

# HARGREAVES LANSDOWN FUND MANAGERS

Taskforce on Climate-related  
Financial Disclosures entity  
and product-level report

HARGREAVES  
LANSDOWN



# Introduction



A foreword by our Chief Investment Officer  
**Toby Vaughan**

We are pleased to be publishing Hargreaves Lansdown Fund Managers' (HLFM) inaugural Taskforce on Climate-related Finance Disclosures (TCFD) report where we share our approach to addressing climate-related risks and opportunities across our assets under management. At HL, our responsible business strategy is made up of four areas: responsible employer, responsible business, responsible fund manager and responsible savings and investment provider. This report outlines our climate commitments as a responsible fund manager.

Escalating incidents across the globe – from extreme weather events to shifts in ecosystems – underscore the importance for financial institutions and businesses alike to integrate climate considerations into their decision-making processes.

Climate factors have become increasingly important considerations for investment portfolios, given their potential to affect financial performance and long-term value. Understanding and addressing both physical and transition risks is essential for investors looking to ensure the profitability and sustainability of their investments. Integrating climate change considerations into investment and product strategies is not only a matter of responsible stewardship but also a means to mitigate risks and unlock value in a rapidly changing world.

This past year, we have been developing our approach to decarbonise our investment portfolios. HLFM pledge to align our efforts with the goals of the Paris Agreement, striving to limit global warming to a maximum of 2°C above pre-industrial levels and achieve net zero emissions no later than 2050. We aim to reduce the weighted average carbon intensity of our investments by 50% by 2030\*, through exclusions, engagement and, where climate risks are too high to accept, divestment.

We understand that transitioning to a net zero economy is imperative to mitigating the risks associated with climate change. The transition presents both risks and opportunities to HLFM. By aligning our portfolios with net zero goals, we aim to not only deliver long-term value to our clients but also contribute to a more sustainable world for future generations. Thank you for your continued trust in HL and our investment solutions.

A handwritten signature in black ink, appearing to be 'Toby Vaughan', written over a light grey rectangular background.

\*Please refer to page 29 for more information.

## Compliance statement

I can confirm under the FCA rule, ESG 2.2.7 that the disclosures in this report, including any third party or group disclosures cross-referenced in it, comply with the requirements stated in the FCA's ESG sourcebook.

We understand clients need clear disclosures from firms so they can choose the right investment products. At HL, we aim to enhance transparency regarding the management of climate-related risks and opportunities that are being managed on your behalf as investors.

### **TCFD explained**

The Taskforce on Climate-related Financial Disclosures (TCFD) is a climate-related disclosure framework which aims to increase transparency on climate-related risks and opportunities to enable clients and consumers to make considered choices.

The principles-based framework is mandated in the UK for listed companies, asset managers and FCA-regulation pension providers.

The recommendations are structured around four thematic areas that represent core elements of how organisations operate: governance, strategy, risk management, and metrics and targets.



The UK government has committed to reaching net zero emissions by 2050. The transition to a net zero economy will require high-quality information on how climate-related risks and opportunities are being managed along the investment chain – from companies in the real economy, to institutional investors and to consumers.

Better information will help clients and consumers make better informed decisions about their investments. This should, in turn, help to enhance competition in the interests of consumers, protect consumers from buying unsuitable products, and drive investment towards greener projects and activities.

### **How to interpret TCFD data for investment decisions**

When reviewing TCFD reports, focus on understanding how companies and asset managers are addressing climate-related risks and opportunities. Look for clear strategies for managing these risks, such as setting emissions reduction targets and integrating climate considerations into business decisions. Where appropriate, pay attention to metrics and targets that measure progress towards decarbonisation goals.

By analysing this information, investors can identify companies and funds that are well-positioned to thrive in a low-carbon economy, ultimately making more informed investment choices aligned with their values and long-term financial goals.

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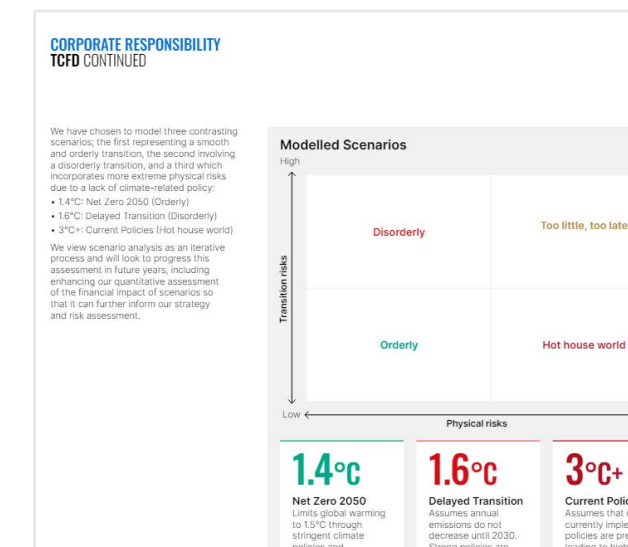
## **30 Product Reports**

Please see our supporting reports:



## Stewardship and Engagement Report

Reports on progress with our climate-related engagement and discloses our voting record.



## Group TCFD Report

Looks at the climate-related risks and opportunities at the Group level, updated in line with our financial year reporting cycle.

## Hargreaves Lansdown Asset Management TCFD Report

Covers the TCFD entity and product reports for our asset management arm.

## Climate Transition Plan

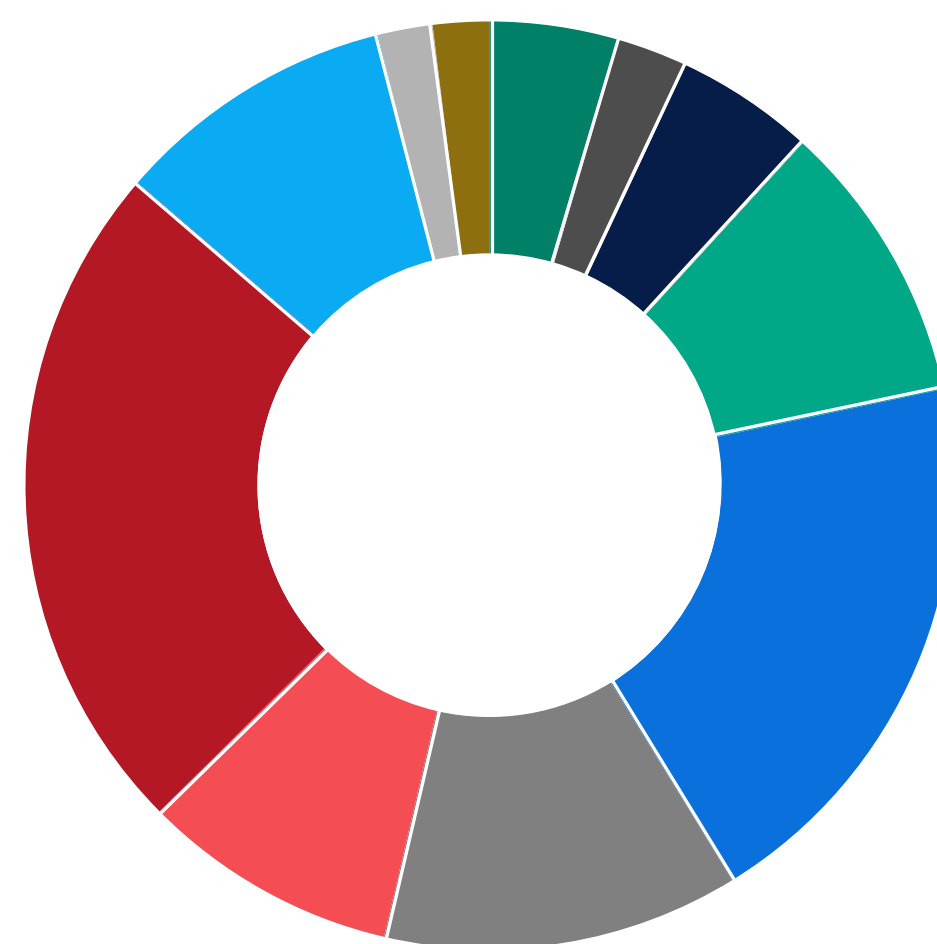
Outlines the net zero strategy for our assets under management.



## Hargreaves Lansdown Fund Managers at a glance

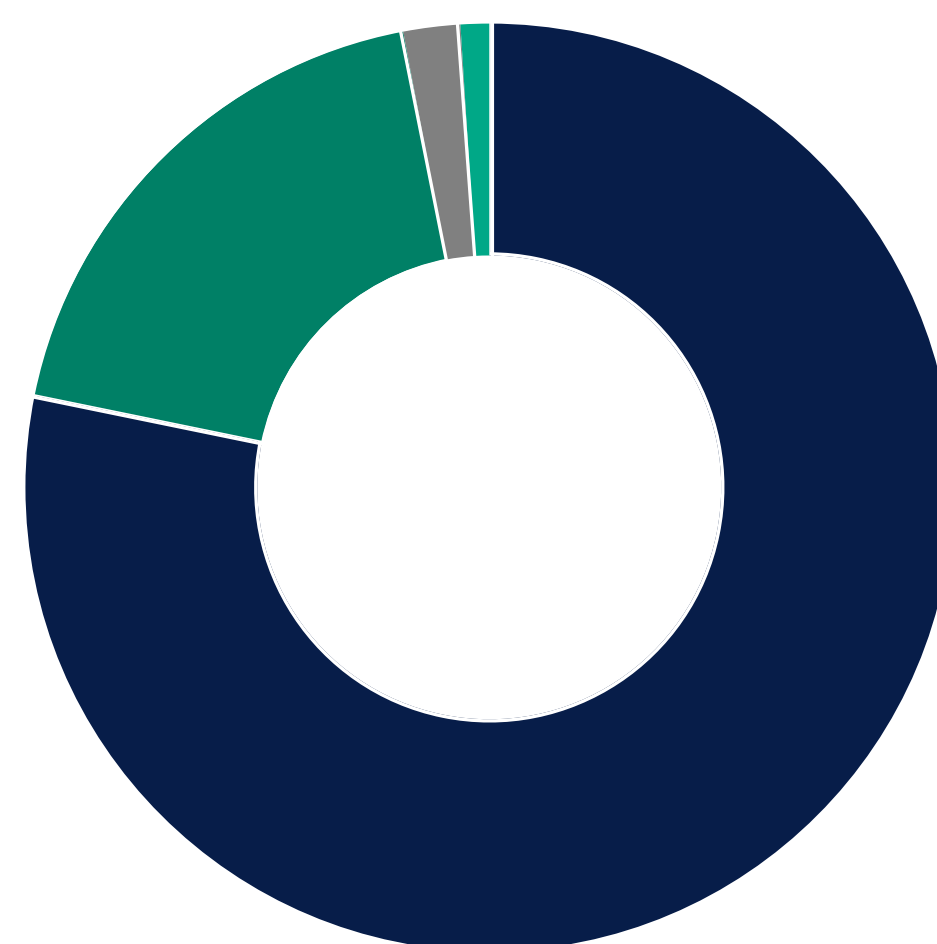
Through our Hargreaves Lansdown Fund Managers (HLFM) fund range we manage over £9.1bn of assets, providing investment solutions for clients across a broad range of sectors and investment needs. This includes a range of Portfolio Funds offering instant diversification, Portfolio Building Blocks which provide greater diversification across different global sectors and our range of Select Equity Funds, which are concentrated portfolios with a high level of transparency and insight.

### Sector exposure



- Materials **(4%)**
- Utilities **(2%)**
- Energy **(5%)**
- Industrials **(10%)**
- Information Technology **(20%)**
- Consumer Discretionary **(12%)**
- Consumer Staples **(9%)**
- Financials **(24%)**
- Healthcare **(10%)**
- Real Estate **(2%)**
- Telecommunication Services **(2%)**

### Asset class distribution



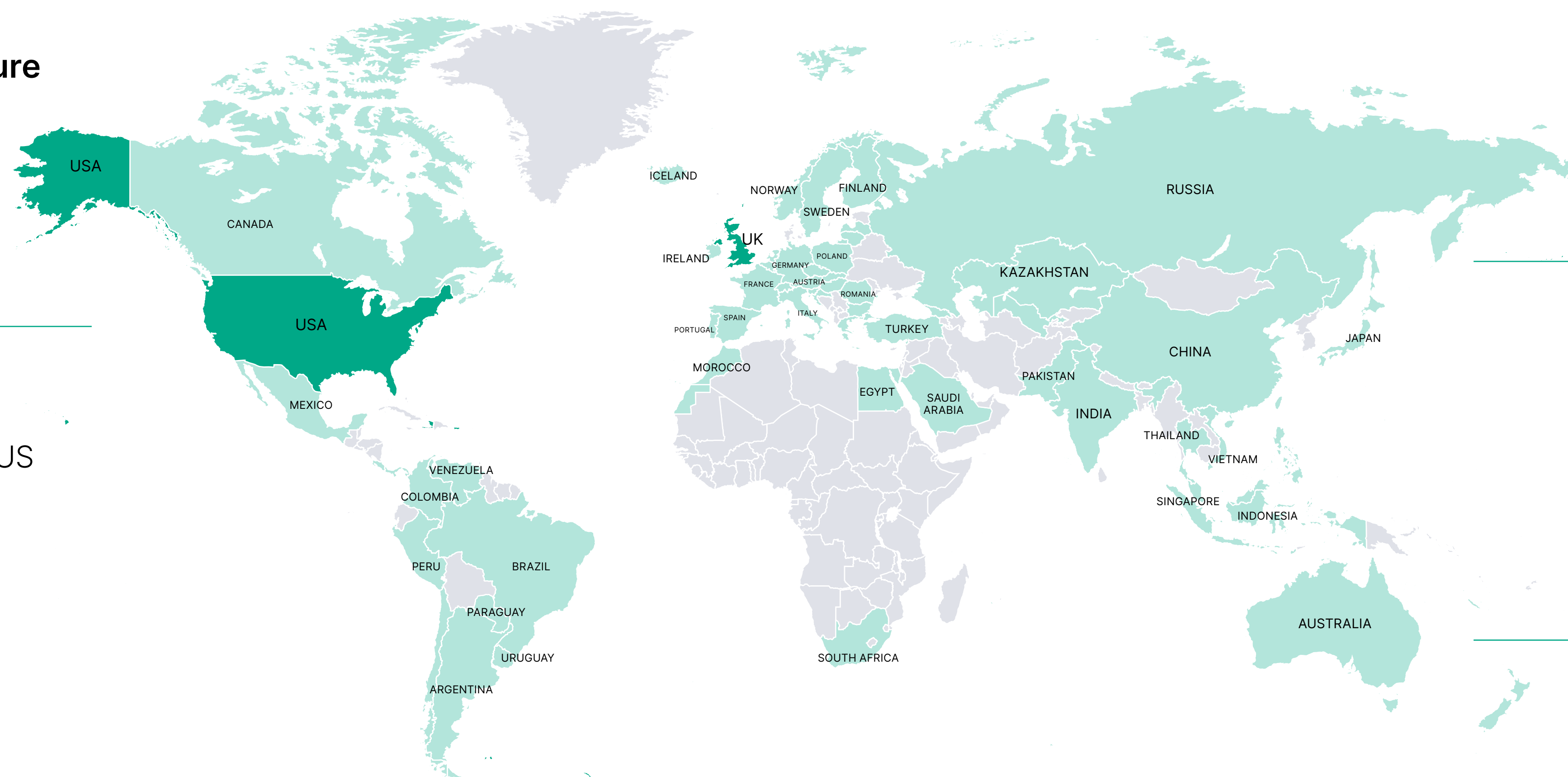
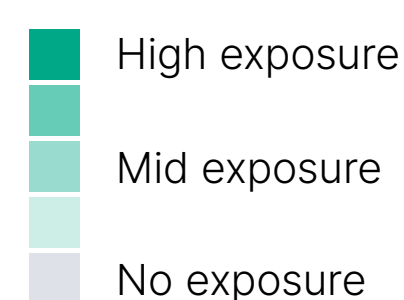
- Equity **(79%)**
- Fixed Income **(19%)**
- Other **(2%)**
- Cash **(1%)**

Numbers may not sum due to rounding



## Geographic exposure of our assets

**36%**  
of exposure is in the US



**30%**  
of exposure is in the UK

We manage over  
**£9.1bn** of assets

	Market Value 2023 £m*
HL UK Income Fund	£1,754
HL Multi-Manager Special Situations Trust	£1,732
HL Multi-Manager Balanced Managed Trust	£1,128
HL Growth Fund	£876
HL Multi-Manager Strategic Bond Trust	£745
HL Select Global Growth	£621
HL Multi-Manager High Income	£453
HL Select UK Growth Shares	£297
HL Multi-Manager Income	£227
HL Multi-Manager European	£175

	Market Value 2023 £m*
HL Cautious Managed Fund	£169
HL US Fund	£158
HL Multi-Manager Asia & Emerging Markets	£157
HL Multi-Manager UK Growth	£156
HL Select UK Income Shares	£146
HL Moderately Adventurous Fund	£94
HL Adventurous Managed Fund	£93
HL Balanced Managed Fund	£89
HL Global Corporate Bond Fund	£87

\* The HLFM fund structure involves funds being used as building blocks within other funds. To avoid double counting, this table excludes AUM which is held by other HLFM funds.



# GOVERNANCE





# Hargreaves Lansdown plc

Hargreaves Lansdown  
Fund Managers

Hargreaves Lansdown  
Advisory Services

Hargreaves Lansdown  
Asset Management

Hargreaves Lansdown  
Savings

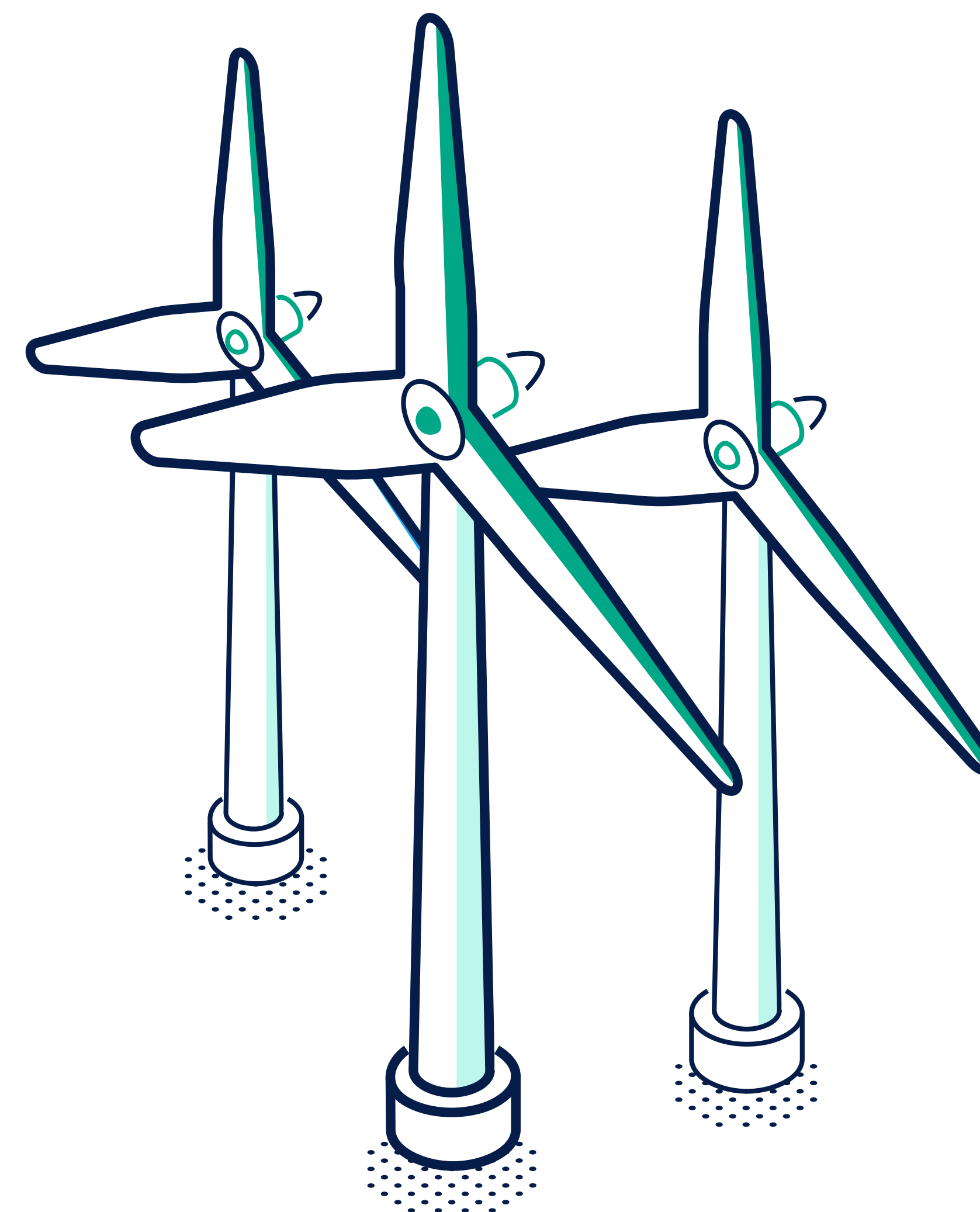
## Our board's oversight of climate-related risks and opportunities

Hargreaves Lansdown plc board is entrusted with the overarching group-wide strategy, which encompasses ESG, climate change, and sustainability. As a subsidiary of Hargreaves Lansdown plc, Hargreaves Lansdown Fund Managers (HLFM) carefully monitors climate-related risks and opportunities to understand how they impact our business strategy.

To ensure comprehensive governance, certain responsibilities are delegated to specialised committees and groups, including the ESG Taskforce. This Taskforce is comprised of senior leaders representing various business functions, including Legal, Compliance, Policy & Public Affairs, Investment Analysis & Research, Client Outcomes, Risk, Finance

and Hargreaves Lansdown Fund Managers (HLFM). This function collaboratively oversees the execution of our ESG strategy and supports the integration of ESG risk management and opportunities.

The HLFM Board, responsible for implementing the group-wide strategy, is pivotal in steering our climate agenda. Its responsibilities extend to overseeing and endorsing the HLFM net zero strategy and transition plan, discussed in detail later in this report, and our [Climate Transition Plan](#). The HLFM Board receives regular updates on our net zero progress through the annual progress report delivered by the ESG Analysis team, with provisions for ad-hoc updates should our progress deviate from anticipated outcomes.



## **Our management's role in assessing and managing climate-related risk and opportunities**

The Executive Investment Committee (EIC), deriving its authority from the HLFM Board, assumes a critical role in ensuring adherence to our ESG-related Policies and monitoring associated risks. Led by Chief Investment Officer Toby Vaughan, who sits on the HLFM Board and chairs the EIC, this committee is tasked with providing executive challenge and oversight of HLFM's performance and risk outcomes across the funds it manages.

The ESG Taskforce reports into the Executive Committee and is responsible for the day-to-day execution and monitoring of our ESG strategy at the Entity level. This involves ensuring key deliverables are on track, fostering business-wide commitment to our climate goals, and addressing key actions as the regulatory and climate risk landscape evolves.

Furthermore, our commitment to ESG extends to how we incentivise our leadership and fund managers. A portion of Executive Directors' bonuses and Performance Share Plan awards are tied to achieving ESG and climate-related objectives, including Scope 3 financed emission targets. Fund managers are also incentivised to uphold ESG principles within their respective funds, ensuring consistent integration and adherence to our [ESG Investment Policy](#).

Our dedicated ESG Analysis team sits within our Investment Analysis & Research function. The ESG Analysis team supports the Investment Analysis & Research team, which is responsible for all HLAM Investment Solutions (such as the Wealth Shortlist, Foundation Portfolios and Workplace default and Pathways funds). Their role is to ensure that the team's investment processes align with industry best practice on ESG and climate. Additionally, they deliver ESG-related KPI reporting to the Chief Client and Commercial Officer on a monthly basis and

ensure compliance with our [ESG Investment Policy](#) and our [Stewardship and Engagement Policy](#). The team provide the Senior Research Team with key ESG management information on a quarterly basis, which is escalated as appropriate to the Distribution Investment Oversight Committee (DIOC). All members of the ESG Analysis team are required to hold, the CFA Certificate in ESG Investing and the CFA UK Certificate in Climate and Investing qualifications.

Acknowledging the significance of data in evaluating climate risks and opportunities, we adopt a cautious approach to data and model management. While data forms the backbone of our integration framework, we supplement it with qualitative validation and insights from our investment analysts and fund managers. Regular training sessions, conducted at least once a year, and in the event of new joiners, equip our team members with the skills to navigate ESG considerations and leverage our proprietary tools effectively.



# STRATEGY



**Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.**

All companies face climate risks and opportunities. Climate risks can be split into physical risks (such as increased frequency of extreme weather events) and transitional risks (such as regulatory changes). The magnitude of these risks and opportunities for a company depend on a number of factors, such as location, their products and services, their supply chains and their broader business model.

**Physical Risks**

Physical risks, both acute and chronic, pose significant challenges to business continuity. Acute risks, exemplified by extreme weather events like fires and floods, threaten assets and production processes. Meanwhile, chronic risks stemming from long-term climate shifts, such as changes in sea levels and ecosystems, could impact land use, food production, and infrastructure requirements. Note we will be looking to develop our approach to physical risks in line with the Taskforce on Nature Related Disclosures framework.

**Transition Risks**

Transitional risks encompass regulatory, policy, and legal factors that reshape business practices and profitability. Climate policies, targets, and regulations are evolving, influencing market dynamics and investment viability. For instance, regulatory changes may necessitate adjustments in operational practices and could impact investment values and returns. Additionally, the emergence of new technologies plays a pivotal role in reshaping industries, though further elaboration on this aspect is underway as part of our ongoing evaluation.

**Opportunities**

Amidst these challenges lie opportunities for organisations that are proactive in managing climate-related risks and capitalising on emerging trends. Companies with strong climate credentials stand to benefit from enhanced brand reputation and client loyalty. Embracing resource efficiency measures not only reduces costs but also minimises environmental impact. Furthermore, innovative products and services addressing environmental concerns could be poised for future success, alongside organisations that demonstrate resilience in navigating climate-related disruptions.

We are using our third-party data provider Morningstar Sustainalytics to assess the Physical Climate Risk Metrics of our portfolio. This data uncovers the possible harms due to physical manifestations of a changing global climate, referred to as hazards. Risks are measured by combining details around physical assets and climate change hazard projections to see how physical climate changes will affect those assets.

We have used the Representative Concentration Pathway (RCP) scenarios from the Coupled Model Intercomparison Project 5 for this assessment, which are a set of greenhouse gas concentration trajectories used by climate models to project future climate change. RCP 2.6, referred to as “Low Emissions Scenario”, models a world transitioning to a future warming of ~2 °C by the end of the century; and RCP 8.5, referred to as “High Emissions Scenario”, models the future under a worst-case scenario resulting in global warming ranging from 3.2 °C to 5.4 °C by 2100.

Asset Damage Risk estimates the vulnerability of direct infrastructure damage. This is the likelihood of climate hazard occurrence combined with the vulnerability of the asset and its components.

Productive Capacity Loss estimates direct losses due to non-damage-related disruptions, such as productivity drops from component failures and worker heat stress.

The Physical Climate Hazards Data assessment currently only considers physical climate risks, and it excludes the financial and real estate sectors.

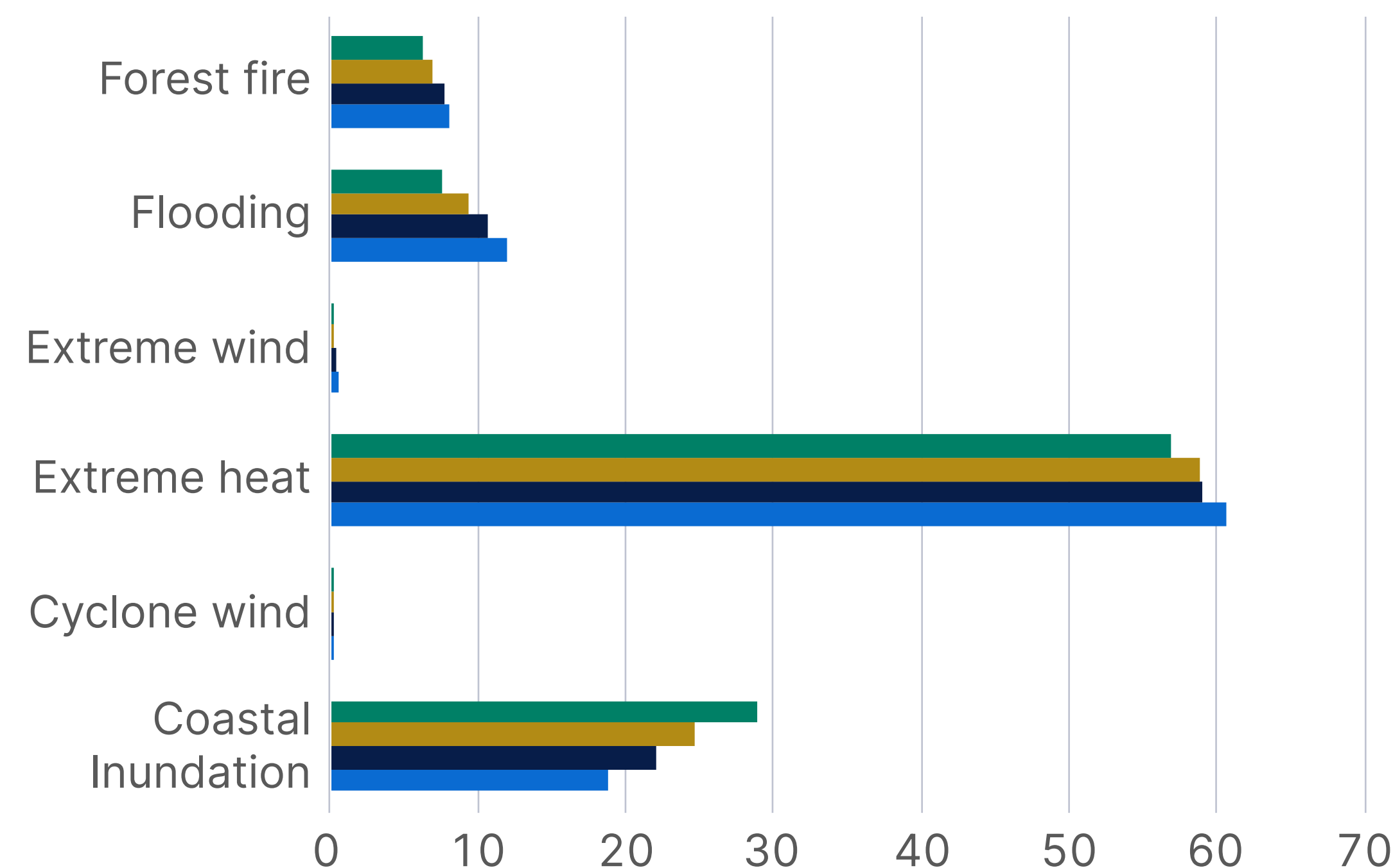
We recognise the limitations of our assessment and aim to expand its scope over time. At the entity and product level, we are working to identify physical and transition risks over the short, medium and long term, as well as by sector and region.

The below graphs assess the Productive Capacity Loss and Asset Damage Risk of HL's investment portfolio across Low Emissions and High Emissions Scenarios in the medium term, 2030, and long term, 2050.

This assessment shows that coastal inundation and flooding are most likely to damage the assets HL Fund Managers invests in, and extreme heat poses the greatest risk to the portfolio's productive capacity. The [Loss Ratio](#) later in the report details how financially impactful these risks might be to HL's portfolio.

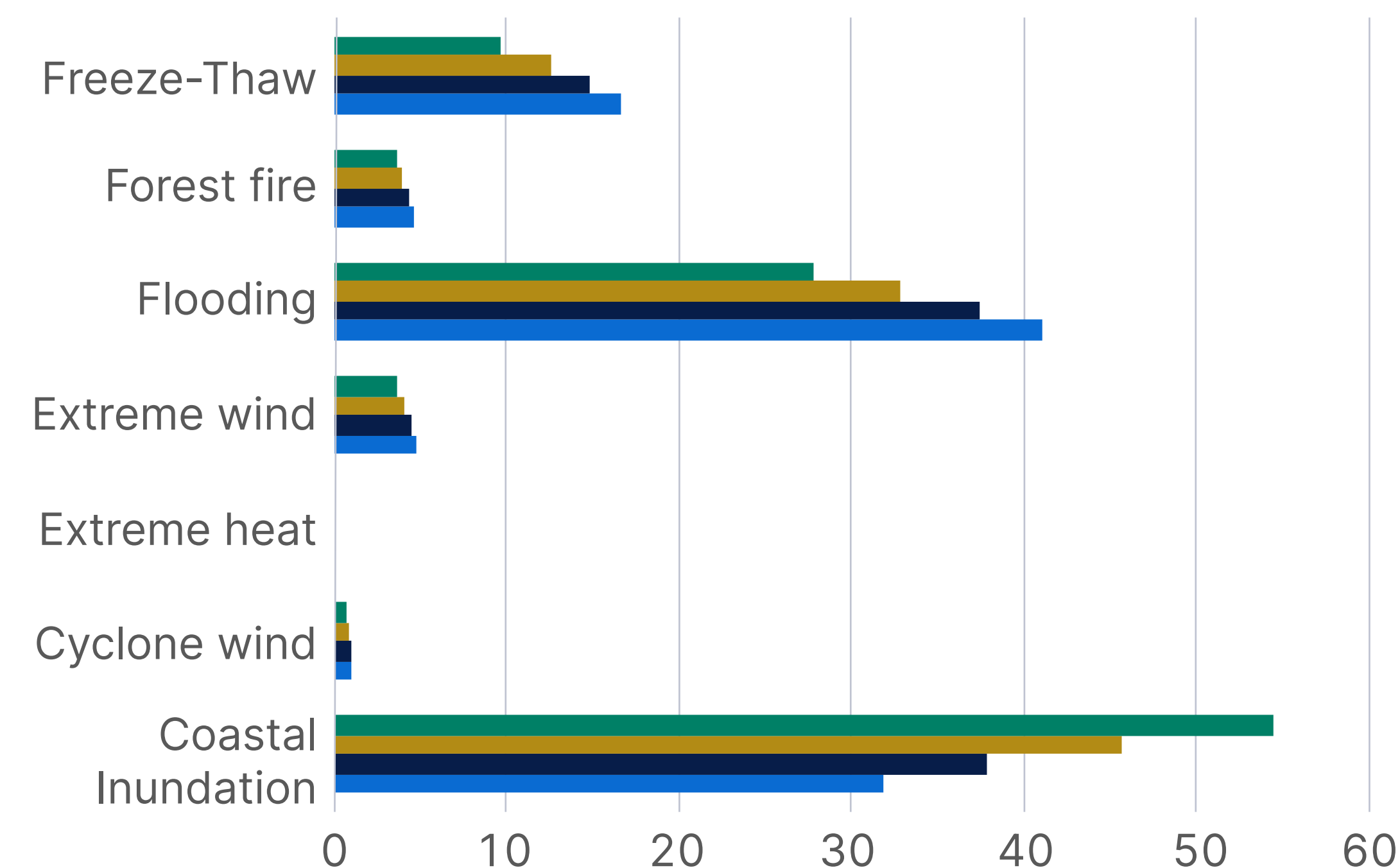
### Productive Capacity Loss (%)

- 2050 High Emissions Scenario
- 2050 Low Emissions Scenario
- 2030 High Emissions Scenario
- 2030 Low Emissions Scenario



### Asset Damage Risk (%)

- 2050 High Emissions Scenario
- 2050 Low Emissions Scenario
- 2030 High Emissions Scenario
- 2030 Low Emissions Scenario



### **Describe the impact of climate related risks and opportunities on the organisation's businesses, strategy, and financial planning.**

Climate-related risks, such as regulatory changes, physical impacts, and shifts in consumer preferences, pose the threat of impacting HLFM's business and strategy. As such, climate is factored into our proposition, investment process, talent, and partnerships.

### **Product**

Client demand is a key factor in our product development. We actively engage with clients through surveys to gauge their perspectives on ESG-related topics, including climate-related concerns. ESG factors are being incorporated into solutions and tools currently under development, including enabling clients to use climate-related data to make informed investment decisions.

As well as understanding what clients are asking for and what they're looking to avoid, we consider ESG flows in market and on platform. This allows us to assess whether intentions are matched with actions, and then what subsequent behaviour is exhibited. ESG related regulation is also factored into our product development, such as

the implementation of the Sustainability Disclosure Requirements (SDR).

More generally, HLFM is moving towards investing in segregated mandates, rather than third-party funds, to have greater control of manufactured solutions. ESG criteria is included in the Investment Management Agreement for segregated mandates as well as forming a key section of our due diligence assessment of firms and funds. This allows us to ensure all HLFM funds integrate ESG factors in line with our ESG-related Policies.

### **Process**

Our investment process integrates robust ESG methodologies, ensuring systematic evaluation and integration of climate considerations into investment decisions.

Our 25-question checklist forces investment managers and analysts to revisit every element of the investment case for a fund, to make sure nothing goes overlooked. It includes two ESG-related questions, which consider how ESG is integrated both at the fund-level and the fund-house level. If the firm, as a minimum, is not a signatory to the Principles for Responsible Investment or has not set targets to reduce its Scope 1 and 2 emissions, it automatically scores

zero for the fund-house level question. If the investment manager subsequently chooses to invest with this fund group, this will trigger an engagement process where we will aim to help the firm develop its approach. If it fails to meet our minimum requirements within a 2-year engagement period, the investment will be sold.

Fund managers and analysts are supported to form their views on the quality of ESG integration with our Fund House ESG Dashboard, which takes several climate-related factors into account, and our Fund House ESG Analysis, a qualitative review of how each fund house under coverage integrates ESG. This helps to ensure consistency of ESG integration across our funds.

Fund managers also invest with reference to detailed due-diligence questionnaires, which are completed by the fund groups and reviewed by our dedicated Product Governance team. The due-diligence questionnaire includes several climate-related questions, which probe the firm's approach to managing climate risk, their climate-focused engagement efforts and decarbonisation strategies.

Our broader engagement strategy prioritises climate as a key theme, with dedicated efforts to address climate-related issues and deforestation concerns. As such, we are engaging with some of the highest emitters across our portfolio. Should engagement be unsuccessful within the designated timeframe, this would trigger escalation in line with our [Stewardship and Engagement Policy](#).

Additionally, climate is factored into financial planning through our allocation to third party ESG data providers to manage climate-related risks effectively across our investment solutions.

## People

Recognising the critical role of expertise in ESG and climate-related matters, over the past three years we've established a dedicated ESG Analysis team equipped with the necessary skills and knowledge to navigate environmental challenges. Our commitment to building a climate-aware workforce is underscored by mandatory climate exams (CFA Certificate in ESG Investing and CFA UK Certificate in Climate and Investing) for the ESG

Analysis team, ensuring they possess the expertise to address climate-related risks and opportunities effectively. The team is also required to maintain its knowledge by undertaking a program of continuing professional development.

The ESG Analysis team provides training throughout the year to the wider HLFM department. In 2023, the team provided 6 sessions on the topics of net zero, collaborative engagements, Policy training, and ESG data and tools training.

## Partnerships

Collaboration is central to our approach to tackling climate-related challenges. We actively engage in climate-focused memberships and alliances, such as Climate Action 100+ and Bristol Climate & Nature Partnership, fostering relationships with like-minded organisations to drive collective action and influence industry-wide initiatives. Leveraging collaborative networks, we amplify our impact and advance our commitment to sustainability and climate resilience.

We have a strong peer network and meet with many of the ESG teams of our appointed managers throughout the year. These meetings allow for peer-to-peer learning on ESG and climate-related integration best practice, knowledge sharing on how firms are approaching upcoming regulation, and the opportunity to ensure we are aware of key market trends.

To learn more about our plans for transitioning to a low-carbon economy, please see our [Climate Transition Plan](#).

**Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.**

To understand the resilience of our assets under management, we have considered three key metrics: Physical Climate Risk Metrics, Implied Temperature Rise and Value-at-Risk. All data points have come from our data provider, Morningstar Sustainalytics, and been aggregated in-house and reweighted where necessary. All HLFM products have been assessed against these metrics in the [TCFD product reports](#) at the end of this document. For context, we have assessed the MSCI World against these data points.

Data relating to climate metrics is evolving. As calculations evolve we aim to be transparent in showing where any changes have impacted our reporting and methodology.

**Physical Climate Risk Metrics**

Financial exposure to physical climate hazards is expressed through a loss ratio, calculated as the ratio of expected cumulative damage against the company’s global financial position up to 2050.

