



STANDARD LIFE



Standard Life Financial Inc.

2009 Public Accountability Statement

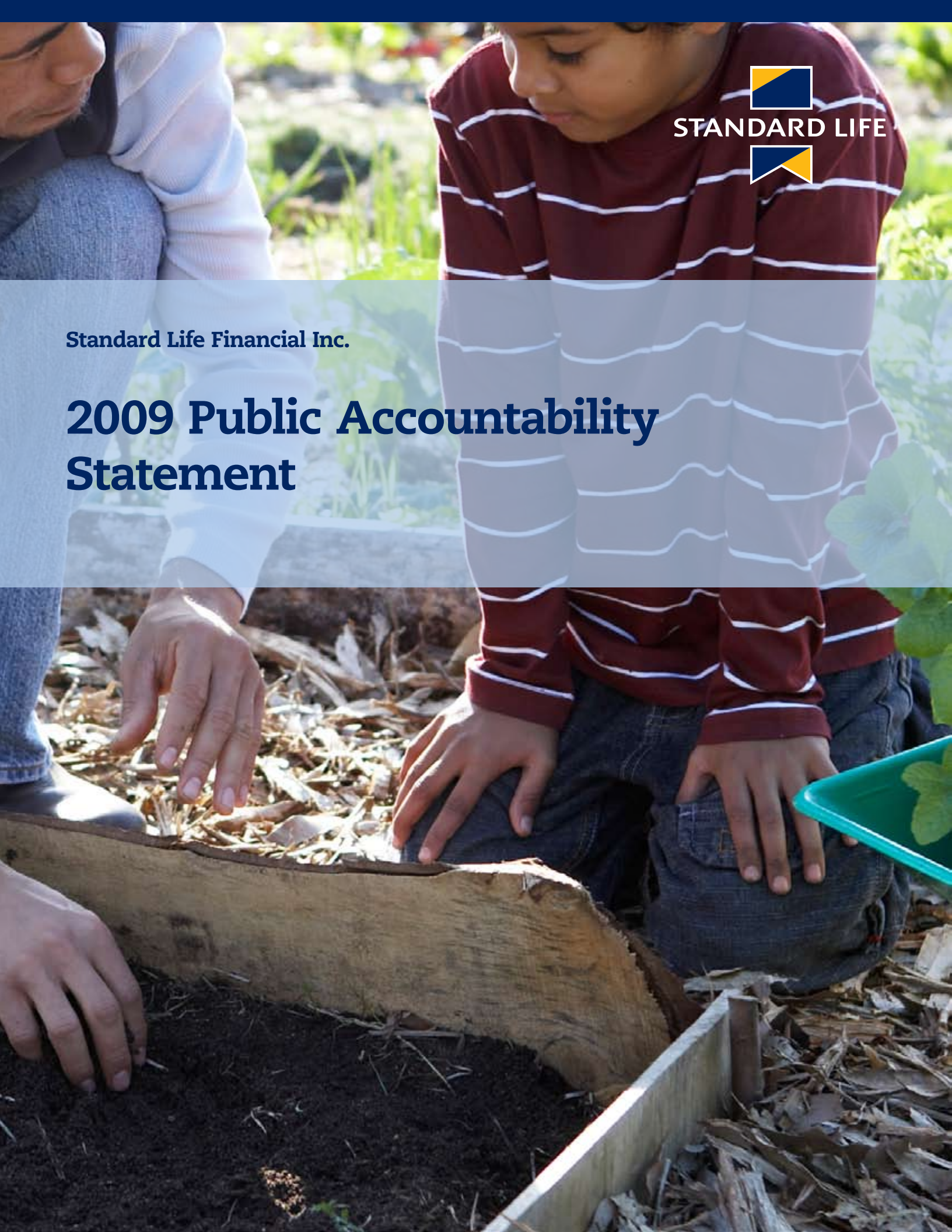


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Standard Life's 2009 Public Accountability Statement was produced and is filed as the consolidated public accountability statement required for Standard Life Financial Inc. and its main affiliated companies such as:

- The Standard Life Assurance Company of Canada
- Standard Life Investment Inc.
- Standard Life Trust Company
- Standard Life Mutual Funds Ltd.
- Standard Life Assurance Company Bermuda Limited

All figures in this report are in Canadian dollars.
This Public Accountability Statement is published for
the fiscal year January to December 31, 2009.

