

HL GROWTH FUND SUSTAINABILITY DISCLOSURES

HARGREAVES
LANSDOWN

HL Growth Fund

The Fund is managed by Hargreaves Lansdown Fund Managers Ltd.

Date of disclosure: 2 December 2024

ISIN: GB00BL6L0369

Sustainable Investment Labels and the HL Growth Fund

Sustainable investment labels help investors find products that have a specific sustainability goal. The HL Growth Fund doesn't meet the requirements of any of the four label categories so this product does not have a UK sustainable investment label. The Fund has a financial objective to deliver risk-adjusted returns to investors. The Fund doesn't have a sustainability objective, however it does incorporate certain sustainability characteristics, as described below.

Sustainability Approach

- The Fund invests at least 85% of its assets in funds tracking indices that incorporate specific environmental, social, and governance (ESG) requirements (ESG integrated funds).
- The ESG requirements may include the exclusion of certain companies based on specific ESG criteria (Exclusions), or the use of a scoring or rating system to invest more in companies that perform relatively well on various ESG factors, and less in those that don't (ESG Tilted Indices). Additionally, techniques may be used to reduce the carbon intensity of the index (Decarbonisation Pathway). These ESG requirements are described in more detail below.
- The Fund may also invest up to 15% of its assets in funds that track indices without specific ESG requirements.
- To enable the Fund to meet its investment objective, there may be times that the assets invested in ESG integrated funds falls below 85% of the Fund's value. This could happen due to market movements or extraordinary market conditions, for example.

Exclusions

As a minimum, the ESG integrated investments into shares and bonds apply the exclusions below. Additional exclusions apply to some portions of the portfolio, for further details please see the Prospectus.

ESG Tilted Indices

ESG tilts are applied across both the share and bond asset classes in the Fund. The methodologies of ESG Tilted Indices will increase the size of the Fund's investments in companies that score highly on a range of ESG related criteria and reduce exposure to those that score less favourably. The ESG criteria will include, but are not limited to:



Environment – factors such as climate change, pollution and biodiversity;



Social – factors such as diversity, human capital and ethics; and



Governance – factors such as shareholder rights, board diversity and audit independence.

Share Exclusions

Persistent violators of the United Nations Global Compact

Companies with any involvement in controversial weapons manufacture (such as antipersonnel mines, cluster munitions, biological and chemical weapons)

Companies which generate certain revenues from:

- Oil sands (in excess of 5% revenue)
- Thermal coal mining, extraction and power generation (in excess of 20% revenue)

Bond Exclusions

Violators of the United Nations Global Compact, as defined by two independent sources.

ESG laggards – Issuers with an ESG score of 20 or less on a scale of 0-100, as defined by the index provider.

Bond issuers with **any** revenue from:

- Oil sands
- Thermal coal
- Controversial weapons manufacture/supply
- Tobacco

Decarbonisation Pathway

A decarbonisation pathway is applied to the underlying fund's investments in large and medium-sized companies from developed markets, and to its investments into shares from emerging market countries. The purpose of the decarbonisation pathway is to target an annual reduction in the carbon intensity of the underlying funds until they reach net zero by 2050. The allocations to underlying companies are adjusted based on their carbon intensity, along with other ESG factors, to determine their overall weight in the fund.

Stewardship

The Fund invests in funds provided by Legal & General Investment Management (LGIM). We therefore delegate stewardship of the Fund's holdings to LGIM.

A key component of LGIM's stewardship approach is its Climate Impact Pledge, where the firm encourages companies to reduce climate change risks and transition to net-zero. Companies covered by the Climate Impact Pledge may face targeted engagement or divestment if they don't respond to engagement efforts.



Sustainability Metrics



A minimum of **85%** of the Fund will invest in ESG integrated funds, using a combination of the following techniques.



A minimum of **70%** exposure to ESG tilted funds.



A minimum of **85%** exposure to ESG exclusion-based funds.



A minimum of **60%** exposure to funds applying a decarbonisation pathway.

Further details

- **Prospectus** – https://www.hl.co.uk/_data/assets/pdf_file/0010/17589178/HL-ICVC1-Prospectus-20-July-2023.pdf
- **KIID** – https://www.fundslibrary.co.uk/FundsLibrary.DataRetrieval/Documents.aspx?type=point_of_sale&id=2e679ac0-5aee-4608-8a3c-833bca14f7c8&user=hl_website_documents
- **HL Growth Fund ESG Guide** – <https://hl.foleon.com/hl-growth-fund/esg-guide/>