March 2019

Impact Policy

This policy applies to Aberdeen Standard SICAV 1 - Global Equity Impact Fund.

Aberdeen Standard Investments recognises that the world faces a number of significant environmental and social challenges. The United Nations' Sustainable Development Agenda aims to address these challenges by setting out a broad-reaching plan of action for people and their prosperity. By analysing and interpreting the UN's 17 Sustainable Development Goals (SDGs) to identify the contributions that companies can make to progress, our Global Equity Impact Fund (the Fund) aims to generate positive social and environmental impact alongside strong financial returns.

Investment approach

The aim of the Fund is to invest in companies that deliver measurable, positive environmental and social impact alongside strong financial returns. The UN's Sustainable Development Goals (SDGs) provide an excellent framework to ensure that efforts are directed to the areas of greatest need. Combined with the expert analysis of our global equity teams, our Portfolio Managers invest in companies where they have strong conviction in both the positive financial and impact potential.

We believe that supporting the SDGs creates tangible investment opportunities. The Fund's policy is to invest in companies with business models focused on three key areas, detailed below.

CLIMATE CHANGE

Climate change is a pressing problem for the world, with significant consequences and challenges. Companies have a central role to play in developing alternative, affordable energy solutions and products that reduce climate change impacts, and in making their own operations as resource efficient as possible.

GROWING SOCIAL INEQUALITY

Inequality takes a number of forms, from income gaps to limited access to essential resources, such as water, medicine, education and finance. Providing infrastructure and affordable housing, ensuring equitable pricing and access to medicines, and providing innovative access to financial services create vast opportunities for companies to support improvements to equality.

UNSUSTAINABLE PRODUCTION AND CONSUMPTION

The world has a finite supply and availability of resources, alongside a growing population. Closed loop systems, product life cycle analysis, recycling and efficient resource management will become increasingly urgent for many companies. Those creating and providing solutions will capitalise on high value, long-term financial opportunities.

AberdeenStandard Investments

To apply the SDGs at a portfolio level, the Fund focuses on eight 'pillars' of impact. The table below illustrates how we have aligned our impact pillars to the SDGs.

Aberdeen Standard Investments' Impact Pillars

SUSTAINABLE DEVELOPMENT GOALS	PILLARS	SUB GOALS
12 Responsible consumption and production; 15 Life on land	Circular Economy	Resource efficiency Material recovery and reuse
7 Affordable and clean energy; 13 Climate action	Sustainable Energy	Access to energy Clean energy Energy efficiency
1 No poverty; 2 Zero hunger; 14 Life below water; 15 Life on land	Food & Agriculture	Access to nutrition Food quality Sustainable agriculture
1 No poverty; 6 Clean water and sanitation; 14 Life below water	Water & Sanitation	Access to water & hygiene Clean water Water efficiency
1 No poverty; 3 Good health and well-being; 5 Gender equality	Health & Social Care	Access to healthcare & social care Enhanced healthcare Drug development
1 No poverty; 8 Decent work and economic growth; 10 Reduced inequalities	Financial Inclusion	Access to financial services
9 Industry, innovation and infrastructure; 11 Sustainable cities and communities; 17 Partnerships for the goals	Sustainable Real Estate and Infrastructure	Affordable housing Eco-building Improved access
4 Quality education; 5 Gender equality; 8 Decent work and economic growth; 10 Reduced inequalities	Education & Employment	Access to education and skills development Quality employment and job creation

Our impact assessment framework focuses on these eight pillars with key performance indicators for each pillar. We use the UN's underlying SDG indicators as the basis for our own indicators, thereby linking a company's ability to affect positive change back to these overarching global challenges. We focus on the company's business models, products and services to identify the key ways in which its financial success is driven by progress against these indicators.

Assessment criteria

Because the Fund combines financial and impact objectives, our investment process starts with the strongest investment ideas across our equity desks. We then ascertain whether each company is having a meaningful impact on the SDGs using our impact pillar framework. We assess companies based on three stages of a company's impact maturity:

- Intentionality – a clear strategy by the company board to pursue an impact agenda, supported by investment
- Implementation – putting this strategy into practice and making money from it
- Impact quantification – measuring and reporting on the strategy's outputs

Intentionality acts as our minimum criterion for inclusion in the Fund; implementation and impact quantification demonstrate a more mature approach. We invest in companies across all stages of maturity, enabling us to support innovative solutions from concept through to delivery.

Engagement

The Fund has an active engagement policy. We engage actively and regularly with companies, questioning their ability to deliver financial returns and ensuring that positive social and environmental impact remains part of their core strategy. Our active engagement approach enables us to learn more about a company's sustainability strategy and impact, appraise company management, encourage best practice on ESG issues and/or exchange views. An active engagement approach is essential to managing a meaningful impact investment strategy.

Impact reporting

Impact measurement and reporting is a developing area. We are committed to presenting regular, transparent accounts of the impact generated by companies in the Fund.

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. Past performance is not a guide to future results.

Please consider these risk factors:

• The Fund invests in equities 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.

• A concentrated portfolio may be more volatile than a more broadly diversified one.

• Interpretation of "Impact Investing" will vary according to beliefs and values. Consequently the Fund may invest in companies which do not align with the personal views of any individual investor.

• A full list of risks applicable to this Fund can be found in the Prospectus.

This is not a complete list or explanation of the risks involved and investors should read the relevant offering documents and consult with their own advisors before investing.

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