

Standard Life Aberdeen Modern Slavery Statement 2018/19

This statement, published in accordance with the UK Modern Slavery Act 2015, sets out the steps Standard Life Aberdeen (Standard Life Aberdeen plc and its subsidiaries) has taken during the year ending 31 December 2018 to help prevent modern slavery in our operations and supply chain.

“As a global investment company and UN Global Compact signatory, we want to do all we can to help tackle human trafficking, forced labour, bonded labour and child slavery. We are committed to operating ethically, raising awareness of modern slavery issues, and encouraging good practices among our suppliers and the companies we invest in.”



Bill Rattray,
Chief Financial Officer and executive sponsor

Business structure and organisation

We're a leading global investment company. Our purpose is to invest for a better future. We do it to make a difference – to the lives of our clients and customers, our people and our shareholders. We are headquartered in Scotland and have over 6,000 employees in 54 locations worldwide.

We work directly with a diverse range of companies as part of our investment approach and with around 4,000 suppliers who provide us with various goods and services. The majority of our spending is with suppliers of fully managed outsourced services, IT, professional services, and goods and services related to management of our premises.

We have a modern slavery working group with cross-business representatives from procurement, legal, sustainability, risk, compliance, ESG investment, and human resources who ensure we continuously review and improve our approach. Bill Rattray, Chief Financial Officer, is the executive sponsor.


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



Investment approach

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

We assess modern slavery risk as part of our on-going evaluation of a company's approach to ensuring respect for human rights. We expect that the companies in which we invest meet internationally recognised human rights standards and industry best practices. We also expect companies to report to shareholders regarding policies, practices and the performance of all the steps taken to address human rights issues. Where we believe a company is exposed to modern slavery risk and not taking action to mitigate this risk, we will incorporate this into our investment view and engage with the company to drive positive change.

 **Find out more about our investment approach**

Engagement case study Costa Group

The following is an engagement example for one of the companies in our impact investing fund – the Global Equity Impact Fund – which aims to achieve strong financial returns alongside positive social and environmental impact, using the UN Sustainable Development Goals (SDGs) as a framework.

Costa Group is Australia's largest horticultural company, dedicated to producing fresh fruit and vegetables and committed to sustainable commercial farming practices. The company operates in Australia, as well as via joint ventures in China and Morocco. In 2018 Costa published its first Sustainability Report and set out its long-term commitments in relation to the environment, economy and people

We engaged with the company early in 2018 to discuss its sustainability strategy and how it is managing potential risks in relation to labour management, modern slavery and human rights. In general, the agriculture sector is heavily dependent on migrant and temporary staff, and has historically faced a number of challenges in ensuring fair treatment and wellbeing for these workers. Costa Group takes a proactive approach to the matter, working closely with its agencies and developing relationships with the regulator to fulfil its responsibilities. The company is also working to raise standards at its operations in Morocco and China, and the board is continuing to develop its approach to ensuring respect for human rights.

Policies

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

Global code of conduct

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

Supplier code of conduct

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



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

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

We support freedom of association and collective bargaining

Speak up hotline

If our employees identify any issues relating to modern slavery we encourage them to report this to their manager. If they feel uncomfortable raising their concern using their normal reporting line, or wish to do so anonymously, an independently managed confidential speak up hotline is available. All concerns raised are taken seriously and anyone raising a concern in good faith will not be at risk of losing their job or suffering any form of reprisal as a result, even if the concern is proved to be unfounded. This hotline is also advertised to our suppliers who can use it in the same way. All reports received are investigated and appropriate action taken. In 2018 we received no calls related to modern slavery.

Training

To raise awareness amongst our employees of both modern slavery and the speak up arrangements available to them, we incorporate these into our mandatory code of conduct annual training. 95% of our people have completed online training.

Raising awareness

Throughout 2018 we sought to use our influence to raise awareness of the scale of modern slavery and encourage and mobilise others to be part of a momentum for change. We hosted a modern slavery webinar with the Institute for Corporate Responsibility and Sustainability, and marked both International Day for the Abolition of Slavery and Human Rights Day with awareness raising activity for our employees.

Due diligence and risk assessment of suppliers

Heightened modern slavery and human trafficking risk exists in relation to certain territories, and in relation to the production of certain goods and supplies. We are working with a leading third party to undertake a risk assessment of our suppliers which we have identified as presenting the greatest risk of modern slavery. This will enable us to prioritise our activity accordingly including effectively managing any existing suppliers identified as presenting a risk, making responsible sourcing decisions, and further developing and enhancing our compliance with our regulatory obligations. This activity will be reviewed and updated during 2019.

In 2018 we provided our supplier relationship managers with new guidance on modern slavery to enable them to have better informed meetings and determine if any actions taken by suppliers are sufficient.

Measurement

Our progress against our key performance indicators is as follows:

1. We raise awareness amongst our employees of modern slavery issues and how to respond

95% of our people have completed our code of conduct training.

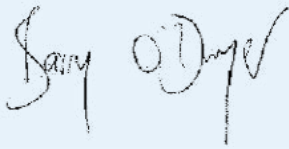
2. We complete modern slavery risk assessments of our suppliers

In 2018 we started a pilot to further risk assess a targeted subset of our suppliers using a third party service. When we have a baseline year of data from this we will put in place indicators relating to the risk assessment and management of suppliers.

3. Modern slavery considerations are integrated into our investment process

See section 'Investment approach' which details our integration.

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



Barry O'Dwyer

Director

May 2019