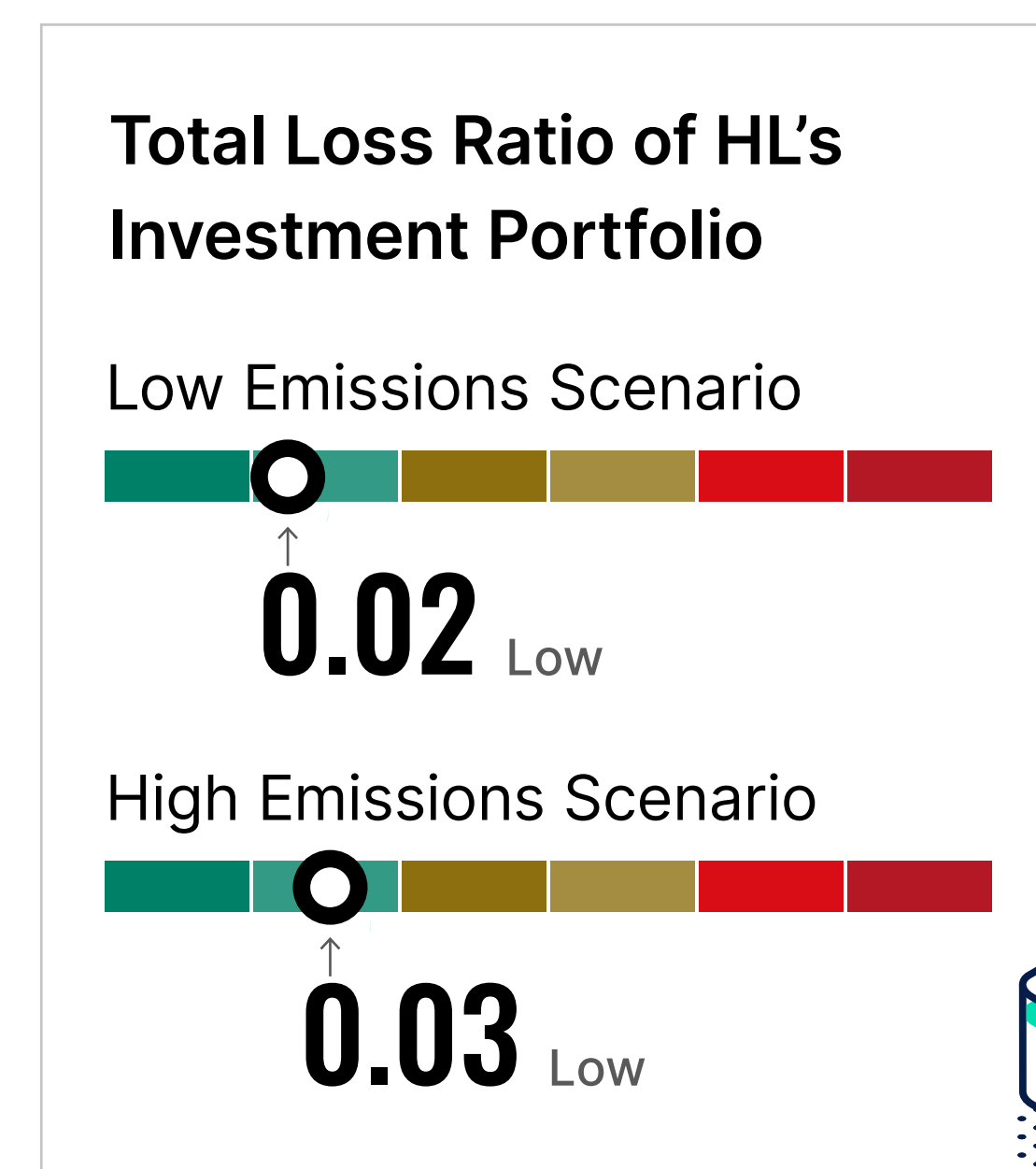
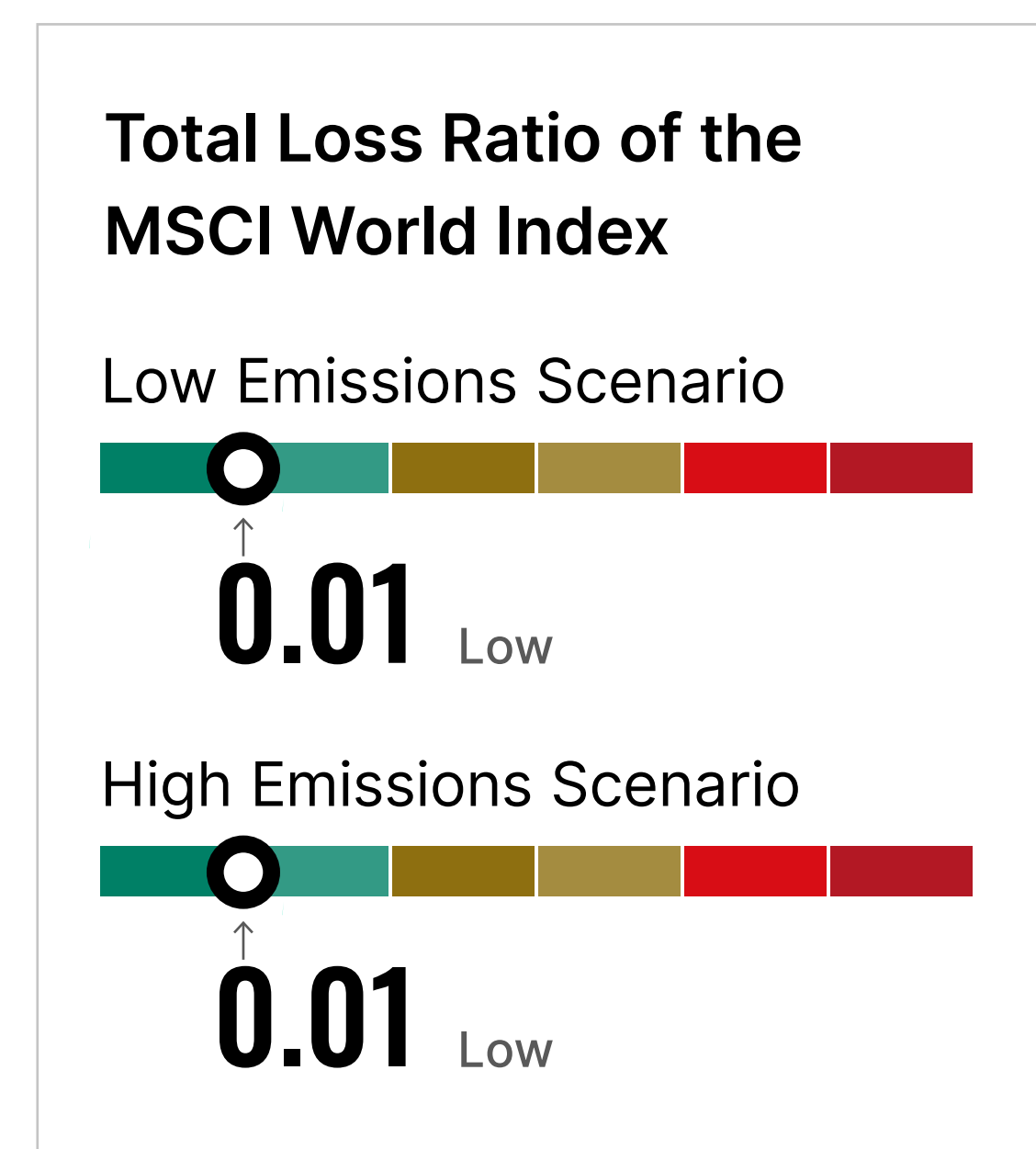
This metric serves to assess a company’s financial capacity to manage the costs associated with physical climate risks. The Total Loss Ratio therefore provides a signal to understand how much of a company’s projected revenue may be required to be devoted to mitigating damages from climate risks, rather than used in other ways.

We have used the same Representative Concentration Pathway scenarios 2.6 and 8.5 to assess a “Low Emissions” and “High Emissions” scenario. “Low Emissions”, models

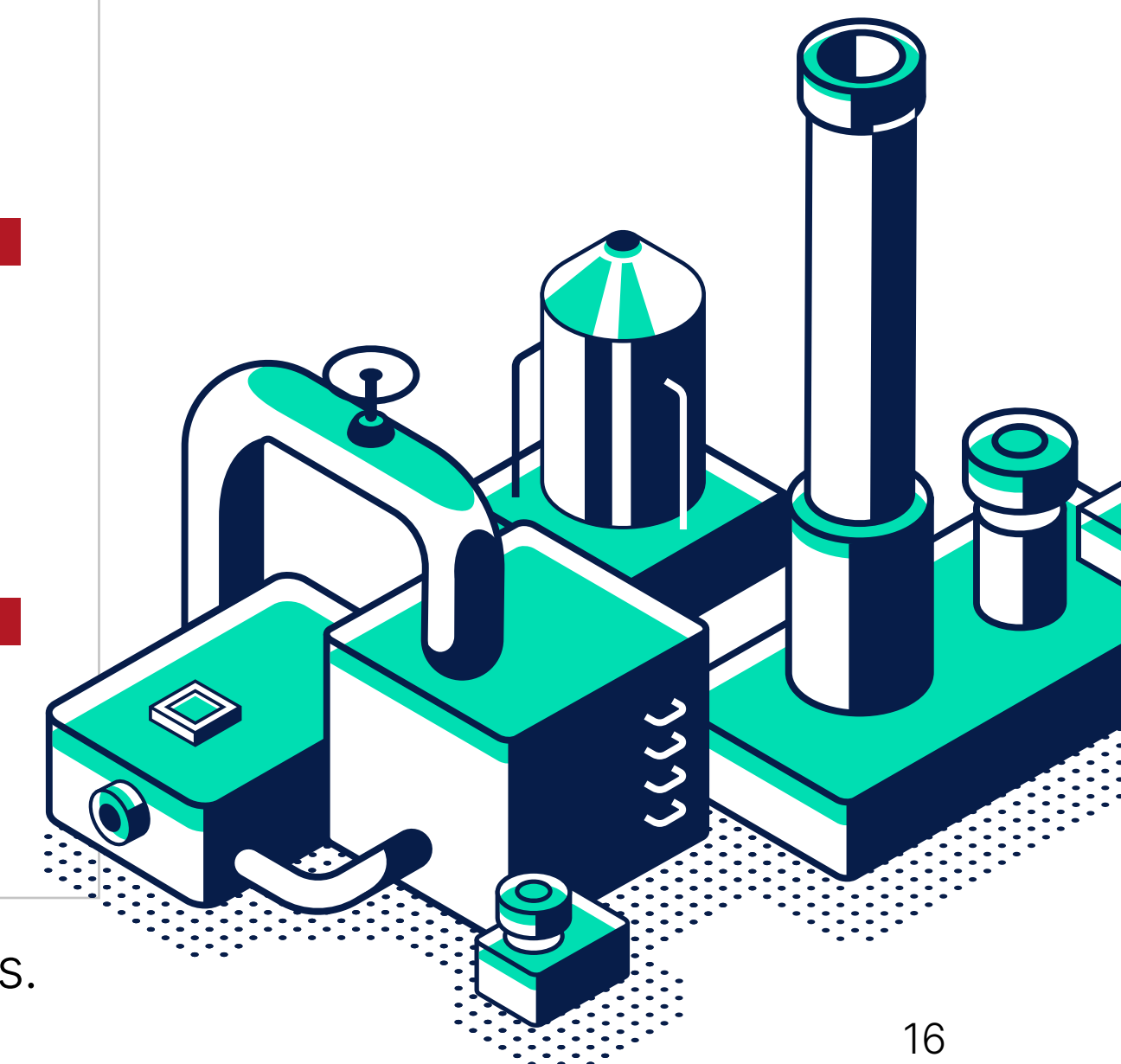
a world transitioning to a future warming of ~2 °C by the end of the century whilst RCP 8.5, referred to as “High Emissions”, models the future under a worst-case scenario resulting in global warming ranging from 3.2 °C to 5.4 °C by 2100.

The Loss Ratio is classified as ‘low’ for the Low and High Emissions Scenarios. This means that HL Fund Managers invests in companies which are financially resilient so that the costs associated with managing physical climate risks present a low financial risk.

**Loss Ratio**



Please note figures are rounded; they may not exactly match the risk buckets.



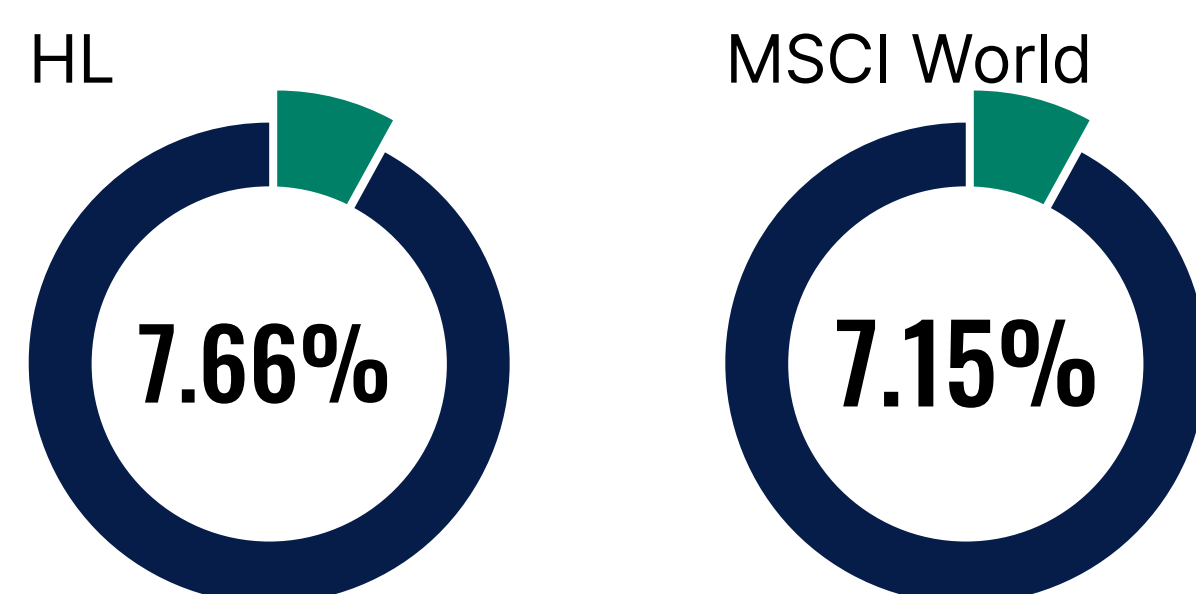


## Climate Value-at-Risk

To gain a deeper understanding of what financial impact this equates to, we have assessed the Climate Value-at-Risk (VaR). VaR is a financial metric that demonstrates the expected future impact to a company's bottom line due to the transition to a low carbon economy. This data point indicates the expected value degradation of a company based on its expected misalignment to a net-zero pathway, expressed as a percentage. We have aggregated this company-level data point to the portfolio level:

The potential absolute loss in value HL's portfolio may experience from the transition to a low carbon economy is 7.66%.

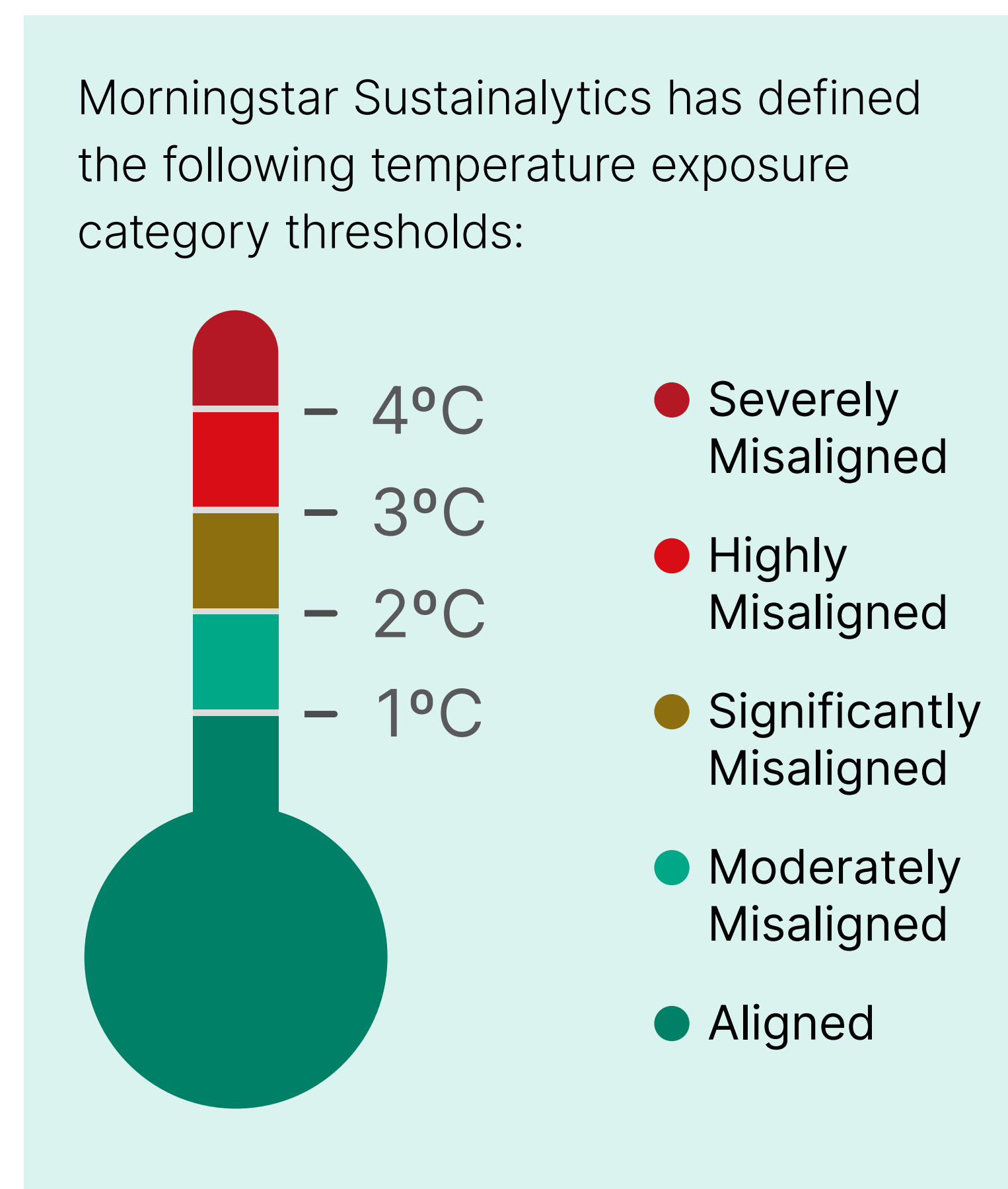
### Climate Value-at-Risk



HL portfolio coverage is 56% and includes listed equities and corporate bonds only. We take a weighted average approach for the portfolio and reweight to 100% to provide a representative data point for our AUM.

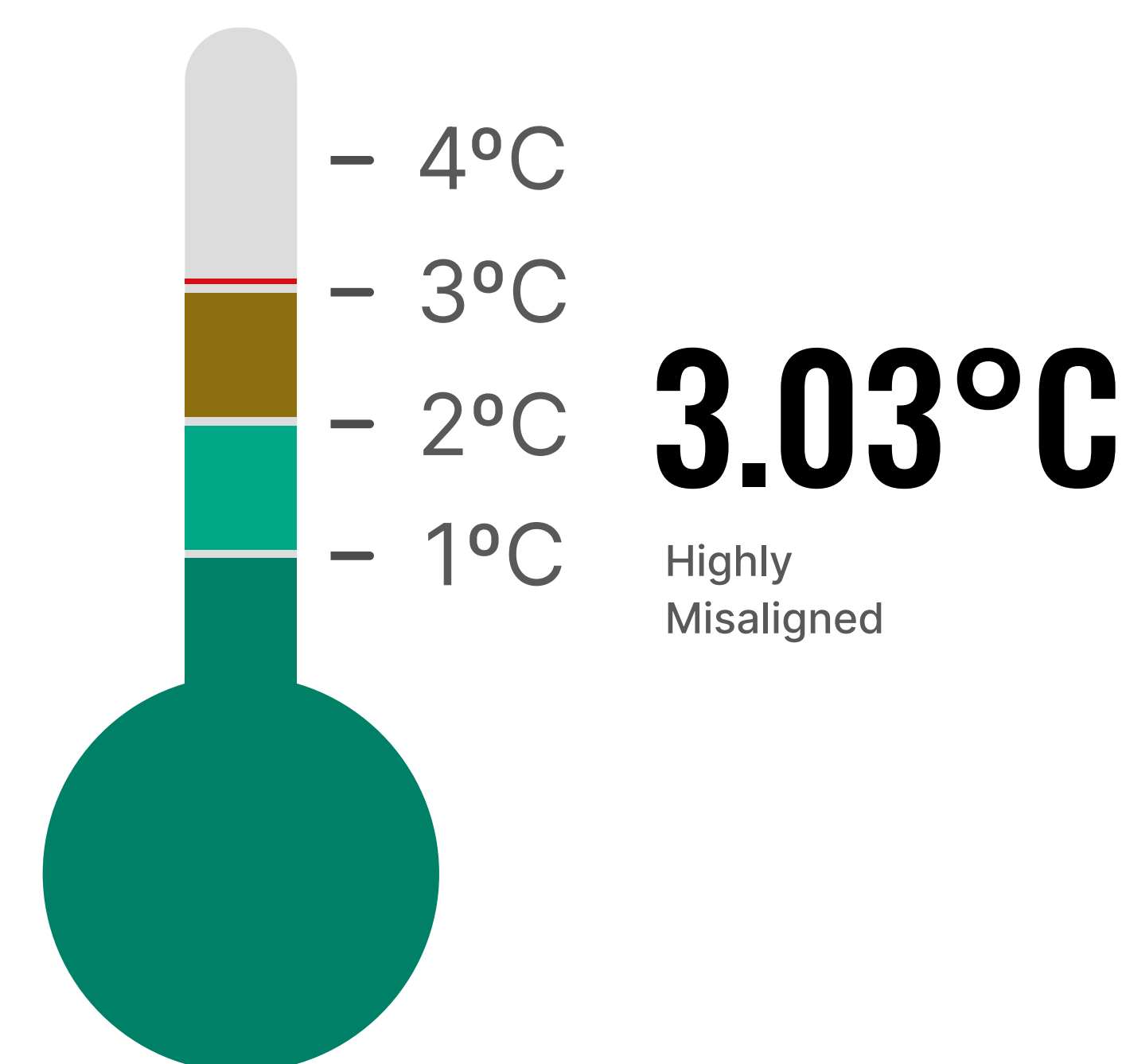
## Implied Temperature Rise

The Implied Temperature Rise signifies the temperature to which the world would warm (above pre-industrial levels) should all companies' expected emissions differ from their net-zero budgeted emissions to the same degree as this portfolio.



This data point should be considered in context of the global objective of minimising global warming to well below 2°C, ideally 1.5°C, by 2050.

## The implied Temperature Rise of HL's Investment Portfolio



Morningstar Sustainalytics' methodology suggests the implied temperature rating of HL's AUM is 3.03°C, making our portfolio highly misaligned with the emission reductions necessary for a 1.5-degree scenario. This means that if all companies had the same investment alignment and transition preparedness as the investee companies in our portfolio, it is estimated that the world would warm by 3.03°C above pre-industrial levels.

**For context, the implied temperature rise for the MSCI World Index is 3.06°C.**



# RISK MANAGEMENT



## **Our process for identifying and assessing climate-related risks**

HL recognises climate change as a material ESG factor and a systemic risk to our economy. We continually refine our methods for identifying and assessing climate-related risks to ensure we are aligned with best practice. We rely on Morningstar Sustainalytics as a trusted third-party data provider for carbon data.

This data feeds directly into our proprietary ESG dashboard, a robust tool that aggregates company-level data to the portfolio level. Through this dashboard, we effectively discern key climate-related risks, examining not only carbon emissions but also metrics such as exposure to physical climate risks, alignment with climate transition pathways, and alignment to climate-related opportunities. This comprehensive analysis enables us to pinpoint the highest emitting stocks, sectors, and geographies within each of our funds, providing insight into our products' alignment with net zero goals.

We also assess the highest emitting companies in our portfolio against industry-recognised frameworks such as the Investors Group on Climate Change (IGCC) Net Zero Investment Framework criteria

and the Climate Action 100+ Benchmark. These frameworks outline essential criteria for asset alignment and climate solutions assessment, including emissions disclosure quality, transition plans, capital expenditure commitments, and implied temperature scores.

Our HL Portfolio Funds and HL Portfolio Building Blocks funds invest in segregated mandates and third-party funds managed by various external managers. Our investment team engages with these managers throughout the year to assess performance, receiving regular updates on their engagement approach and outcomes achieved. Additionally, we issue an annual dedicated ESG due diligence questionnaire to our appointed managers, seeking insights into their approach to managing climate risk, their climate-focused engagement efforts and decarbonisation strategies. These questions are informed by industry standards such as the IGCC stewardship questionnaire, PRI assessment questions, and FRC Stewardship Code Principles.

Our proprietary Fund House Dashboard plays a central role in our approach, integrating climate considerations directly into our scoring methodology. In addition to assessing groups' ambition on net zero and stewardship

capabilities, it also evaluates the reporting and disclosure of climate risk. The Dashboard score is directly reflected within our investment checklist, which managers and analysts are required to complete annually for each fund held in our solutions.

ESG is one of our ten due diligence categories. We assess firms on whether they have set a net zero target, whether this covers all scopes of emissions, and what proportion of their assets are covered by targets. We also ask our investment managers whether they conduct any climate scenario planning or stress testing on their funds under management.

We collate themes for engagement every two years through client surveys. We aim to understand the issues our investors care about most and focus our engagement on driving positive outcomes in these areas. In our 2022 Sustainable Investor Survey, deforestation emerged as a key ESG risk clients wanted HL to engage on. Please refer to our [Stewardship and Engagement Report](#) to learn more about our efforts.

Looking forward, in 2024 we will continue to integrate ESG data into our investment process to strengthen the way our fund managers identify and assess climate-related risks and opportunities.

## Our process for managing climate-related risks

Two of the main ways to manage climate risk in a portfolio are engagement (working with companies to help them improve) and exclusion (avoiding shares in companies where significant improvement is required). We believe the most effective method to achieve real world change is engagement. When you are an investor in a company, you can attend shareholder meetings and vote on management's proposals, or if you can't attend you can cast a proxy vote. This gives you a chance to have a say on how sustainable practices are handled in future, which is even more important for companies that have a large footprint on the environment around them.

In contrast, if you avoid a company's shares, someone else buys them. They may not care about the company's impacts as much as you do. They might be happy to see the company run in the same way, without any care for climate issues. In extreme cases, companies ignored by investors could see large international investors and private equity firms buy the firm and take it private. It would then face even less restrictions and transparency requirements.

That said, we do apply a small number of exclusions where companies are engaged in activities that contribute significantly and disproportionately to climate harm. For instance, we exclude companies that generate 20% or more of their revenues from thermal coal power generation and extraction, and oil sands extraction. We also apply exclusions to companies involved

in controversial weapons (such as anti-personnel mines and cluster munitions), and those in persistent violation of the UN Global Compact (a UN pact on human rights, the environment, labour and anti-corruption). These exclusions are applied across the HL Select Funds and the segregated mandates held within the HL Portfolio Funds and HL Portfolio Building Blocks.

### EXCLUDE

We prefer engagement over divestment to proactively drive the transition.

However, we apply exclusions on companies engaged in activities that we identify as excessively harmful to the climate, specifically companies which generate 20% or more of their revenues from thermal coal power generation and extraction, unless our exemption criteria as defined in our [ESG Investment Policy](#) is met.

We also exclude companies which generate 20% or more of their revenues from oil sands extraction.

### MINIMUM STANDARDS

To be considered for our HLFM solutions, all fund groups must publicly pledge to reach net zero by 2050 or earlier (covering at least Scope 1 and 2 emissions) and to be working towards creating a robust transition plan to support this pledge.

In addition, any funds that are being considered for investment, or are a current holding, are evaluated on whether the group reports on the Task Force on Climate-Related Financial Disclosures (TCFD), or a similar climate-related disclosure framework relevant to the domicile of the group.

## ENGAGEMENT

Engagement is a meaningful lever for success. We have identified a focus list of some of the most carbon intense companies in our portfolio.

We are engaging with these firms directly, through our appointed managers, and through collaborative engagement schemes, such as Climate Action 100+.

We also engage with all appointed fund managers to ensure they are sufficiently integrating ESG.

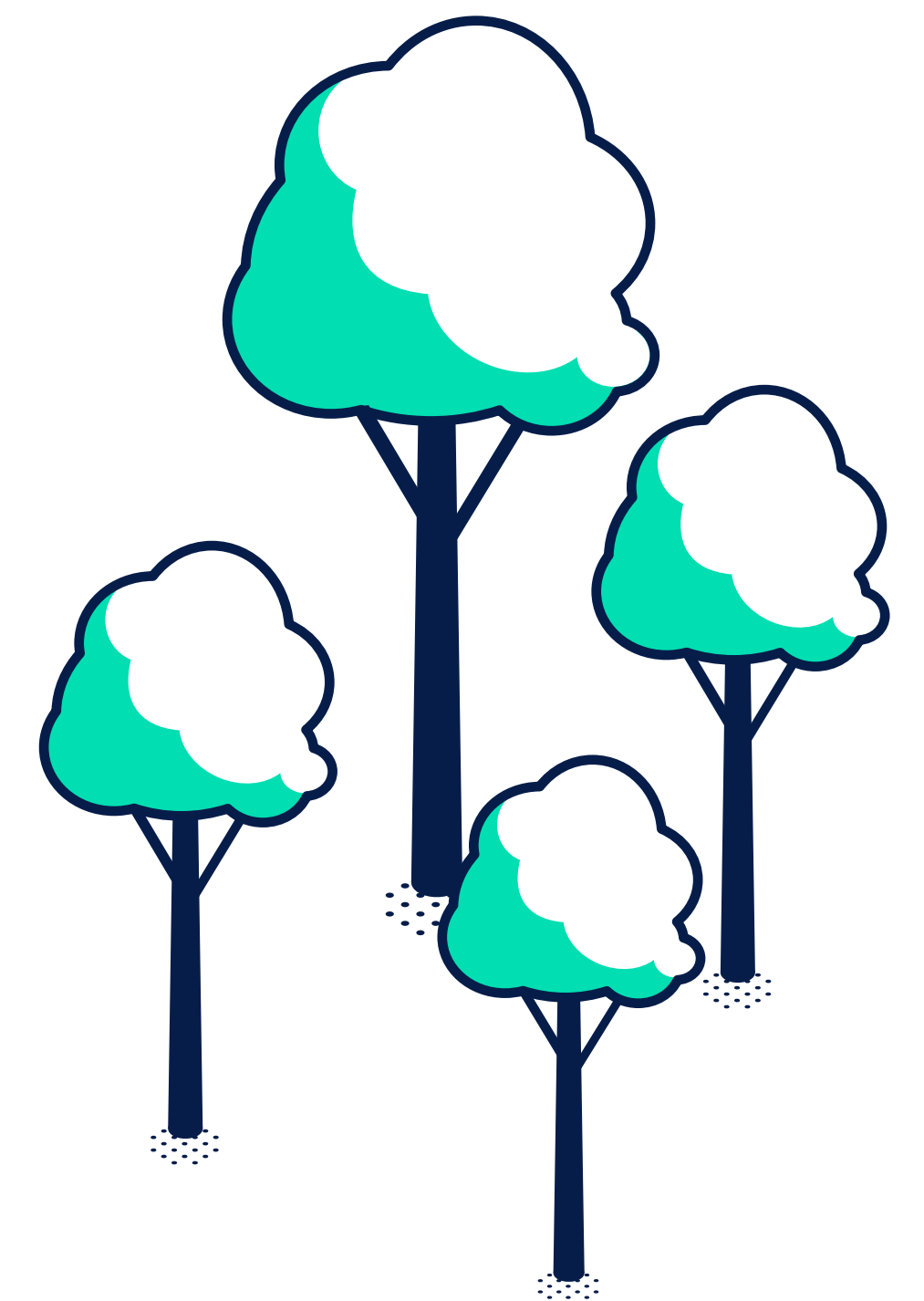
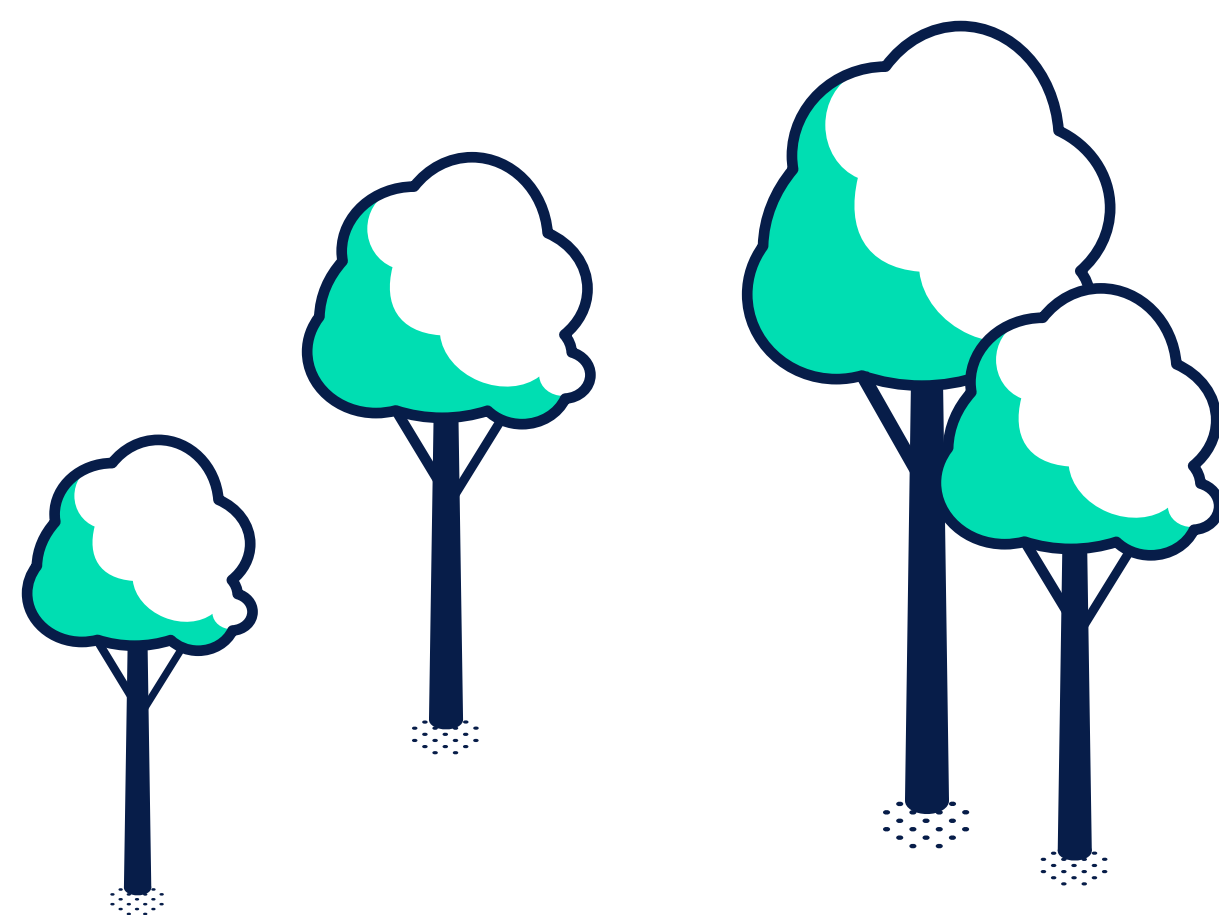
To read more about our climate engagement and net zero strategy, please refer to our [Climate Transition Plan](#) and our [Stewardship and Engagement Report](#).

We have identified deforestation as a key climate-related risk. The clearance of forested land through burning releases vast amounts of greenhouse gases into the atmosphere, and the process of deforestation reduces the ability of an area to store carbon. We commit to understanding the scope and impact of deforestation within our funds in our [Stewardship and Engagement Policy](#). We are committed to improving our understanding of our exposure through data, participating in the trial of ForestIQ data and engaging with our data provider, Morningstar Sustainalytics.

We are engaging through the Investor Policy Dialogue on Deforestation Initiative (IPDD) to improve regulation on deforestation. This in turn will increase transparency, reporting and data for investors globally to make more informed investment decisions.

“  
We also engage with all appointed fund managers to ensure they are sufficiently integrating ESG.”

Please refer to our TCFD product reports for the climate-related risks and opportunities for each product or investment strategy.



## **How we integrate climate-related risks into our overall risk management**

The Group adopts a robust risk management structure based on the 'Three Lines of Defence' model to ensure clear accountability for all risk management activities across the organisation. For further details, please refer to the Group's [TCFD report](#).

The ESG Analysis team sit in the first line as the ultimate owners of the risks and are responsible for risk management.

Our ESG Analysis team conducts a monthly assessment of climate-related metrics within our assets under management (AUM). This assessment encompasses various factors, including our weighted average carbon intensity, exposure to highest emitting stocks, and our exposure to fossil fuels and climate solutions. This routine evaluation provides our analysts with a comprehensive understanding of climate-related risks and opportunities embedded within our portfolio.

On a quarterly basis, the ESG Analysis team provides management information to the Chief Investment Officer (CIO) and the Executive Investment Committee (EIC). This information offers insights into the operational effectiveness of our ESG-related Policies and presents performance data illustrating how our funds align with key ESG and climate-related metrics. Any significant or unforeseen changes are investigated by the ESG Analysis team, and a detailed rationale is provided in the report. Additionally, we commit to formally reviewing our emission reduction targets on an annual basis, supplemented by an independent review conducted every two years.

Climate-related Key Performance Indicators (KPIs) are presented to the plc Board annually, providing a comprehensive overview of our organisation's progress and performance in managing climate-related risks and opportunities.

Alongside dedicated ESG investment capabilities, first line operates a Conduct Framework, in which ESG aspects form part of, and is owned and managed through the Client Outcomes Function.

As detailed above, our business wide Conduct and Risk frameworks consider climate-related risks alongside other ESG factors. Aligning with the expectations of the Consumer Duty, the Conduct Framework's design ensures that Conduct Risks, defined as 'the risk of corporate governance, ethics, culture and conduct failures causing harm to clients, markets, business, and the environment', are robustly managed.

The second line of defence is the Risk and Compliance teams. As well as setting company policy on compliance and risk matters, the second line is there to offer advice, guidance, and challenge to the first line, the Executive Committee, and the Board.



# METRICS AND TARGETS



**Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process**

METRIC	DEFINITION	CALCULATION METHODOLOGY
Total carbon emissions	The absolute greenhouse gas (GHG) emissions associated with the portfolio. Scope 1 and Scope 2 GHG emissions are allocated to investors based on an enterprise value approach. This is the total emissions associated with the fund.	$\sum \left( \frac{\text{current value of investment}}{\text{investee company's enterprise value}} \times \text{investee company's Scope 1 and 2 GHG emissions} \right)$ <p>The enterprise value calculation values a company based on both the equity and debt value of a company including any cash.</p>
Carbon footprint	The total carbon emissions for the portfolio normalised by the market value of the portfolio. This is the emissions associated with \$1 million of investment.	$\frac{\sum \left( \frac{\text{current value of investment}}{\text{investee company's enterprise value}} \times \text{investee company's Scope 1 and 2 GHG emissions} \right)}{\text{current portfolio value (\$M)}}$



METRIC	DEFINITION	CALCULATION METHODOLOGY
Weighted average carbon intensity	<p>The portfolio's exposure to carbon-intensive companies, relative to revenue. Scope 1 and Scope 2 GHG emissions are allocated based on portfolio weights (the current value of the investment relative to the current portfolio value). This is the economic carbon efficiency of the fund.</p>	$\sum \left( \frac{\text{current value of investment}}{\text{current portfolio value}} \times \frac{\text{investee company's Scope 1 and 2 GHG emissions}}{\text{current portfolio value}} \right)$
Implied temperature alignment	<p>This rating signifies the temperature to which the world would warm (above pre-industrial levels) should all companies' expected emissions differ from their net-zero budgeted emissions to the same degree as this portfolio.</p> <p>This is a forward-looking measure assessing future emission trajectories and climate alignment. A fund may have higher emissions but a lower implied temperature score if they have a robust plan to decarbonise.</p>	$\left( (\sum(\text{weight} \times \text{GHG emissions gap \%})) \times \text{global emissions budget} \times \text{transient climate response to cumulative carbon emissions factor} \right) + 1.5^{\circ}\text{C}$ <p>This rating is calculated by our appointed third-party data provider, Morningstar Sustainalytics. The rating is built on top of two core components, exposure and management. The exposure component assesses the potential inherent misalignment of each issuer's future emissions with their issuer specific budget. The management component evaluates the issuers potential to reduce their exposure, by scoring the equality of their policies and programmes, strategy, governance and financial position. This provides a rating at the stock level; we aggregate these scores to the portfolio level following Morningstar Sustainalytics' methodology.</p>

METRIC	DEFINITION	CALCULATION METHODOLOGY
Climate Value-at-Risk	This is the potential absolute loss in value the portfolio may experience based on its expected misalignment to a net zero pathway.	<div data-bbox="1502 519 2719 987" data-label="Diagram"> <p><b>Policy risk</b> The risk that regulatory action will increase costs to an organisation through carbon pricing mechanisms.</p> <p><b>Market risk</b> The risk that market behaviour evolves such that there is less demand for a fossil fuel-based products.</p> <p><b>VaR</b> The potential absolute loss in value the company may experience from a transition to a low carbon economy.</p> </div> <p>This metric is calculated by our appointed third-party data provider, Morningstar Sustainalytics. Value at Risk (VaR) is measured based on the policy costs of expected emissions and the impact of reduced market demand, where applicable (market VaR is currently only assessed for the oil &amp; gas sector). It is a cumulative value based on a discounted cash flow model for the years from now until 2050, expressed as a percentage. This provides a VaR at the stock level; we aggregate these scores to the portfolio level following Morningstar Sustainalytics' methodology.</p>

METRIC	DEFINITION	CALCULATION METHODOLOGY
Fossil fuel exposure	The exposure of the assets to thermal coal extraction and generation, oil & gas generation and production, and oil sands.	An aggregation of the companies that have a greater than 0% revenue exposure to thermal coal extraction and generation, oil & gas generation and production, and oil sands.
Asset Damage Risk	The degree to which an asset is susceptible to direct damage from physical hazards, such as wildfires, floods, extreme winds, etc.	It is measured as the ratio of expected loss to asset's replacement cost, and is calculated by our appointed third-party data provider, Morningstar Sustainalytics. We apply a weighted average to the holdings data to aggregate the output to the portfolio level.
Productive Capacity Loss	The percentage of annual productivity disruption due to component failure, damage, repairs, and non-physical damage related loss (e.g., disruptive heat stress) of own operations.	The total disruption/outage for each issuer is based on the individual asset failure probability for each of their assets. This failure probability includes both the average annual probabilities of event occurrence as well as the vulnerability of the asset and its components. It is calculated by our appointed third-party data provider, Morningstar Sustainalytics. We apply a weighted average to the holdings data to aggregate the output to the portfolio level.
Total Loss Ratio	The Loss Ratio serves to assess a company's financial capacity to manage the costs associated with physical direct and indirect climate risks.	The Loss Ratio is calculated as the ratio of expected cumulative damage against the company's global financial position up to 2050. This data point is calculated by our appointed third-party data provider, Morningstar Sustainalytics. We apply a weighted average to the holdings data to aggregate the output to the portfolio level. Please refer to page 12 for more information on the applied scenarios.

**Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks**

This holding data is correct as of 31/12/2023 or 31/12/2022. 31/12/2023 has been used where no date has been specified. The data considers our equity and corporate bond investments and is reweighted where appropriate to account for data gaps and out of scope asset classes.

