose, or indeed more than the minimum if it can make the document more accessible and/or appealing; and
    ii. how the minimum information (and anything additional) has been tailored to the characteristics, needs and objectives of the customer e.g. age, sex, risk appetite, level of financial understanding.
3. **How has the communication been designed and/or presented to make it as accessible and appealing as possible to the relevant customer? (E.g. appropriate reading age, colour, use of diagrams etc.)?**
4. **What evidence exists to demonstrate that the desired outcome has been achieved? (i.e. customer research re extent to which the communication has been i. read; ii. understood; and iii. acted upon).**

Employee Engagement Programme

The chart demonstrates the percentage of customers to have taken a specific action in the last 12 months to December 31 2022.

Source: Standard Life D&A Data, Customer Engagement Scorecard, IGC customers only, latest 12 months to December 2022.

Communication	Open Rate (Industry average 21%)	Click to open rate (Industry average 2.5%)	Uplift in Activity 7 days after email	Unsubscribed
Join/Welcome journey *'Welcome to Standard Life'*	61.4% (across all lifestages)	27% (across all lifestages)	App login 51.6% Dashboard login 44.8% Digital login 52.5% Dashboard register 55.4%	Unsubscribed 0.1%
Contributions have started *'Good News – Contributions have started'*	70.9% (across all lifestages)	21.6% (across all lifestages)	App login 32.69% Dashboard login 57.4% Digital login 47.6% Dashboard register 70.1%	Unsubscribed 0.1%
MoneyPlus Blog *Monthly pulse*	81% (across all lifestages)	36.3% (across all lifestages)	Note: uplift in activity not measured for this communication	Unsubscribed 1%
Leaving employer *'Keep saving for the future you want'*	90.5% (across all lifestages)	5.3% (across all lifestages)	App login 126.9% Dashboard login 29.9% Digital login 18.4% Dashboard register 39.1%	Unsubscribed 0.1%
Pre-Retirement milestones *Various around getting ready* *Sent at age 49, 54, 59, 64 and 69.*	36% age 49 38% age 54 38.1% age 59 42.4% age 64 40.5% age 69	3.6% age 49 6.5%% age 54 6.1% age 59 8.8% age 64 5.5% age 69	App login 172.9% Dashboard login 23.6% Digital login 15.5% Dashboard register 107.4%	Unsubscribed 0.0%
Approaching Selected Retirement Date *'Helping you plan for the future'* *Sent 2 years, 18 months and 1 year before the customer's NRD*	51.4% 2 years 55.7% 18 months 51.3% 1 Year	14% 2 years 14.7% 18 months 11.6% 1 year	App login 155.6% Dashboard login 37.9% Digital login 26.8% Dashboard register 155%	Unsubscribed 0.0%

Customer Interactions

The table demonstrates the percentage of customers that have interacted with Standard Life in the last 12 months to 31st December 2022.

Source: Customer Engagement Scorecard, last 12 months to 31.12.22.

	Starting Out Members in the early part of their savings journey. Typically under 35 (29.8% of population)		**Growth Members entering the later stage of accumulation. Typically 35 to 50 years (37.7% of population)**		**Preparation Members entering the final stage of accumulation. Typically 50 to 64 years (28.4% of population)**		**Retiring Members who have semi or fully retired. Age may vary, but 55+ years (3.6% of population)**		**Total Across all life stages**	
	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022
Interacted with Standard Life in the last 12 months (inbound call, online login/mobile app/email click based on whole population based on whole population)	23%	27.3%	27.4%	33.2%	35%	42.9%	47.7%	54.6%	28.9%	35%
Inbound – calls; at least once in 12 month period (based on the actively engaged population)	9.6%	7.7%	12.3%	9.6%	18.3%	15.8%	34.9%	33.2%	14.9%	12.7%
Digitally enabled members (registered for the Dashboard or SSO access – does not include members accessing via Lifelens)	30.1%	36.5%	32.9%	42%	36.3%	47.6%	41.9%	52.5%	33.3%	42.3%
Accessed dashboard at least once in 12 month period (based on digitally enabled members)	51.4%	51.2%	55.3%	55.8%	64.4%	64.9%	70.8%	70.6%	57.7%	58.2%
Accessed mobile app at least once in 12 months period (based on the digitally enabled members)	19.6%	19.8%	19.8%	19.3%	18.3%	18.4%	12.7%	13.8%	19.0%	18.9%
Inbound – secure messaging; at least once in 12 month period (based on digitally enabled members)	3.2%	2.8%	3.9%	2.9%	6%	4.5%	8.8%	7.1%	4.5%	3.5%

Actions Taken by Customers

The table demonstrates the percentage of customers to have taken a specific action in the last 12 months to 31st December 2022.

Source: Standard Life D&A Data, Customer Engagement Scorecard, IGC customers only, latest 12 months to 31.12.2022.

