

CASE STUDY

Standard Life: A Human Rights Approach to Net Zero



Standard Life, a UK-based retirement specialist, partnered with BSR to identify climate-related human rights impacts, risks, and opportunities across its portfolio and to strengthen its approach to a just transition. The work informed priorities for Standard Life's updated Net Zero Transition Plan and is now shaping a multi-year Just Transition roadmap to embed human rights more systematically into its climate strategy and stewardship across asset classes.

Why a Human Rights-Centred Transition Matters for Investors

Standard Life is a retirement specialist focused on retirement saving and income, helping people achieve greater financial security in later life through workplace and retail pensions, investment solutions and a suite of flexible retirement income products backed by strong in-house and investment partner capabilities.

With £317bn in assets under administration, Standard Life recognizes the urgency of addressing climate change, particularly as 2023–2025 have been the warmest years on record. This trend is expected to continue, increasing the likelihood of crossing critical Earth system tipping points and posing risks to billions of people and livelihoods.

Standard Life acknowledges that both climate change and the net zero transition could create both risks and opportunities for its customers, business, and society, underscoring its responsibility to advance a just transition to a net zero, climate-resilient economy. In 2025, Standard Life initiated an update to its 2023 Net Zero Transition Plan in line with industry standards/best practice. A central focus was building an integrated, strategic approach to just transition through cross-functional collaboration and by building on existing human rights (including labour rights) commitments, due diligence systems, and remedy approaches.

This effort included portfolio-level assessments of just transition impacts, risks, and opportunities, prioritisation of salient issues, and the development of an initial roadmap to help embed just transition considerations across financial products and services. Standard Life also joined the Steering Committee of BSR's [People-Centred Climate Action in Private Markets \(PCAP\)](#) initiative aimed at promoting respect for human rights and advancing a just transition to a low-carbon, climate-resilient economy.

Building on Standard Life's Human Rights Commitments

In 2022, Standard Life adopted its first Human Rights Policy and strategy aligned with UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises.

The policy affirms the right to a clean, healthy, and sustainable environment, and recognizes climate change and nature loss as key human rights issues due to their far-reaching impacts on health, livelihoods, safety, and overall wellbeing. As a result, Standard Life recognizes the need to identify, prevent, mitigate, and remediate adverse impacts on people arising from both climate change and the actions taken to address it.

Assessing Climate-Related Impacts on People Across the Portfolio

In 2025, Standard Life undertook foundational work to assess how the climate transition could create risks and opportunities for people across its investment portfolio. Building on this, BSR partnered with Standard Life to deepen this assessment, strengthen internal cross-functional alignment on just transition, and support integration of human rights into its Net Zero Transition Plan.

BSR first conducted a portfolio-level assessment of potential just transition impacts

across key sectors and geographies, leveraging BSR's PCAP's [Portfolio-level Just Transition Assessment Tool](#).

The analysis focused on the value chains of key sectors - including energy, mining, agriculture, airlines, cement, and consumer staples - which had previously been identified by Standard Life as being higher risk. The analysis considered [business model risks](#), country-specific risk indicators, and cumulative impacts on people arising from poorly managed transitions.



Just Transition Impacts, Risks, and Opportunities

Recognising that the transition spans entire value chains and economies, impacts were prioritised based on the severity and likelihood of impacts on rightsholders – including informal and migrant workers, Indigenous communities, women, and children– with severity taking precedence over likelihood.

These insights clarified how climate transition pathways intersect with workers, communities, and customers and uncovered a range of salient climate-related human rights issues, including impacts on worker and community livelihoods, social security, health and safety, access to essential goods and services, land and environmental rights, social dialogue, and Indigenous rights.

Using Taskforce on Climate-related Financial Disclosures (TCFD) categories, BSR built on these findings to identify financially material just transition risks – including systemic risks related to inequality and the rule of law – as well as opportunities for Standard Life to deliver value for its customers, beneficiaries, and society through the transition.

This analysis equipped Standard Life to better understand how the just transition manifests in its portfolio and the actions needed to address them, providing a stronger foundation for Standard Life’s updated Net Zero Transition Plan.

In particular, they clarified why a credible transition approach needs to integrate social, nature, and adaptation considerations alongside emissions and financial risk, and how this can be operationalised through stewardship, due diligence, remedy, and longer-term roadmap development.

Next Steps: Integrating Just Transition across Standard Life

On 16 March 2026, Standard Life published its updated Net Zero Transition Plan. The Plan recognises that there is a strong imperative to act on climate change and that the physical, transition, and systemic risks and opportunities arising from it have the potential to affect the long-term financial futures of its customers.

