

July 2020

# Sustainable Investment Approach for the UK Responsible Equity Fund

## Approach applies to

- Sustainable Investment Approach for the UK Responsible Equity Fund

Aberdeen Standard Investments recognises that the world faces a number of significant environmental and social challenges. We run a number of responsible investment funds that seek to invest in companies that are supporting the solutions to these challenges and uphold the highest standards of corporate responsibility.

## Assessment criteria

The Fund seeks long-term growth by investing in a diversified portfolio of UK companies. Equity selection will be undertaken on the basis of thorough fundamental company analysis. This includes the incorporation of environment, social and government (ESG) considerations. Where an investee company's practices are considered to be lacking or deficient with regard to these criteria, the manager will encourage the company to adopt more responsible practices, as is stipulated in the equity investment process. The Fund also employs a negative screening approach, outlined below.

## Negative screening

The Aberdeen Standard Investments UK Responsible Equity Fund applies negative exclusion criteria to avoid investing in companies involved in certain industries and activities. The Fund will avoid investment in companies involved in the activities listed below:

- **Adult entertainment:** companies which derive over 5% of their gross annual revenue from the production, transmission or sale of pornographic materials.
- **Alcohol production:** Companies which derive over 10% of their gross annual revenue from the production and/or sale of alcoholic beverages.

- **Animal testing:** Companies that test or commission tests of their products on animals.
- **Cluster munitions/anti-personnel landmines:** Captured by ASI's Controversial Weapons policy - <https://www.aberdeenstandard.com/docs?editionId=fc0dd666-269a-40f4-a484-d044e4daad3d>.
- **Gambling:** Companies which derive more than 10% of their gross annual revenue from betting or gambling operations and/or from supplying gambling equipment.
- **Military involvement:** Companies exceeding 10% of gross annual revenue from the production, sale, or servicing of military contracts.
- **Tobacco:** Businesses which make over 10% of their gross annual revenue from the production and/or sale of tobacco products.
- **Weapons:** Companies which manufacture or sell nuclear weapons or which derive more than 10% of their gross annual revenue from the manufacture or sale of conventional weapons, or weapon systems.

## Our responsible investing capabilities

As a leading global asset manager, we believe that investing responsibly can help generate long-term value for our clients. We offer an extensive and growing range of investment solutions, as well as the very highest levels of service and support.

When investing our clients' capital, environmental, social and governance (ESG) considerations are an integral part of our decision-making. By understanding how ESG factors affect our investments, we believe we can generate better outcomes for our clients, society and the wider world.

To help us achieve this, our dedicated, 20-strong ESG Investment team works closely with colleagues across all asset classes to support this work. A further 30 dedicated ESG asset-class analysts provide an additional layer of expertise.

### Important Information

**Investment involves risk. The value of investments, and the income from them, can go down as well as up and an investor may get back less than the amount invested.**

The information herein should not be considered an offer, investment recommendation, or solicitation to deal in any financial instruments or engage in any investment service or activity. The information is provided on a general basis for information purposes only, and is not to be relied on as advice, as it does not take into account the investment objectives, financial situation or particular needs of any specific investor.

#### **Please consider the below risk factors:**

- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.

**United Kingdom (UK):** Aberdeen Asset Managers Limited, registered in Scotland (SC108419) at 10 Queen's Terrace, Aberdeen, AB10 1XL. Standard Life Investments Limited registered in Scotland (SC123321) at 1 George Street, Edinburgh EH2 2LL. Both companies are authorised and regulated in the UK by the Financial Conduct Authority.

Everything's Future  
Invest today. Change tomorrow.

Visit us online  
[aberdeenstandard.com](http://aberdeenstandard.com)

ASI\_1511\_ASI\_UK\_Responsible\_Equity\_Fund\_Approach\_TCM5  
GB-220720-121818-3

The logo for Aberdeen Standard Investments. It features the word "Aberdeen" in a blue sans-serif font, followed by "Standard" in a larger, bold, dark blue sans-serif font, and "Investments" in a smaller, dark blue sans-serif font below it. A blue arrow-like graphic element is positioned to the right of the word "Standard".