	Starting Out Members in the early part of their savings journey. Typically under 35 (29.8% of population)		**Growth** Members entering the later stage of accumulation. Typically 35 to 50 years (37.7% of population)		**Preparation** Members entering the final stage of accumulation. Typically 50 to 64 years (28.4% of population)		**Retiring** Members who have semi or fully retired. Age may vary, but 55+ years (3.6% of population)		**Total** Across all life stages	
	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022
Registered online in the last 12 months	9.1%	11.8%	7.6%	12.2%	8.1%	14.8%	8.7%	14.2%	8.2%	12.9%
Updated beneficiary in the last 12 months (based on actively engaged members)	6.3%	8.3%	9.4%	20.1%	10.1%	22.2%	9.0%	17.3%	8.9%	17.9%
Updated contact details in the last 12 months (based on actively engaged members)	17.4%	12.7%	19.6%	12.9%	21.7%	17%	32.4%	34%	20.5%	15.5%
Update Selected Retirement Date (SRD) in the last 12 months (based on actively engaged members)	2.1%	1.7%	2.5%	2.2%	6.1%	5.4%	28.1%	27.1%	5.0%	4.6%
Contributed in the last 12 months – one off or regulars	43.9%	43.8%	34.5%	33.6%	39.3%	37.8%	36.0%	33.5%	38.7%	37.8%
Consolidated in the last 12 months (transfers paid into plan)	1.2%	1.6%	1.2%	1.5%	1.2%	1.4%	1.3%	1.5%	1.2%	1.5%
Use of tools in the last 12 months (based on digitally enabled members)	0.1%	0.0%	0.1%	0.0%	4.9%	1.1%	12.6%	3.5%	2.9%	0.5%

Supporting Material

ESG and Stewardship

Supporting Material

ESG and Stewardship

In the ESG and Stewardship sections of the Key Messages and Further Commentary parts of the report, we listed some of the key developments that Standard Life and the wider Phoenix Group have put in place during 2022. The purpose of what follows in this part of the report is to explain a bit more about the framework that is in place and what has been done to strengthen it in 2022 and why the IGC continues to be impressed with the progress made.

The Phoenix Group sustainability strategy

Phoenix Group, of which Standard Life is a part, is (to quote their 2022 Sustainability Report):

"a purpose-led organisation that strives to be an uncompromising force for good in our society, while maximising value for our customers and investors."

The Group's purpose of **"helping people secure a life of possibilities"** is articulated in the following commitment:

1. Invest in a sustainable future;
2. Engage people in better financial futures; and
3. Lead as a responsible business, and support the Group's climate ambition:

"To optimise value for our customers and play a key role in delivering a net zero economy. We do this by decarbonising our investments, operations and supply chain to manage risks; investing in the growing sectors of the future to take advantage of the opportunities; and being a leading voice in calling for action and driving system change."

Across these three pillars, Phoenix has chosen to focus on four priority ESG themes where they believe they can have the most material impact, two of which concern the "E" of ESG ("climate change" and "nature and biodiversity") and two of which concern the "S" ("financial wellness and inclusion" and "longevity and evolving demographics"). This is in addition to the ongoing embedding of sustainability and good governance across all aspects of the Phoenix Group.

In the 2022 Sustainability Report (published in March 2023 and available here), Phoenix expand on their strategy and activity in each of these pillars. The first pillar ("Invest in a sustainable future") is particularly relevant to this section of the IGC report, and comprises the following three key initiatives:

- Decarbonising our investment portfolio by transforming our portfolio to increase net zero alignment;
- Effective stewardship of our assets by working with investees and asset managers to drive emission reduction and reduce risk; and
- Investing in climate solutions in the growing companies and sectors of the future.

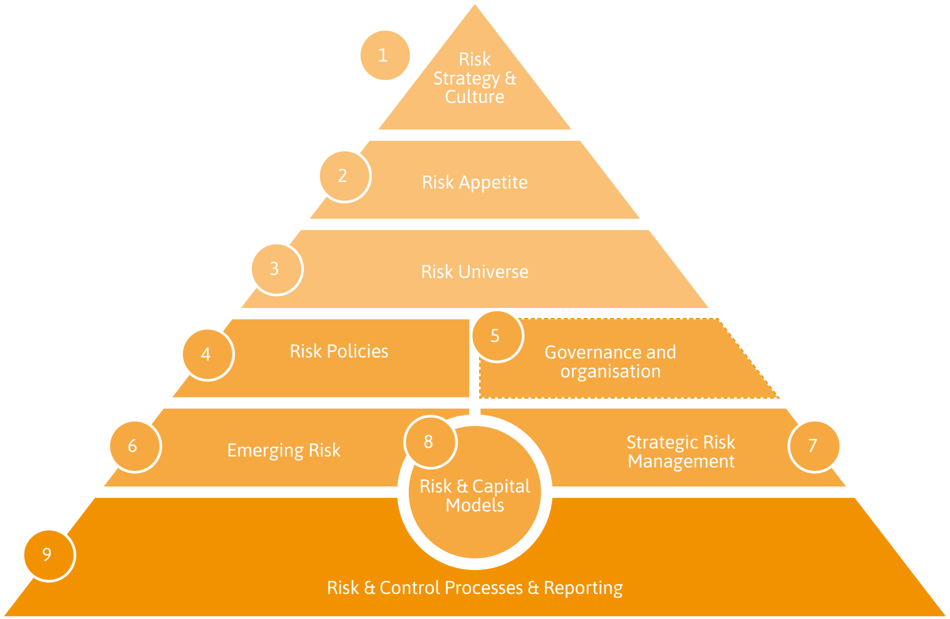
The IGC continues to be pleased to see such a strong "tone from the top" on ESG issues, with its strong focus on customer interests and outcomes.