Our approach to corporate responsibility at a global level

Standard Life is a leading long-term savings and investments group headquartered in Scotland and operating in Canada for over 175 years. It offers retirement, investment and insurance solutions through its offices in the U.K., Canada, Ireland, Germany, Austria, India, the U.S., Hong Kong and mainland China. With over 2,000 employees in Montréal and in offices across Canada, Standard Life's Canadian operation is the group's largest entity outside the U.K. It serves more than 1.3 million Canadians, including group insurance and retirement plan members.

Our overall goal is simple – to drive shareholder value by continuing our journey towards becoming a leading customer-centric, long-term savings and investments business. This means finding, acquiring and retaining valuable customers for mutual and sustained financial benefit.

We will focus on building valuable customer relationships, developing our talent, making performance matter and transforming how we operate.

Our approach to corporate responsibility is focused upon the material, or priority economic, social and environmental issues for our key stakeholders.

Our customers are at the heart of what drives our engagement activities and our business approach. However, we also actively engage with our employees, shareholders, investors, analysts, partners, intermediaries, regulators and communities.

For more information on our corporate responsibility approach and performance across the Standard Life Group in 2009, visit www.standardlife.com/corp_resp.

Our purpose	... to generate sustainable, high-quality returns for our shareholders.
Strategic objective	... to become an outstanding corporate citizen in each of our communities by 2012.
Our material issues	What it means to us and our stakeholders
Trust and responsible investment	Building trust by listening and responding to customers, conducting our investment business with integrity to the highest standards of corporate governance.
Wealth and well-being	Helping people to manage and understand their money and well-being.
Supporting our people	Developing an engaging, inclusive culture that encourages and rewards talent and creates enthusiastic people who embrace our values delivering the best for our customers.
Our community impacts	Using our skills to invest in the long-term future of the communities where we operate.
Our environmental impacts	Reducing the environmental impacts of our business.

Supporting our people

“Our people are at the heart of everything we do, so we invest in them and their future.”

Our industry and Standard Life have seen some major changes over the past few years. These changes have had an important effect on our people and engaging them is essential to the future success of our business. We continue working to harness and develop everyone’s unique blend of talents.

We believe highly engaged people are more productive and have a positive effect on profit and shareholder value. Therefore, we aim to continuously improve employee engagement and business performance by involving our people in planning the improvement of our work processes and environment and by supporting their understanding, trust and decision-making.

Our people are at the heart of everything we do, so we invest in them and their future. We want to highlight and unleash their talent, so they can make a real difference to our business.

Number of employees (as at December 31, 2009)

	Full-time	Part-time	Total
Canada			
Alberta	70	2	72
British Columbia	37	0	37
Manitoba	2	0	2
Nova Scotia	4	1	5
Ontario	259	1	260
Québec	1,670	47	1,717
Saskatchewan	1	0	1
Abroad			
Bermuda	4	1	5
Total	2,047	52	2,099

one|two|three

Performance management: one|two|three

We believe people work better when they have clear goals and understand how achieving these goals will contribute to the company’s success and their individual reward. The one|two|three performance management program aims at maximizing and recognizing each individual’s contribution and helping them realize their full potential.

Diversity and inclusion

We believe promoting a diverse and inclusive culture will allow us to attract and retain talented people and better serve our customers. We need to provide an environment where people are judged on their contribution, regardless of their age, race, gender, sexual orientation, religion or disability. By reflecting the fuller view of society in our own people, we can better understand our customers’ needs, adapt to changes in society and encourage greater innovation.

We want to give our clients outstanding service, and we firmly believe that, above and beyond the excellent products and solutions we offer, our primary strength is rooted in the well-being and professional development of our employees. Their needs, expectations and aspirations are important to us. We want to offer them a working environment and career opportunities which fit their aspirations and career cycle, thereby making individual perspective a central part of our approach to work.

In 2010, we will continue to seek to hire talented employees with the potential to grow and to contribute to our current and future success.