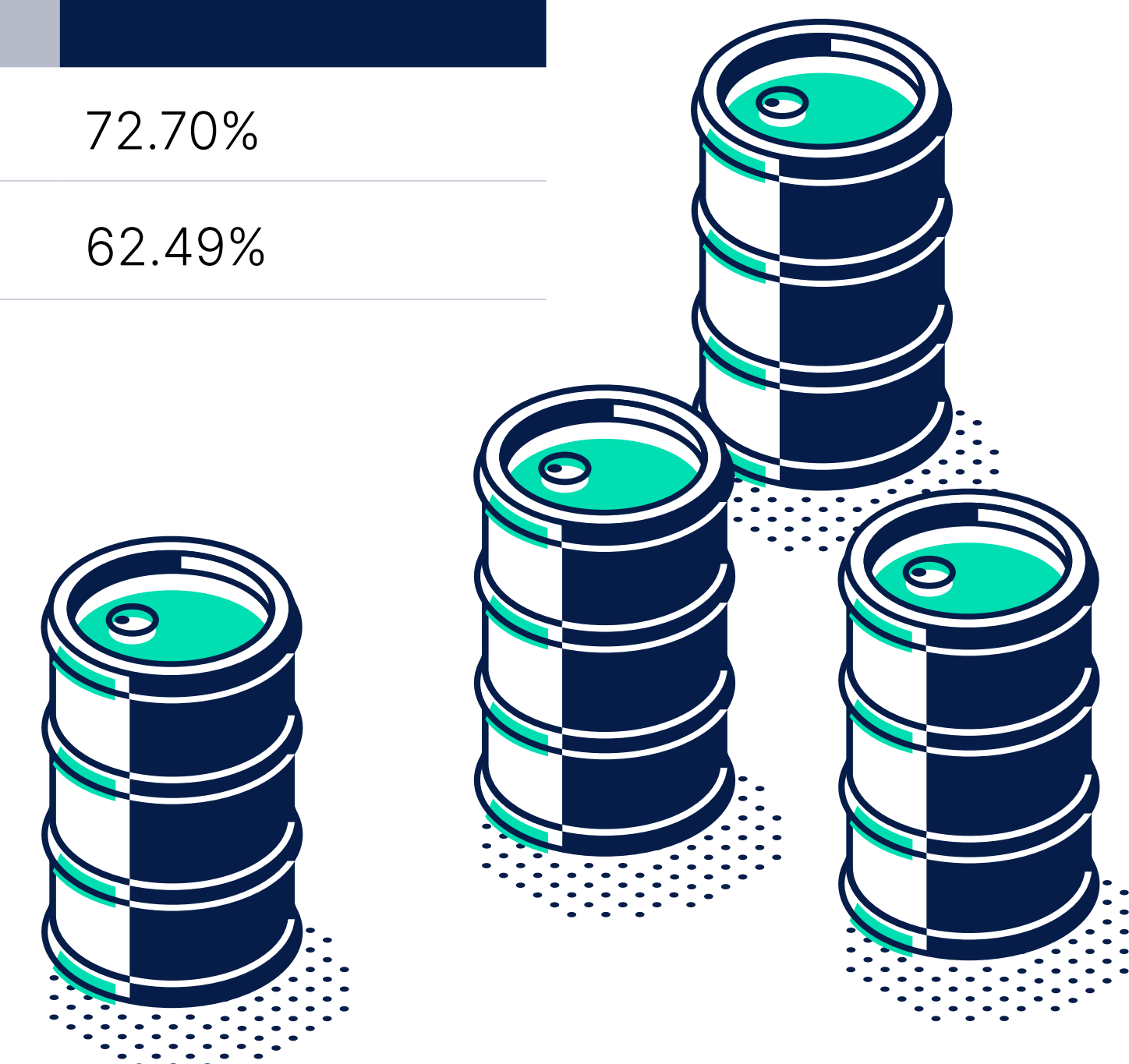
When assessing the proportion of reported Scope 3 data, please note Morningstar Sustainalytics may categorise the firm as reported once they disclose one of the fifteen Scope 3 categories.

For HL’s operational emissions, please refer to our [Group TCFD report](#) , located in our Annual Report and Accounts. Please note, the emissions figure provided here differs from the number provided in HL plc’s Annual Report and Accounts due to variance in

reporting periods. The plc Annual Report and Accounts reports against financial years, whilst our TCFD report discloses against calendar years.

	Weighted average carbon intensity (tCO2e/\$m revenue)		Total emissions (tCO2e)		Carbon footprint (tCO2e/\$m invested)		Data coverage (tCO2e)
	2023	2022	2023	2022	2023	2022	
Scope 1 and 2 emissions	93.34	90.56	512,230.23	362,843.52	43.84	37.88	72.70%
Scope 3 emissions	771.53	706.14	4,688,852.21	4,102,031.99	400.99	428.26	62.49%

Source : Morningstar Sustainalytics



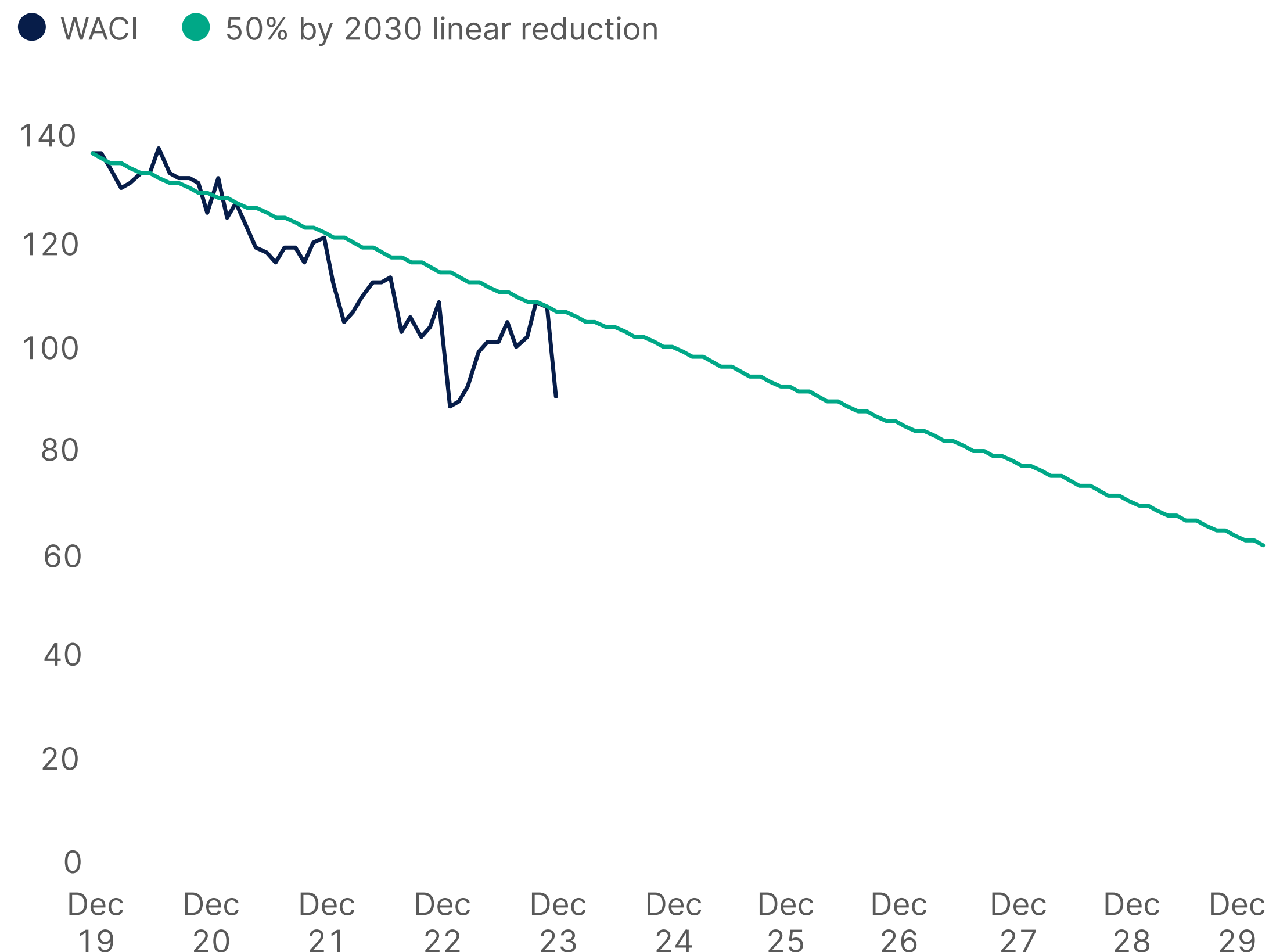
**Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets**

The Intergovernmental Panel on Climate Change states we need to reduce global greenhouse gas emissions by at least 43% by 2030, compared to 2019 levels, to limit global warming to 1.5°C. The scale of the challenge is monumental, and the urgency of action is unprecedented.

With this in mind, HL is working to decarbonise our investment portfolios in alignment with its business strategy and funds' investment objectives. This is guided by the UK's target to decarbonise the economy to net zero by 2050 in a way that is consistent with achieving net zero greenhouse gas emissions by 2050 at the latest, and limiting global warming to well below 2°C, preferably 1.5°C.

**To reach this goal, we are committing to target a 50% reduction in the weighted average carbon intensity (WACI) of our assets under management\* by 2030, relative to a 2019 baseline.**

**50% reduction by 2030**



The WACI (measured in tCO2e relative to revenue) of our portfolio has reduced by approximately 32% since baseline, 2019. We will officially review the target every year and commit to an independent review every two years. This due diligence will ensure our target remains ambitious and in line with ever evolving climate science and industry best practice.

\*The Scope 1 and 2 emissions of our listed equity and corporate bond investments are in scope, accounting for approximately 90% of AUM.

To find out more about our net zero target, strategy and dependencies, please see our [Climate Transition Plan](#).



# PRODUCT REPORTS



The holdings data is correct as of 31/12/2023 or 31/12/2022, abbreviated by year. 31/12/2023 has been used where no date has been specified. The holdings data for third-party funds in this report reflects the most accurate information available up to 31/12/2023.

The climate-related metrics data considers the Scope 1 and Scope 2 emissions of our equity and corporate bond investments and is reweighted where appropriate to account for data gaps and out of scope asset classes.

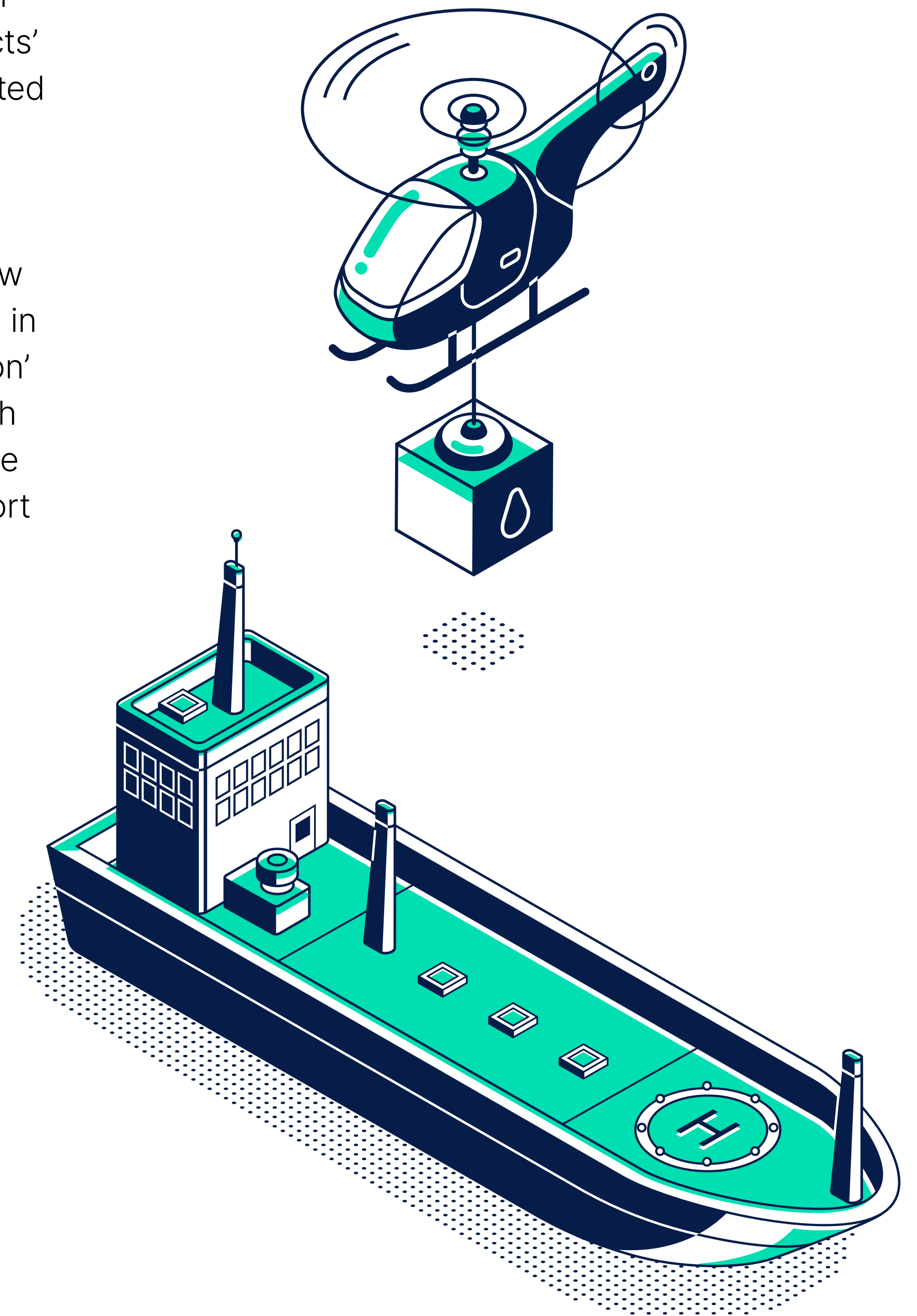
We have omitted Scope 3 data from this year's report as we do not deem this information decision-useful. We are not confident in the accuracy of the data, and therefore feel the inclusion of this data would be misleading. We expect the accuracy of Scope 3 data will exponentially improve with the introduction of climate regulation globally and hope to include it next year.

Fossil fuel exposure depicts the exposure to companies with >0% revenue exposure to thermal coal extraction and generation, oil & gas generation and production, and oil sands, rather than an aggregation of the total revenue exposure.

This is HLAM's first TCFD report. We aim to expand the assessment of our products' resilience to the highlighted climate-related risks and disclose product specific risk mitigation measures in future reports.

In particular, we commit to assessing how climate change will impact each product in an 'orderly transition', 'disorderly transition' and 'hothouse world' scenario, along with the most significant drivers of impact. We aim to present all information in this report accurately, fairly, and transparently.

“  
We aim to expand the assessment of our products' resilience to the highlighted climate-related risks and disclose product specific risk mitigation measures in future reports.”

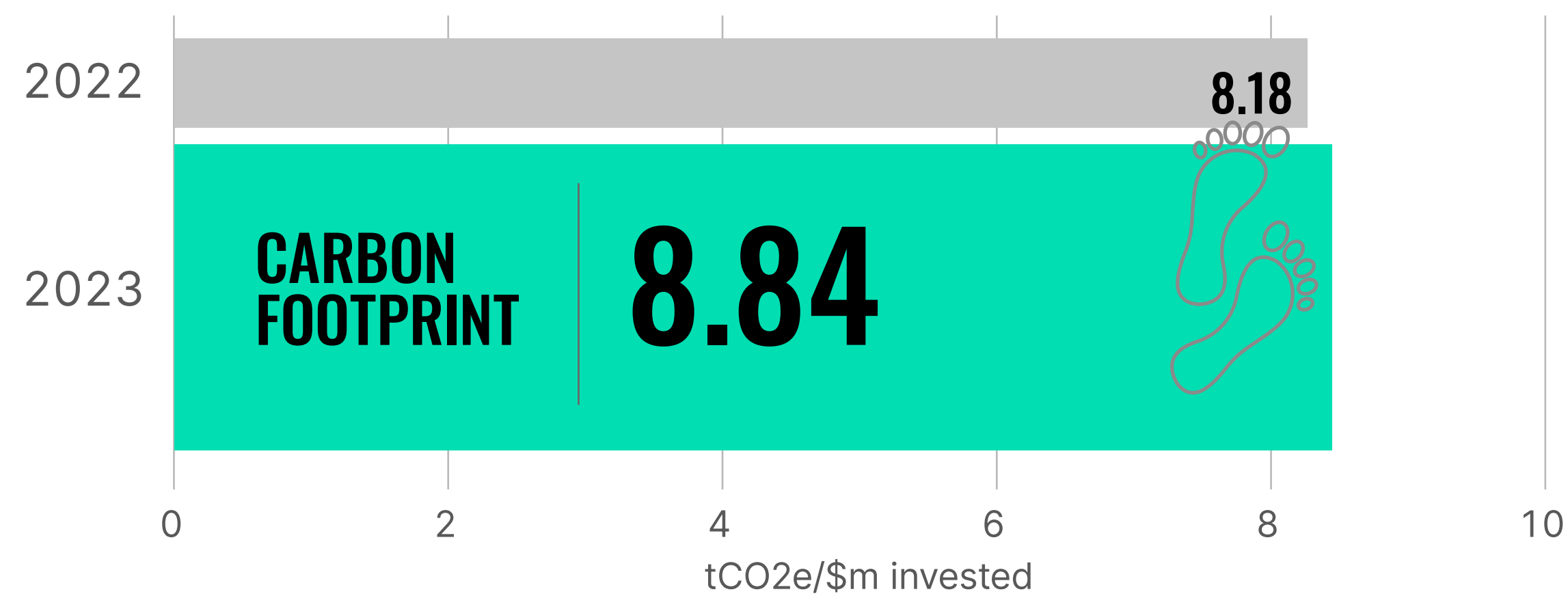


# HL Select Global Growth Shares

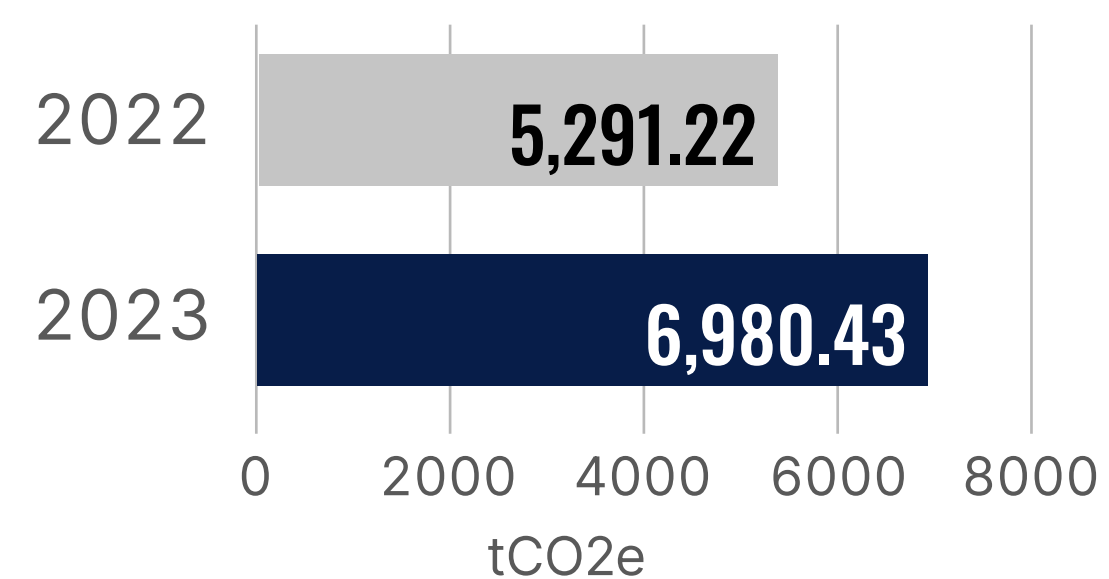
A concentrated equity portfolio of carefully selected stocks, built for investors looking for long-term growth opportunities to invest globally. The fund aims to hold typically 25 to 40 positions in a portfolio of quality companies which are considered financially strong and deliver exceptional products or services.

## Climate-related metrics

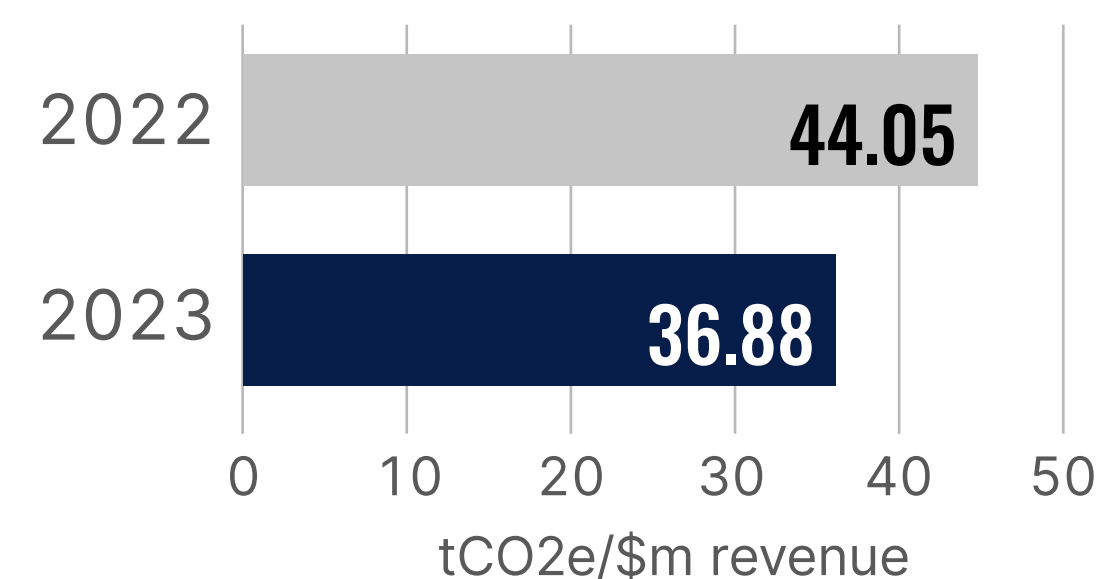
### Carbon footprint



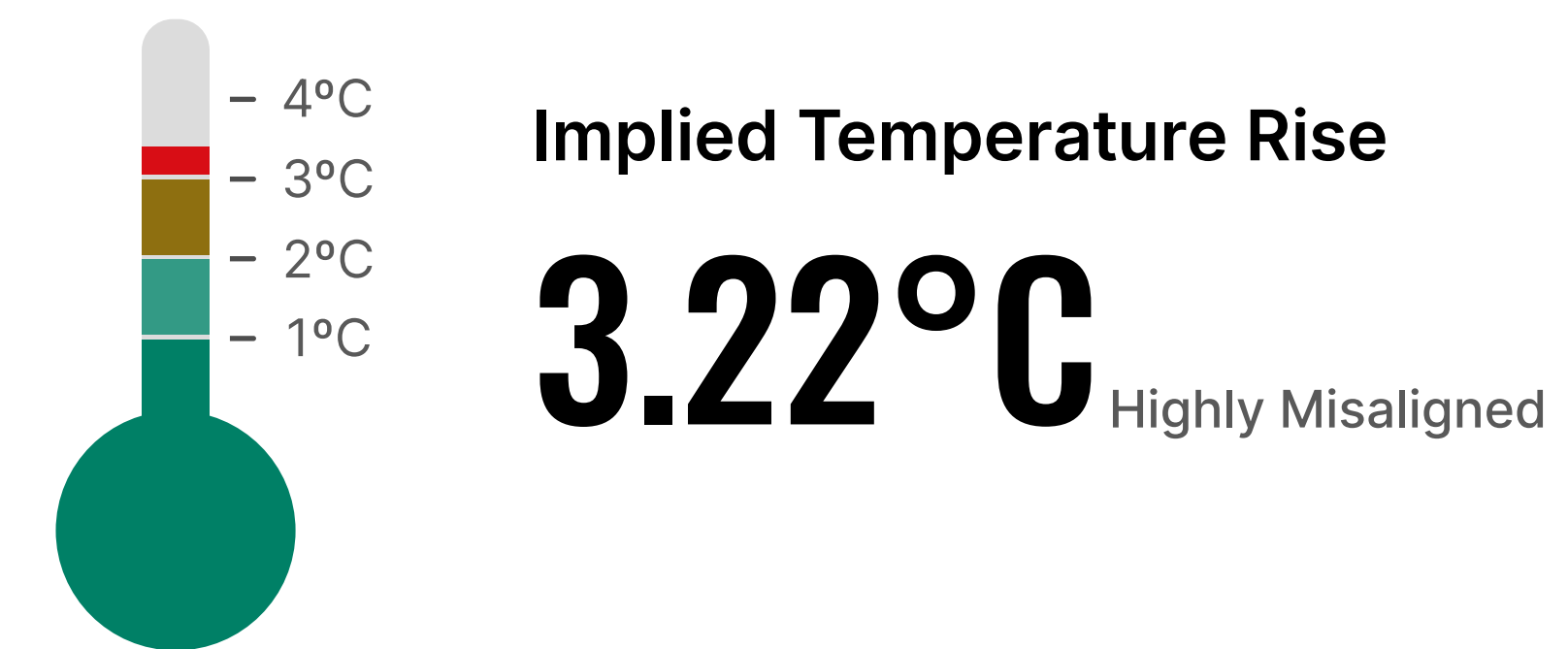
### Total emissions



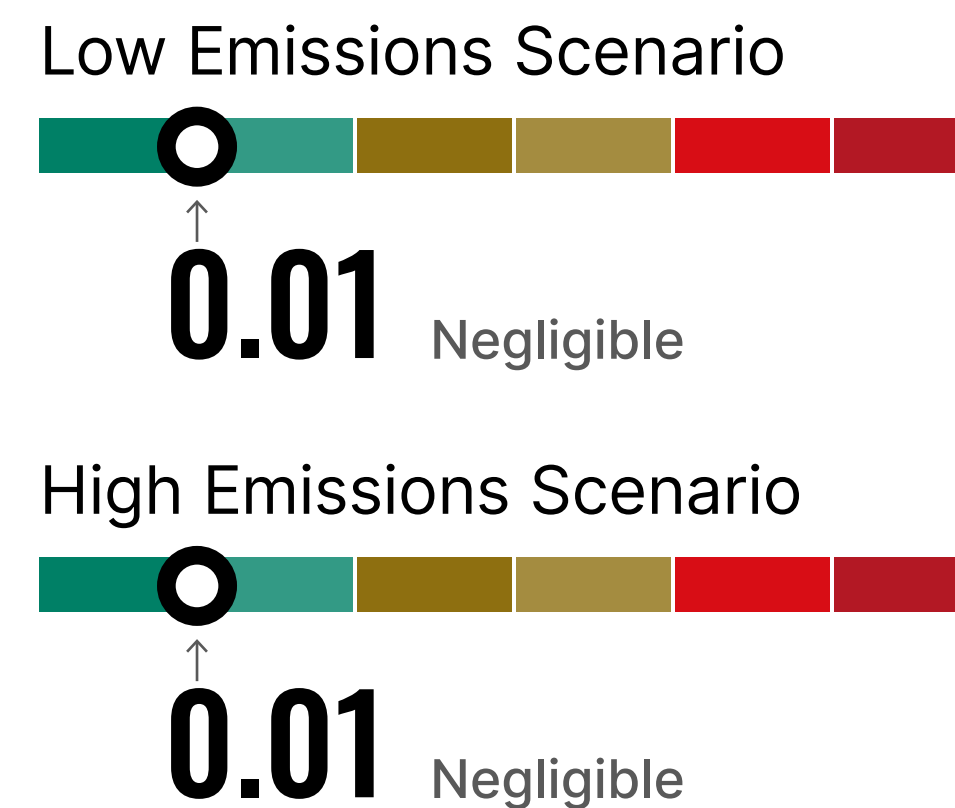
### Weighted average carbon intensity



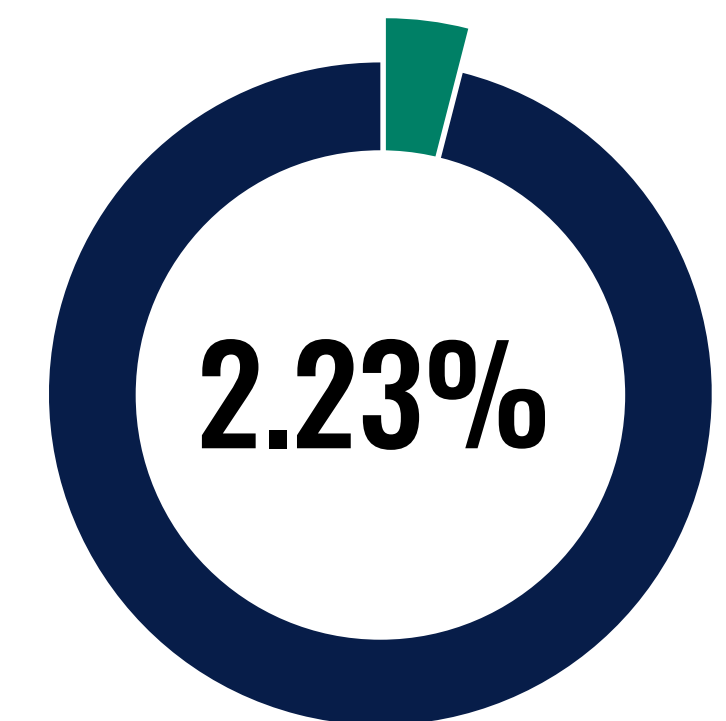
## Scenario analysis



### Total Loss Ratio



### Climate Value-at-Risk



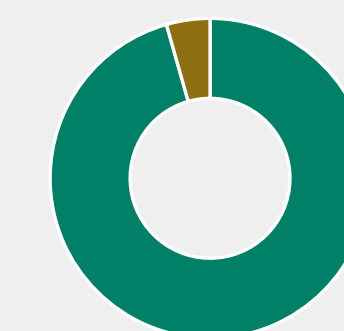
### Percentage of data that is reported

**66.34%**

### Fossil fuel exposure

**0.00%**

### Asset class mix



- Equity (95.60%)
- Fixed income (0.00%)
- Other (4.40%)

Please select the title of the data points for the definition and methodology.

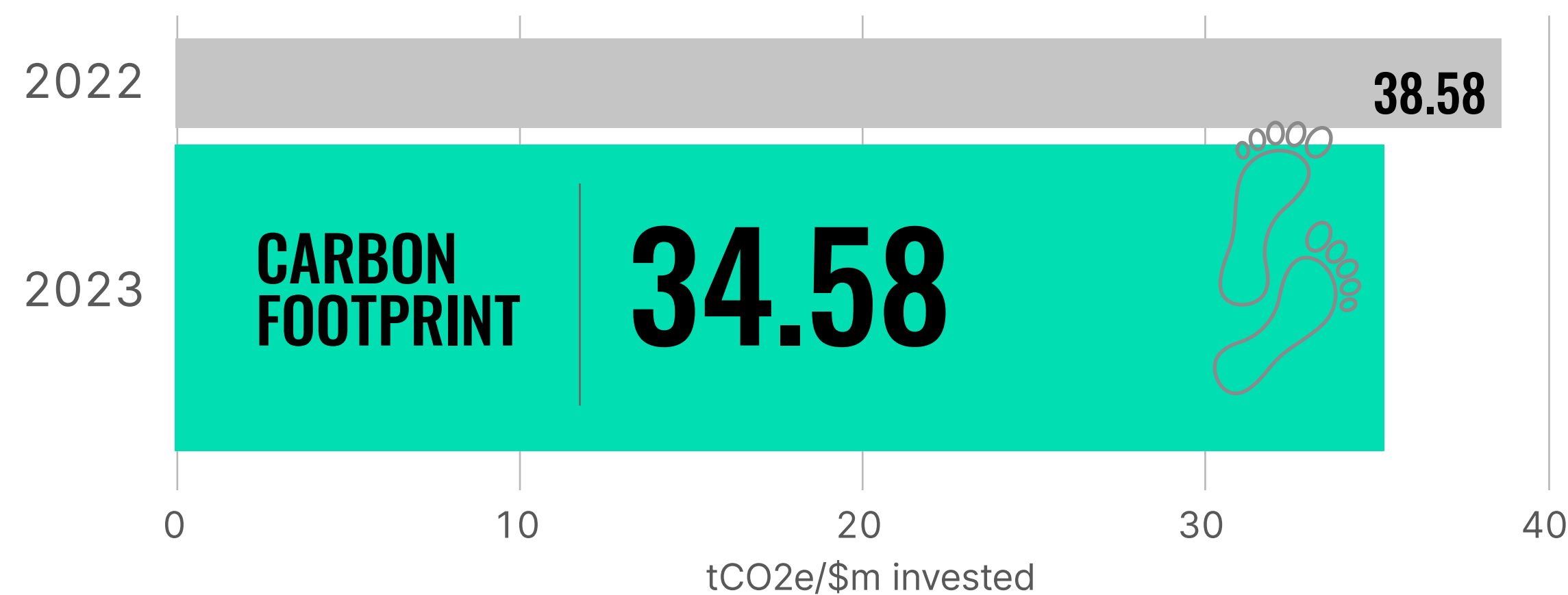


# HL Select UK Growth Shares

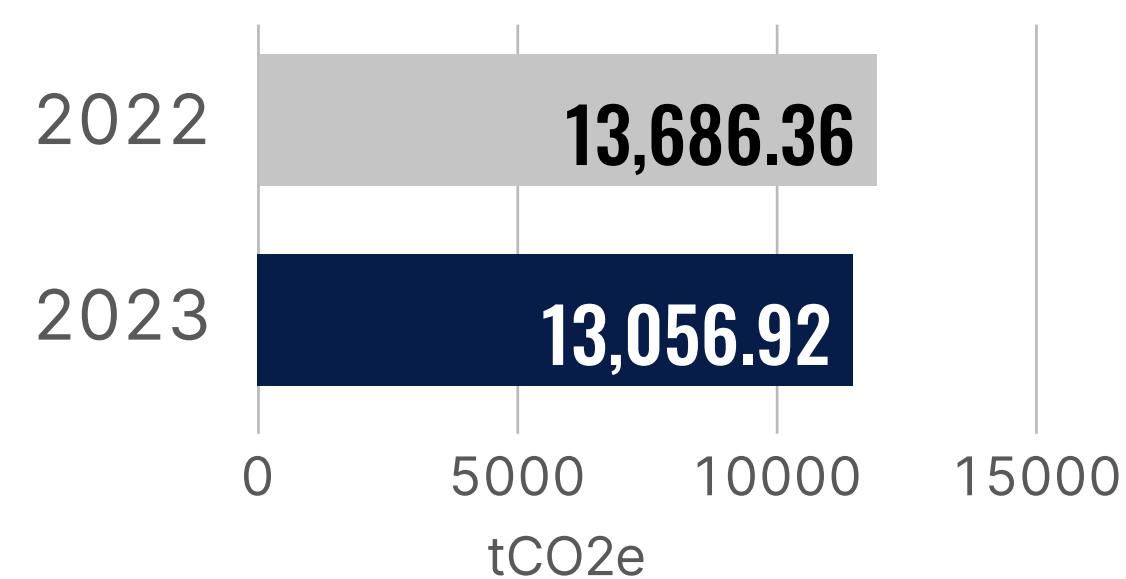
A concentrated equity portfolio of carefully selected stocks, built for investors looking for long-term growth opportunities to invest in the United Kingdom. The fund aims to hold typically 25 to 40 positions in a portfolio of quality companies which are considered financially strong and deliver exceptional products or services.

## Climate-related metrics

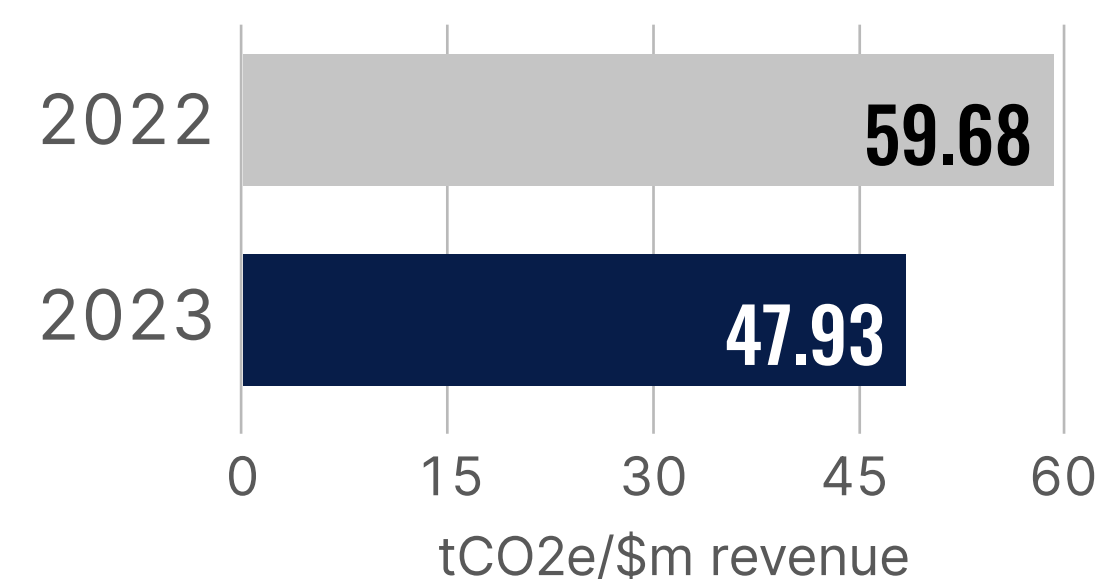
### Carbon footprint



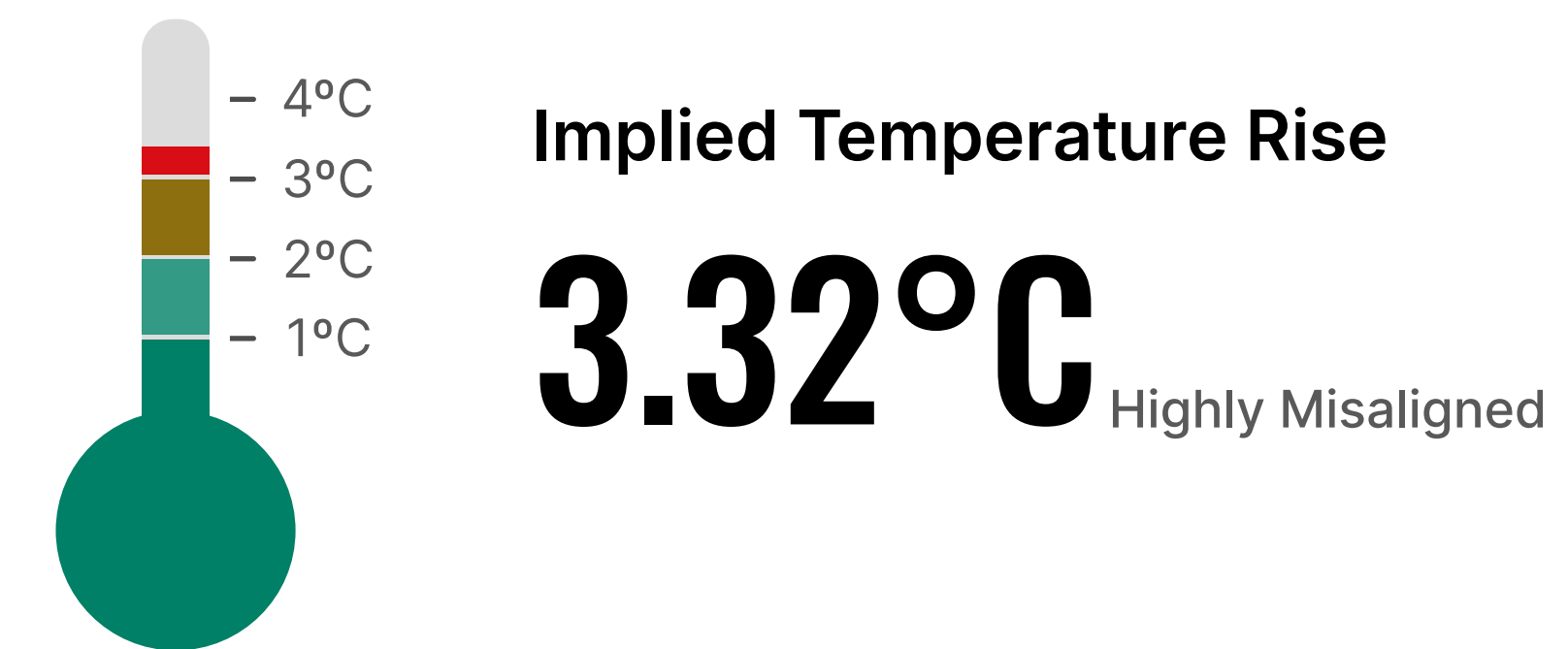
### Total emissions



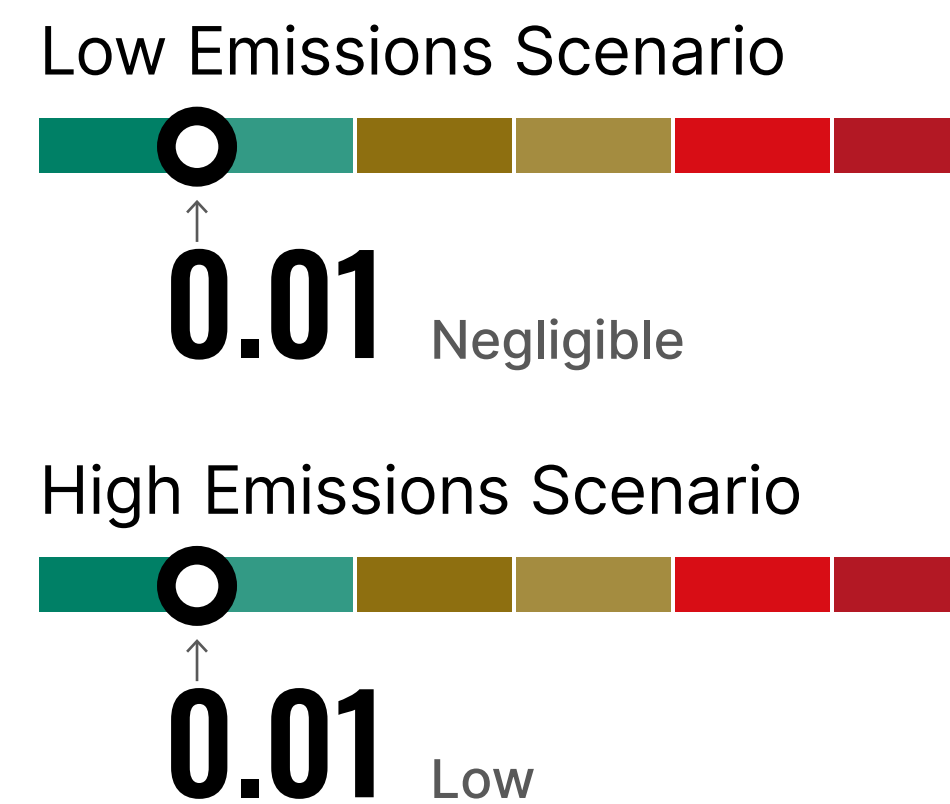
### Weighted average carbon intensity



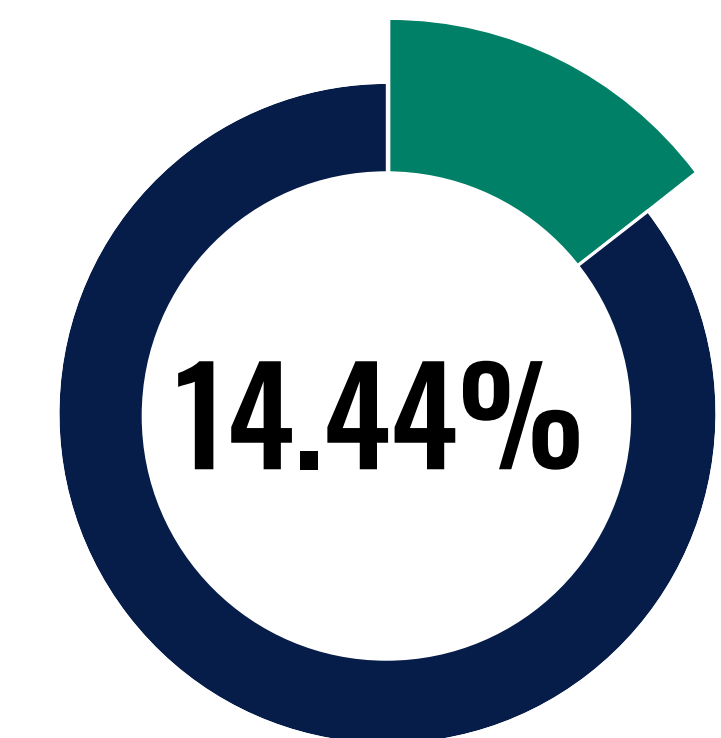
## Scenario analysis



### Total Loss Ratio



### Climate Value-at-Risk



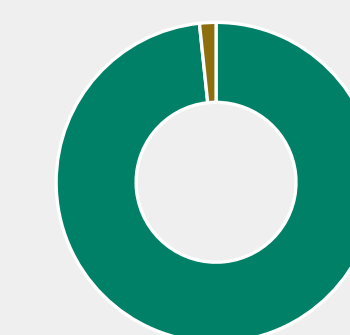
### Percentage of data that is reported

**95.76%**

### Fossil fuel exposure

**15.25%**

### Asset class mix



- Equity (98.34%)
- Fixed income (0.00%)
- Other (1.66%)

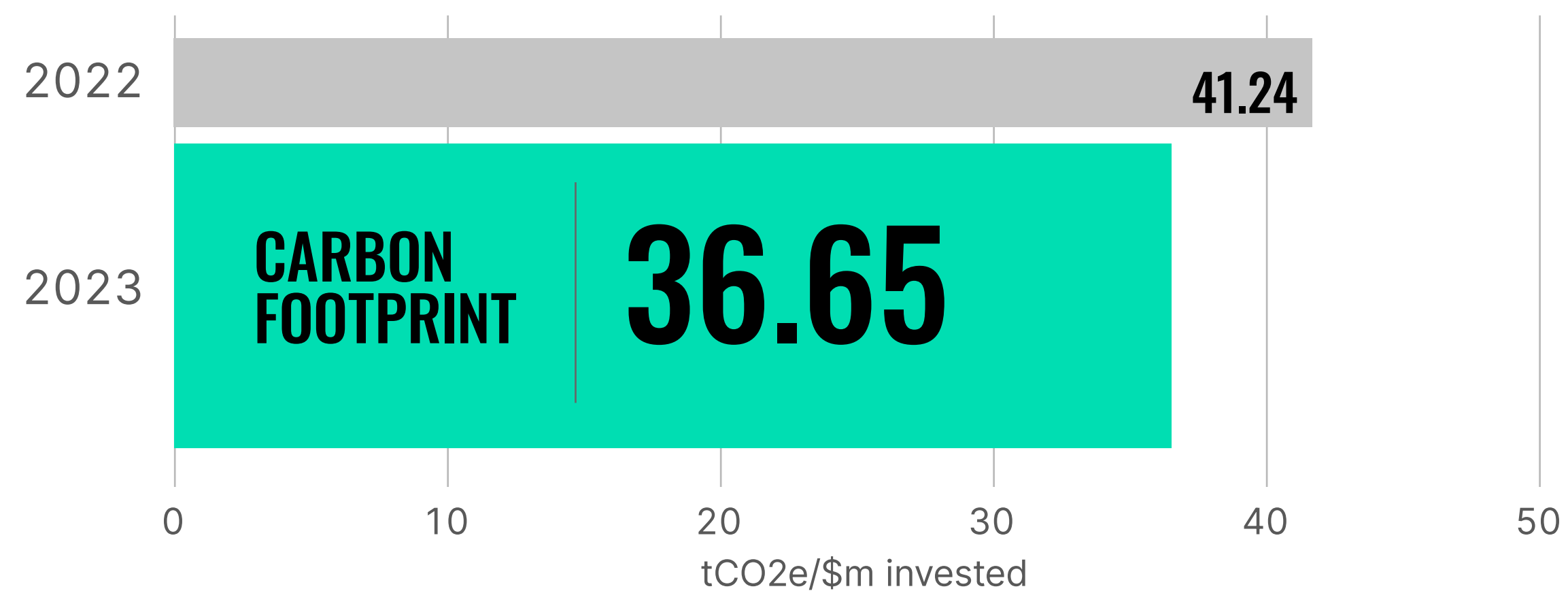
Please select the title of the data points for the definition and methodology.