Strengthened policy framework

That Phoenix Group is serious about following through on these commitments can be seen from the way Responsible Investment considerations have been built into the Group's Risk Management Framework (RMF). The RMF sets out how the Group identifies, manages, monitors and reports on the risks to which it is, or could be, exposed, including climate-related risks. The diagram below summarises how climate change is reflected across the Group's RMF.

Standard Life Group Responsible Investment (RI)

Embedded within the Group Risk Management framework



1. Risk strategy and culture Sustainability and minimising environmental impact are a key component of the Group's strategy. We have aspecific sustainability strategy and set net zero carbon commitments for operations, supply chain and the investment portfolio, as well as specific annual goals such as sustainable origination targets for private placements.

2. Risk appetite The sustainability risk appetite statement is approved by the Board and has been updated during 2022 to reflect our latest sustainability strategy. We have approved supporting climate risk appetite statements and metrics with footprints throughout the Risk Universe.

3. Risk Universe Climate risk is treated as cross-cutting risk, rather than standalone risk, as it can potentially impact all risk categories underlying the risk universe.

4. Risk policies All policies have been reviewed to ensure appropriate content is included for material climate risk exposures. Policies with a potential climate impact contain specific flags to ensure climate risk is clearly considered.

5. Governance and organisation Governance is led by the Board Risk and Board Sustainability Committees plus supporting management committees. There is clarity on roles and responsibilities across the three lines of defence.

6. Emerging risk Climate and ESG risks continue to be monitored via the well-established emerging risk process, which also considers the evolving regulatory landscape. This is supported by forward-looking Own Risk and Solvency Assessment ('ORSA') monitoring.

7. Strategic risk management Climate risk is a principal risk and considered as part of Line 2 oversight of strategic developments, e.g. Annual operating plan development, project reviews, ORSA, management actions and regular risk reporting.

8. Risk and capital models External tools have been sourced to support carbon foot-printing and climate scenario analysis. Models have been developed for internal climate scenario analysis with enhancements made in 2022 and planned in 2023.

9. Risk and control processes and reporting A climate risk dashboard covering key Level 1 risks is integrated into our regular risk reporting. Minimum control standards are also in place for key policies.

Phoenix Group Holdings plc Climate Report 2022.

The Group Risk Policy Framework is a key component of the RMF. Group risk policies support the delivery of the Group's strategy by establishing the operating principles and expectations for managing the key risks to the Group's business. They set the risk appetite within which these key risks should be managed and the minimum control standards that the business must adhere to in order to operate within the stated risk appetite.

The Group has six "macro" Risk Appetite Statements that shape what is done across the whole Group. They set out the Group's approach to Capital, Liquidity, Shareholder Value, Control, Conduct and Sustainability. The Sustainability statement is particularly relevant to this section of the IGC report:

"Sustainability – The Group is committed to being a leader on sustainability to help deliver our corporate purpose and to protect the long term financial interests of our customers, employees and shareholders. To manage the risks in the delivery of our sustainability strategy, the Group will monitor and take action to achieve our targets and invest in a sustainable future, engage people in better financial futures and build a leading responsible business."

The IGC sees this as particularly significant, as it puts sustainability (and hence ESG and Stewardship considerations) at the heart of how Standard Life, as part of the Phoenix Group, is required to carry out its business.

Following on from this, a number of key supporting documents have been produced, setting out how these aspirations and commitments become embedded in business operations:

- The **Sustainability Risk Policy** for the Group;
- A **Responsible Investment Philosophy** setting out what is expected of the investment managers that Phoenix Group use;
- A more detailed set of **Responsible Investment Principles and Practices** that apply to customer investment decisions;
- An **Exclusion Policy** setting out the principles that should guide the focused use of portfolio exclusions alongside other ESG engagement and investment strategies; and
- The first **Stewardship Policy** for the Group.

All these documents were reviewed and updated in 2022 to ensure effective Stewardship approaches. In addition, the following new documents and policies were introduced:

- A set of **Global Voting Principles** that summarise Phoenix Group's high-level beliefs and expectations of good corporate governance, environment and social practices that should be followed by the Group's asset management partners;
- A **Human Rights Policy** for the Group, that includes reference to collaboration with the Group's asset management partners to integrate human rights considerations into the investment processes and support effective stewardship of assets;
- A document setting out **ESG expectations of companies**, consistent with the expectations set out in the Global Voting Principles; and
- A **Sustainable Investment Risk Policy** for the Group.