Our community impacts

We have a long-standing commitment to the communities in which we conduct business. Through donations and sponsorships, Standard Life is a significant contributor to various Canadian educational, community and health institutions. In all, along with employees' contributions, close to \$1.4 million were raised and donated in 2009, benefiting some 85 charitable organizations throughout the country.

Moreover, our corporate commitment was complemented by the individual and group efforts of our employees, who are known for their benevolence and generosity in regards to causes they believe in. We encourage our people to volunteer their time and skills on behalf of community-related initiatives.

Investing in the Canadian youth's well-being

In 2009, we started implementing our *Investing in tomorrow* program and began focusing our community involvement and investment activities on one single national cause: the well-being of our youth.

Investing in tomorrow is all about sharing our resources more widely to make a greater and more positive difference in communities across Canada. By making better use of our resources, we can invest in a brighter future for the young Canadians we support.

Mentoring with Big Brothers Big Sisters of Canada

As part of this program, we partnered with Big Brothers Big Sisters of Canada to support a national recruitment campaign for new youth mentors.

Thanks to Standard Life, Big Brothers Big Sisters of Canada was able to launch the Dare to be a kid again campaign to address the urgent shortage of Big Brothers and Big Sisters, also known as "Bigs".

There are around 10,000 young people across the country who could benefit from a role model in their life to build their self-esteem and help them be the best they can be. This requires urgent attention and action, especially considering how great an impact mentorship has proven to have on reducing early school dropout, truancy, substance abuse and bullying.

To help raise money for the mentors recruitment campaign, we held the first edition of Standard Life's Big Search fundraising events in 2009. In essence, it is a high-tech, GPS-device led, treasure hunt. Teams typically work together to find caches hidden in an outdoor location.

In 2009, with Standard Life's Big Search, the contribution of our employees and other business partners, we were able to give \$170,000 towards the Big Brothers Big Sisters of Canada's recruitment campaign, which attracted more than 350 new volunteer mentors. A second edition of Standard Life's Big Search events is planned in June 2010, in Montréal and Toronto. Our objective is to help Big Brothers Big Sisters of Canada reach out to at least 600 more possible mentors.



**Big Brothers Big Sisters
of Canada**



More for youth well-being

Pediatric research

Standard Life has organized the Step Up for the Children with Standard Life campaign, which was comprised of a series of activities over the last few years. Through Step Up for the Children, Standard Life has donated over \$7 million dollars to the Foundation of Stars, which is the largest source of non-governmental funding for children's health research in Québec.

In 2009, Standard Life and its employees continued to support the Foundation of Stars and together donated some \$245,000.

Healthy and active lifestyle

Standard Life supported The Montréal Canadiens Children's Foundation, which is determined to provide a better and healthier future for children in need and is committed to encouraging and promoting a healthy and active lifestyle among the youth.

We also helped the YMCAs of Montréal and Toronto enrich the lives of young people in all respects, by contributing \$50,000 to their capital infrastructure program.

Higher education

Standard Life donated some \$216,500 to various university foundations throughout Canada in 2009, including HEC Montréal/Université de Montréal, Université Laval, University of Guelph, University of Moncton, University of Western Ontario and Université du Québec à Montréal.

We also support the Standard Life – HEC Montréal Fund, created in 1999 with a \$2 million endowment. It now has a market value of nearly \$4.2 million, making it the second-largest student fund in Canada. In 2009, it exceeded its benchmark index for the fifth straight year. The fund invests exclusively in shares of Canadian companies listed on the Toronto Exchange and in Canadian government and corporate bonds. Students on the management committee act as portfolio analysts and managers. They report to a team of professors from the Department of Finance, who oversee and supervise the students, and to Standard Life and Standard Life Investments representatives.



Photo Credits: HEC Montréal

Left column: Pierre-Olivier Lachance, Antoine Acloque, Simon du Tremblay, David Lampron and Stéfanie Gadbois.

Middle column: Benjamin Mercier, Vincent Potier and Othman Taleb. **Right column:** Reda Skalli, Dimitri Nana, Jamil-Alexandre El-Grati, Christopher Schmuck, Amélie Favaro and Vivianne Gosselin.

Artistic development

In 2008, we renewed our commitment to be the presenting sponsor of the OSM Standard Life Competition until 2012. As a sponsor of the Competition since 1992, it is most gratifying for us to continue helping gifted young Canadian musicians thrive by opening up possibilities they may not have otherwise imagined.