The Plan outlines a range of commitments to manage transition, social, physical, and nature-related risks, while strengthening resilience across its own operations and supply chain. This includes a commitment to achieve net zero emissions by 2050 across its investment portfolio, own operations, and supply chain, alongside a 50% reduction in emissions intensity across listed and private equity, credit assets, and directly held real estate by 2030.

Standard Life decided to expand the integration of social, nature, and adaptation considerations into their transition plan in recognition that the net zero transition will only be credible and sustainable if it manages impacts on people alongside emissions and financial risks. Integrating human rights helps identify where transition pathways may create severe harms for workers, communities, and consumers and clarifies responsibilities.

In a just transition context, this includes meaningful engagement with affected stakeholders, tailored to different groups, as well as appropriate actions to prevent, mitigate, and support remedy. This includes promoting inclusive green and decent work and ensuring climate-friendly essential products and services are affordable and accessible. They also include delivering for communities by respecting Indigenous Peoples’ rights, engaging with human rights and environmental defenders, wensuring fair and accountable benefit-sharing,

and recognising the cumulative impacts of climate change and company transitions to inform more innovative approaches to access to remedy.

This integrated approach to climate and people strengthens decision-making and stewardship by translating “just transition” priorities into cleareroperational expectations for portfolio companies and external managers, including escalation where progress stalls. Over time, Standard Life hopes that this approach can help reduce systemic transition risks linked to inequality and social instability and demonstrate accountability to its customers, business, and society.

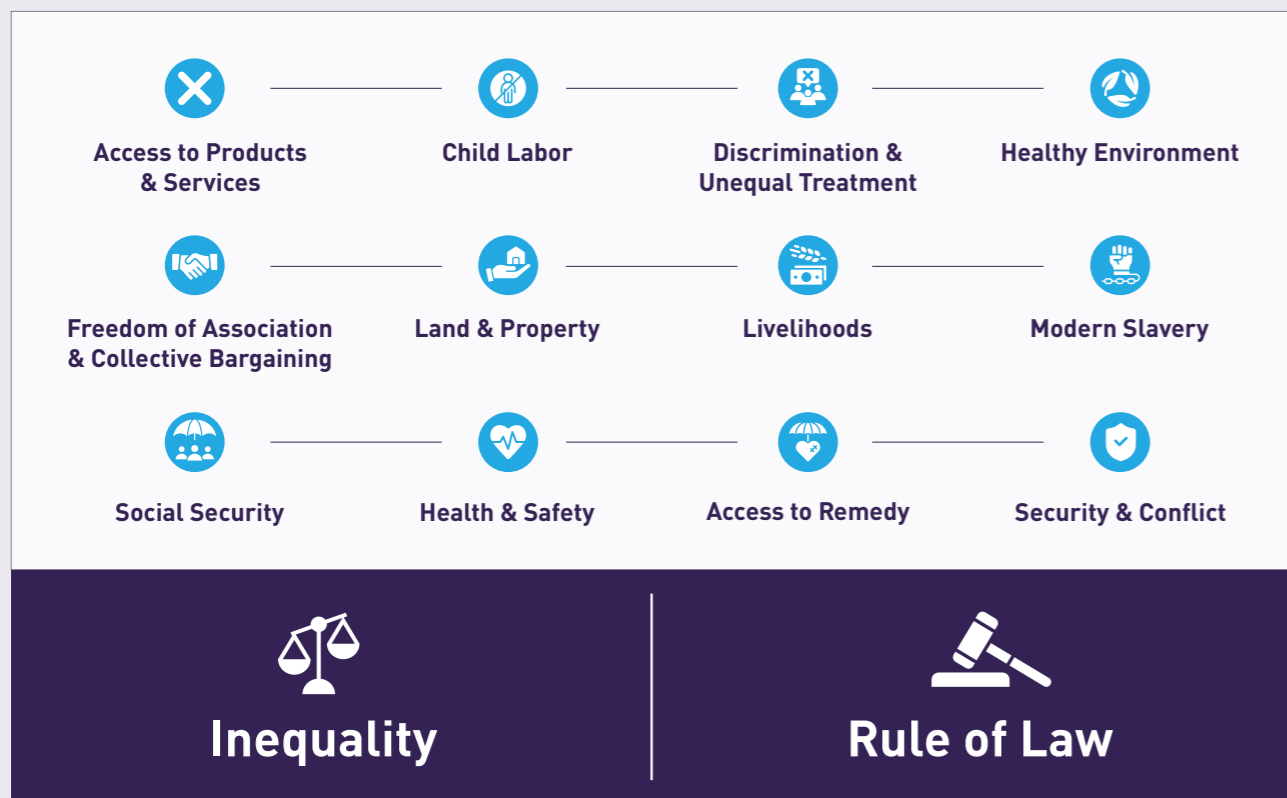
Approach to Just Transition

Standard Life’s transition plan underscores that a just transition ensures the shift to a low-carbon economy is fair and inclusive. It recognizes the link between climate change and human rights, aiming to maximize social and economic opportunities while minimizing and managing adverse impacts.