The **Sustainability Risk Policy** sets out the high thresholds concerning Sustainability and Responsible Investment that must be met across all the relevant areas of the business, including, in particular, the investments being made on behalf of customers (including, by definition, those within our scope). Amongst the key highlights in the policy from the perspective of the IGC's scope are the following:

- The policy confirms that Phoenix Group has a "very low appetite" for failing to maintain and continually evolve an adequate and effective Responsible Investment Philosophy and for failing to maintain an appropriate framework to integrate sustainability activities in the investment activities of the business;
- The policy requires that the Group's Responsible Investment Philosophy is reviewed, embedded, monitored, reported on, and action progressed in a timely manner across the Group, overseen by the relevant governance committees;
- It also requires the setting of sustainable investment targets, providing regular updates and tracking, continually striving for improvement in order to aid in the delivery of the overarching sustainability strategy; and
- The policy requires the Group to maintain a suitable level of expertise, relevant governance documentation, and appropriate management of investment activity within the business in order to integrate sustainability activities in the investment activities of the business.

The **Responsible Investment Philosophy** is a public document, available on the **website**. It sets out Standard Life's commitment to Responsible Investment, and what that means in practice. The Philosophy applies to all the Group's investment portfolios across with-profits, unit-linked and non-profit policies, where Phoenix Group has the ability to determine the investment strategy and investment guidelines that apply. Where customers choose to invest in externally-managed investment options, then Standard Life has less influence over the ESG policies followed.

The IGC recognises this distinction, but continues to encourage Standard Life to make the most of whatever influence it might have in the latter situations.

Central to Standard Life's approach is its commitment to the United Nations-supported Principles of Responsible Investment (PRI). Phoenix Group became a signatory to the PRI towards the end of 2020, one of the first insurance groups in the UK (rather than just the fund management subsidiary) to do so. Phoenix Group are therefore publicly committed:

- To incorporate ESG issues into investment analysis and decision-making processes;
- To be active owners and incorporate ESG issues into the Group's ownership policies and practices;
- To seek appropriate disclosure on ESG issues by the entities in which the Group invests;
- To promote acceptance and implementation of the Principles within the investment industry;
- To work together to enhance effectiveness in implementing the Principles; and
- To report on activities and progress towards implementing the Principles.

Phoenix Group requires all the fund managers that it uses to be signatories of the UN PRI too, and to have the necessary resources and operational structure to embed ESG considerations into their investment and decision-making processes. There is a regular programme of oversight in place to ensure that fund managers are delivering to these standards.

The Responsible Investment Principles and Practices were first published in 2020, building on the September 2019 Standard Life publication entitled: "Integrating a responsible approach to your pension investments". They set out a more clear and more measurable set of outcomes that Standard Life is targeting in respect of customers' investments.

- There are six principles, that set out the key objectives in all the relevant areas – e.g. how ESG impacts investment strategy decisions and how they are implemented; how customer views are taken into account; what Standard Life expects of the fund managers it appoints etc. – See box on the next page.
- Each Principle is accompanied by a number of Practices that explain the specific actions that follow from the Principles.
- The Principles are not expected to change often. However, they are kept under regular review, and any changes would need to be approved by the Investment Committee and/or the Board. Minor revisions were made to some of them in 2022, to improve clarity and emphasise the need for asset manager partners to continually enhance their practices in this important area.

- The Practices are expected to evolve as the business environment changes. Any change will follow formal consultation with the management responsible for the relevant blocks of business and/or processes. Material changes to the practices would need approval from the Investment Committee and/or the Board. Minor changes were made to some of the Practices in 2022, to reflect the escalation process with asset manager partners in case of poor performance on ESG practices, and also the current process for the customer survey on Ethical funds.
- The Principles and Practices apply to all policyholder assets of the Phoenix Group, but not to External Fund Links (EFLs) that Standard Life provides some customers on a self-select basis, as Standard Life has no direct control over how these funds are run.

The IGC was very pleased when these Principles and Practices were developed, as we had been pushing for some time for a clearer articulation of what impact ESG considerations and Stewardship is actually having on the pension savings of in-scope customers. The 2022 changes are helpful developments, improving clarity and reflecting the strengthened framework that is now in place.

The **Investment Exclusions Policy** was first published in September 2021. It starts from the Phoenix Group's commitment to "putting Sustainability at the heart of its business by integrating environmental, social and governance factors (ESG) into the investment process", but recognises that there may be times when it is better not to invest at all in certain companies or industries, rather than investing and trying to push for positive change from within.

The policy sets out four principles which, if satisfied, would be expected to lead to those assets being excluded from investment portfolios controlled by Phoenix (including Standard Life):

The 6 Principles in the "Principles and Practices – Responsible Investment for Policyholder Assets"

Principle 1 – Strategy

We invest responsibly with ESG risks and opportunities incorporated into our investment analysis and decision-making processes. We will hold investments where we and our asset managers have considered and assessed financially material ESG risks and opportunities. We also consider non-financial risks where appropriate in our investment decisions.