# HL Select UK Income

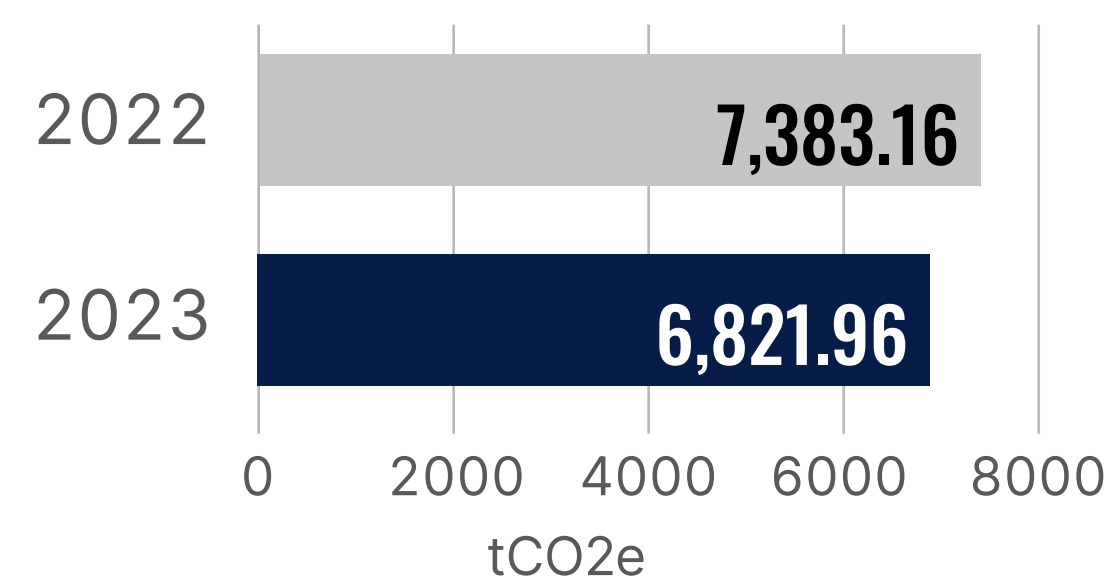
A concentrated equity portfolio of carefully selected stocks built for investors looking to generate a monthly income whilst investing in long-term growth opportunities in the United Kingdom. The fund aims to hold typically 25 to 40 positions in a portfolio of quality companies which are considered financially strong and deliver exceptional products or services.

## Climate-related metrics

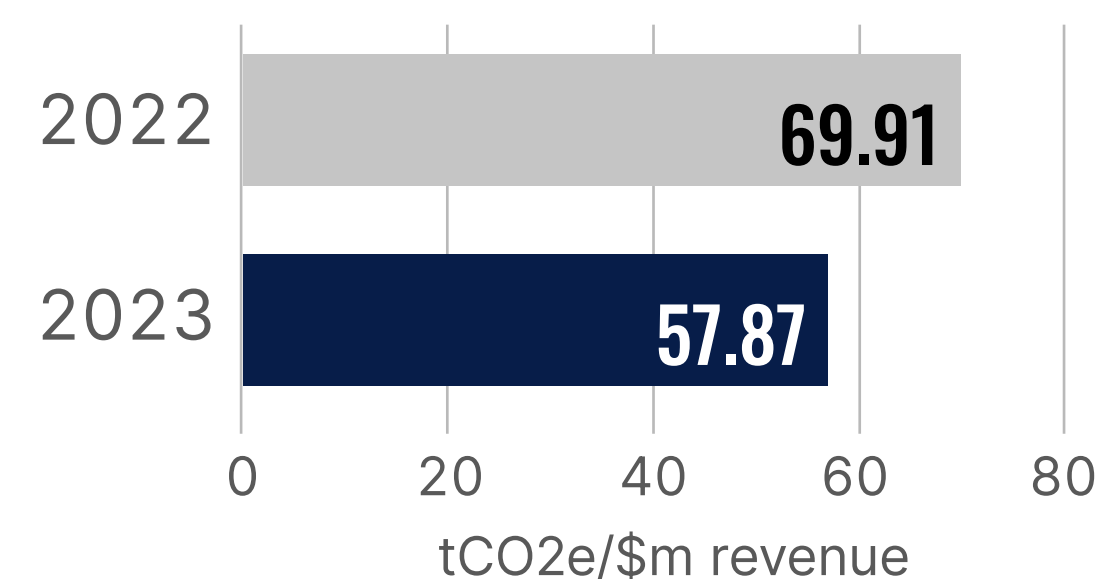
### Carbon footprint



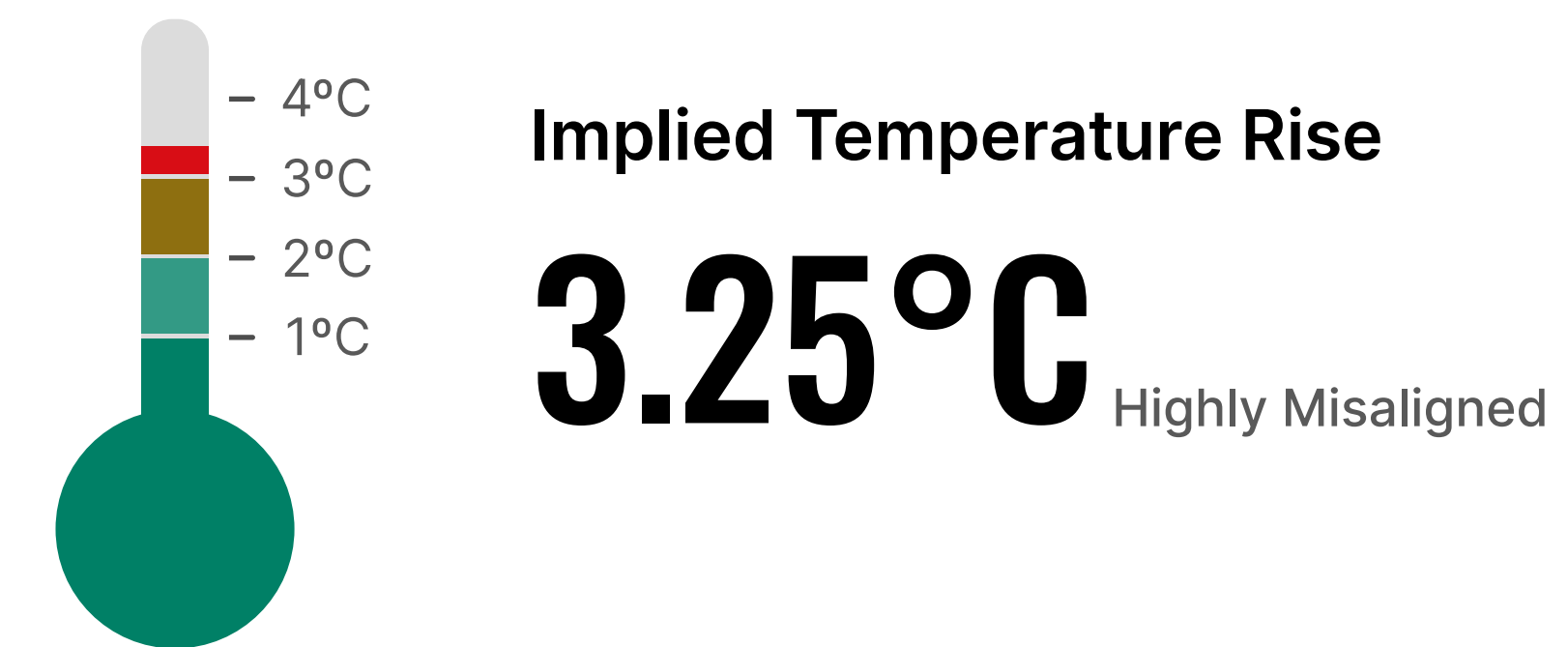
### Total emissions



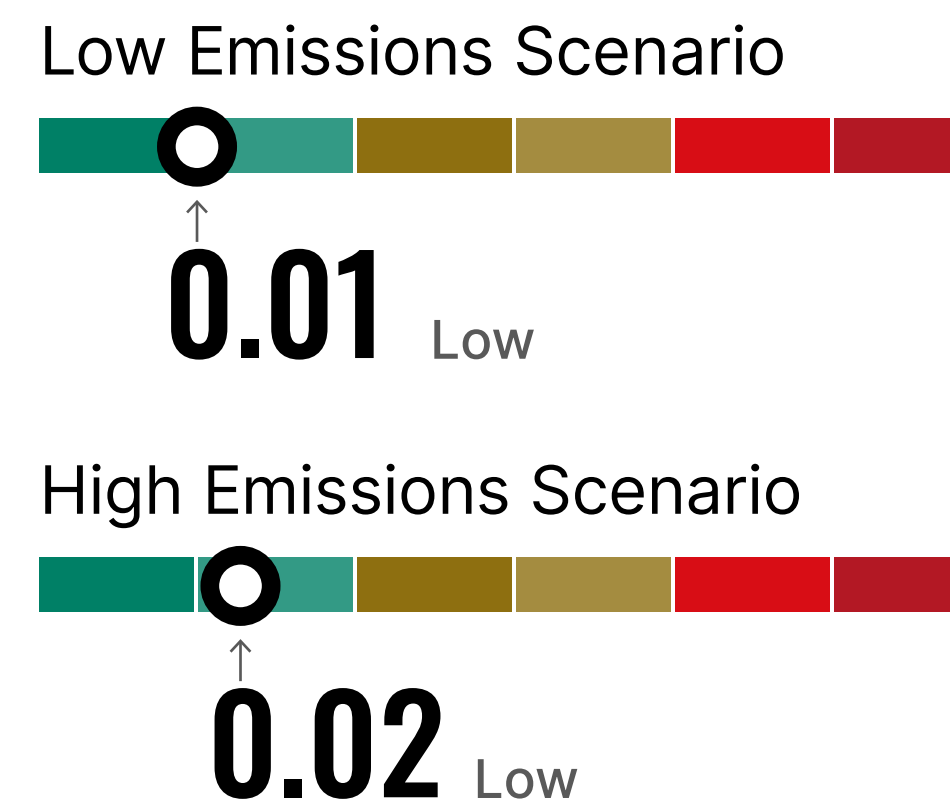
### Weighted average carbon intensity



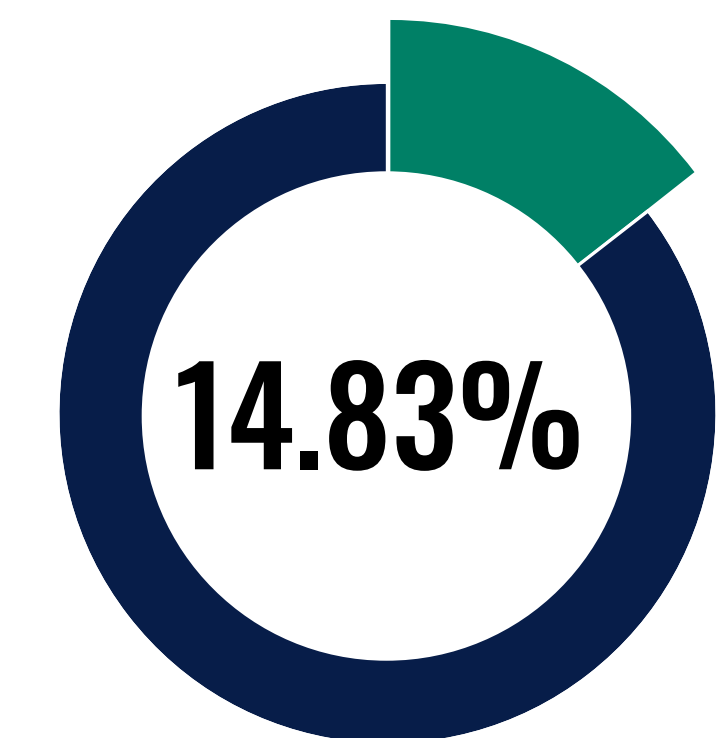
## Scenario analysis



### Total Loss Ratio



### Climate Value-at-Risk



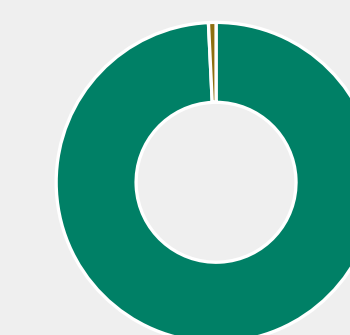
### Percentage of data that is reported

**96.61%**

### Fossil fuel exposure

**18.49%**

### Asset class mix



- Equity (99.24%)
- Fixed income (0.00%)
- Other (0.76%)

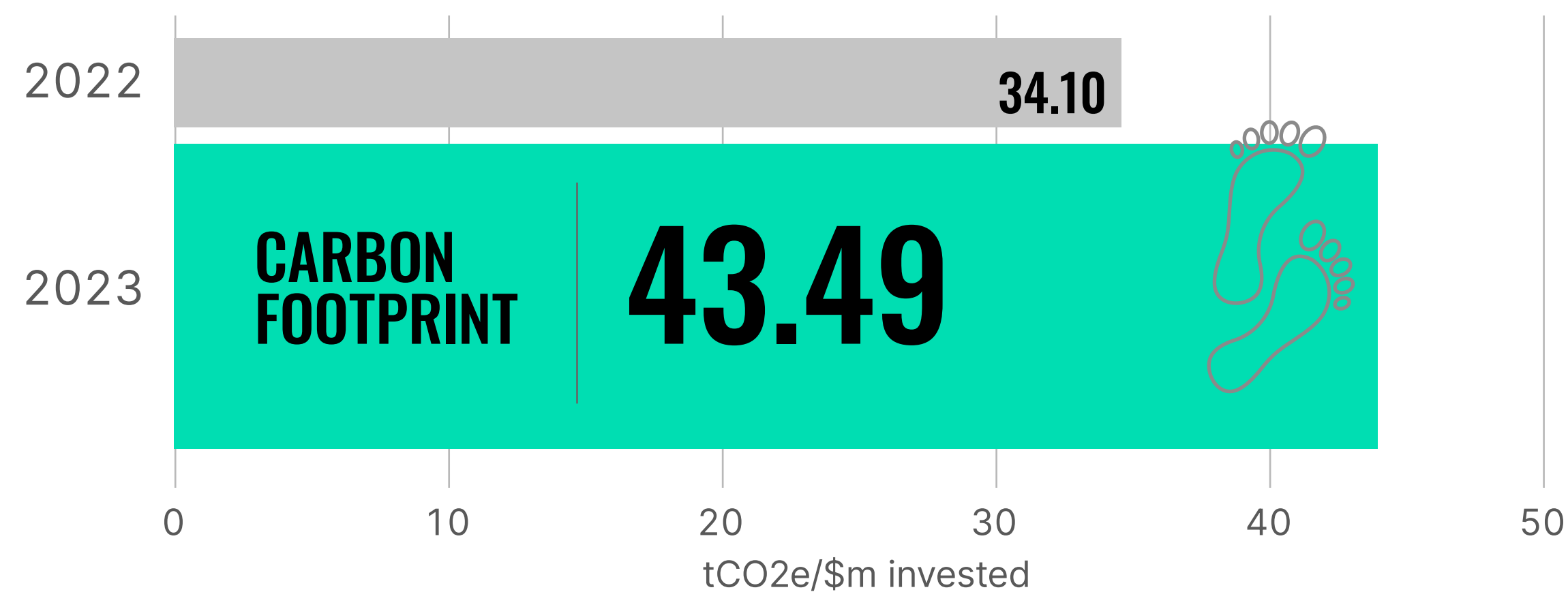
Please select the title of the data points for the definition and methodology.

# HL Multi-Manager Special Situations Trust

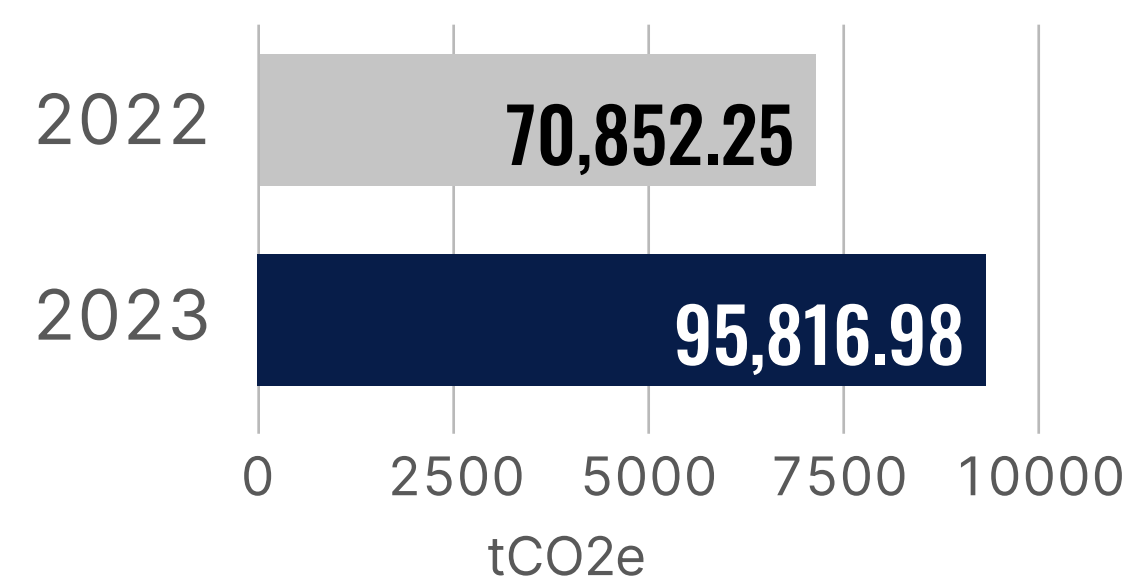
A multi-manager global equity portfolio which focuses on managers who have shown excellent stock-picking skill with the potential to deliver strong returns for investors over the long-term.

## Climate-related metrics

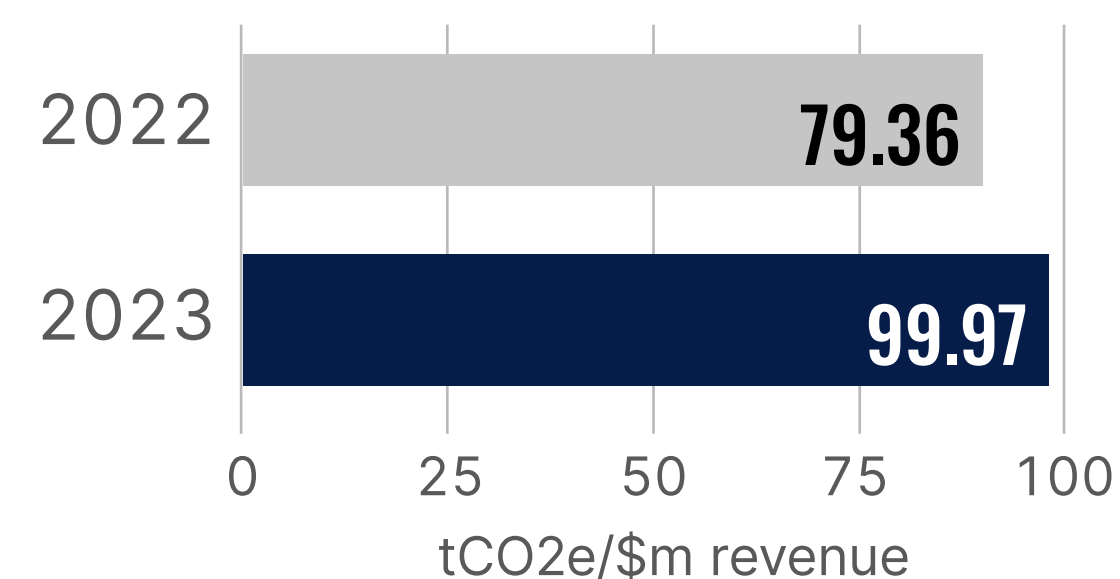
### Carbon footprint



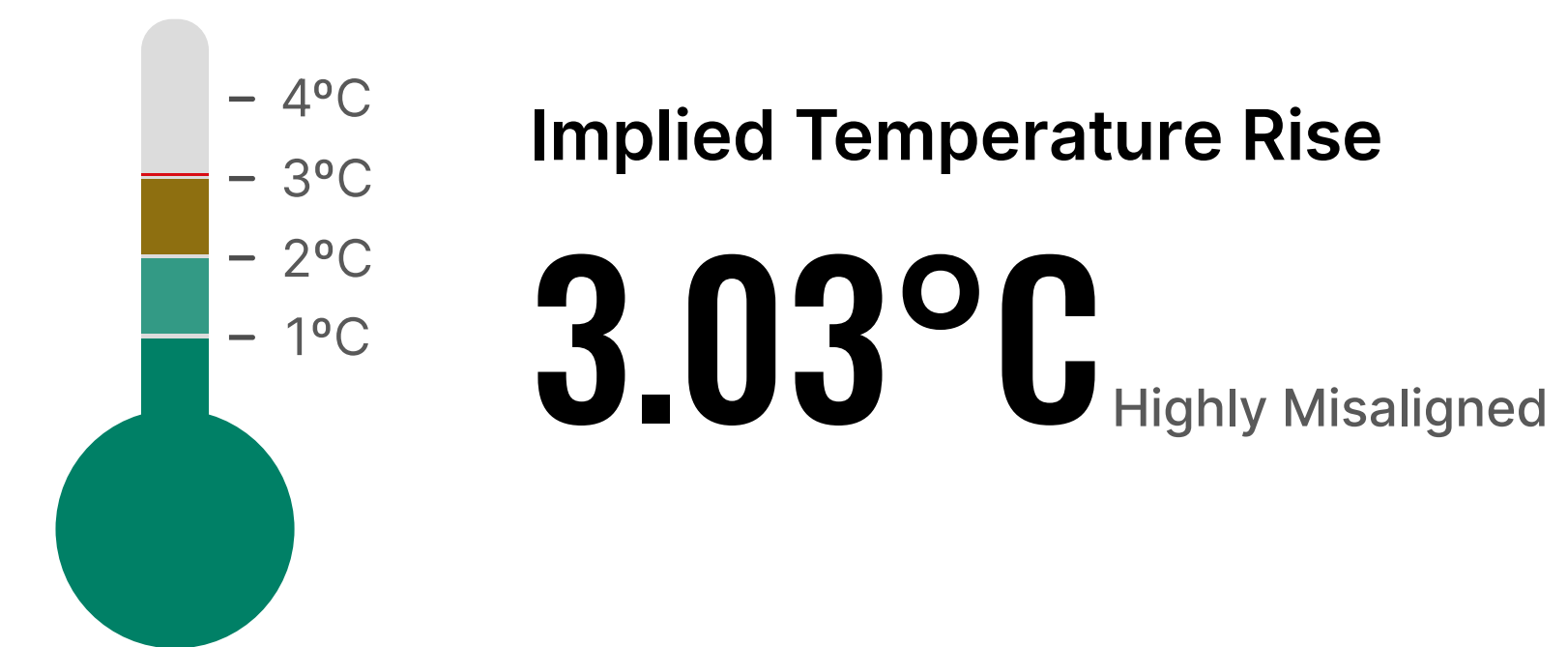
### Total emissions



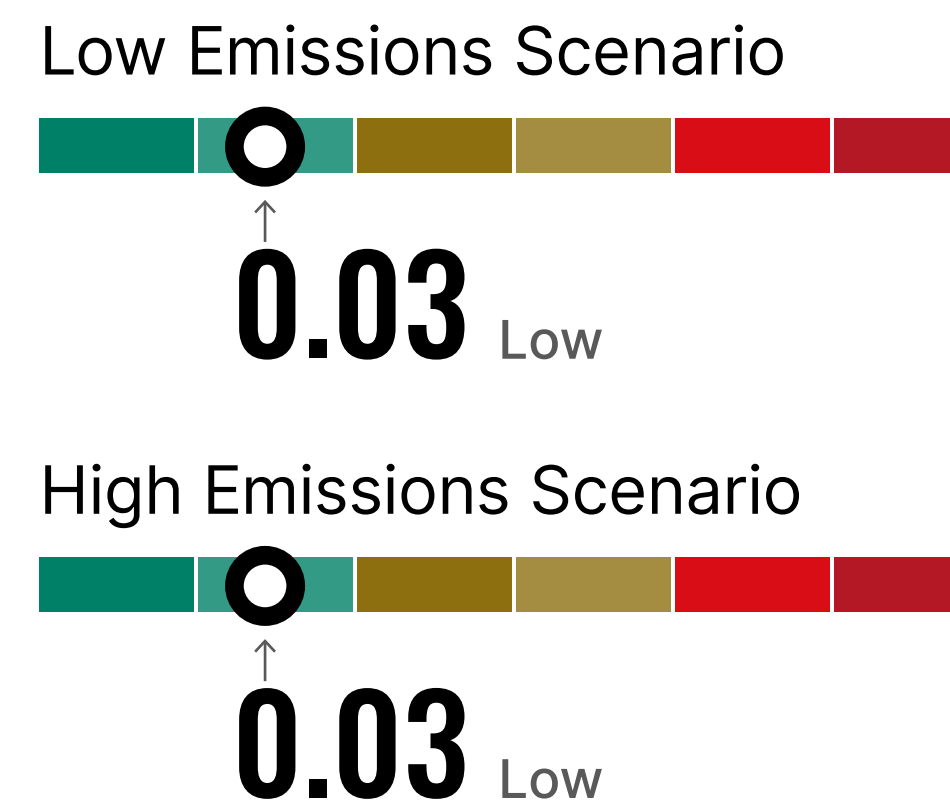
### Weighted average carbon intensity



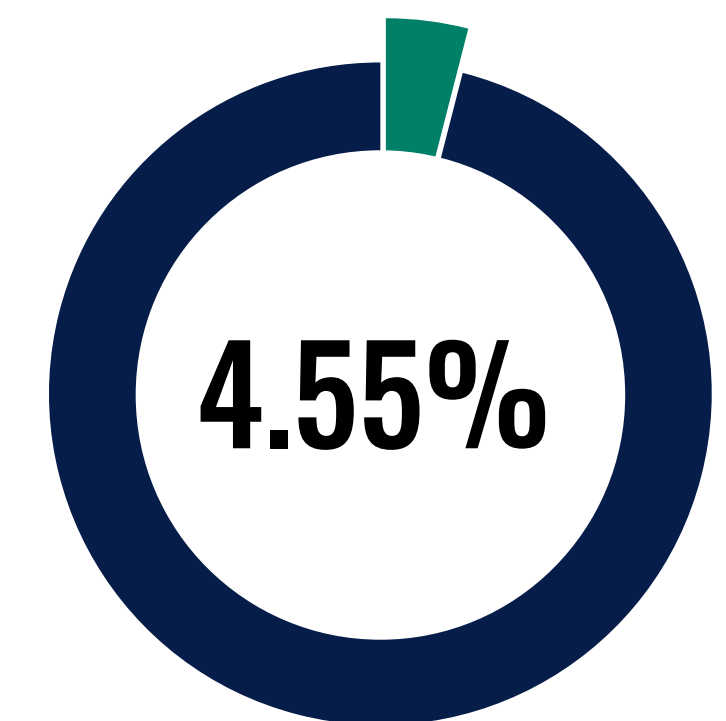
## Scenario analysis



### Total Loss Ratio



### Climate Value-at-Risk



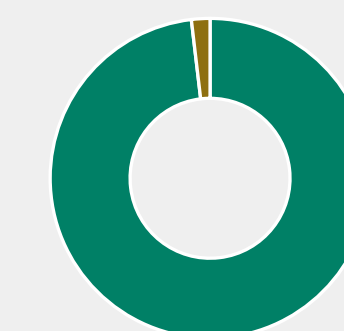
### Percentage of data that is reported

**73.76%**

### Fossil fuel exposure

**6.79%**

### Asset class mix



- Equity (98.13%)
- Fixed income (0.00%)
- Other (1.87%)

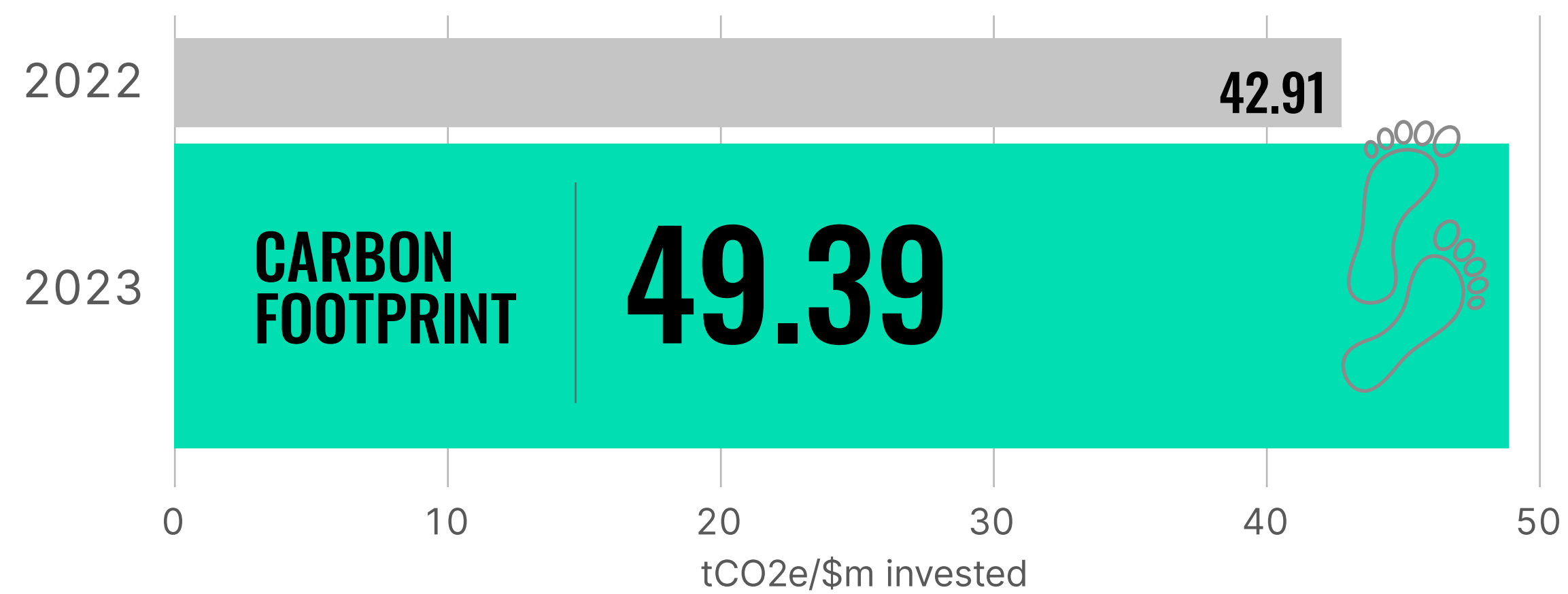
Please select the title of the data points for the definition and methodology.

# HL Multi-Manager Balanced Managed Trust

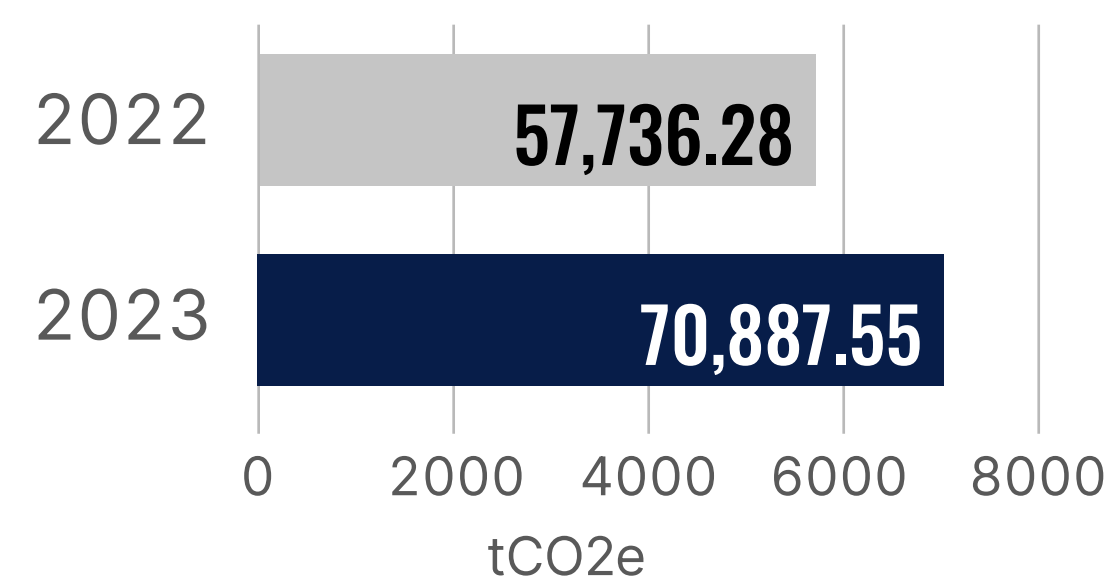
A multi-asset portfolio designed to provide long term capital growth and outperformance. The portfolio is constructed as a fund of funds with exposure to global equities and bonds.