Intimately connected with the history of the Orchestre symphonique de Montréal (OSM), the Competition carries out the educational mission fostered by Wilfrid Pelletier, conductor and first music director of the OSM. Since its creation in 1940, the Competition has launched the careers of nearly 300 prizewinners on the national and international scene.

Apart from the organizations and causes already mentioned, we also provided financial support to the following:

- Fondation du maire de Montréal pour la jeunesse
- Québec Youth Foundation
- Fondation Ressources-Jeunesse
- Ronald McDonald House Charities Canada
- Dreams Take Flight
- Tim Horton Children's Foundation
- PLASP Child Care Services
- Tel-jeunes
- Make-A-Wish Foundation of British Columbia and Yukon



Other significant contributions

In addition to our focus on youth well-being, we are sensitive to other pressing social needs which impact our business or are important to our employees.

Social integration of people with intellectual disabilities

In September 2009, Standard Life celebrated the third-year anniversary of its partnership with West Montréal Readaptation Centre, a public rehabilitation centre, which provides specialized services to people with intellectual disabilities and autism. Standard Life was the first Montréal-based company to integrate Montréal Readaptation Centre users in a professional environment.

In those three years, the partnership has grown from a pilot project to a vital program employing 9 to 11 users, who assemble over 2,000 product literature kits weekly, which are then distributed to customers of the company's group savings and retirement division.



Photo credits: Standard Life

From left to right, sitting: Paul Mikulec, Sandra Stewart, Debbie Ziernicki and Marcus Ellington are part of a team that can assemble some 600 information kits daily for Standard Life's group savings and retirement division. **Joining them are (standing)** Dorina Iliuta, Associate, Kit Production at Standard Life and Marnie Emmett, an educator from West Montréal Readaptation Centre.

Mental illness

We attach great importance to prevention and research into mental illness. As an employer and provider of disability management services, we are particularly aware of the impact mental illness has on a workforce. In 2009, Standard Life donated nearly \$90,000 to various mental illness charities such as the Douglas Hospital Foundation, the Louis H. Lafontaine Hospital Foundation and the Mental Illness Foundation.

Since 2007, we also participate in the largest research project on mental health and stress management in Canada, led by a team of researchers from several universities, such as Université de Montréal, Université Laval and Bishop's University. The project involves studying a new model for explaining mental health and stress management-related problems in a workplace. It takes into consideration risk factors within the workplace and outside work, as well as workers' personal characteristics, and examines how these factors may influence an individual's physiological aspects. The project is also designed to test, assess and encourage best practices to reduce the frequency of mental health problems in organizations, along with their negative effects on workers' health and productivity.



Quality of life

For more than 30 years, Standard Life and its employees have supported United Way of Canada – Centraide Canada. In 2009, we donated nearly \$145,000 to several of their campaigns across the country, supporting various causes and projects in many communities. Through multiple fundraising campaigns, United Way of Canada – Centraide Canada is able to ensure the continuity of a vast network of community agencies helping thousands of families, youth, seniors, immigrants and people with disabilities. They invest in innovative projects to fight poverty and isolation wherever they appear in our neighbourhoods. Its social investments promote the development of communities and the empowerment of individuals.

Healthy living

The Heart and Stroke Foundation of Québec, with the support and commitment of its donors, volunteers and employees, is dedicated to the advancement of research and the promotion of cardiac health to help reduce disabilities and the number of deaths attributed to cardiovascular disease and stroke. Standard Life and its employees were proud to support the Foundation's mission in 2009.

Chairman's Awards

Since 2007, the Chairman's Awards recognise and celebrate the outstanding efforts of Standard Life employees in their communities, Group wide. Winners receive an award and a £1,000 donation to their charity or community group.

With over 120 nominations received across the six award categories in 2009, the Standard Life Chairman's Awards were a truly inspiring experience for everyone involved, including a Canadian employee who won the honours in the Fundraisers Award – Individual categorie.