Principle 2 – Customer voice

We actively seek views from customers and reflect these in our fund range and investment strategies, as there are many who want to invest in ways that align to their own values.

Principle 3 – Asset manager selection

We only appoint asset managers who meet our minimum requirements or align with them in an agreed timeframe. We ensure that existing and new asset managers keep enhancing their practices in alignment with our expectations through our due diligence processes.

Principle 4 – Active stewardship

We are responsible asset owners and actively foster effective stewardship of all investments that are managed on our behalf. We promote good ESG practices by investee companies through engagement activities conducted internally and through our asset managers. We monitor our asset managers' voting policies and practices.

Principle 5 – Disclosure and reporting

We seek appropriate disclosures on ESG issues and responsible investing practices from the asset managers with whom we invest and partner. We also report on activities and progress relating to our own principles and practices in an open and transparent way.

Principles 6 – Industry leader

We strive to play a leadership role in Responsible Investing and liaise with industry bodies in order to be at the forefront of industry development. We will promote Responsible Investing within our industry, using our voice as a large insurer and long-term global investor to influence and drive change throughout the industry.

Principle 1: Sectors or companies that face acute social or environmental challenges that are very likely to translate into financially material risks;

Principle 2: Sectors or companies where we do not believe that engagement will be effective;

Principle 3: Sectors or companies that do not adhere to international standards of minimum acceptable behaviour as identified in relevant international treaties and United Nations initiatives; and

Principle 4: Sectors or companies that do not align with Phoenix's pledges and commitments, corporate values and present reputation risk.

"Exclusion" means that Phoenix will not make additional investments and will sell existing holdings from in-scope portfolios within 12 months. The policy also allows for a waiver process to be followed where particular extenuating circumstances suggest that a particular asset or sector should not be excluded at that time (for example, because the company is making good progress in responding to previous challenges from Phoenix and/or further opportunities for engagement with management exist).

The policy applies to all assets where Phoenix (and hence Standard Life) has direct control over the investment mandate. For those assets where Phoenix does not have control (e.g. investment fund choices managed by third parties that Standard Life makes available to customers), Phoenix will use whatever influence it has to engage with the relevant investment manager to encourage implementation of a consistent approach.

The initial list of potential exclusions was drawn up in July 2021 and included 544 issuers, covering such areas as:

- Manufacturers of controversial weapons;
- Tobacco producers; and
- Companies where more than 20% of revenues come from certain forms of fossil fuel production (e.g. thermal coal, oil sands and artic drilling).

Of these, 21 issuers were proposed for waivers, leaving 523 issuers on the final list. The Exclusions Policy was implemented for the majority of policyholder mandates by the end of 2022. (For a small number of UK and US equity tracker mandates, implementation was delayed in order to reduce tracking error – the Group's intention is, in early 2024, to introduce new climate transition benchmarks for these portfolios to track, and these new benchmarks will incorporate the Exclusions Policy.)

It is not the IGC's role to opine on what criteria are applied by Phoenix (and hence Standard Life). Rather, we are looking for evidence that principles are in place to address climate-related and other factors that could lead to financially material risk, that the principles are based on a robust process of analysis and review, their approval is subject to appropriate internal governance, and they are implemented in a controlled and transparent way.

In the IGC's opinion, the Investment Exclusions Policy meets these standards, and plays an important role as part of the overarching approach to Responsible Investment that applies within Phoenix Group (and hence Standard Life).

The development of the Group Stewardship Policy was another important milestone in 2021. Approved in November 2021, it sets out what Phoenix (and hence Standard Life) mean by "Stewardship" and their commitment to support effective engagement with the companies in which they invest (whether using customer money or shareholder money).

In terms of definition, Phoenix embrace the Financial Reporting Council's definition that:

"Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society."

For Phoenix, "Stewardship" refers to their "use of the rights and position of ownership to influence the activity or behaviour of the companies they invest in". Where they hold shares (i.e. equity) in a company, this means engaging with the company's management, influencing on issues of concern and voting on company resolutions at shareholder meetings. For other types of investment, voting may not be applicable, but Phoenix would still aim to engage as appropriate. The policy sets out what Phoenix sees as the characteristics of effective stewardship, including:

- Robust ESG research on material risks and opportunities, using internal and external data;
- Dialogue with corporate top decision makers;
- Setting of goals;
- Continuous evaluation of progress against objectives; and
- Influence on investment decision-making.

The policy recognises that the majority of Phoenix's engagement activity with investee companies will be conducted by their asset manager partners. However, importantly, the policy also makes clear that Phoenix reserves the right to deal direct with investee companies and also join collaborative engagements with other investors.

The policy also recognises that Phoenix does not have the same influence over externally-managed investment fund choices (EFLs, external fund links) as it does over the investment funds where it chooses the investment strategy and fund manager partners implement it on Phoenix's behalf.