This includes respecting human and labour rights and supporting those most affected –such as workers, communities, and Indigenous peoples – so that the benefits of the transition are shared and no one is left behind.



Just Transition Issues





What Comes Next: A Multi-Year Just Transition Roadmap

To embed this approach in its climate transition planning and stewardship, the firm is developing a multi-year Just Transition Roadmap that will include:

- Building on BSR’s assessment by deepening analysis of priority portfolio companies and expanding climate and human rights due diligence (or just transition due diligence) across high-risk strategies, sectors, and asset classes, including private equity.
- Working with external asset managers to integrate just transition considerations, grounded in human rights standards, into investment decisions, stewardship activities, and multi-stakeholder engagement.
- Advancing access to remedy for rightsholders by rolling out a grievance mechanism and broader remedy ecosystem approach equipped to handle climate- and nature-related impacts aligned with the UNGPs, and engaging portfolio companies to strengthen their own grievance mechanisms accordingly.
- Scaling influence to drive system-wide change in support of decarbonisation and a just transition through engagement with governments, industry peers, civil society, and other stakeholders.
- Building organisation-wide capability on people-centered climate action and shared language, strengthening how just transition progress is measured, and enhancing reporting in line with broader transition planning and human rights commitments.

A Just Transition Roadmap for Institutional Investors

Building on experience of cross-functional collaboration to develop an integrated net zero transition plan, the following steps can support investors in getting started on supporting a just transition.

1. Start by build shared understanding and aligning on definitions.

Establish a shared understanding of “just transition” and “climate action” across climate, human rights, and investment teams, which often operate with different assumptions and frameworks. “Climate action” can range from a focus on financial risk to addressing the impacts of climate change on people and ecosystems across value chains. Meaningful integration requires cross-functional learning, shared language, and aligned, impact-based approaches to climate, human rights, and nature as the starting point, supported by the OECD Guidelines framework.

2. Identify and prioritise climate-related human rights impacts, risks, and opportunities.

Conduct portfolio-level analysis to identify where climate change and climate action may create negative human rights impacts, including isolated and cumulative impacts. Ensure vulnerable rightsholders are explicitly considered. Use this to prioritise sectors, geographies, and issues based on severity and likelihood, focusing first on the most significant harms to people. Build on these findings to assess financially material risks including systemic risks for long-term value creation—as well as opportunities that generate value for portfolios, people, and society.

3. Integrate human rights into transition planning and stewardship.

Take action to prevent, mitigate, and enable remedy by embedding just transition considerations into net zero transition planning, governance, and risk management. Translate priorities into expectations for portfolio companies and asset managers, sector strategies, stewardship approaches, and decision-making across financial products and services. Set out a sequenced short-, medium-, and long-term roadmap with clear ownership, timelines, and resourcing. Support implementation—while avoiding duplication—by building on existing climate, human rights, nature, and ESG workstreams, alongside cross-functional collaboration and internal capability-building. Implement action plans and strengthen leverage through stewardship and collaboration.

4. Integrate human rights into transition planning and stewardship.

Put plan into practice, including by building and using influence across investment and stewardship. Engage with external asset managers on how they evaluate, make decisions, and engage companies on just transition and stakeholder engagement. Use dialogue and escalation where needed, and collaborate with peers, civil society, and multi-stakeholder initiatives, such as PCAP, to align expectations, share good practice, engage policymakers, and drive system-level change.

5. Adopt and strengthen grievance and remedy mechanisms.

Ensure affected stakeholders have access to effective grievance channels for climate- and nature-related harms, and use stewardship to assess and strengthen company-level mechanisms, particularly in high-risk sectors and transition strategies.

Standard Life's work with BSR shows that a credible net zero transition plan requires asset owners to recognise the interrelated nature of climate, human rights, and wider systemic factors.

By assessing how climate action and inaction may affect workers, communities, and customers across its portfolio, Standard Life has taken an important step toward embedding just transition considerations more systematically across its climate decision-making. This work helped turn a broad commitment into a more practical, integrated approach, informing Standard Life's updated Net Zero Transition Plan and shaping its multi-year Just Transition Roadmap. In doing so, it offers a useful example of how asset owners can build more robust, people-centred transition plans that strengthen long-term resilience and credibility.