Apart from the organizations and causes already mentioned, we also provided financial support to the following:

- Down Syndrome Research Foundation
- Association québécoise de la fibrose kystique
- The Salvation Army - Maritime Division
- Pacific Path Institute
- Segal Centre for Performing Arts
- Fondation PalliAmi
- Lupus Society of Manitoba
- Alberta Cancer Foundation
- Fraser Valley Health Care Foundation
- Winchester District Memorial Hospital Foundation

Our environmental impacts: Working together for a sustainable future



Our overall environment strategy aims at consuming less of the world's resources, recycling more and sensibly disposing of what remains. To be consistent with this strategy, we focus on significant environmental impacts – the energy we use, the paper we consume, the waste we produce and the carbon footprint of the our business travel.

We will fulfill our environment strategy through our commitments to:

- Becoming a leader on environmental management in the financial services industry;
- Complying with all relevant environmental legislation;
- Continuously improving our environmental performance;
- Monitoring, measuring and reporting our progress and performance; and
- Actively engaging with our people and other stakeholders on environmental matters.

Standard Life has set up a corporate steering committee on environmental issues, whose members work to drive environmental initiatives forward, track and report their progress and make sure they become embedded in our company's culture.

Progress in 2009

- All Canadian employees received a reusable coffee mug to use at work to reduce the use of disposable cups.
- 91% of the paper used at Standard Life is under environmental classifications and we constantly monitor our paper consumption. We also revised our internal processes to reduce paper use.
- We monitor our CO₂ emissions related to business travel (air and rail).
- We shortened the delay, from four hours to one minute, which our multi-function printers across Canada take to enter Sleep mode. This significantly reduced the energy cost associated with the printers, since over 90% of their energy consumption occurs while the devices are not actively in use.

Income and capital taxes paid or payable in Canada for 2009

For 2009, Standard Life Financial Inc. and its affiliated companies incurred approximately \$30 million in income taxes and close to \$327 thousand in capital taxes.

	Income taxes \$	Capital taxes \$
Federal taxes	\$22,748,470	n/a
Provincial taxes		
Alberta	865,010	0
British Columbia	462,310	0
Manitoba	237,105	39,358
New Brunswick	51,537	0
Newfoundland and Labrador	21,026	0
Northwest Territories, Yukon and Nunavut	4,116	0
Nova Scotia	72,161	45,000
Ontario	2,920,187	16,195
Prince Edward Island	11,453	0
Québec	2,475,601	226,136
Saskatchewan	88,579	0
Total Provincial taxes	\$7,209,085	\$326,689
Total	\$29,957,555	\$326,689

Debt financing

Amount of debt financing authorized in 2009

	\$0 - \$24 999	\$25,000 - \$99,999	\$25,000 - \$99,999	\$250,000 - \$499,999	\$500,000 - \$999,999	\$1,000,000 - \$4,999,999	\$5,000,000 - and greater	Total
(\$ in thousands)								
Alberta	14	154	139	265	1,839	4,038	156,338	162,787
British Columbia						5,300	133,458	138,758
Manitoba							7,500	7,500
New Brunswick								
Newfoundland and Labrador								
Northwest Territories, Yukon and Nunavut								
Nova Scotia						1,255	10,968	12,223
Ontario		73	107		1,449	15,767	518,083	535,479
Prince Edward Island				1,318				1,318
Quebec	78	1,653	4,752	595	1,395	22,463	91,663	122,599
Saskatchewan				398				398
Total	92	1,880	4,998	2,576	4,683	48,823	918,010	981,062

Number of Canadian customers to which debt financing was authorized in 2009

	\$0 - \$24 999	\$25,000 - \$99,999	\$100,000 - \$249,999	\$250,000 - \$499,999	\$500,000 - \$999,999	\$1,000,000 - \$4,999,999	\$5,000,000 - and greater	Total
Alberta	1	3	1	1	2	2	6	16
British Columbia						2	5	7
Manitoba							1	1
New Brunswick								
Newfoundland and Labrador								
Northwest Territories, Yukon and Nunavut								
Nova Scotia						1	2	3
Ontario		1	1		2	4	20	28
Prince Edward Island				4				4
Québec	4	27	31	2	2	9	3	78
Saskatchewan				1				1
Total	5	31	33	8	6	18	37	138

www.standardlife.ca

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Standard Life Financial Inc.

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