That Phoenix is definitely committed to such responsible behaviour can be seen, not just from this public policy, but also from the huge amount of work that has gone in to the Phoenix Group submission to the Financial Reporting Council (FRC) in order to become a signatory to the UK's Stewardship Code. Published in March 2023 and available on the Group **website**, the 2022 Stewardship Report makes impressive reading and, amongst other topics, sets out in some detail how the Group's good intentions in these areas are put into practice.

In the IGC's opinion, the Phoenix Group policy on Stewardship, which applies within Standard Life, is of a high quality and appropriately addresses Standard Life's Stewardship obligations. While it is still early days in its implementation, what is in place already would seem robust and effective to the IGC. In August 2023, the FRC announced that Phoenix's application to become a Stewardship Code signatory had been accepted. This is an important external validation of the effectiveness of the Phoenix Group's (and hence Standard Life's) approach.

Strengthened governance framework

By embedding Responsible Investment and ESG considerations in the established RMF, the Group's performance in this area is then automatically subject to the routine review and reporting of compliance with the targets set, along with escalation, as appropriate, of any failure to meet the standards set. The IGC sees this as a key strength of the approach being taken to implement Responsible Investment considerations into the management of in-scope customers' pension savings.

For example, the Group's Market Risk and Credit Risk policies, which apply to all investment decisions made by Phoenix Group (and Standard Life in particular), both set out a number of minimum controls that must be in place regarding Responsible Investment, including, in respect of climate risk, the following ongoing controls:

i. Monitor and report current carbon/climate contribution of existing asset portfolio and progress against interim targets to deliver net zero on a phased basis;
ii. Maintain a process to review data feeds from external providers to ensure they meet requirements for monitoring and reporting of climate change risks;
iii. Maintain a process to perform portfolio analysis using best in-class metrics e.g. value at risk (taking into account physical and transition risks) and warming potential; and
iv. Maintain a process to use climate scenario analysis to inform understanding of range of physical and transition impacts on investments.

The Investment Committee that oversees Standard Life's investment decisions has, in its Terms of Reference, a specific responsibility to "ensure that all activities within the remit of the Committee are conducted in accordance with the Responsible Investments ethos and strategy of the Company and the Group". As part of this, it has responsibility for the development, implementation and monitoring of the Responsible Investments Principles and Practices mentioned above.

In carrying out these responsibilities, the Investment Committee is supported by a separate management committee, the Sustainable Investment Forum, that has been set up to provide direction, oversight, scrutiny and challenge on sustainable investment matters, including stewardship. The purpose of the Forum is to embed ESG issues into the investment process and decision-making used across the Phoenix Group in a way that is consistent and aligned with the Group's overall sustainability strategy.

The IGC receives regular updates on the oversight activity carried out by Phoenix on its 5 key fund manager partners and also the many other fund managers whose funds are made available to Phoenix Group customers. Where Standard Life is responsible for the investment decisions being made that impact IGC in-scope customer investment returns, we can confirm that Standard Life is keeping a careful eye on how its Responsible Investment framework is being implemented by its fund manager partners, and ensuring appropriate action plans are agreed and progressed wherever it perceives gaps exist that need closed.

Another key element of the governance framework around ESG and Stewardship is the Group Board's Sustainability Committee. First set up in 2020, the role of this Committee is to assist the Board in overseeing the achievement of the Group's sustainability strategy, including stewardship activities. A number of management committees and working groups feed into it, providing updates against strategy, KPIs and targets (as can be seen from the governance framework diagram set out on page 77 of the 2022 Sustainability Report). The Terms of Reference of this important Committee are available on the Phoenix Group **website** and cover such matters as:

- Oversight of the Group's Sustainability Strategy and the setting of appropriate key performance indicators;
- Review, challenge and support the implementation of the Sustainability Strategy across all business within the Phoenix Group; and
- Keeping up-to-date with sustainability best practice and thought leadership.

While the remit of this Committee is much wider than the application of Responsible Investment considerations to the investment of pensions savings within the remit of the IGC, the IGC welcomes its existence as a tangible sign that the "tone from the top" across Phoenix Group is consistent with, and supportive of, the developments seen within Standard Life in this important area.

The 2022 Sustainability and Stewardship Reports, both available on the Phoenix Group **website** set out the breadth of activity that is underway across the Group in this important area and demonstrate the effectiveness of the framework that is now in place in delivering on the targets set and aspirations described.

Customer Research

Approximately every year, Standard Life carries out a Responsible Investing Survey to monitor how customers' attitudes to ESG and other Responsible Investment considerations are changing. Amongst the findings from the early 2022 survey were the following, where the equivalent results from the previous (late 2020) survey are shown for comparison:

- Customers surveyed still ranked "return" (88%) and "risk" (81%) as the most important factors to take into account when investing. However, "good corporate governance" was also rated highly (77%);
- 90% (up from 89%) of respondents believe that protecting the environment is important;
- 66% (down from 70%) of respondents believe that responsibly invested funds will outperform other funds in the long-term;
- 70% (up from 65%) of respondents believe that it is important to invest in a way that drives positive change (e.g. influencing companies' impact on society, corporate governance or climate impact);
- 70% (up from 66%) of respondents feel that it is important to exclude companies that have a negative impact on society, poor corporate governance or are damaging the environment; and
- 64% (up from 61%) of respondents said that they want to invest in a way that commits to net-zero carbons emission status by 2050 (or earlier).