## Climate-related metrics

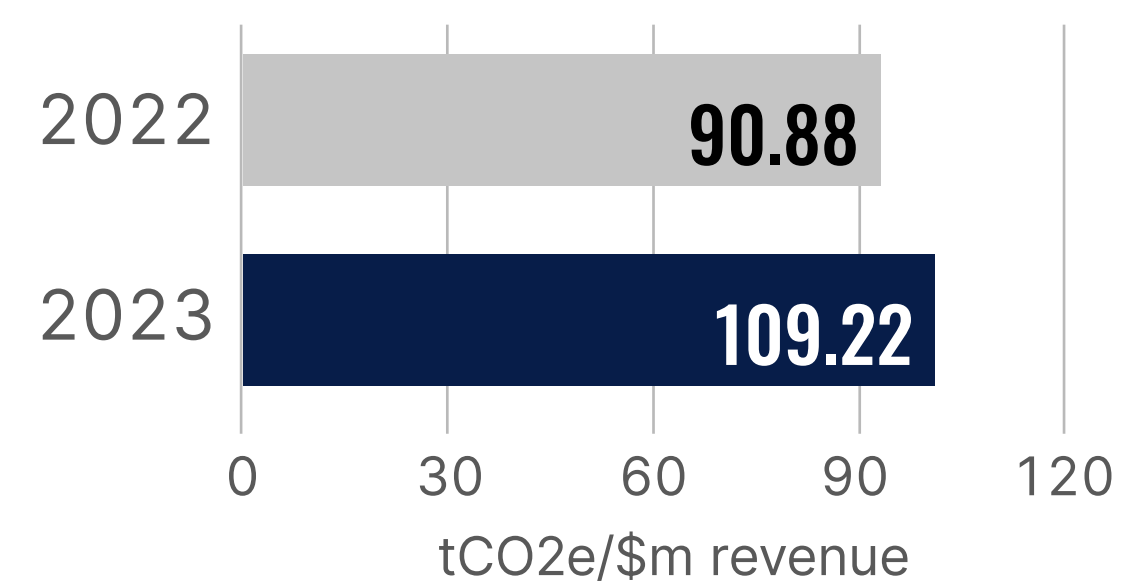
### Carbon footprint



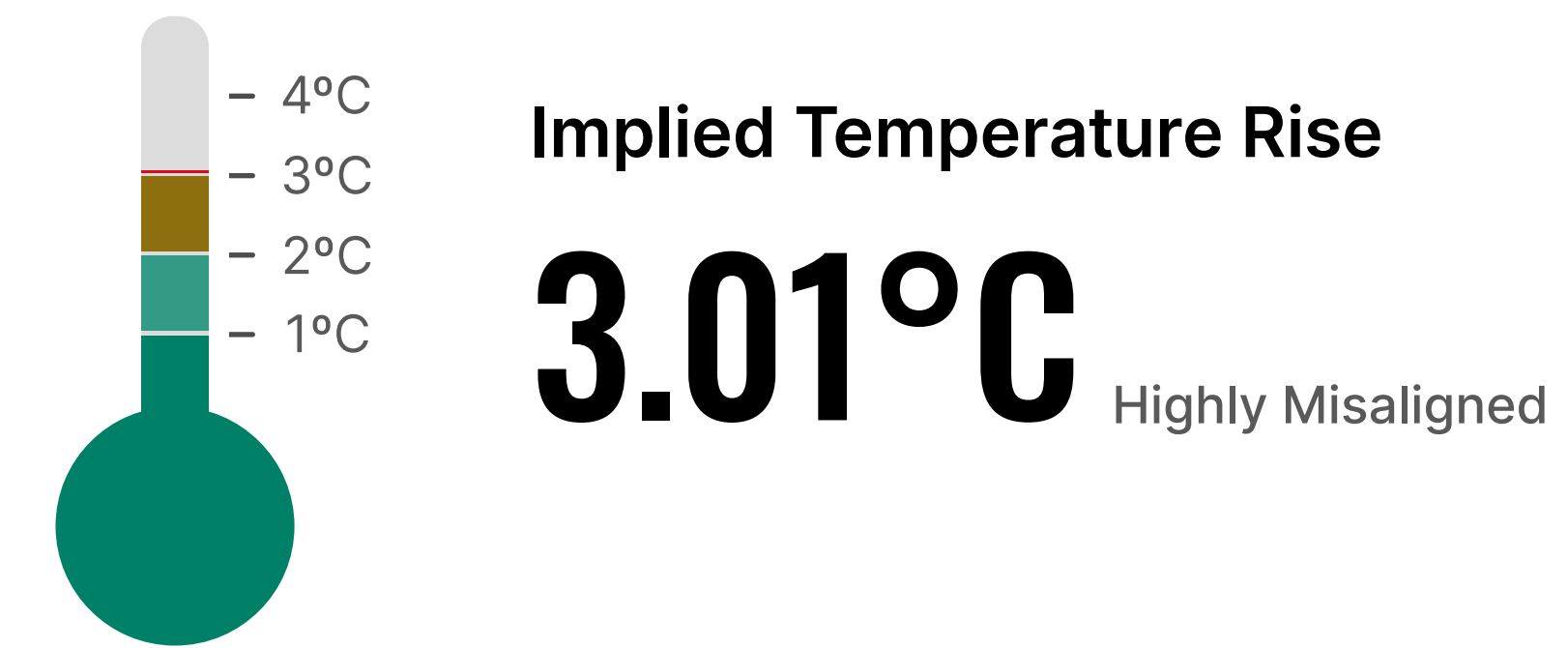
### Total emissions



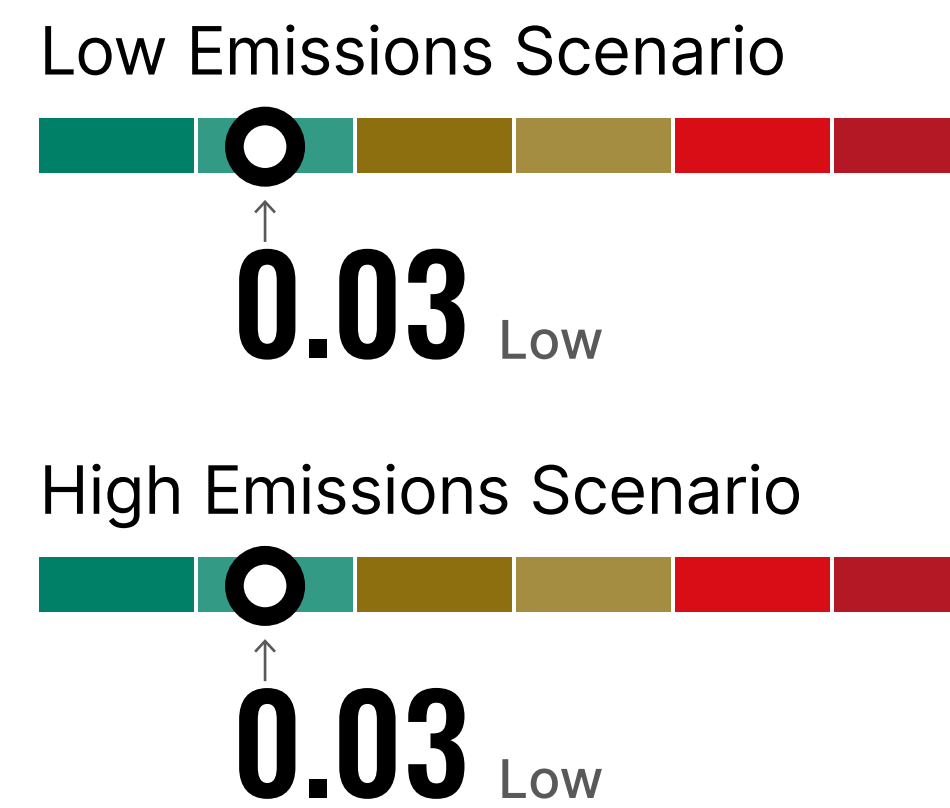
### Weighted average carbon intensity



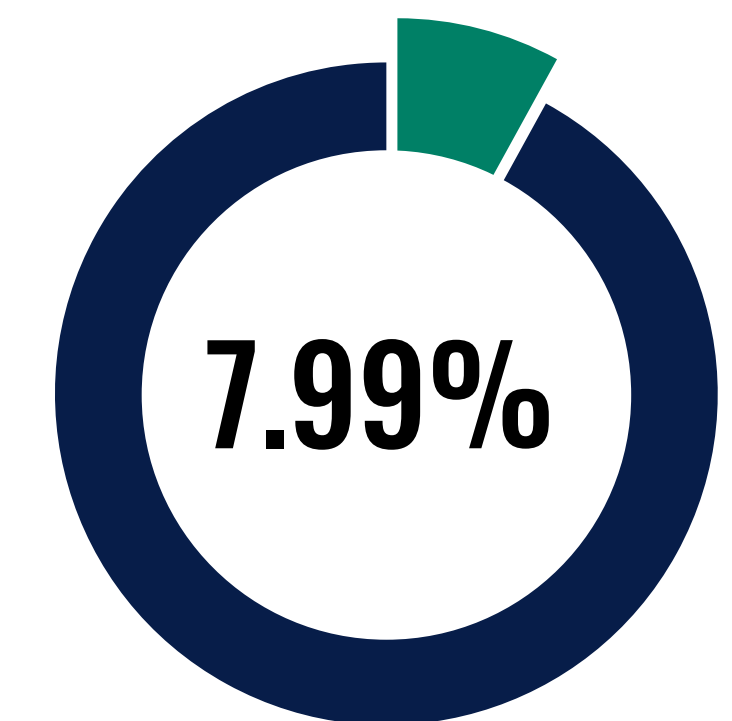
## Scenario analysis



### Total Loss Ratio



### Climate Value-at-Risk



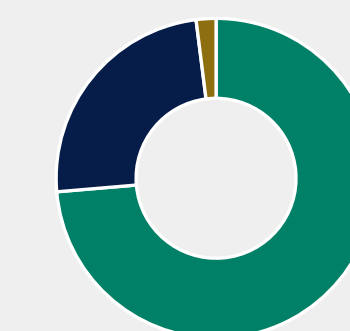
### Percentage of data that is reported

**65.79%**

### Fossil fuel exposure

**9.18%**

### Asset class mix



- Equity (73.65%)
- Fixed income (24.35%)
- Other (2.00%)

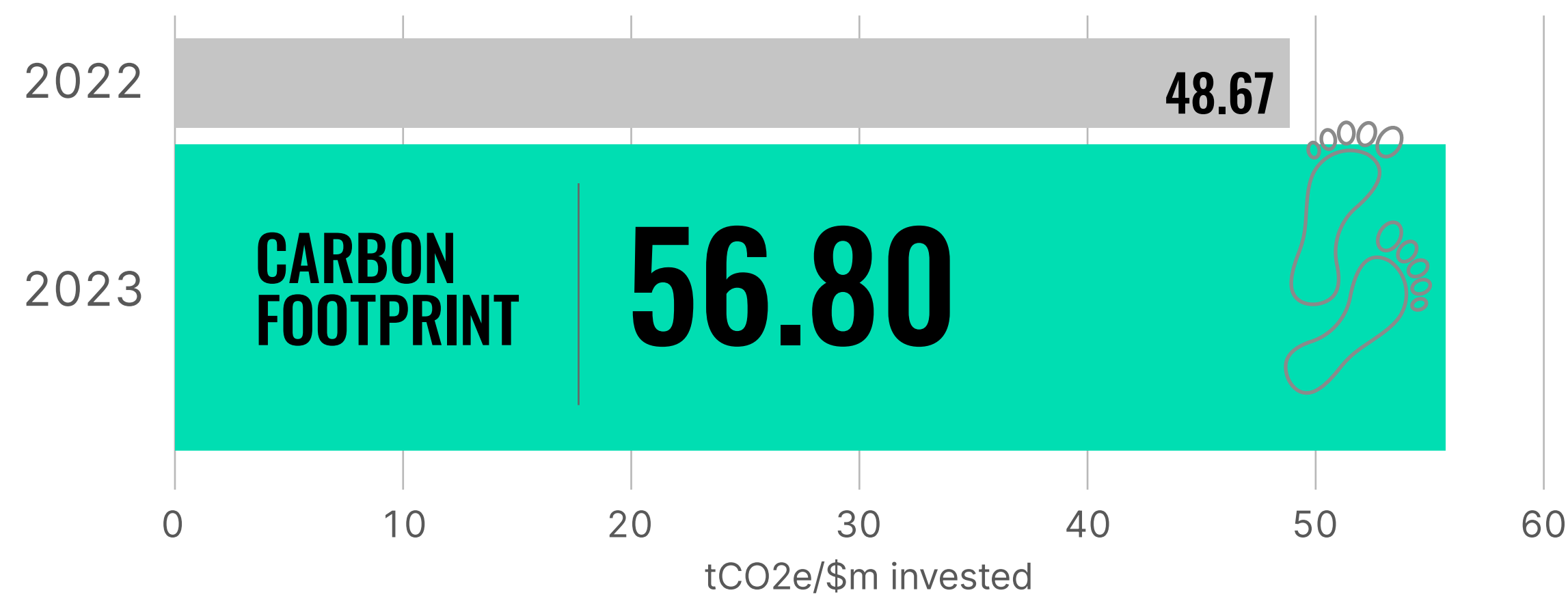
Please select the title of the data points for the definition and methodology.

# HL Multi-Manager Strategic Bond Trust

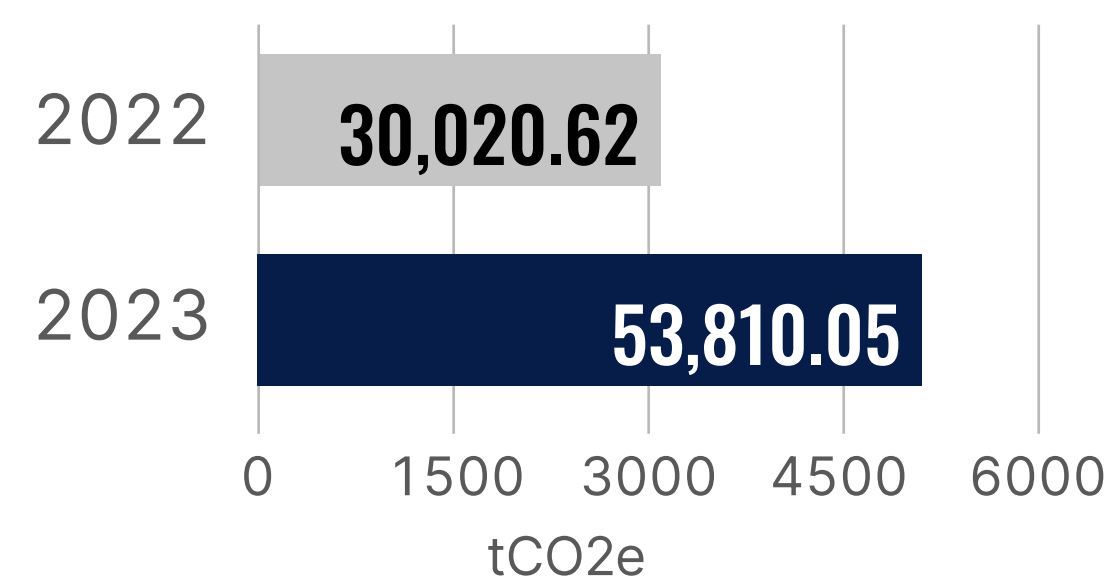
One of our “building blocks” solutions, built as a focused portfolio of multiple funds and managers. The HL Multi-Manager Strategic Bond Fund provides exposure to bonds from around the world and aims to outperform over the long-term. It also has the flexibility to change allocation to bonds depending on the market environment. The fund may also pay out income received.

## Climate-related metrics

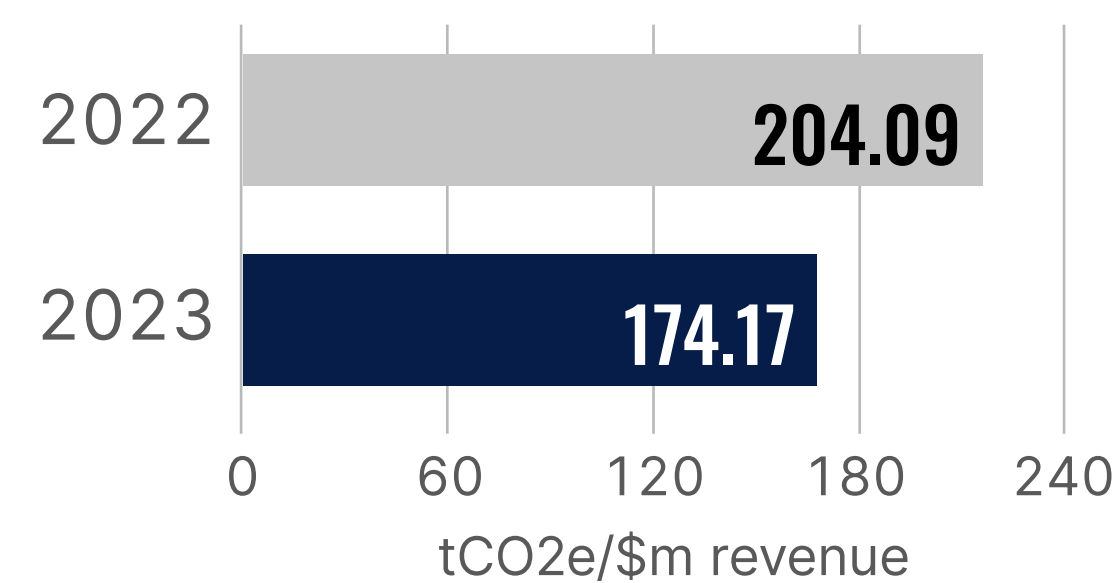
### Carbon footprint



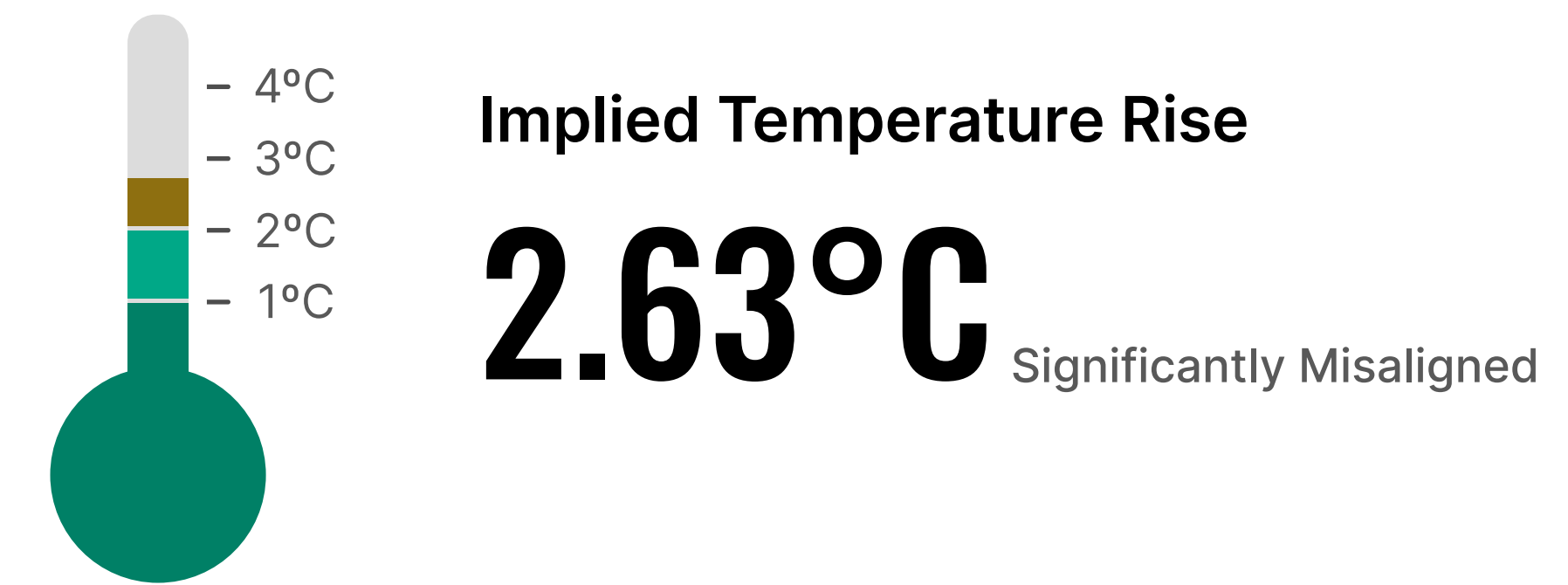
### Total emissions



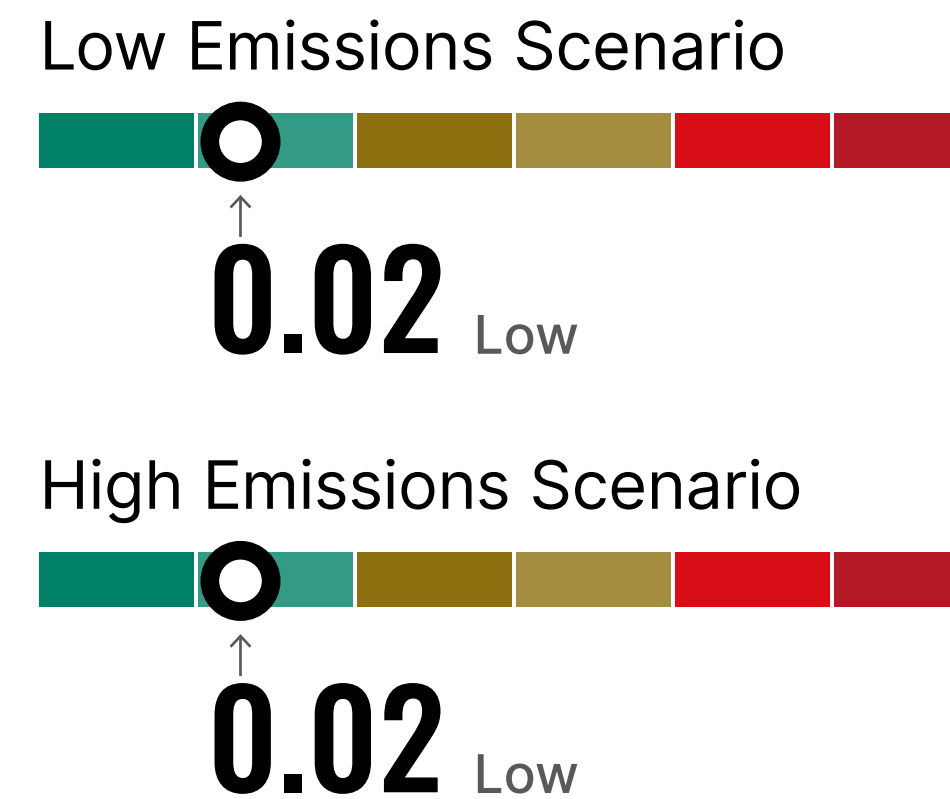
### Weighted average carbon intensity



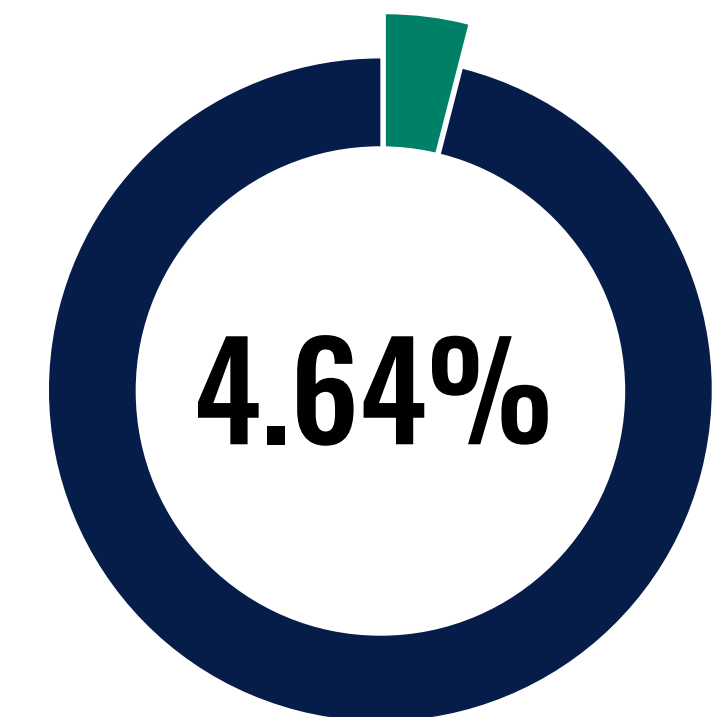
## Scenario analysis



### Total Loss Ratio



### Climate Value-at-Risk



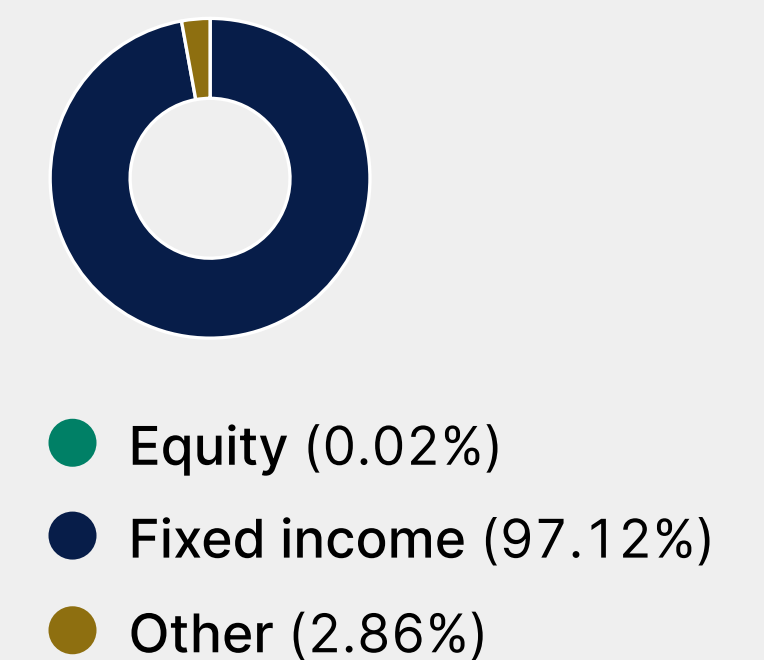
### Percentage of data that is reported

**37.82%**

### Fossil fuel exposure

**8.64%**

### Asset class mix



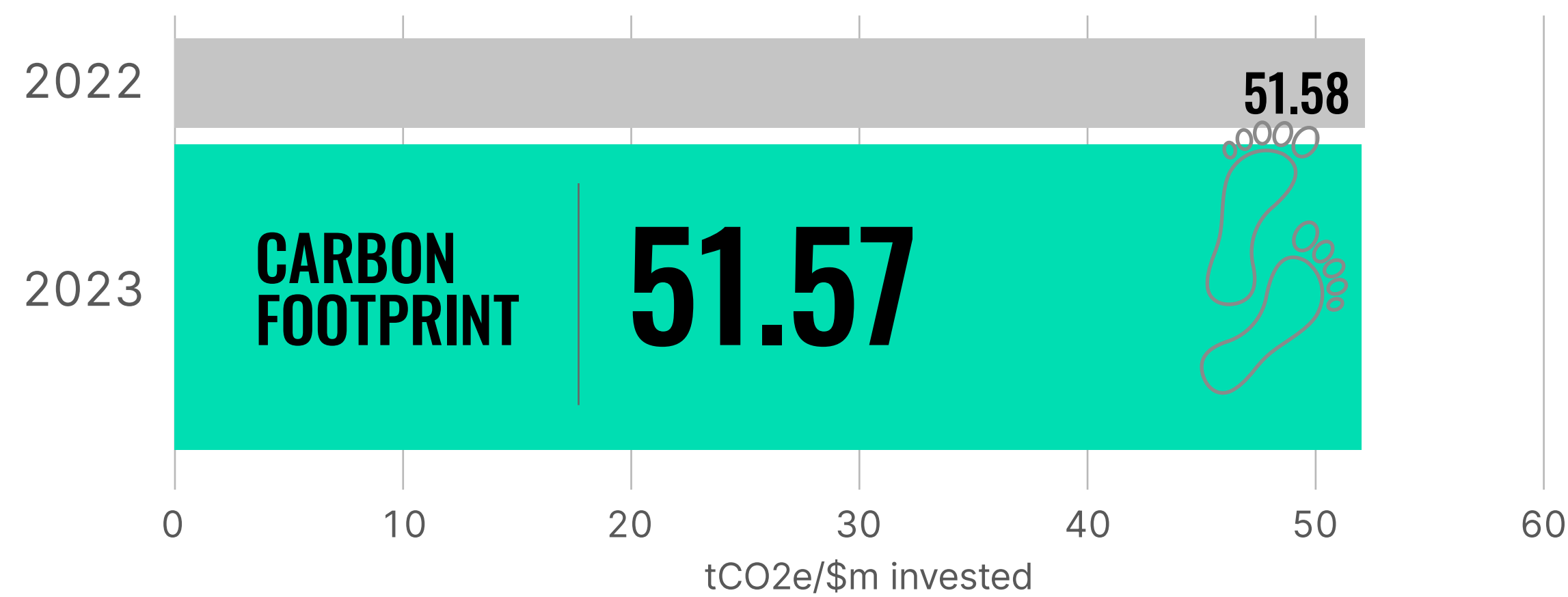
Please select the title of the data points for the definition and methodology.

# HL Multi-Manager High Income

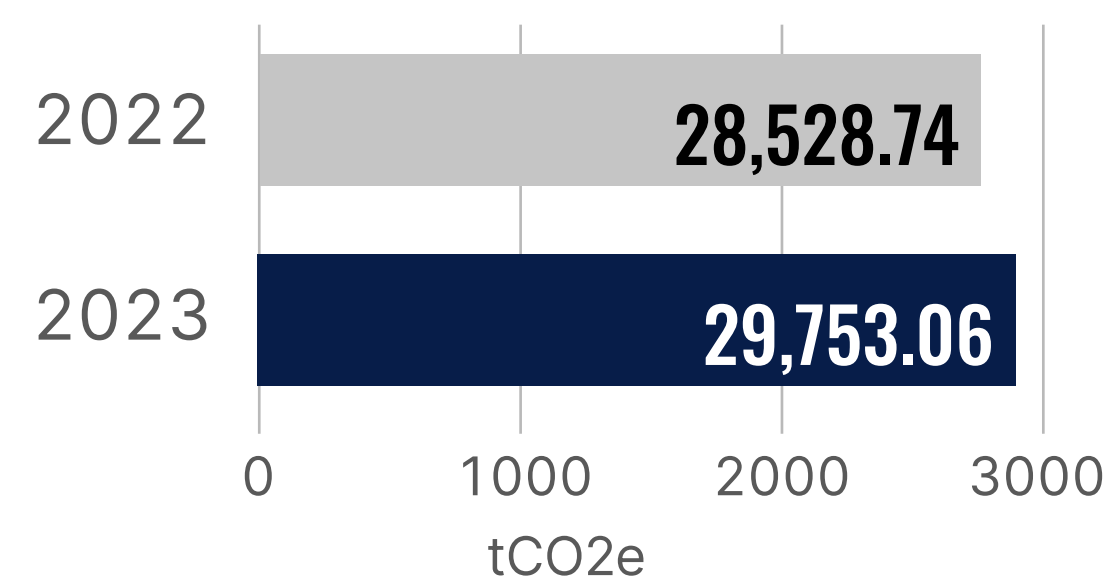
A multi-manager portfolio which aims to provide a sustainable and high monthly income by investing in a range of global equities and bonds. These may include large companies with a history of consistent dividends, smaller companies with dividend growth potential, low yield government bonds and higher yielding corporate bonds to spread the risk and opportunity.

## Climate-related metrics

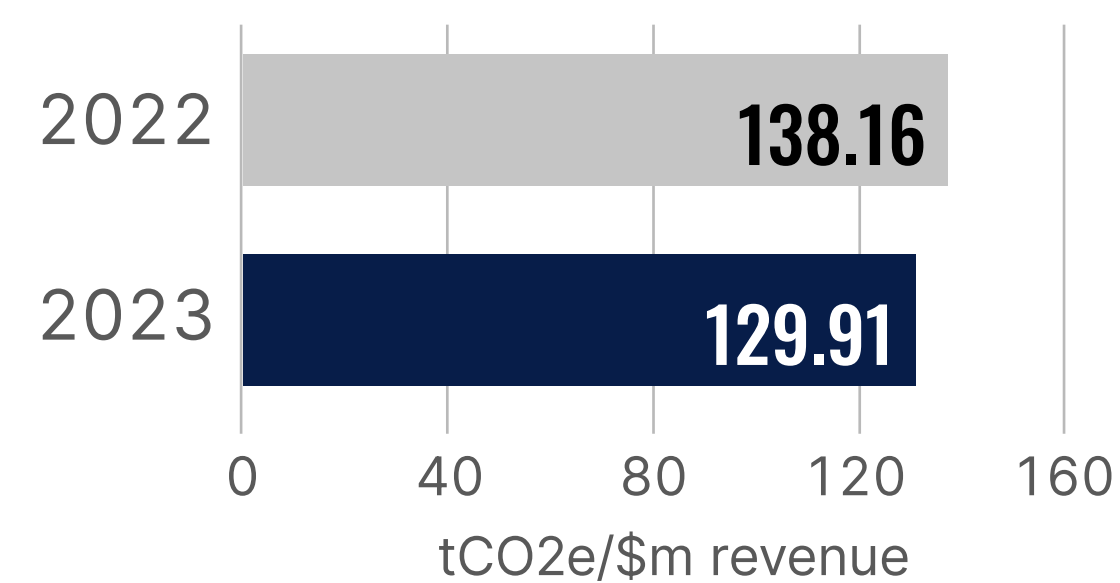
### Carbon footprint



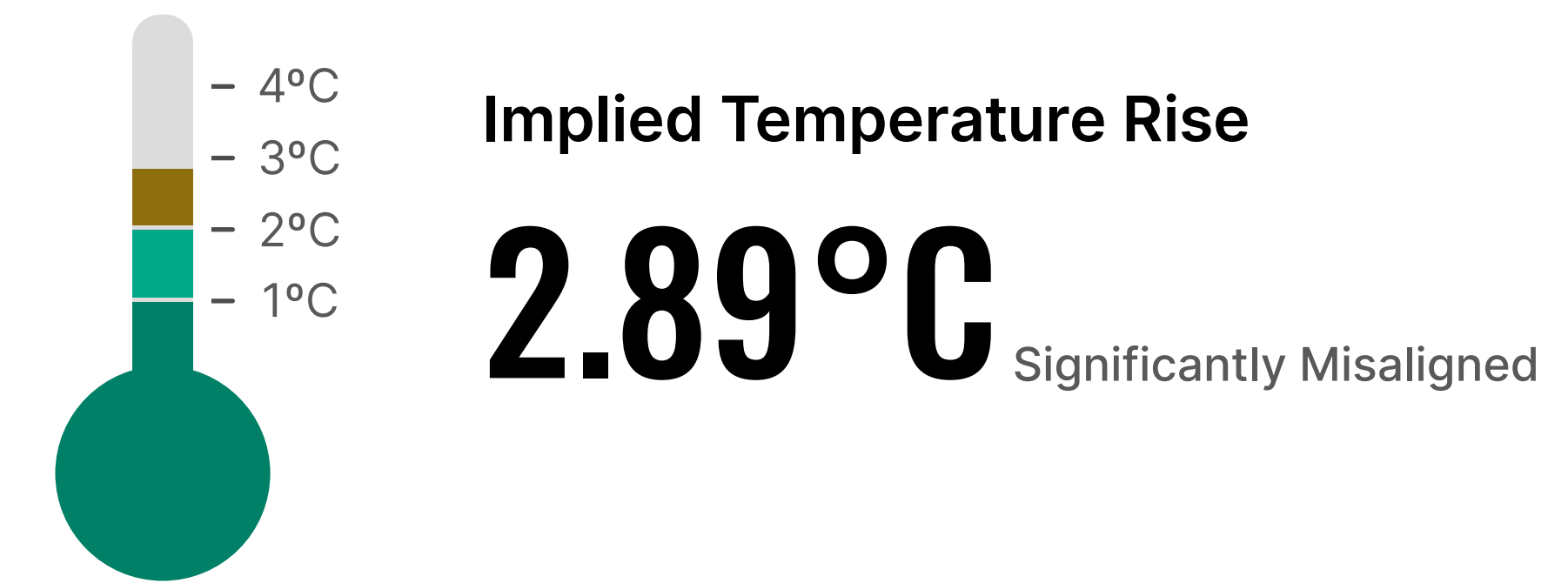
### Total emissions



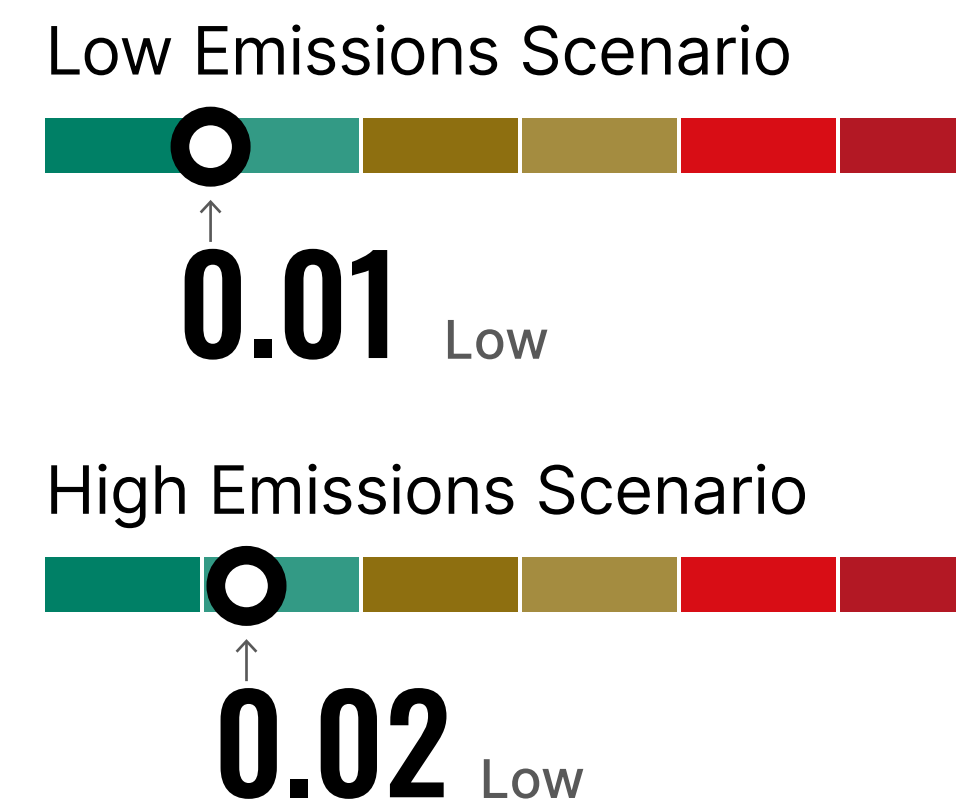
### Weighted average carbon intensity



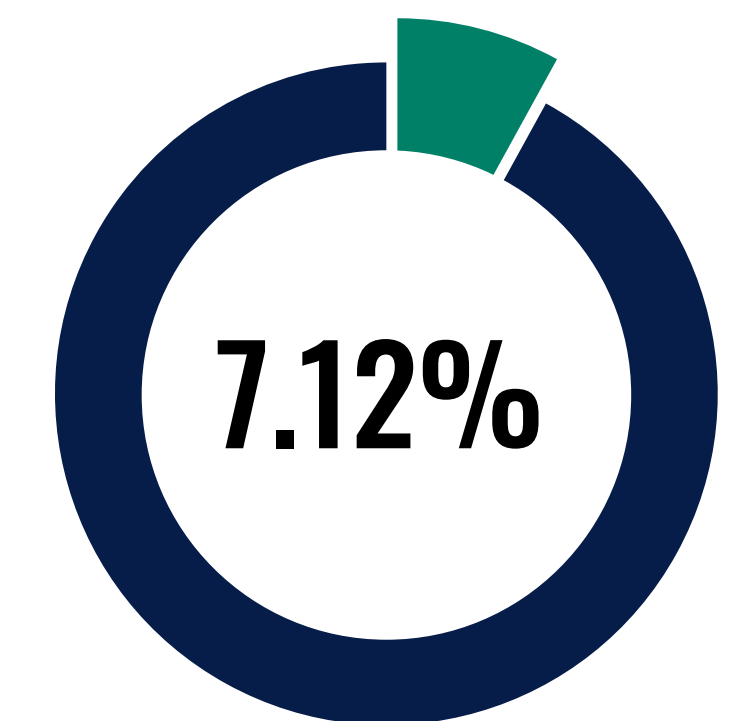
## Scenario analysis



### Total Loss Ratio



### Climate Value-at-Risk



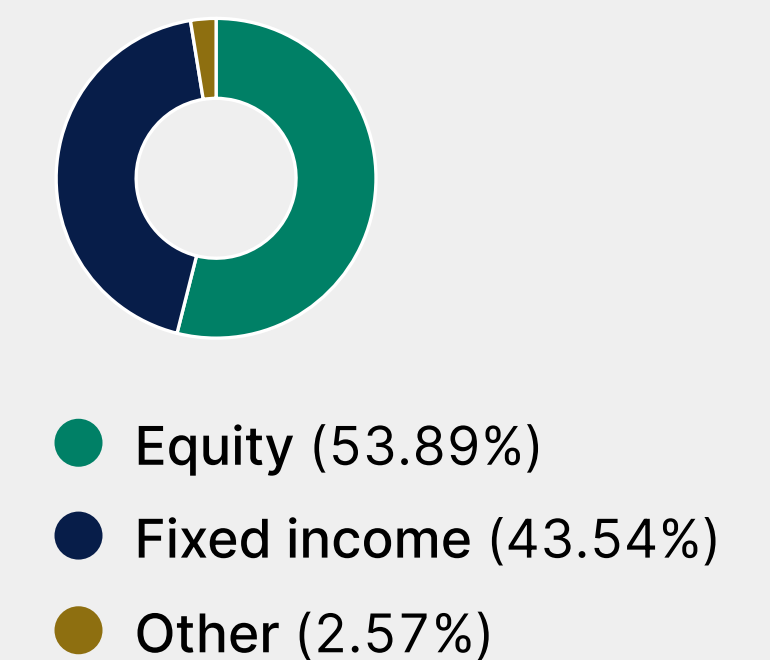
### Percentage of data that is reported

**62.00%**

### Fossil fuel exposure

**9.28%**

### Asset class mix



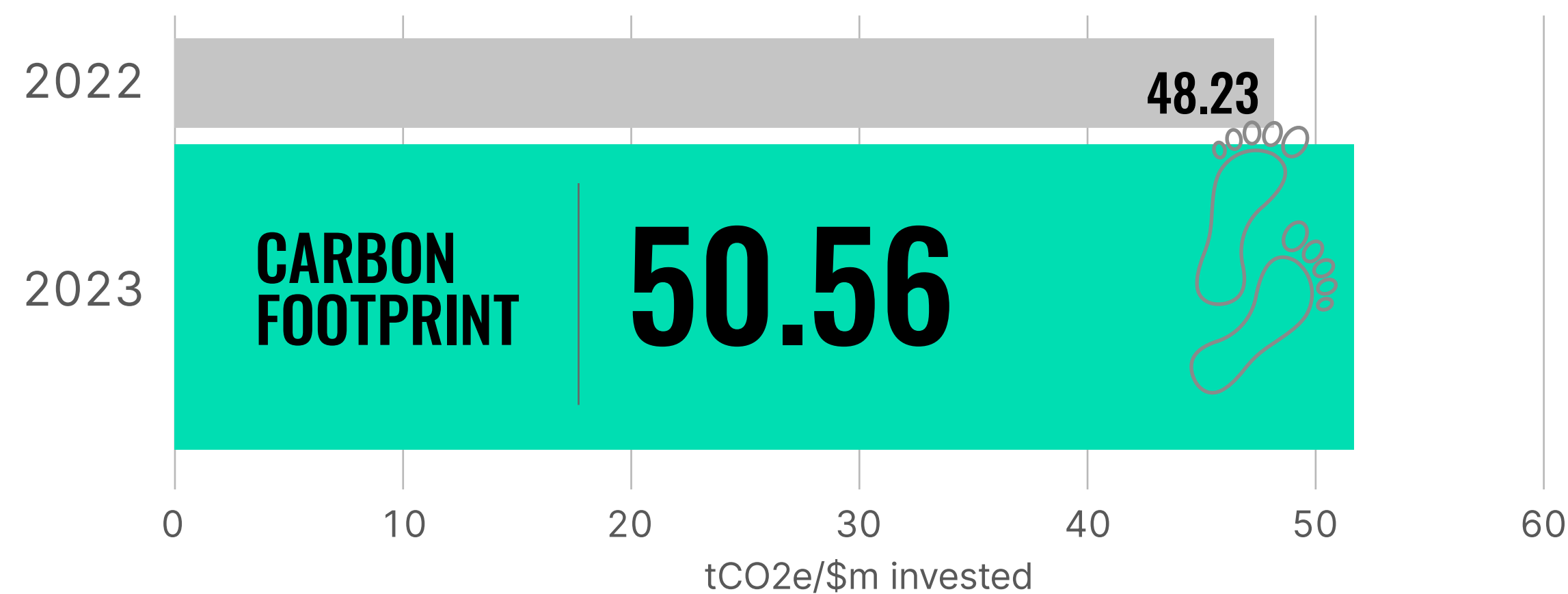
Please select the title of the data points for the definition and methodology.

# HL Multi-Manager Equity & Bond

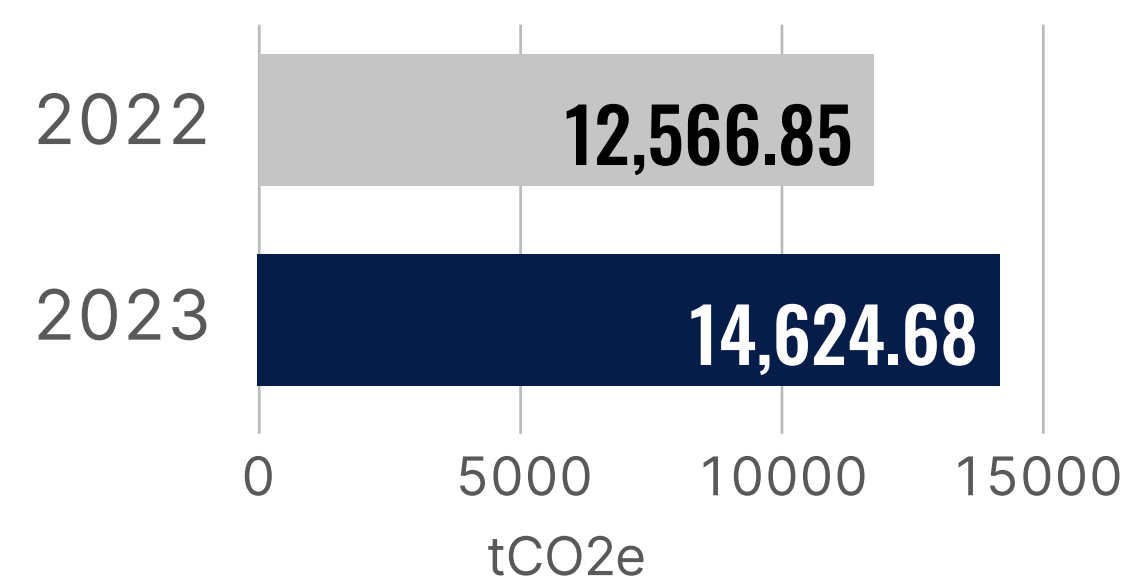
An expert managed portfolio built by carefully selecting the best opportunities / managers which aims to provide a sustainable monthly income. The portfolio consists of a mix of global shares (including emerging market shares) and bonds.

## Climate-related metrics

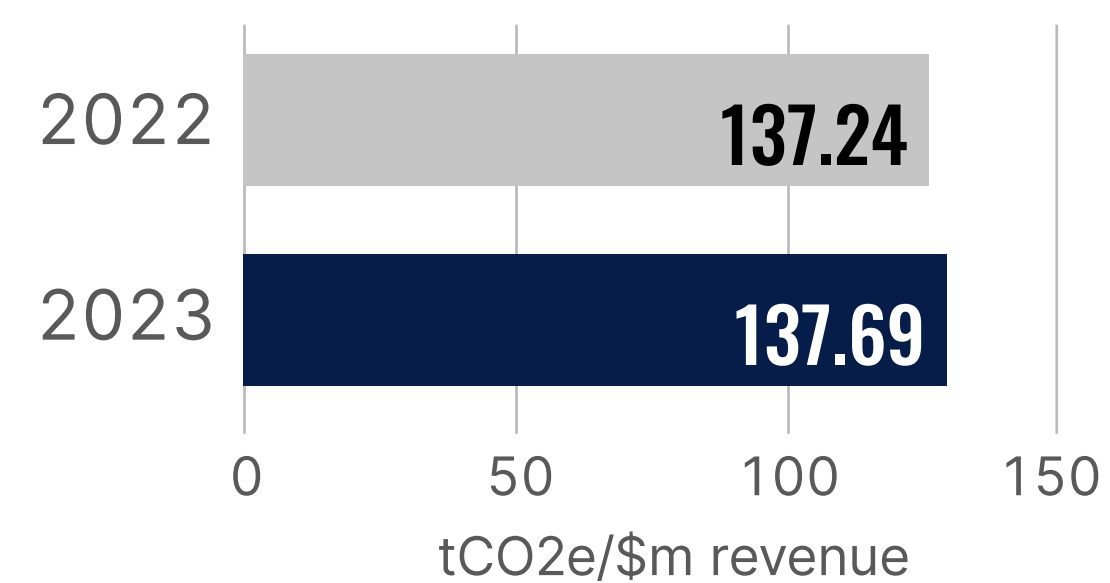
### Carbon footprint



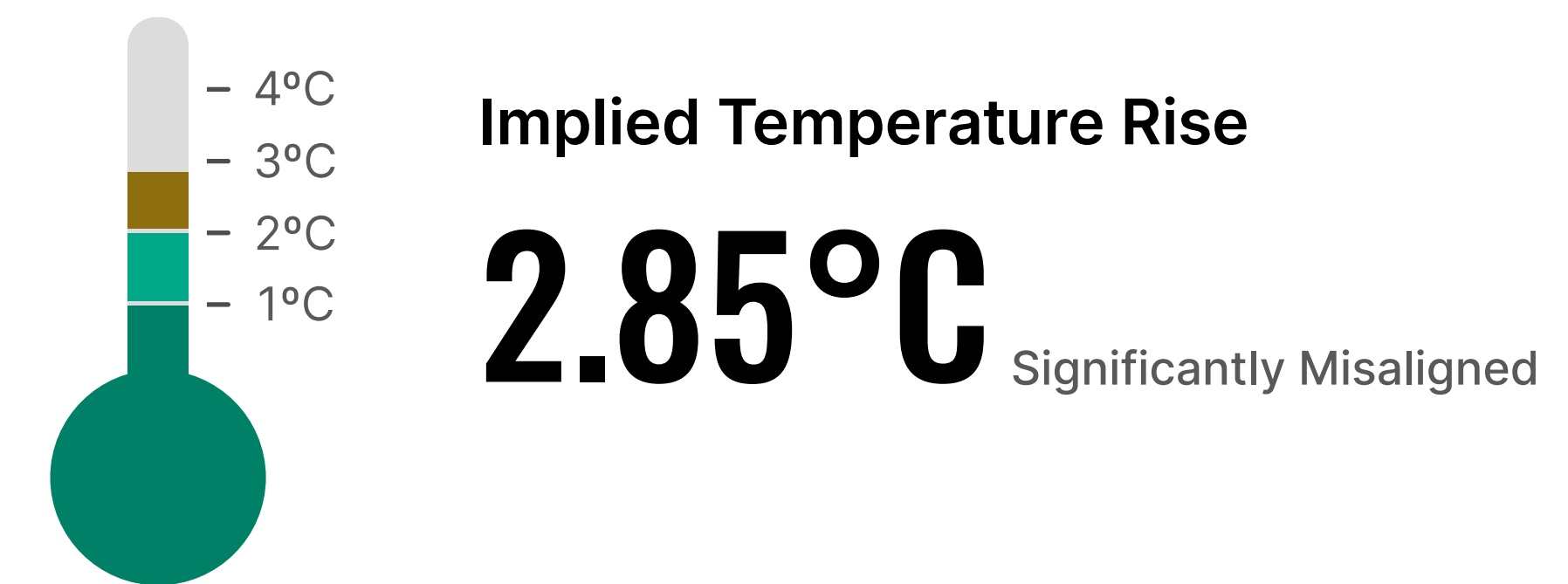
### Total emissions



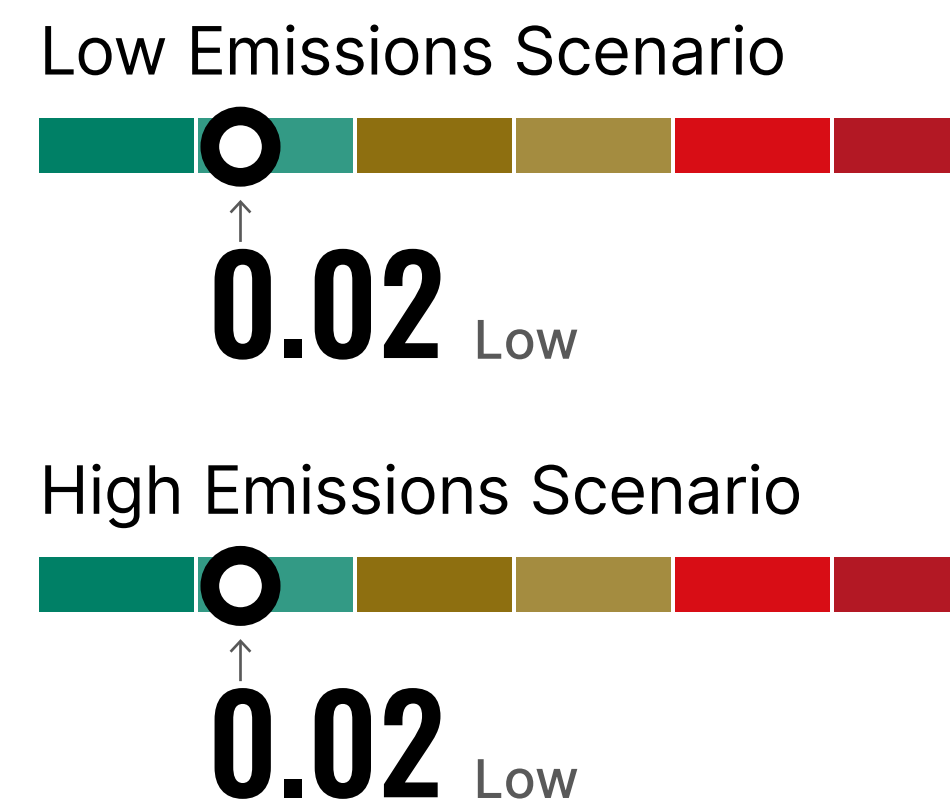
### Weighted average carbon intensity



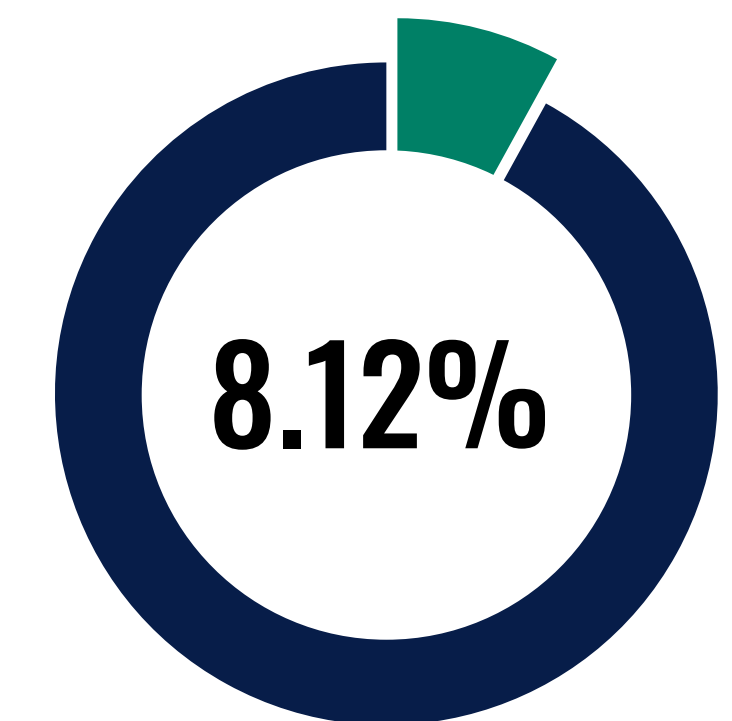
## Scenario analysis



### Total Loss Ratio



### Climate Value-at-Risk



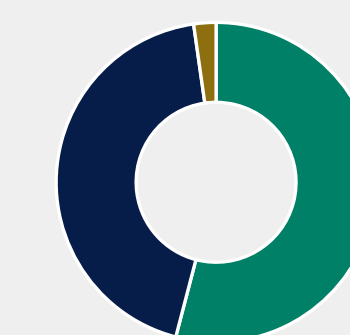
### Percentage of data that is reported

**61.61%**

### Fossil fuel exposure

**10.37%**

### Asset class mix



- Equity (54.06%)
- Fixed income (43.69%)
- Other (2.25%)

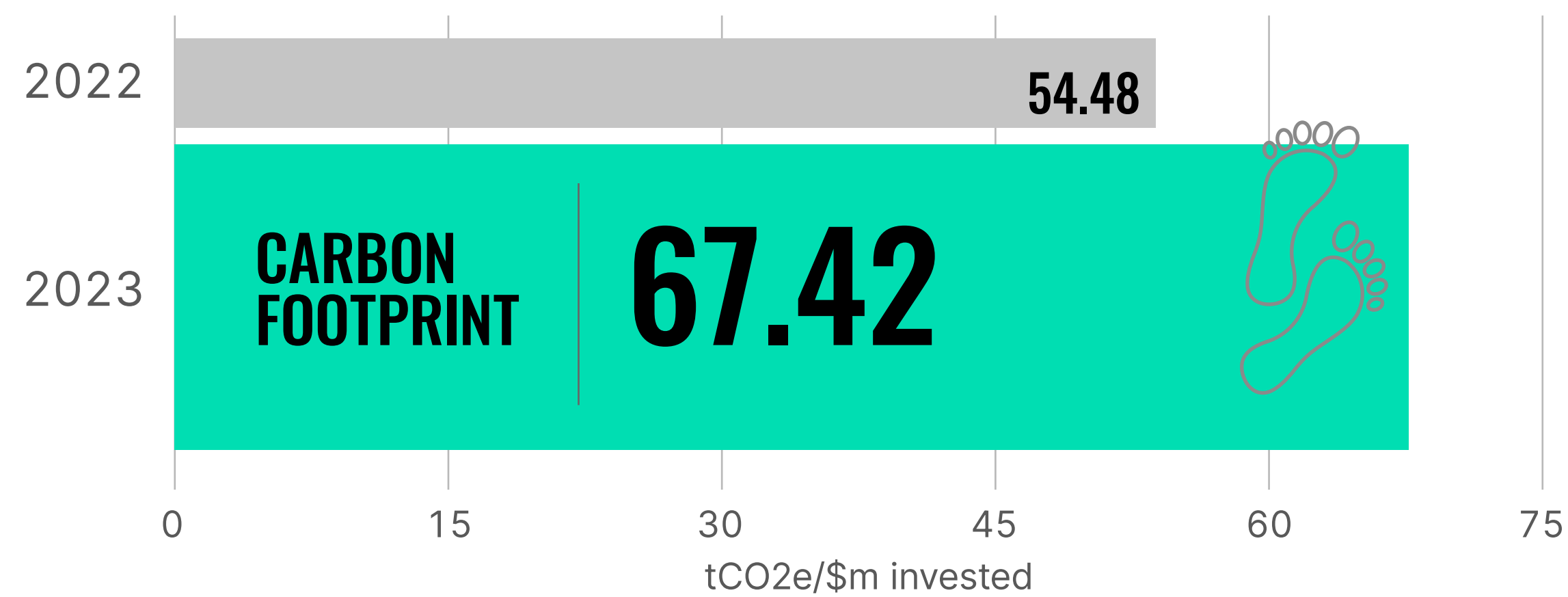
Please select the title of the data points for the definition and methodology.

# HL Multi-Manager European

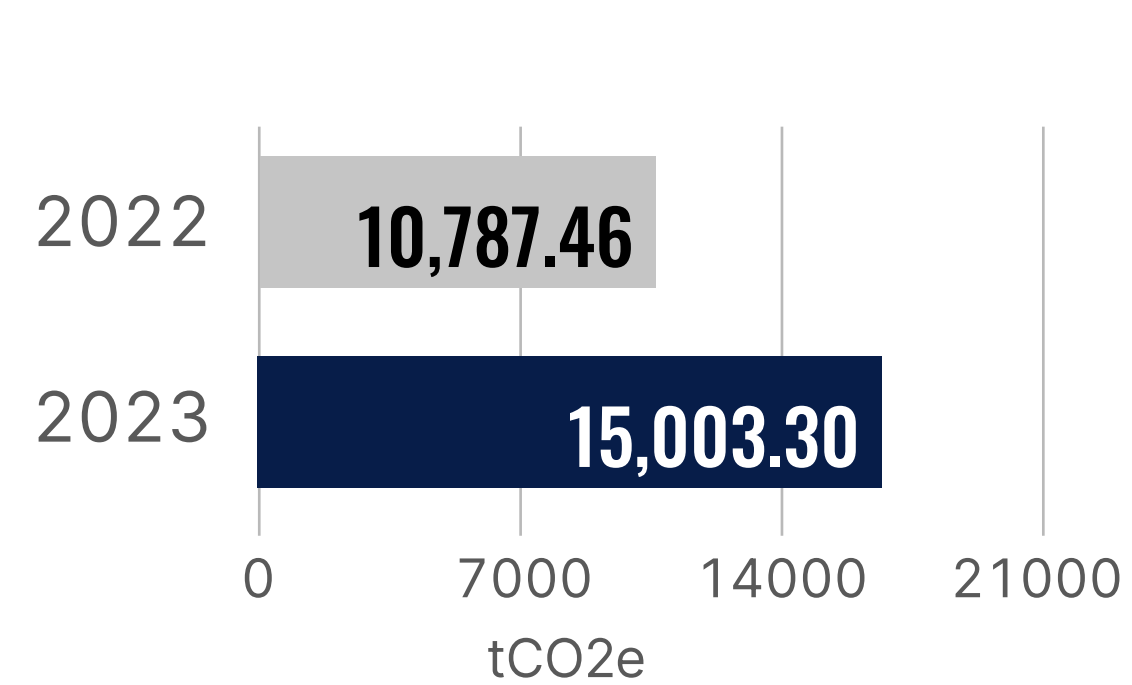
One of our “building blocks” solutions, built as a regionally focused portfolio of multiple funds and managers. The HL Multi-Manager European Fund provides exposure to the European market and aims to perform well over the long-term and in different market conditions.

## Climate-related metrics

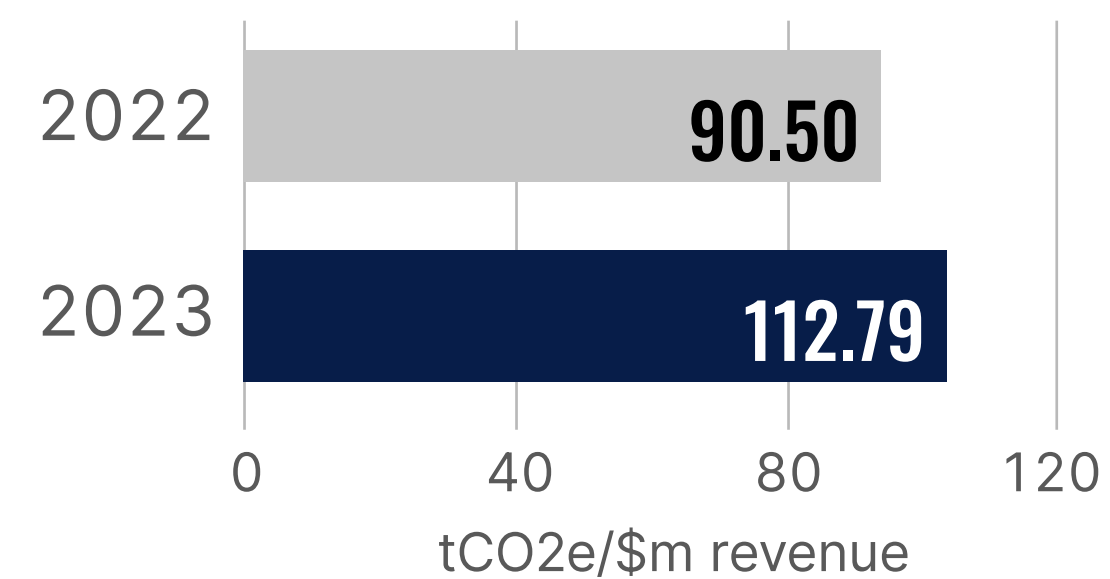
### Carbon footprint



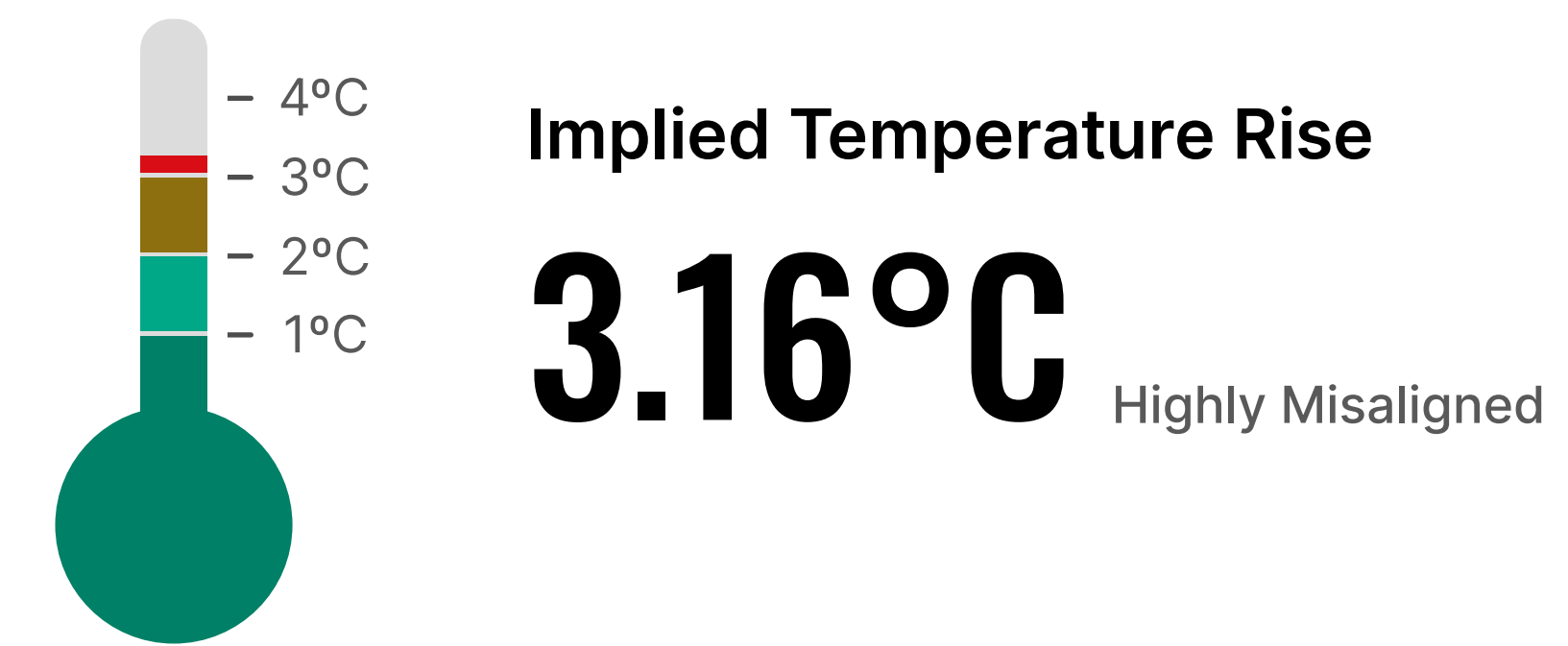
### Total emissions



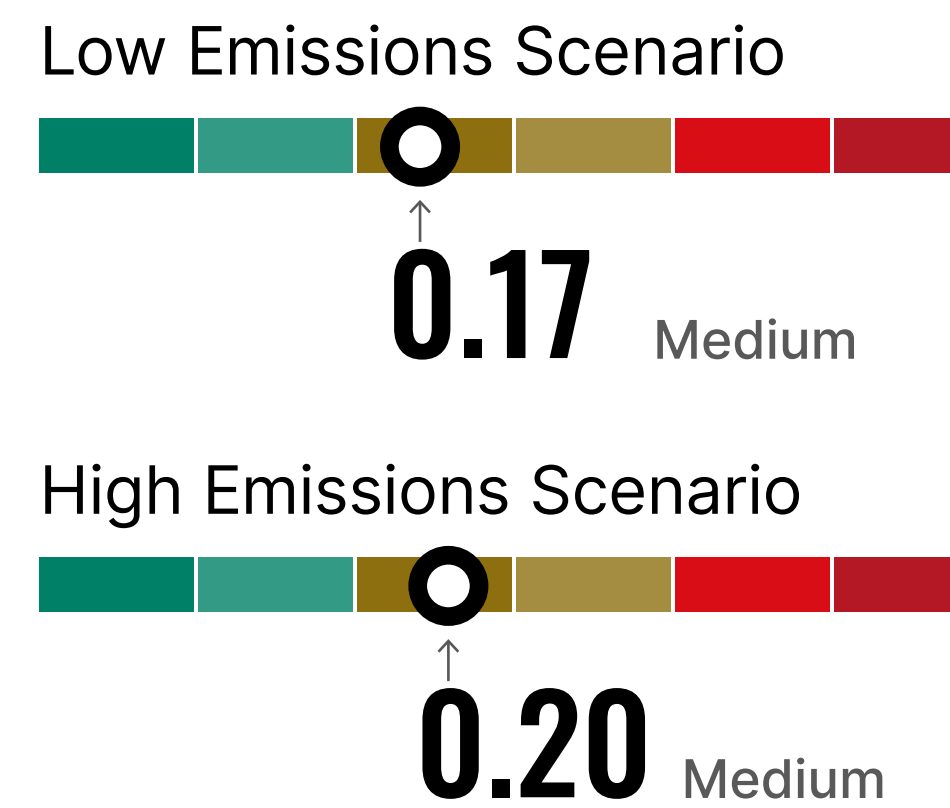
### Weighted average carbon intensity



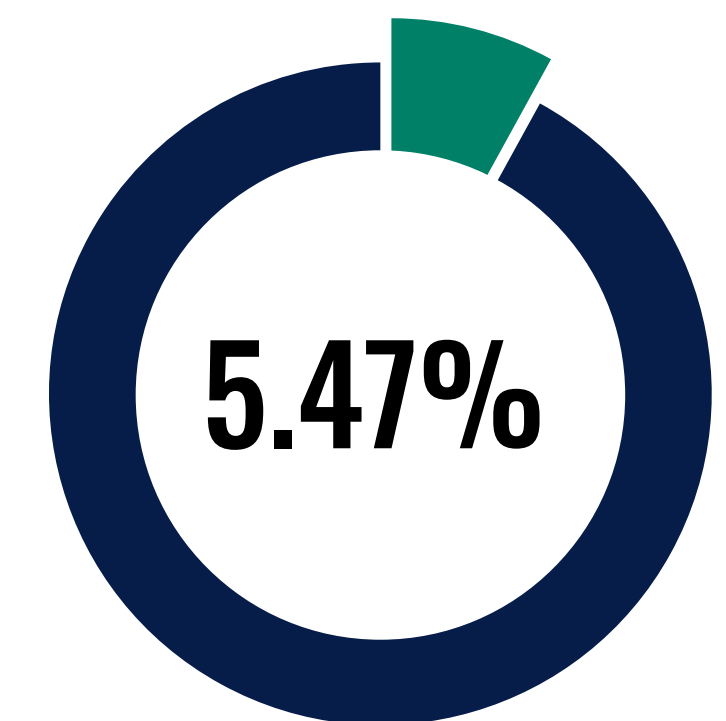
## Scenario analysis



### Total Loss Ratio



### Climate Value-at-Risk



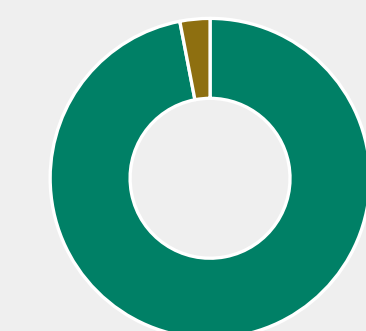
### Percentage of data that is reported

**91.82%**

### Fossil fuel exposure

**5.14%**

### Asset class mix



- Equity (96.97%)
- Fixed income (0.00%)
- Other (3.03%)

Please select the title of the data points for the definition and methodology.

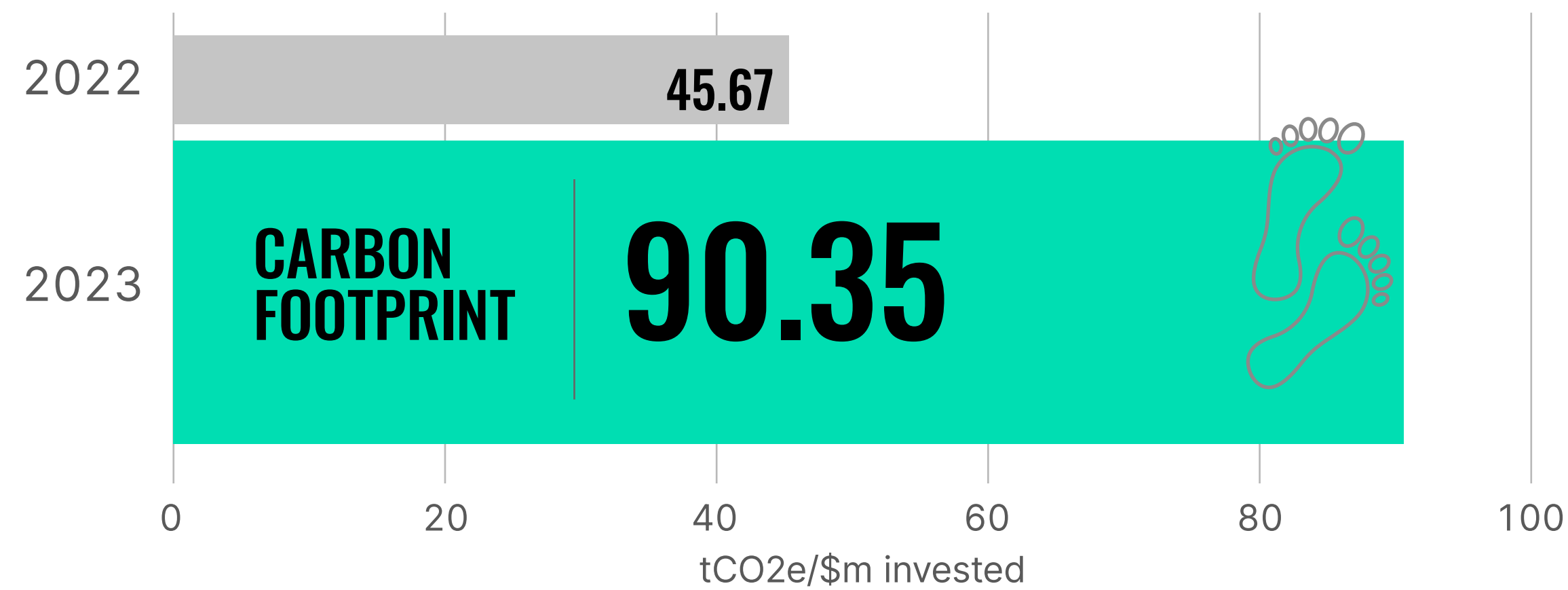


# HL Multi-Manager Asia & Emerging Markets

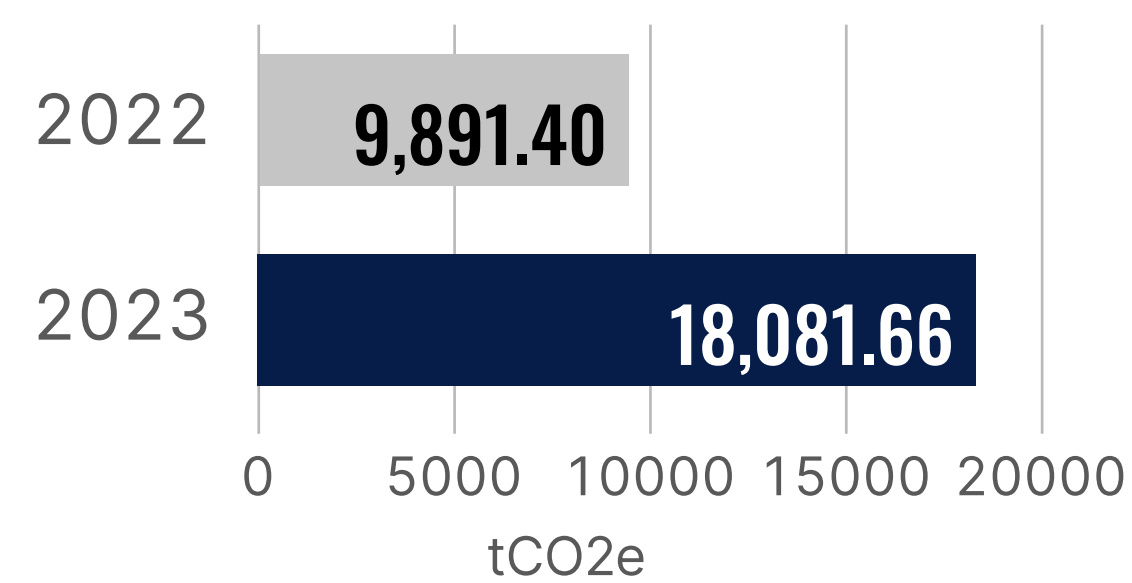
One of our “building blocks” solutions, built as a regionally focused portfolio of multiple funds and managers. The HL Multi-Manager Asia & Emerging Markets Fund provides exposure to Asia & Emerging Markets, and aims to perform well over the long-term and in different market conditions.

## Climate-related metrics

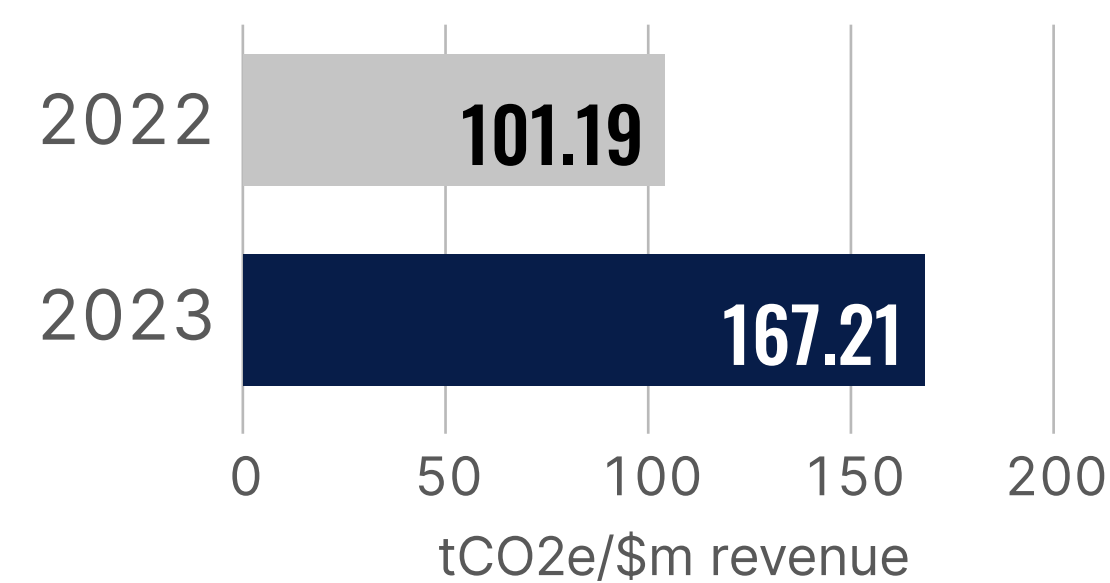
### Carbon footprint



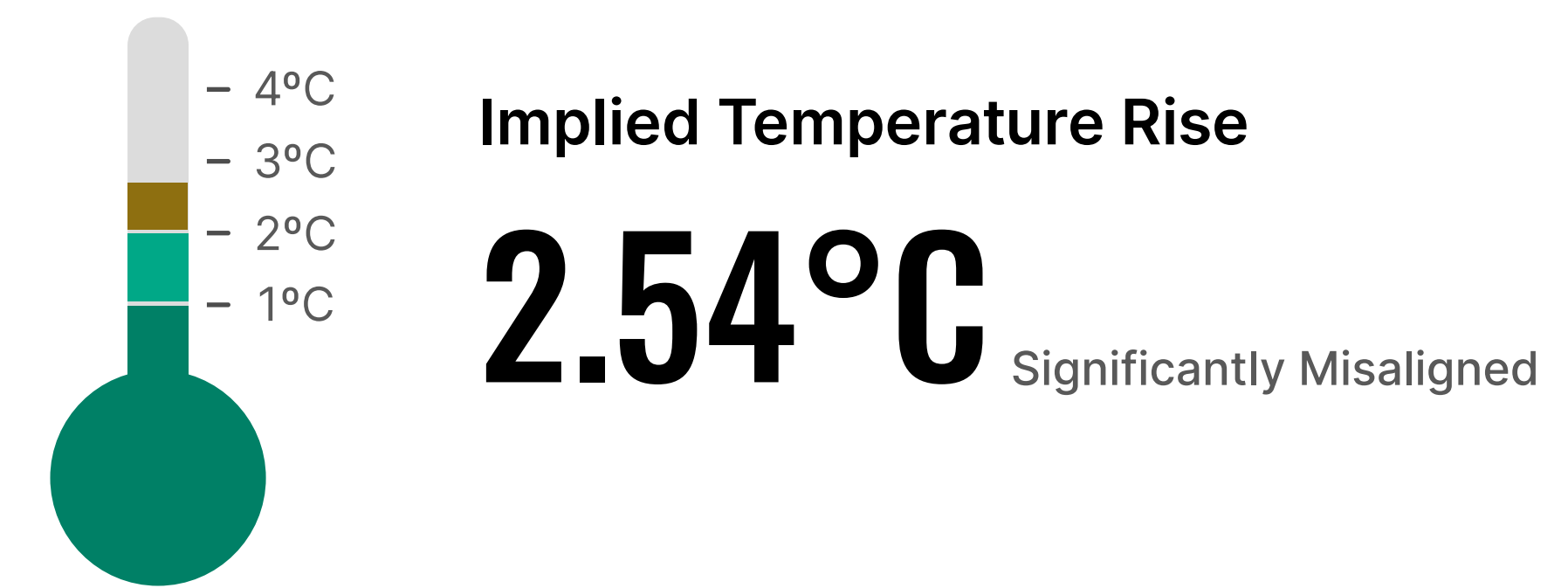
### Total emissions



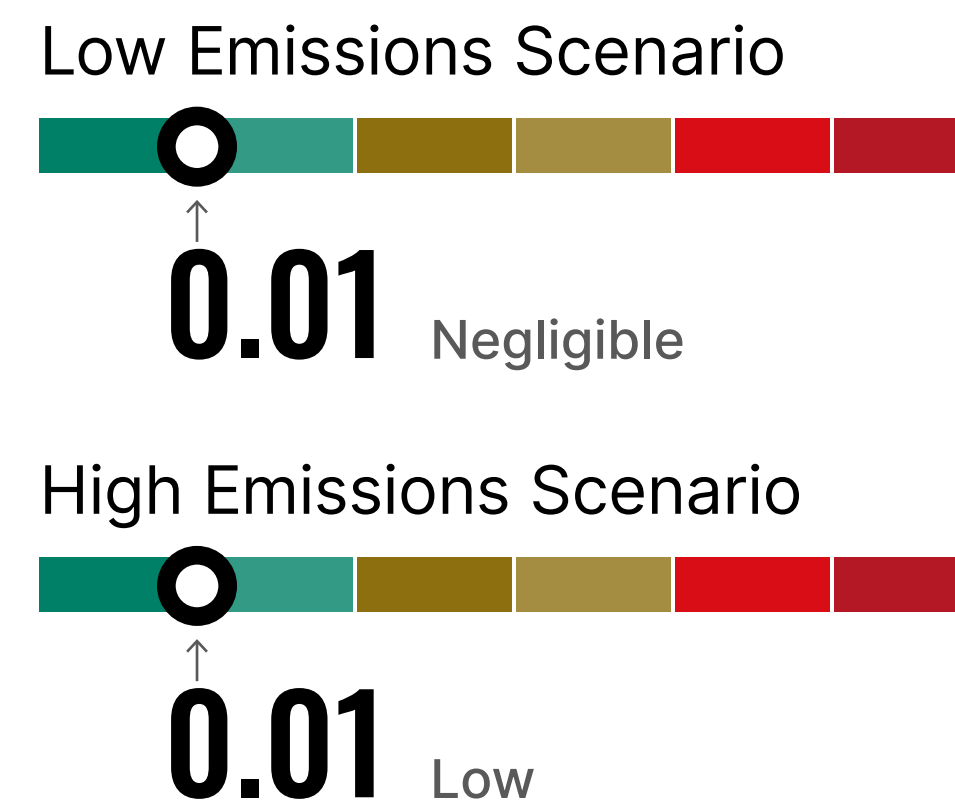
### Weighted average carbon intensity



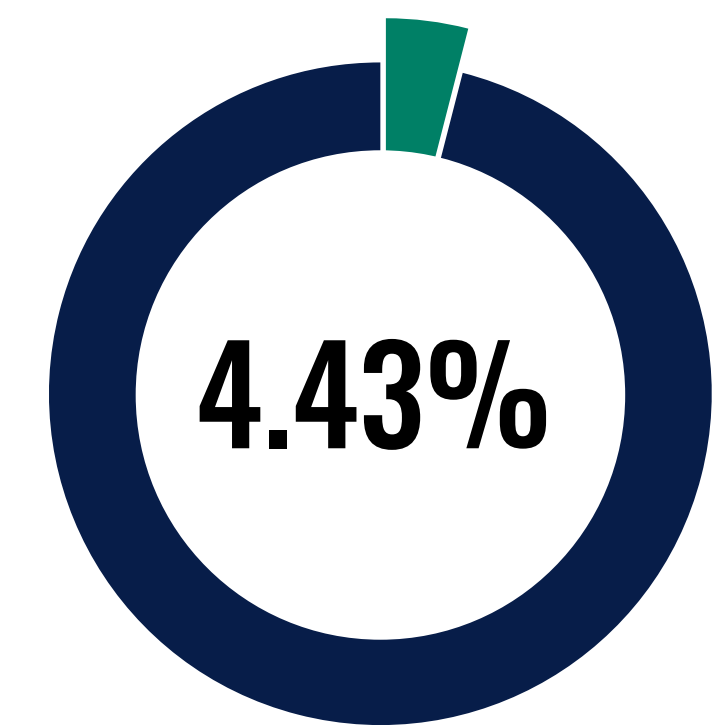
## Scenario analysis



### Total Loss Ratio



### Climate Value-at-Risk



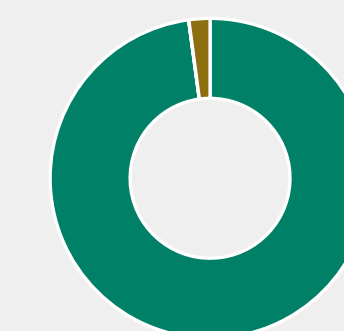
### Percentage of data that is reported

**74.23%**

### Fossil fuel exposure

**6.87%**

### Asset class mix



- Equity (97.85%)
- Fixed income (0.03%)
- Other (2.12%)

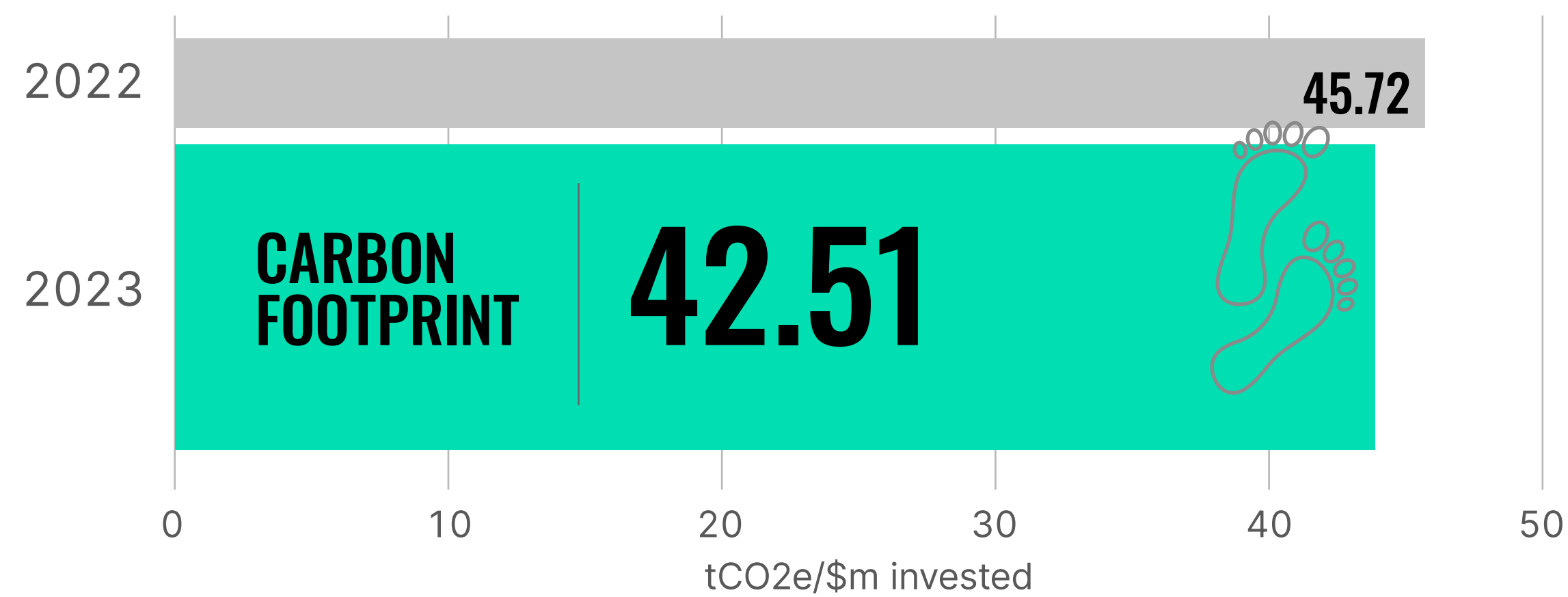
Please select the title of the data points for the definition and methodology.