The consistency in findings since the previous survey is striking and confirms that Standard Life's emphasis on sustainable and responsible investment is well-placed and aligns with widely-held customer views.

In addition to this regular survey, in late 2022 the Phoenix Group commissioned an external agency to carry out research across Standard Life, Phoenix and ReAssure customers in order to explore customer understanding and attitudes towards sustainable/responsible investing, net zero and ESG factors and inform the Phoenix Group's approach to communicating to customers on these topics and what they may mean for them and their pensions saving. The research explored questions like:

- What do customers expect the Phoenix Group to be doing with regards to sustainable investment?
- Do customers expect the Phoenix Group to be making decisions on their behalf or would they like to be involved in the decision-making?
- How much do customers want to know about what the Phoenix Group are doing in these areas?

The top 5 responsible investment issues according to surveyed Standard Life customers are:

1. Climate change;
2. Human rights;
3. Recycling;
4. Clean fuels;
5. Energy conservation

- What do customers think should be the key sustainability issues that the Phoenix Group should focus on to influence the companies that they invest in?
- How would customers like the Phoenix Group to communicate with them about these topics (e.g. website content, regular letters, etc)?

The research took the form of in-depth focus groups (carried out by video conference) and produced a lot of rich, in-depth feedback, much of it consistent with the findings of a similar exercise carried out in 2020. In particular, the research confirmed that:

- When it comes to pensions and investments, ESG considerations are not “top of mind” and many customers are not aware of sustainability-related actions being taken by financial services providers like Standard Life.
- When ESG considerations are discussed with them, many customers feel more interested in these issues and would like to consider them in relation to their pension investments. However, customers tend to balance this interest with their desire for good investment returns.
- Many customers would like the choice to set some sort of ESG “level” for their pension savings and then be able to leave Standard Life to manage this on their behalf. Some customers, however, would like a more active role in selecting where their savings should be invested (e.g. excluding certain industries, or targeting certain minimum ESG credentials).
- Customers are open to more communications related to ESG considerations, but would prefer that these are bite-sized and interesting. They also expect more detailed information to be available on the website for those who want it.

These insights are now being used by Standard Life to shape their Responsible Investment planning and communication developments. They have already led to certain new funds being launched – see below – and the IGC is looking forward to seeing what further developments are put in place in 2023.

Impact on default funds

In keeping with the research findings mentioned previously, and in response to demand from current and prospective employer clients, in December 2020, Standard Life launched their new “Sustainable Multi-Asset Default Fund”.

Designed for those workplace pension arrangements that are looking for a low cost Responsible Investment option for their default fund, the fund aims to deliver good customer outcomes by investing predominantly in component funds that track ESG-oriented indices rather than whole of market indices.

In particular, the fund aims to deliver a similar risk/return profile to a fund that tracks market indices, but, in addition, to meet the following investment criteria:

- Screening out financially material ESG risks, e.g. controversial weapons, tobacco, thermal coal and unconventional oil/gas, UN Global Compact Violators and severe controversies;
- Sustainable targeting of positive ESG outcomes, reducing carbon intensity by 50% and uplifting green technology solutions by 50%; and
- Influencing positive change through stewardship utilising proxy voting and company engagement to drive positive behaviour.

At launch, 64% of the fund was invested in ESG index-tracking equity portfolios, with the intention of moving as much of the balance (comprising mainly property, bond and cash investments) into appropriate ESG index-tracking funds as soon as they become available from the investment partners that Standard Life uses. At the time of writing this report, that percentage had risen to 83%.

The IGC welcomed this new initiative. However, we were keen that this increased focus on ESG was extended to all the other default funds that Standard Life offers. The IGC therefore welcomed, as mentioned elsewhere in this report, the transition in 2022 of the over the £13bn of pension savings invested in Standard Life's range of Active Plus and Passive Plus default funds into new funds with a more explicit focus on ESG considerations. Plans are now afoot to extend this ESG approach to all the other default funds in which Standard Life workplace pension savings are invested.

Supporting Material

Value for Money Assessment

Supporting Material

Value for Money Assessment

Assessment Framework

Assessing VFM is not just about what something costs. You also need to look at the quality of what you get in return and how it compares with similar alternatives. That's why, since the IGC was formed in 2015, our VFM assessment has taken into account a number of different aspects of your workplace pension experience, to form a holistic view of the value for money that Standard Life is providing.

As noted in the Chair's introduction, for this year's assessment, we have followed the revised VFM framework that we introduced last year, to more closely align it to the VFM factors that the FCA now require IGCs to use and, in particular, split out investment performance from all the other investment-related matters that are included in our VFM assessment. While two of the areas that were previously included in the VFM assessment ("Risk and Governance" and "Management Culture") are still monitored by the IGC, as they can influence the outcomes customers receive, we felt it was better to focus our assessment on the FCA's proposed definition of VFM. Thus, our VFM framework covers the following 5 areas:

- Costs and Charges;
- Investment Performance;
- Investment Services;
- Customer Service; and
- Communication and Engagement.