# HL Multi-Manager UK Growth

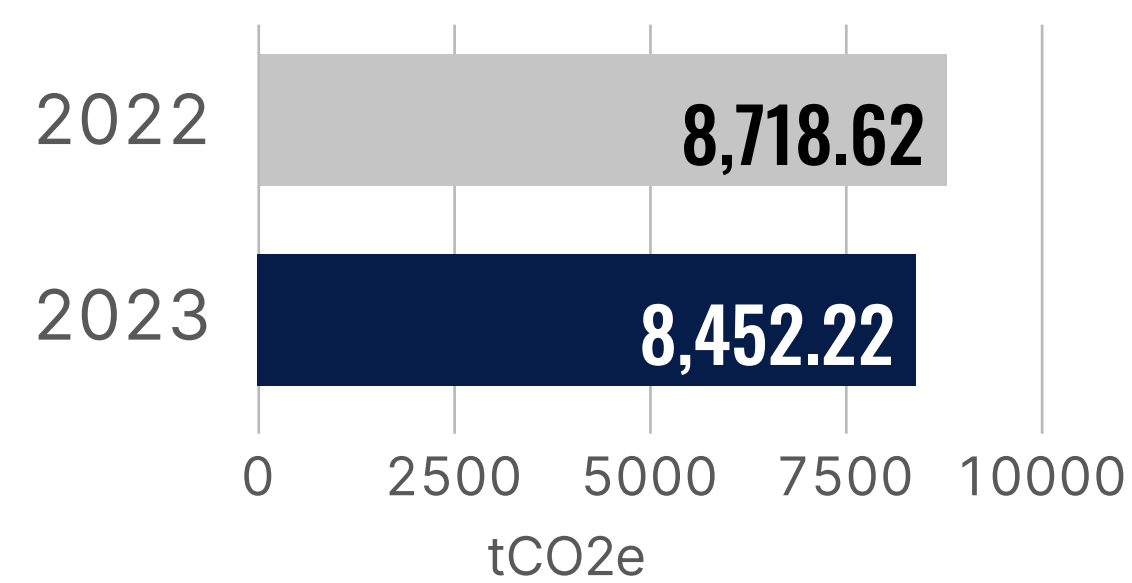
One of our “building blocks” solutions, built as a regionally focused portfolio of multiple funds and managers. The HL Multi-Manager UK Growth Fund provides exposure to the UK market and aims to perform well over the long-term and in different market conditions.

## Climate-related metrics

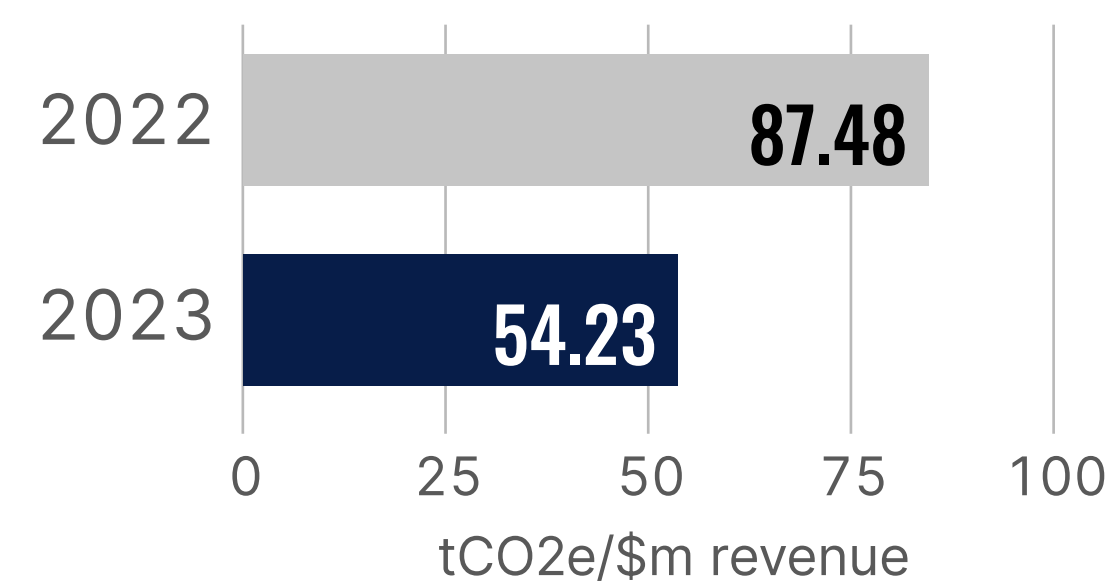
### Carbon footprint



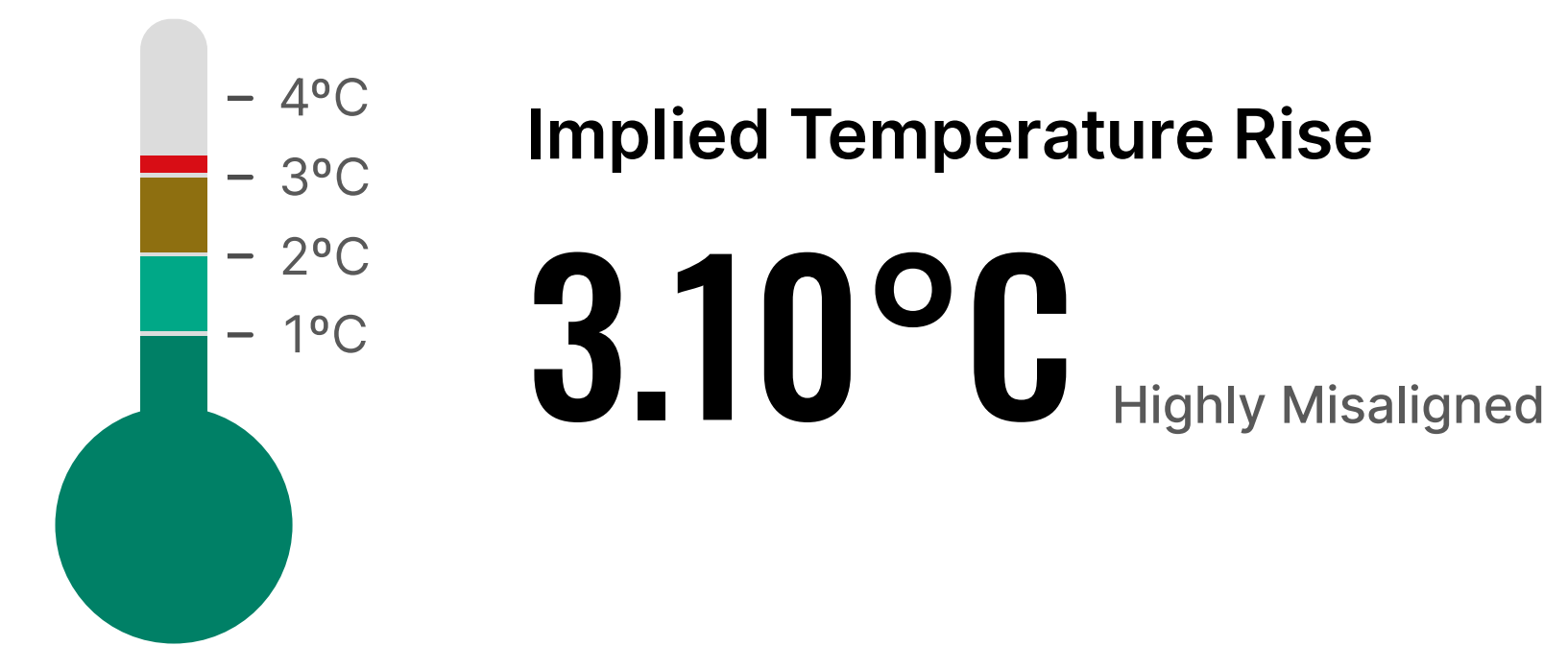
### Total emissions



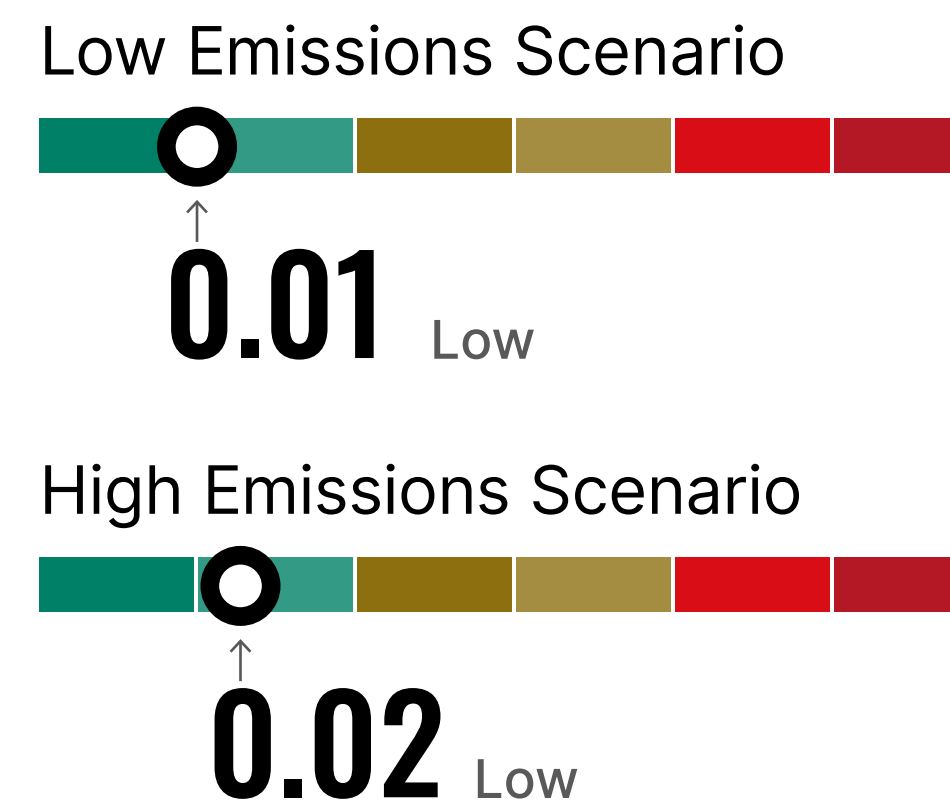
### Weighted average carbon intensity



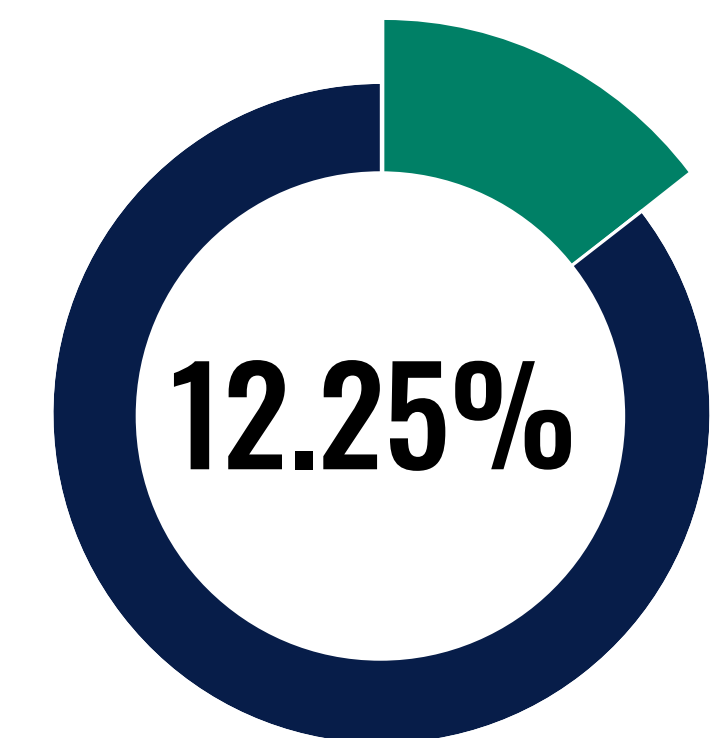
## Scenario analysis



### Total Loss Ratio



### Climate Value-at-Risk



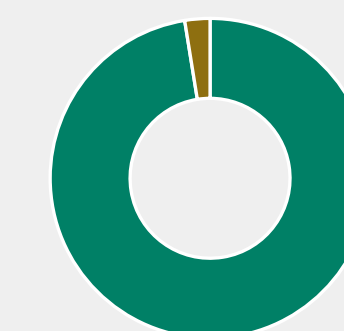
### Percentage of data that is reported

**90.58%**

### Fossil fuel exposure

**8.93%**

### Asset class mix



- Equity (97.46%)
- Fixed income (0.00%)
- Other (2.54%)

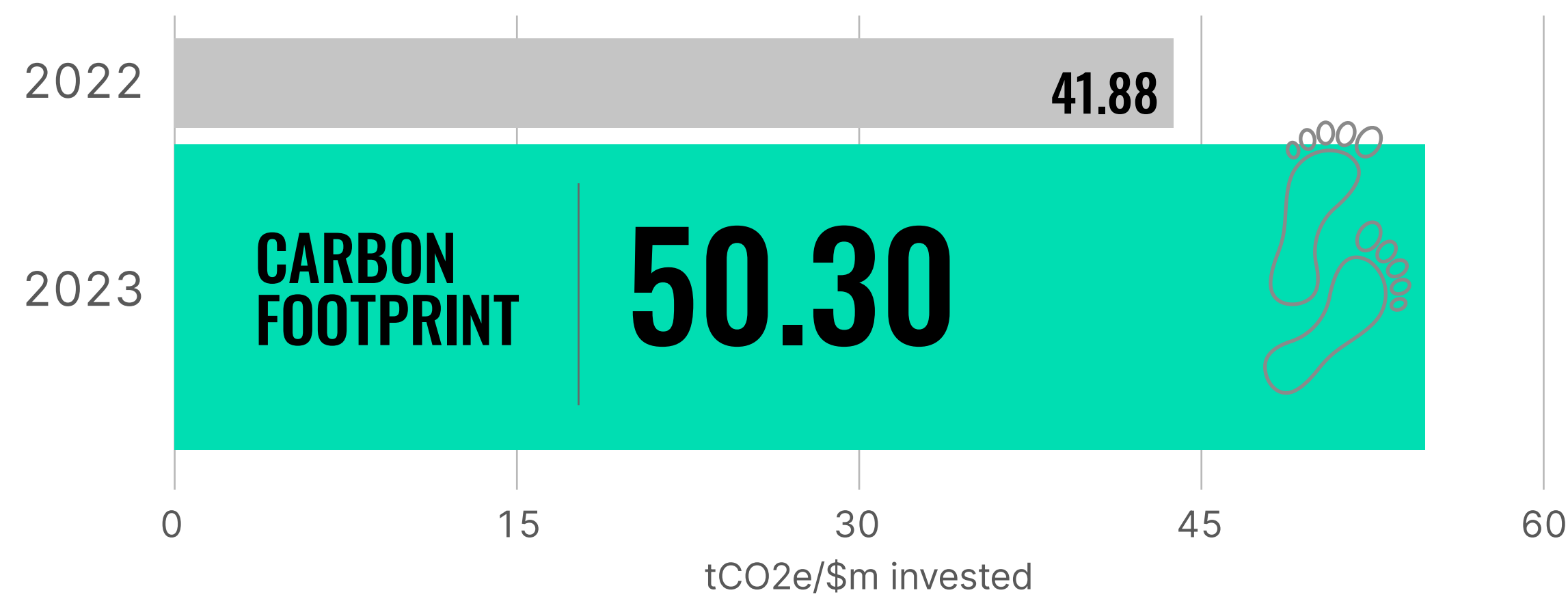
Please select the title of the data points for the definition and methodology.

# HL UK Income Fund

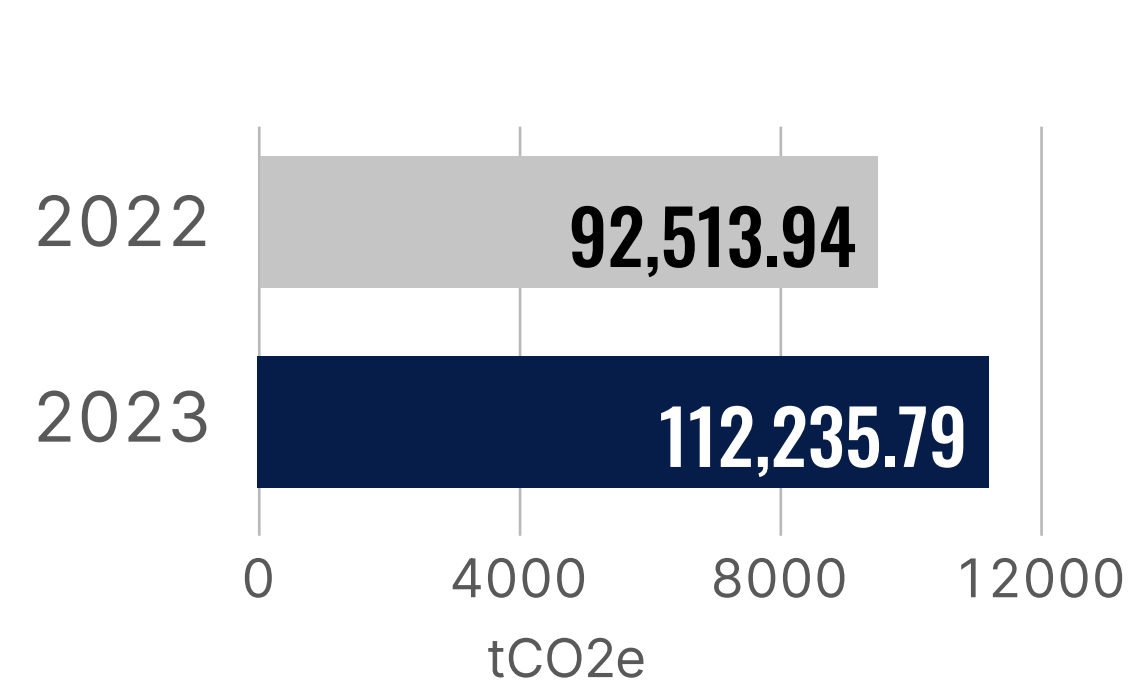
One of our “building blocks” solutions, built as a regionally focused portfolio of multiple managers. The HL UK Income Fund aims to provide a monthly income and growth through exposure to the UK market. The fund also aims to grow capital over the long-term.

## Climate-related metrics

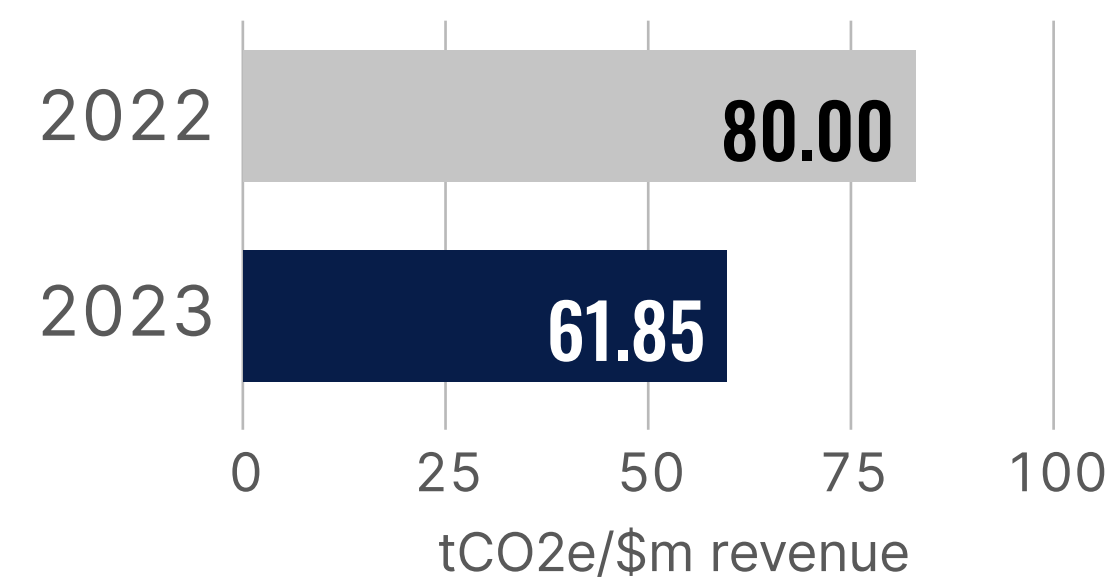
### Carbon footprint



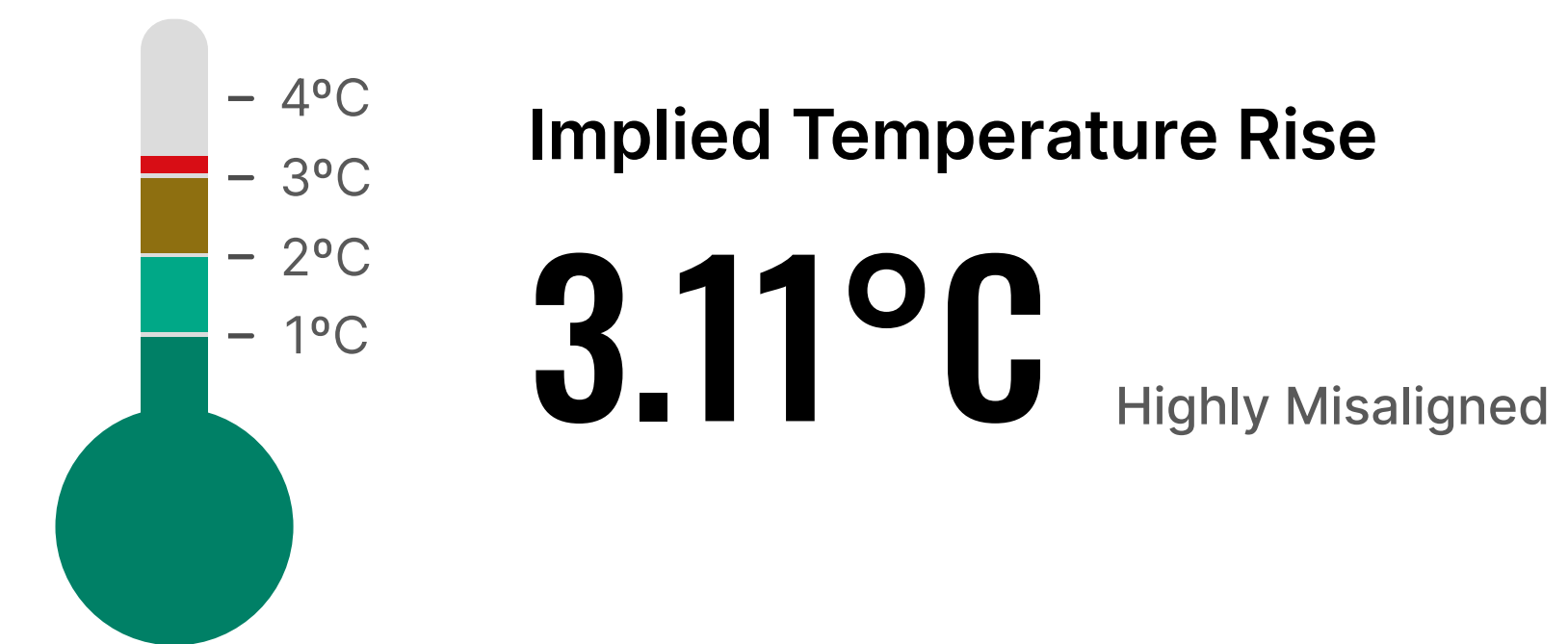
### Total emissions



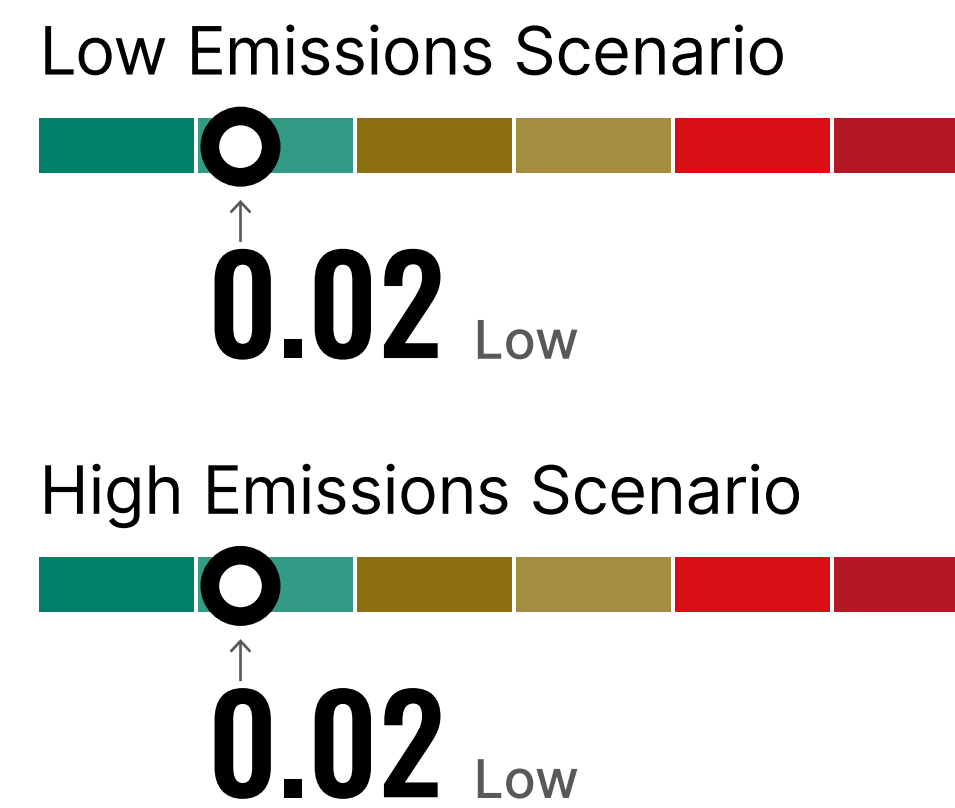
### Weighted average carbon intensity



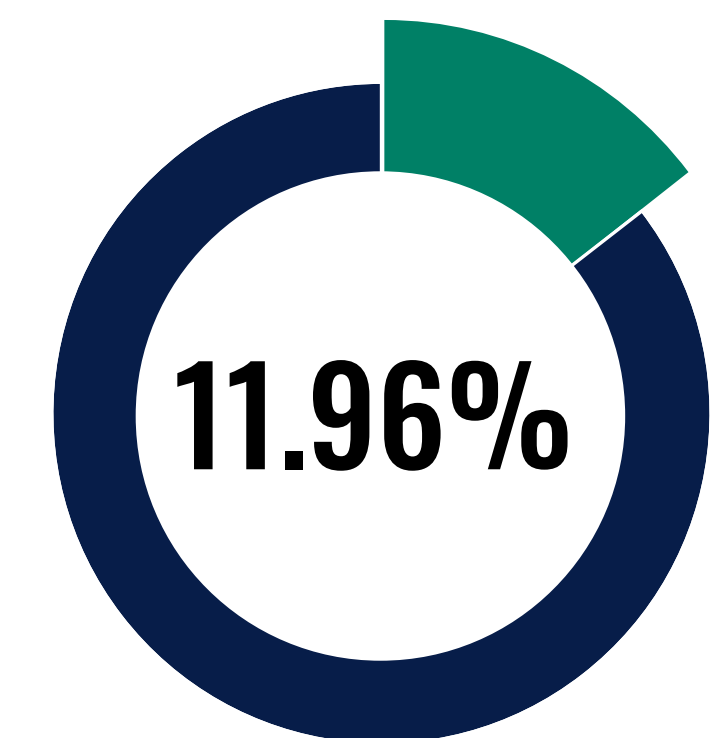
## Scenario analysis



### Total Loss Ratio



### Climate Value-at-Risk



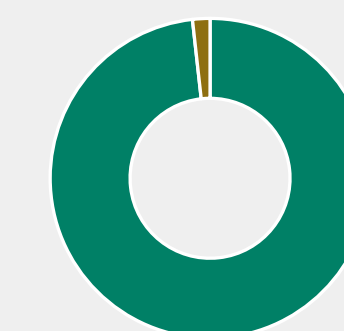
### Percentage of data that is reported

**95.22%**

### Fossil fuel exposure

**10.24%**

### Asset class mix



- Equity (98.24%)
- Fixed income (0.00%)
- Other (1.76%)

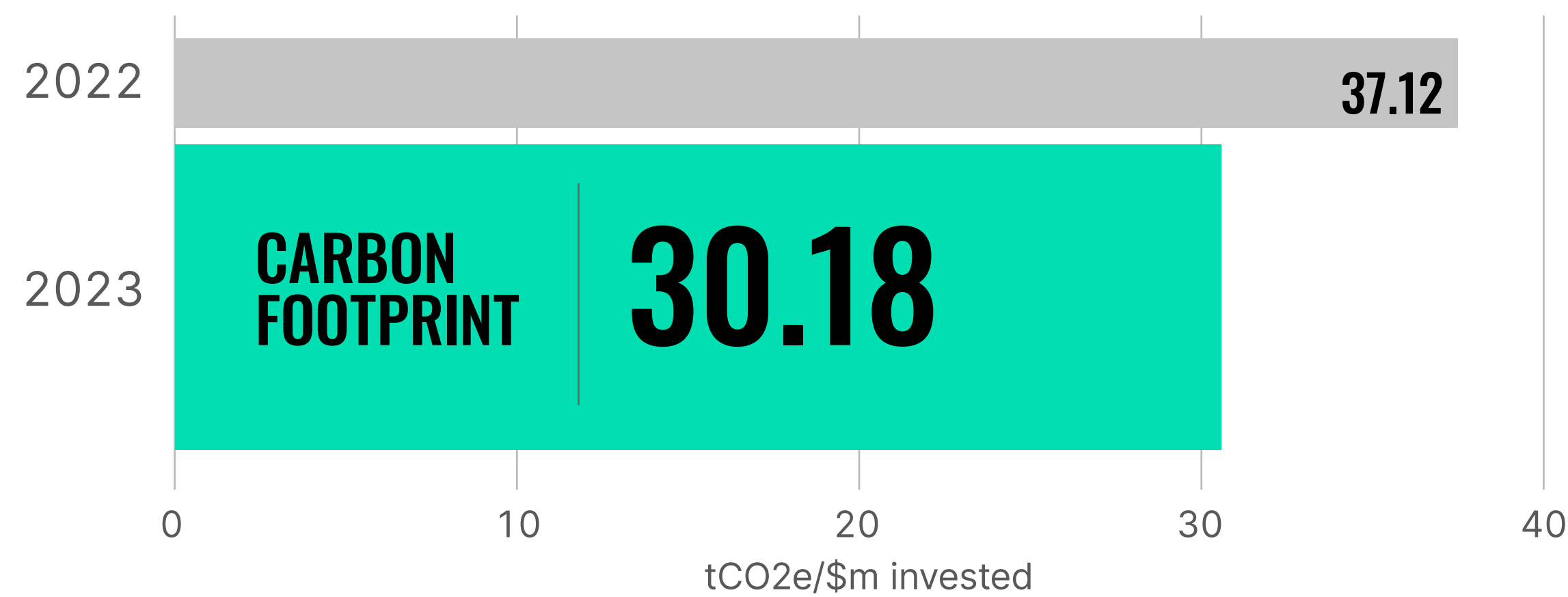
Please select the title of the data points for the definition and methodology.

# HL US Fund

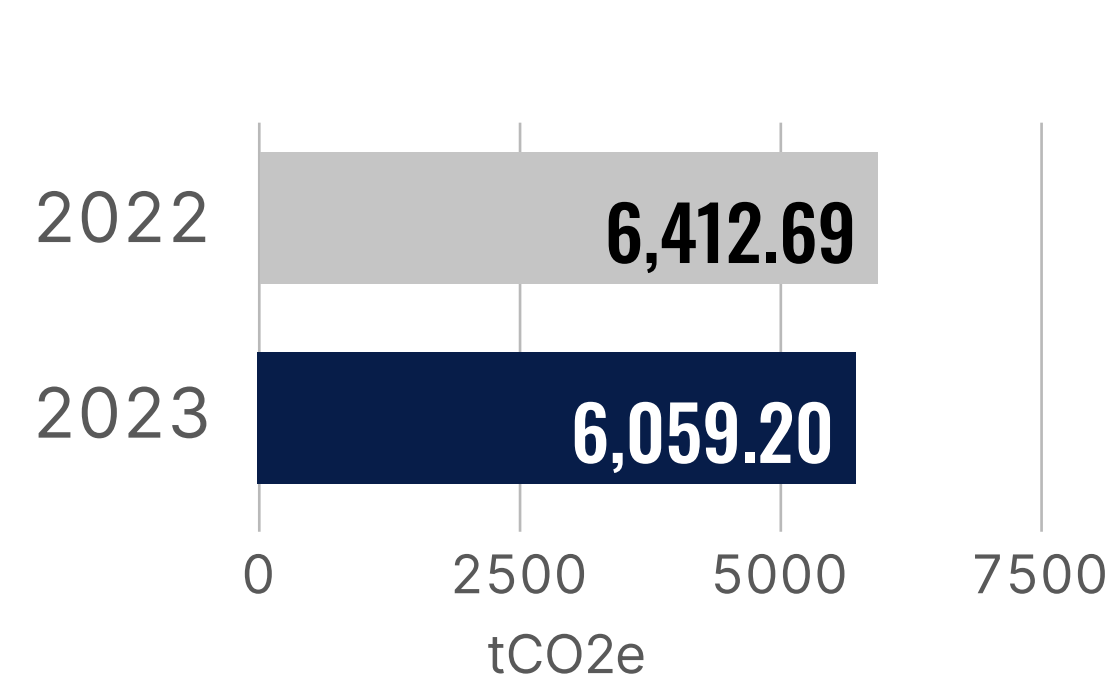
One of our “building blocks” solutions, built as a regionally focused portfolio of multiple funds and managers. The HL US Fund provides exposure to the US market and aims to outperform the market over the long term and in different market conditions.

## Climate-related metrics

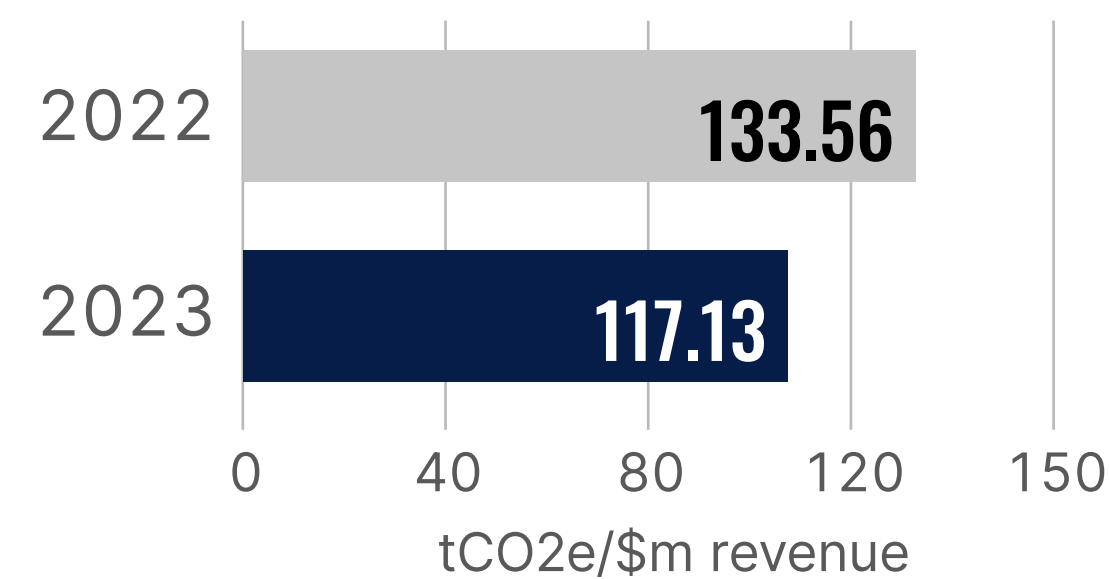
### Carbon footprint



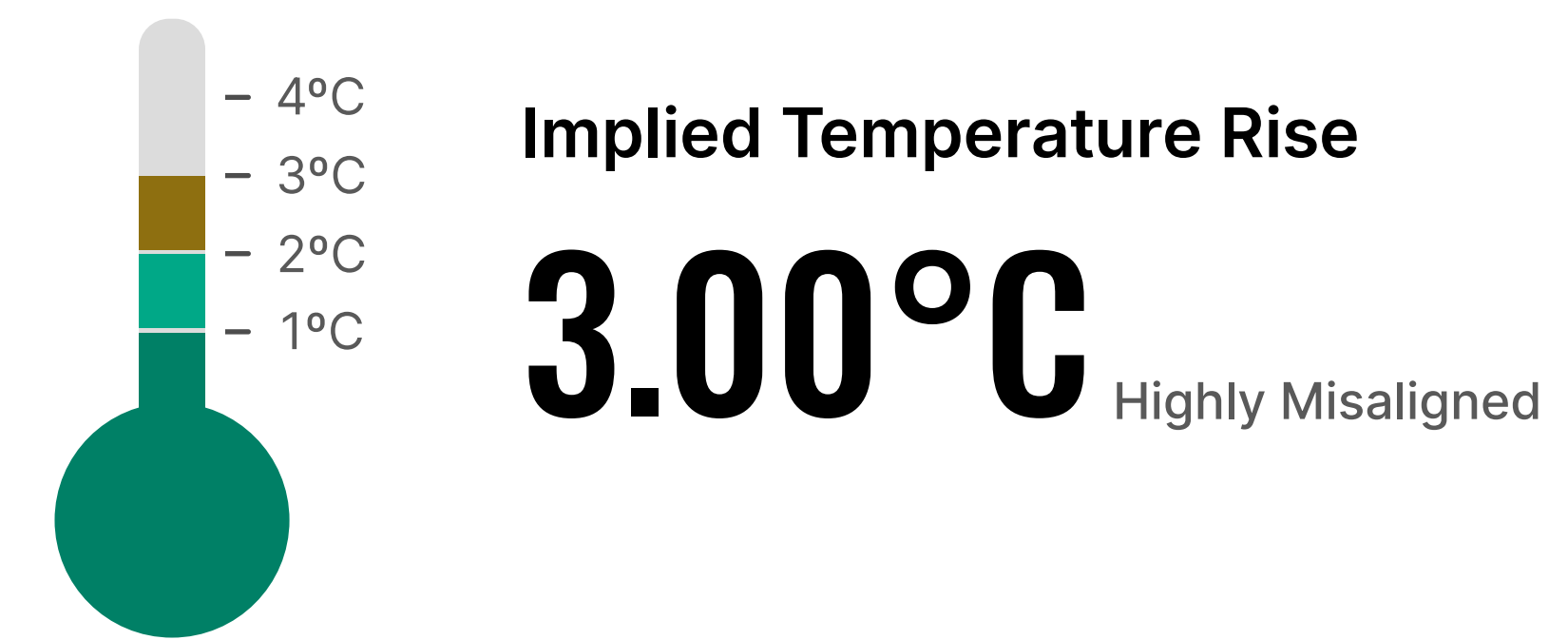
### Total emissions



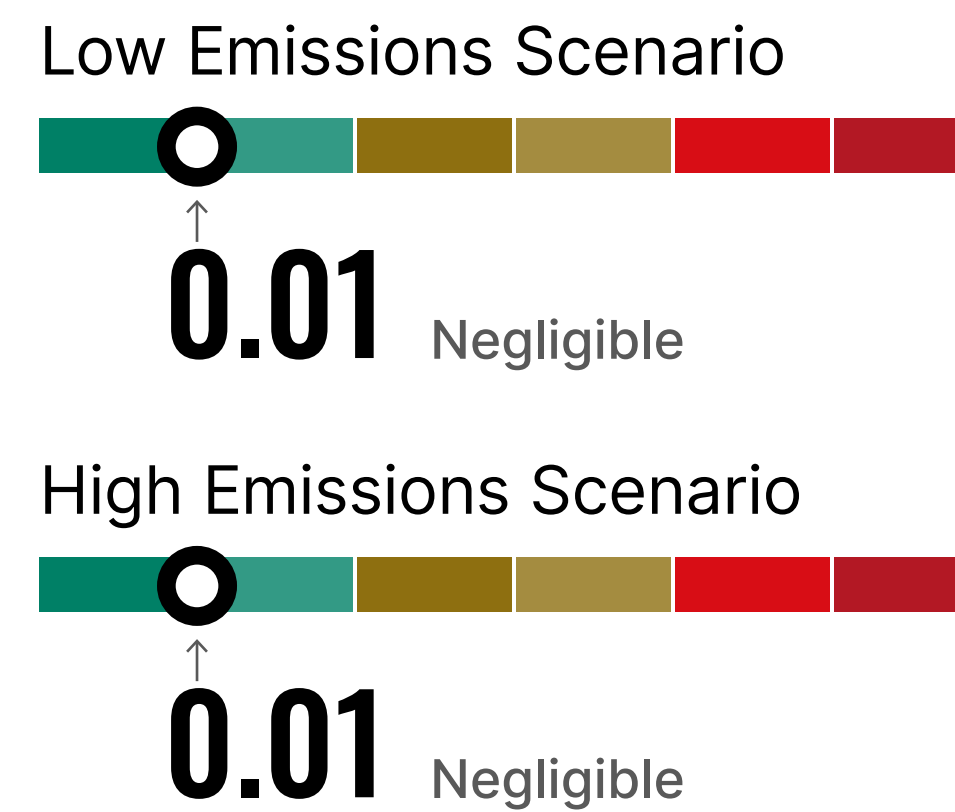
### Weighted average carbon intensity



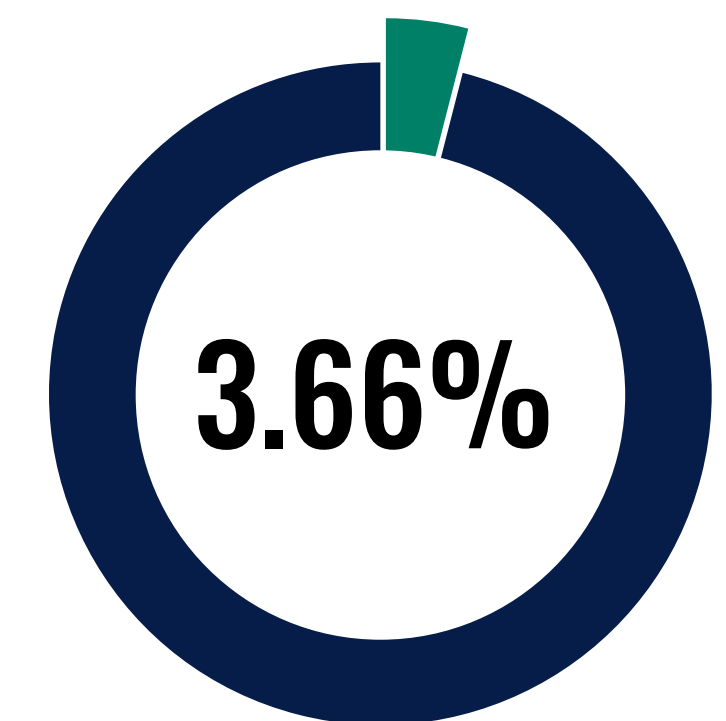
## Scenario analysis



### Total Loss Ratio



### Climate Value-at-Risk



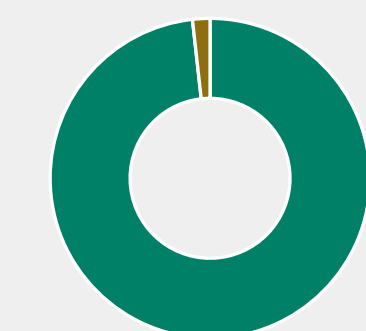
### Percentage of data that is reported

**63.93%**

### Fossil fuel exposure

**9.10%**

### Asset class mix



- Equity (98.53%)
- Fixed income (0.00%)
- Other (1.47%)

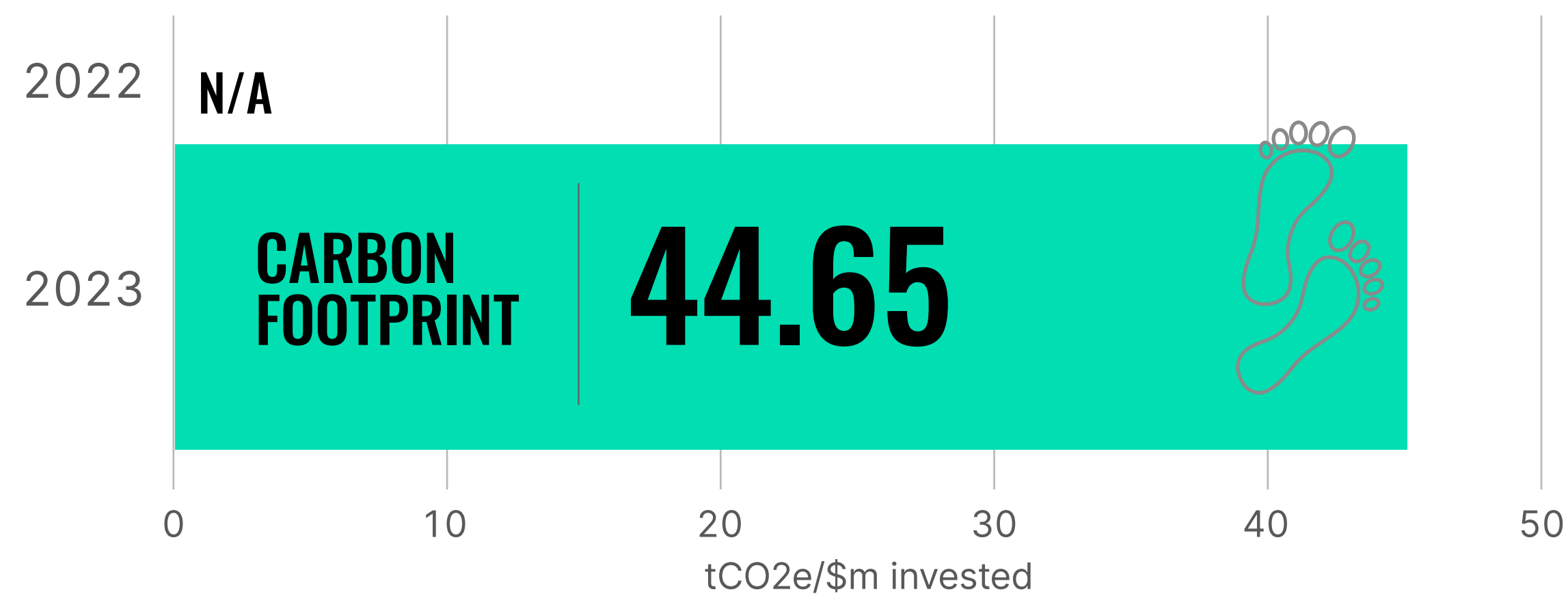
Please select the title of the data points for the definition and methodology.