ESG is still being reviewed by the IGC, but as a separate assessment alongside the VFM analysis.

Standard Life's Investment Pathways proposition has been included in the IGC's 2022 assessment of Standard Life's VFM performance, but with a separate rating alongside the opinions on the pension savings propositions.

Rating provider performance

In arriving at the performance ratings for each performance area, the IGC carries out a rigorous and wide-ranging analysis of Standard Life performance. We review lots of different information, including regular management information packs that are produced within Standard Life and the wider Phoenix Group, and specially-produced information packs containing the results of detailed investigations that we request.

To the extent we can, we assess Standard Life's performance relative to other workplace pension providers, using data drawn from other IGC reports, industry publications and specially-commissioned benchmarking exercises. The information available tends to be at provider proposition level, rather than at a more granular, employer scheme level. However, where it is possible to identify different groups of customers that get different treatment (particularly on levels of charges), we make sure we are comparing "like with like" as far as we can, in order that any VFM challenges that we make are soundly based. We also use this approach to compare performance across Standard Life and the other pension providers within the Phoenix Group. As explained earlier in the report, the quality of communications and the extent of online facilities varies for different groups of workplace customers across the Group and we do what we can to encourage best practice to be available to all in-scope customers. Also as referred to earlier, we follow a similar approach when assessing Investment Pathway value for money.

We recognise that assessing value for money is not an exact science because some aspects are more difficult to measure than others and individual customers value things differently. Nevertheless, we try to be as objective and fact-based as possible.

All of the performance areas are assessed on a Red/Amber/Green scale, with "speedometer gauges" used to give readers an indication of relative positioning of performance within the broad RAG bands.

For four of the performance areas ("Investment Performance", "Investment Services", "Customer Service" and "Communication and Engagement"), the RAG rating is based on a numerical score from a detailed assessment across a number of sub-areas (see below), as follows:

Green – performance score greater than 70%.
Amber – performance score between 40% and 70%.
Red – performance score less than 40%.

The other areas ("Costs and Charges" and "ESG"), are not currently scored in such a granular way – although the assessment is similarly rigorous and wide-ranging. Rather, the IGC feels it is sufficient to assign a performance rating using a colour-based scale as follows:

Green – no material concerns.
Amber – some material concerns found that affect some members.
Red – major concerns found (i.e. material concerns that affect a large number of members, or very material concerns that affect some members).

Numerical scoring

For each of the four VFM areas for which we use this approach, Standard Life's performance was rated on a numerical scale (from 0 to 3) across a number of sub-areas, based on the evidence provided to the IGC as well as our own knowledge of the workplace pension market.

By using a similar approach to last year's report, we are able to continue with the historic trend analysis that the previous Standard Life IGC was developing. It also enables comparisons to be drawn across the various books of business in the different companies within the Phoenix Group and highlights areas where internal best practice could be further shared.

The scoring criteria used was the same as that used last year, namely:

0 not offered.
1 basic standard.
2 beyond basic.
3 area of strength.

The scores for individual sub-areas are then summed and converted into a percentage score for each of the 4 areas. We have retained the development introduced several years ago, to identify the key one or two performance sub-areas and give them double weighting in arriving at the percentage score allocated. This is to ensure that the individual RAG ratings are not unduly influenced by less important, but still nice to have, elements of performance.

The sub-areas used for this assessment are as follows, with those that receive a double weighting shown in bold.

Investment Performance

1. Lifestyling approach and profiles are suitable.
2. Performance of all funds vs their stated goals.
3. Long-term performance of all funds vs peer group competitors.
4. With-profits fund performance vs inflation.
5. **Performance of key default funds versus inflation over 15 and 20 years.**
6. Performance of key default funds versus inflation over 10 years.

Investment Services

1. Design and description of default funds.
2. Regular reviews of funds, asset allocation and manager selection.
3. Adaptability of funds to changing circumstances.
4. Range and suitability of additional fund choices.
5. Poorly performing funds identified and addressed appropriately.

Service quality

1. **Responsiveness to customer need**.
2. Relevant experience and expertise of staff.
3. Easy access to phone support.
4. Easy access to online support (webchat etc.).
5. Clarity of communication in servicing transactions.
6. Efficiency and scalability of operational capability.
7. **Quality and speed of processing of core financial transactions**.
8. Level of automation/straight through processing.
9. Ease of transfer by an individual to another provider.
10. Ease with which customers can make contact via different channels.
11. Customer satisfaction.
12. Complaints Handling.

Customer Comms and Engagement

1. **Adoption of "Fit For Purpose Protocol"**.
2. Innovation to improve customer experience.
3. Feedback from customers driving improvement in communications.
4. Digital/online tools.
5. Quality of Annual Statements and Key Milestone Communications.
6. Initiatives to improve customer experience at retirement.

Independent Governance Committee