# HL Global Corporate Bond Fund

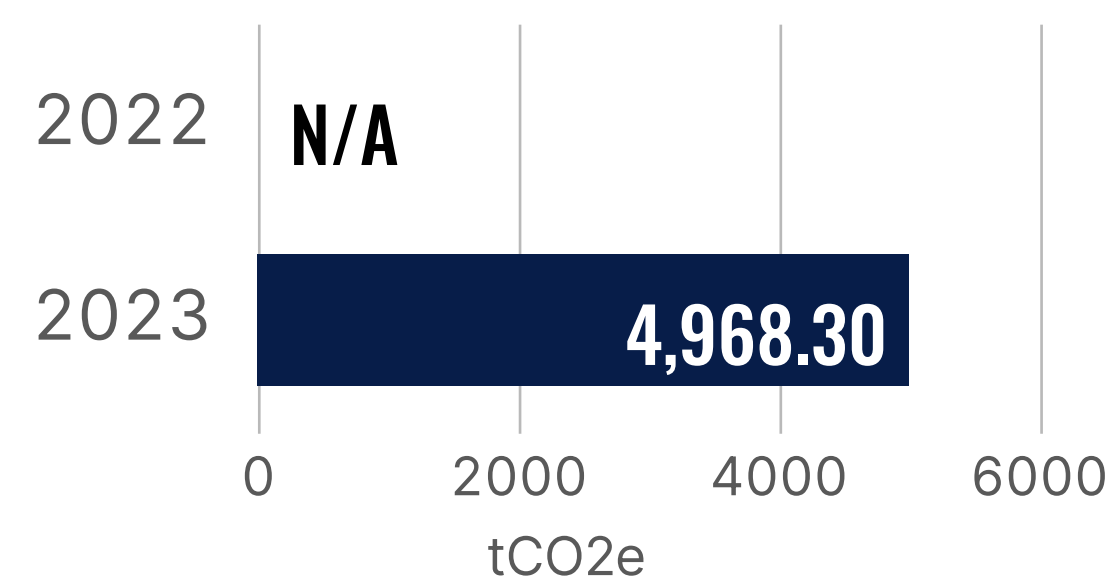
One of our “building blocks” solutions, built as a focused portfolio of multiple managers. The HL Global Corporate Bond Fund provides exposure to the Global Corporate Bonds from high quality companies from around the world and aims to outperform over the long-term. The fund may also pay out income received.

## Climate-related metrics

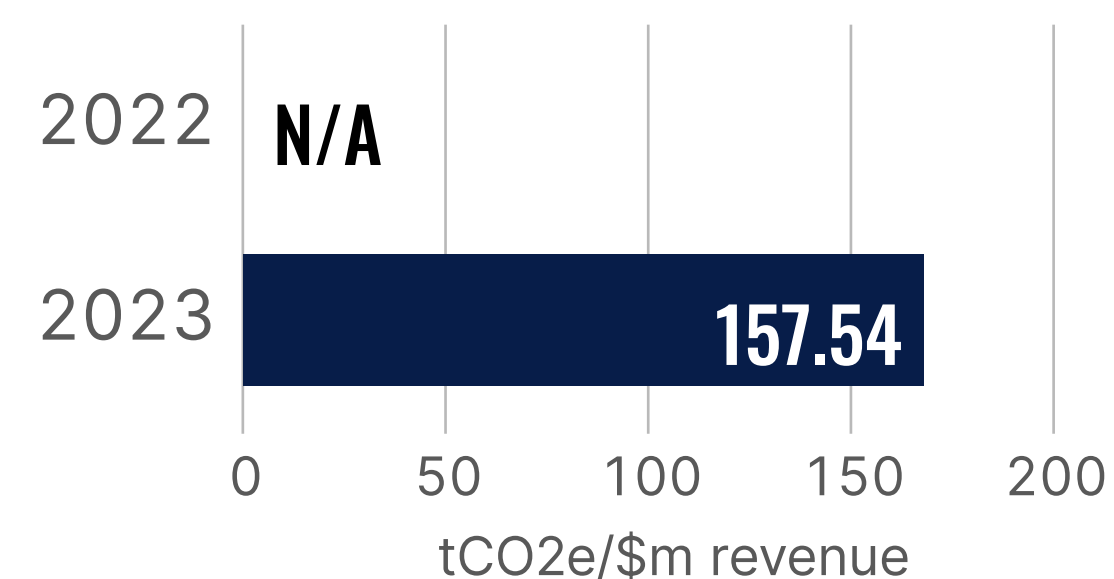
### Carbon footprint



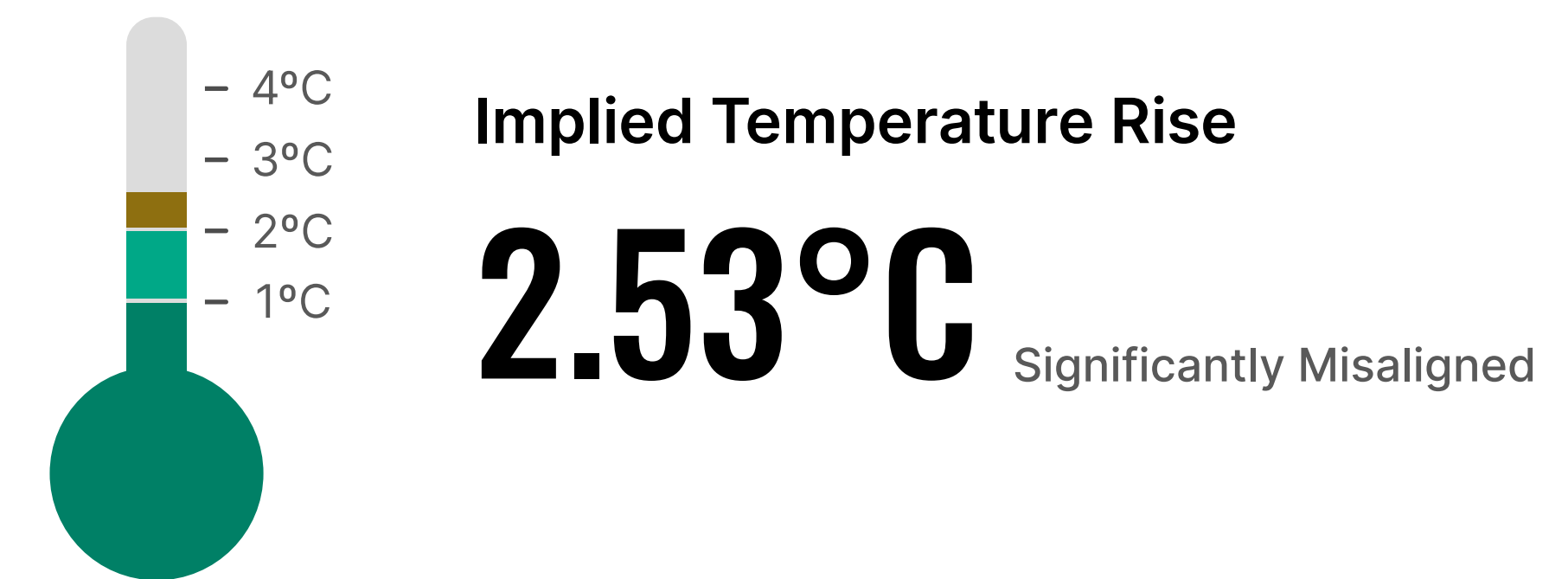
### Total emissions



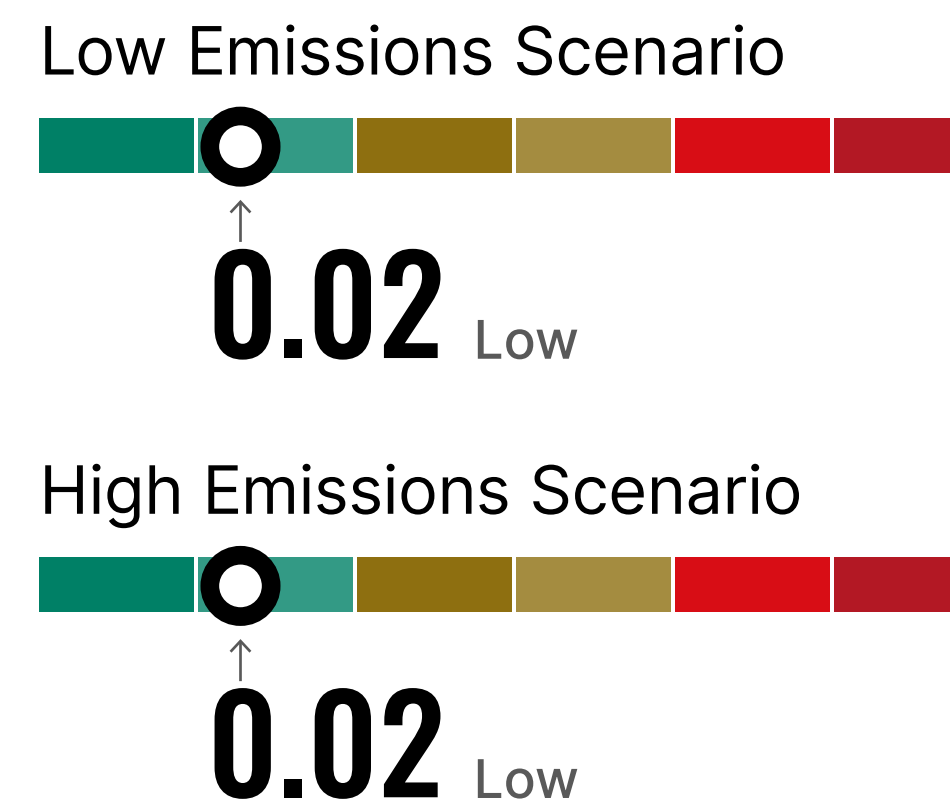
### Weighted average carbon intensity



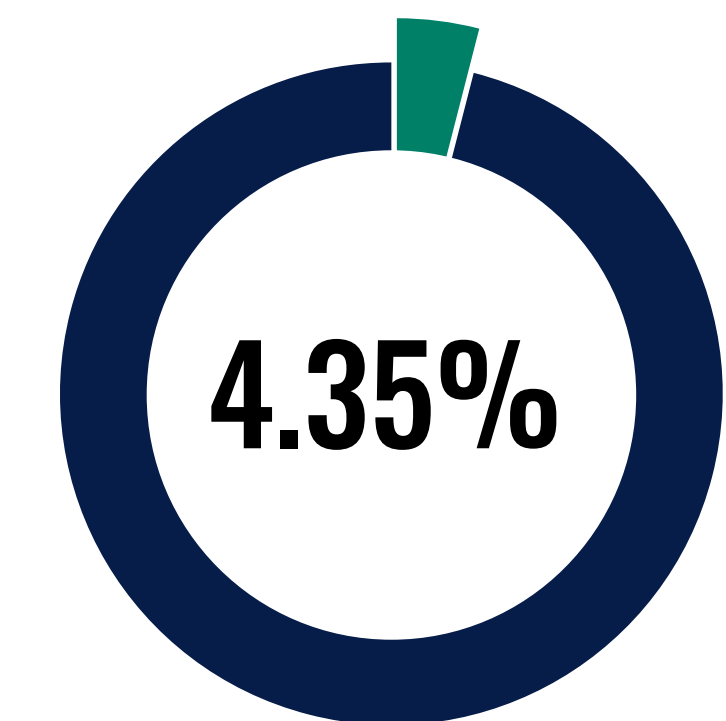
## Scenario analysis



### Total Loss Ratio



### Climate Value-at-Risk



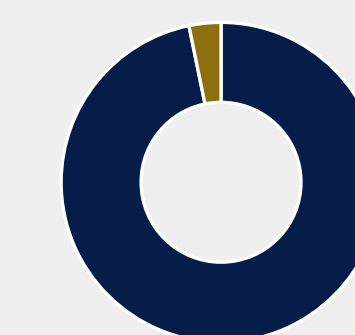
### Percentage of data that is reported

**66.41%**

### Fossil fuel exposure

**12.93%**

### Asset class mix



- Equity (0.00%)
- Fixed income (96.78%)
- Other (3.22%)

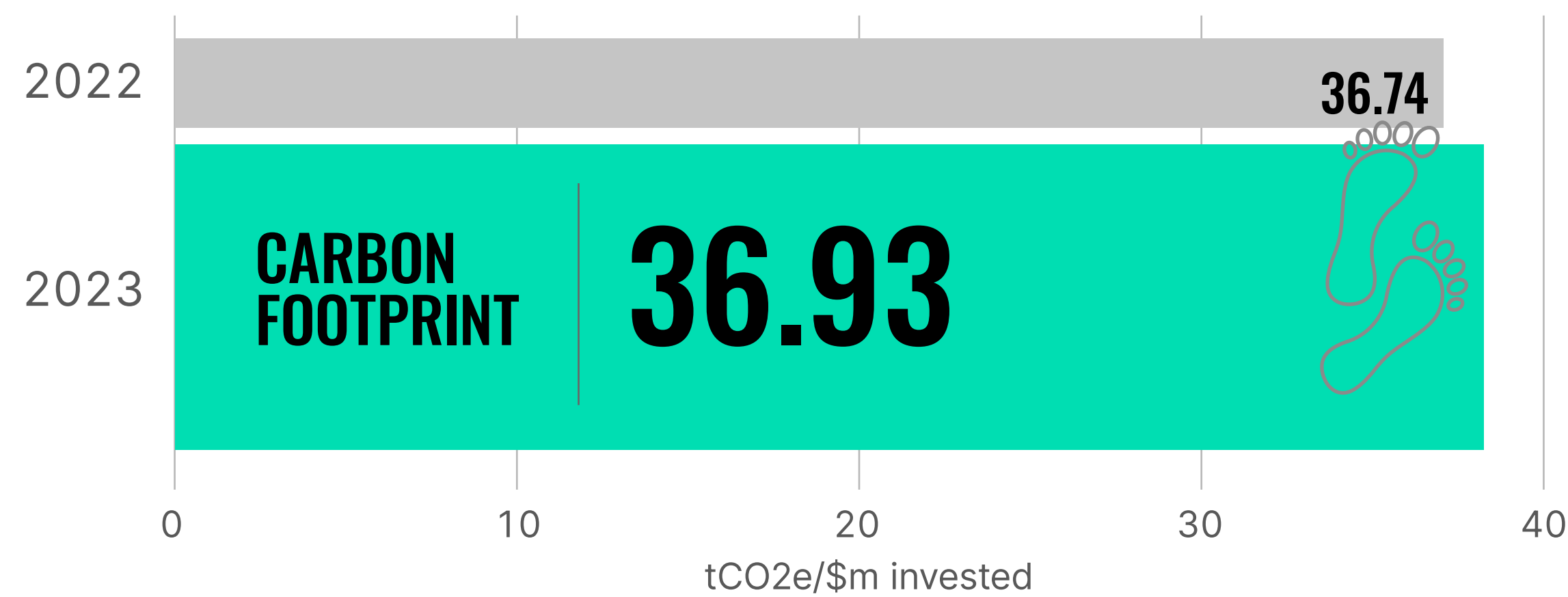
Please select the title of the data points for the definition and methodology.

# HL Growth Fund

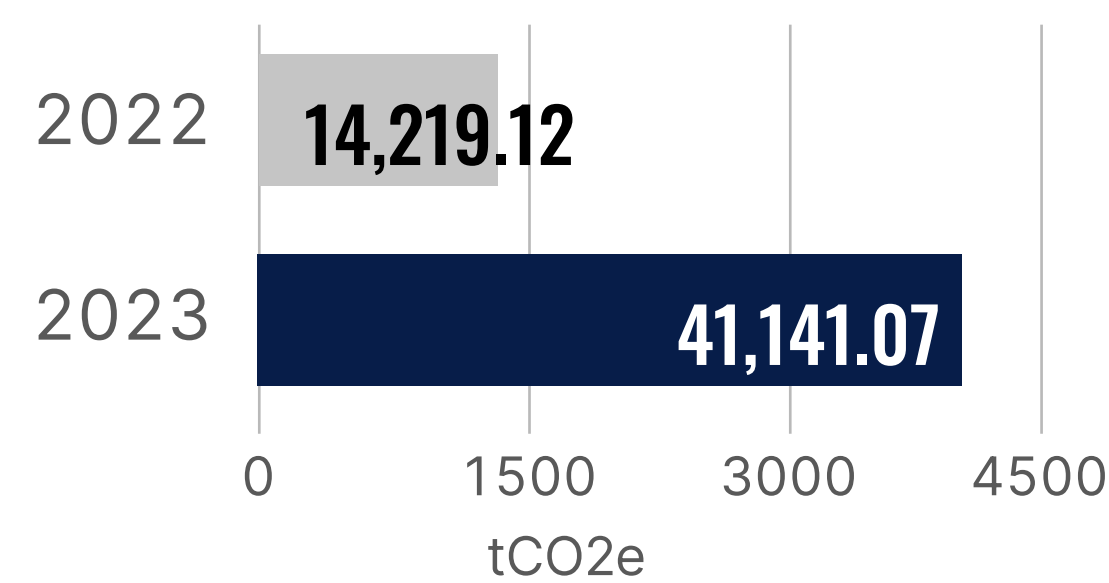
A relatively adventurous multi-asset fund targeting long-term growth over rolling ten-year periods. The fund invests primarily in passive underlying funds to keep the cost to investors as low as possible.

## Climate-related metrics

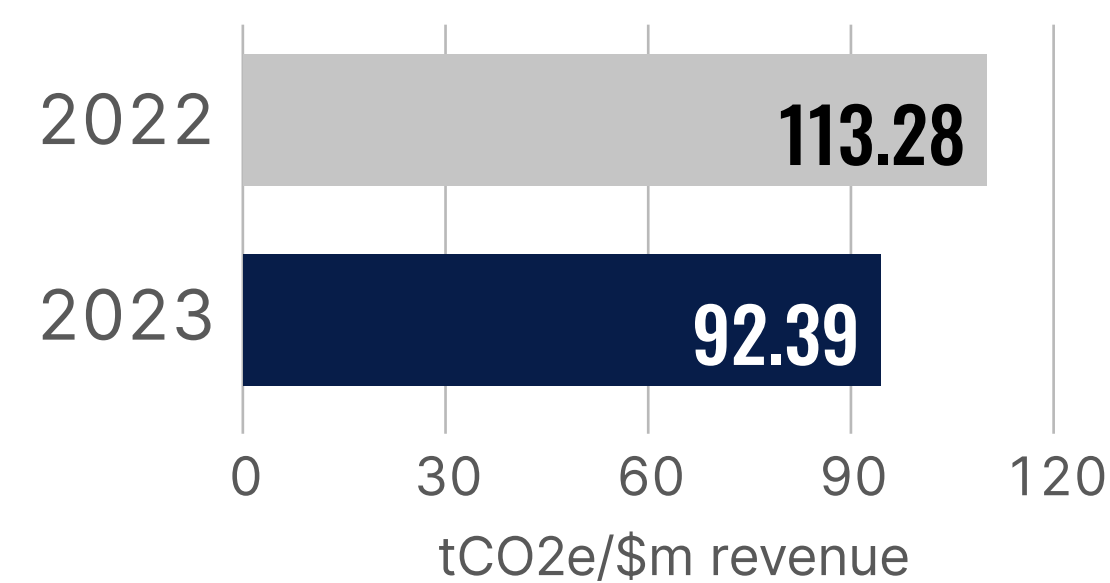
### Carbon footprint



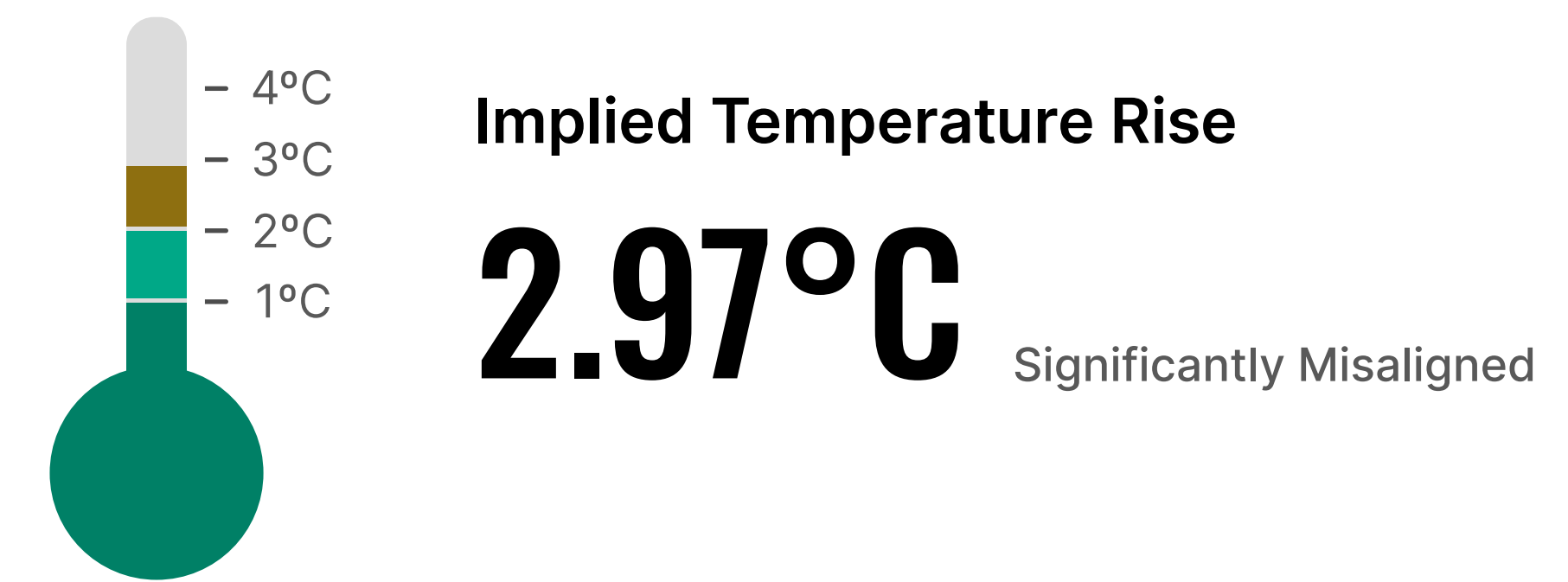
### Total emissions



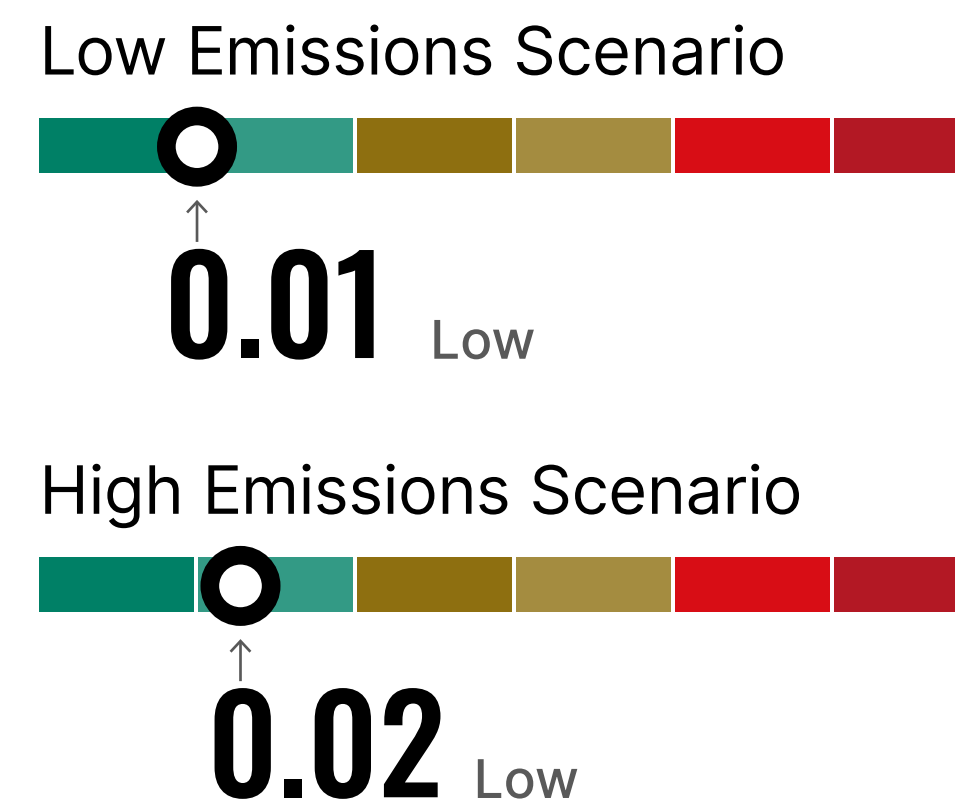
### Weighted average carbon intensity



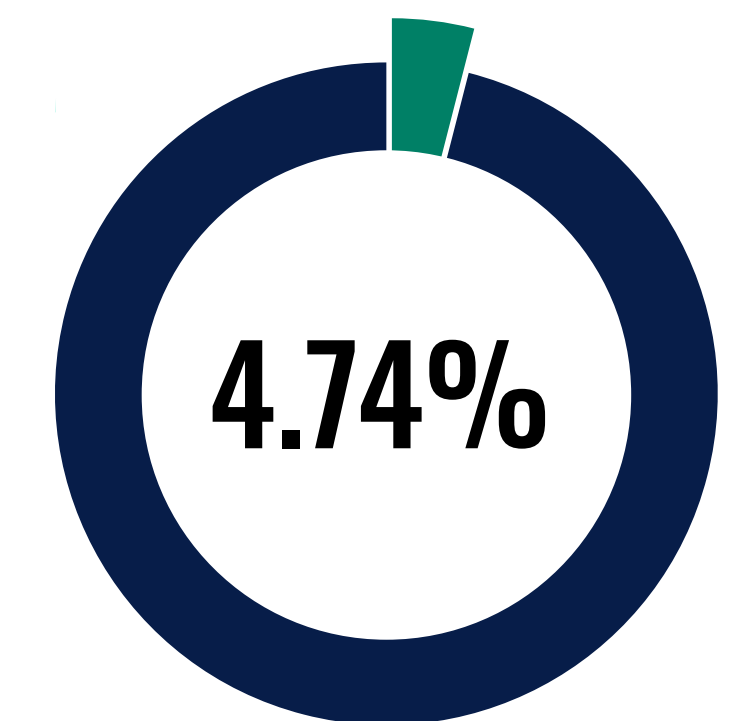
## Scenario analysis



### Total Loss Ratio



### Climate Value-at-Risk



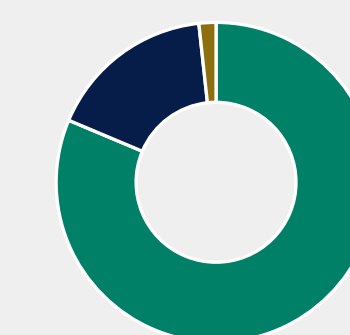
### Percentage of data that is reported

**68.52%**

### Fossil fuel exposure

**5.95%**

### Asset class mix



- Equity (81.34%)
- Fixed income (16.94%)
- Other (1.72%)

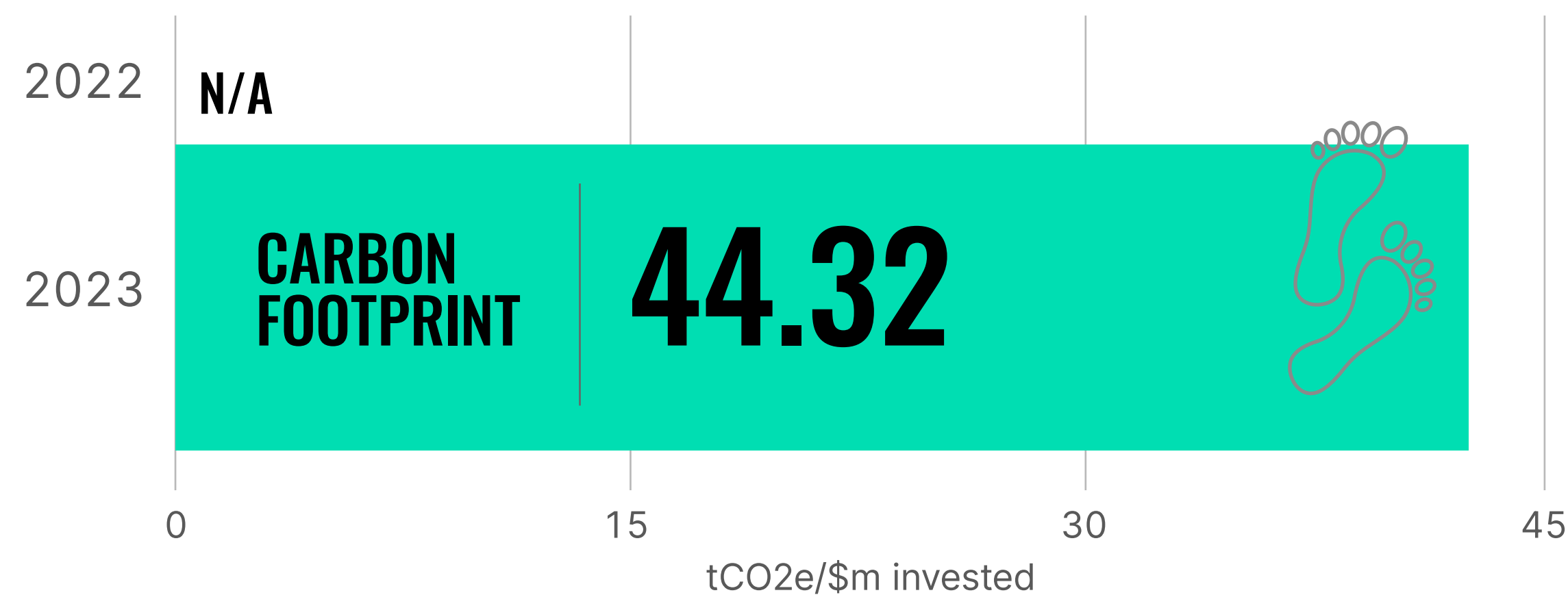
Please select the title of the data points for the definition and methodology.

# HL Multi Index Moderately Adventurous Fund

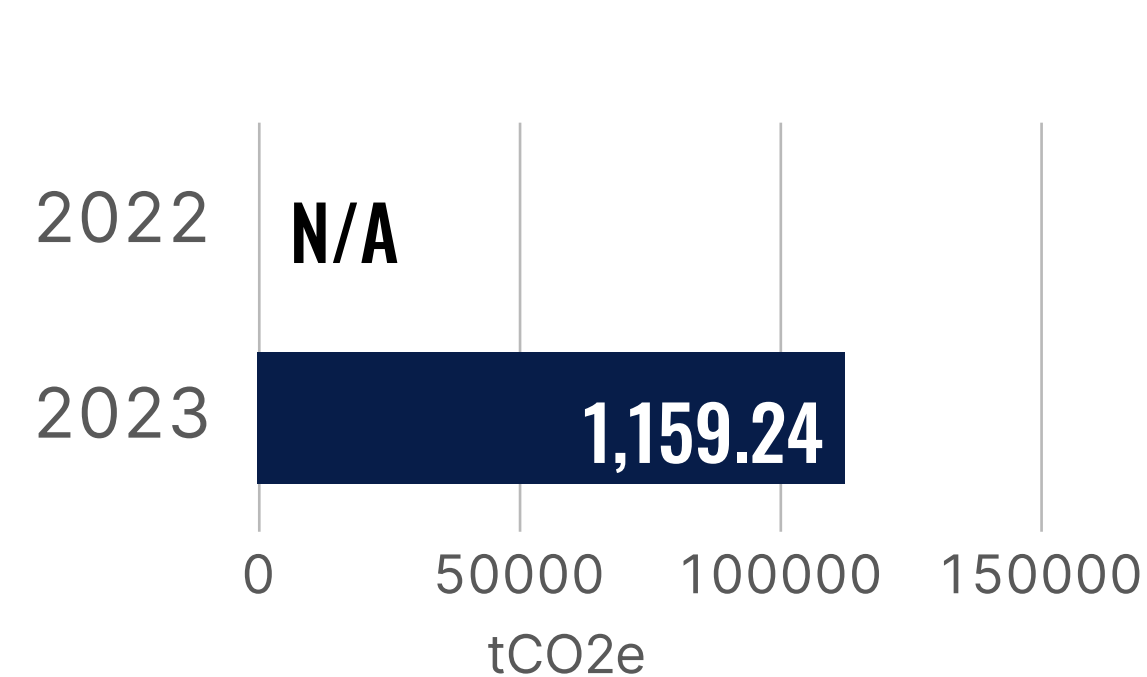
One of four expert managed portfolios built by carefully selecting the best opportunities / managers. With a mix of global shares (including emerging market shares) and bonds, the portfolio is designed to deliver the highest growth potential possible while maintaining a moderately adventurous approach to risk.

## Climate-related metrics

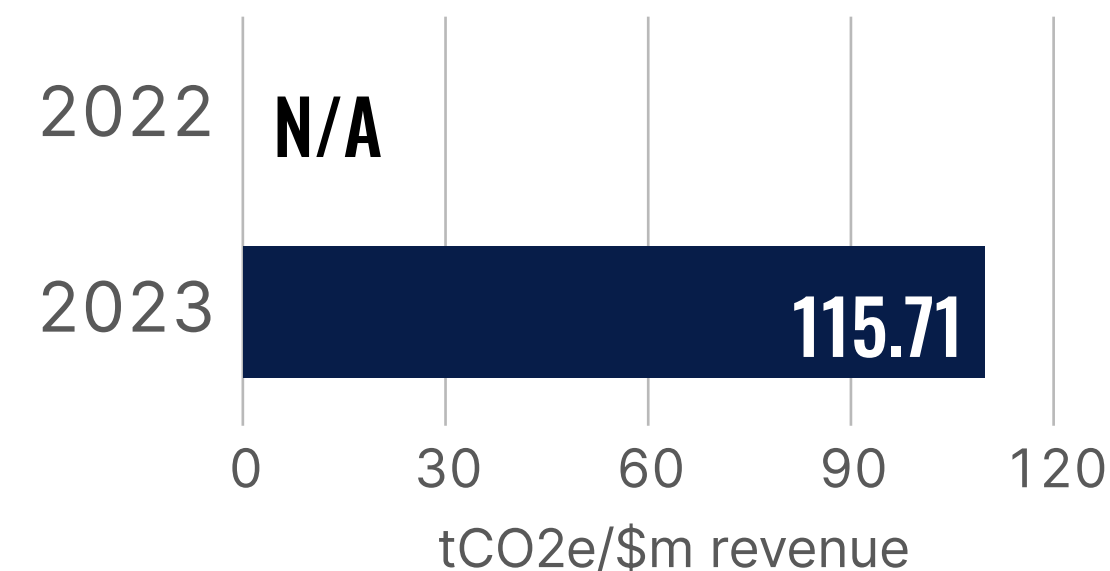
### Carbon footprint



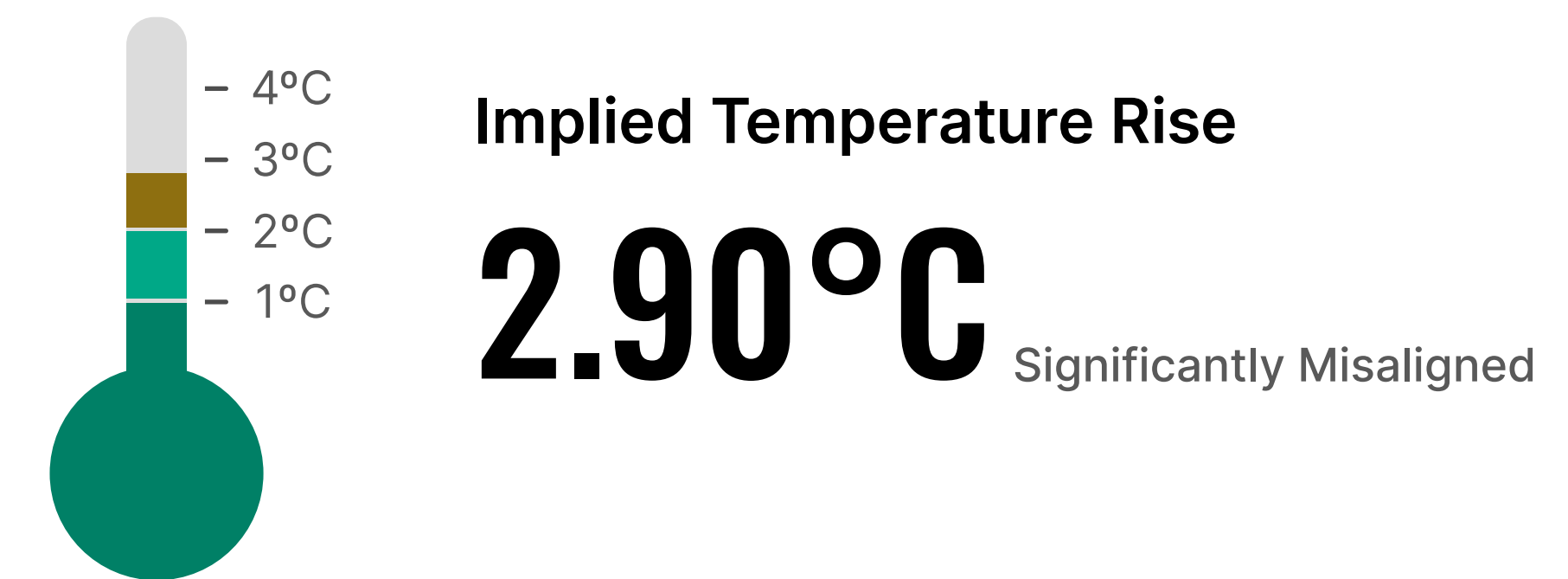
### Total emissions



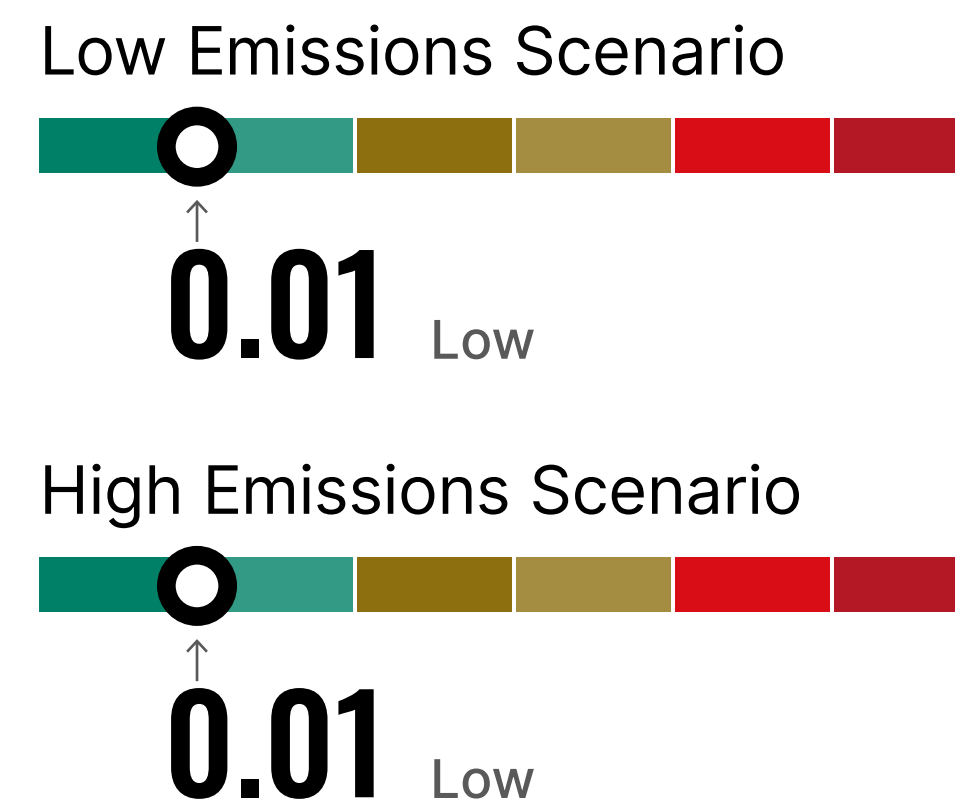
### Weighted average carbon intensity



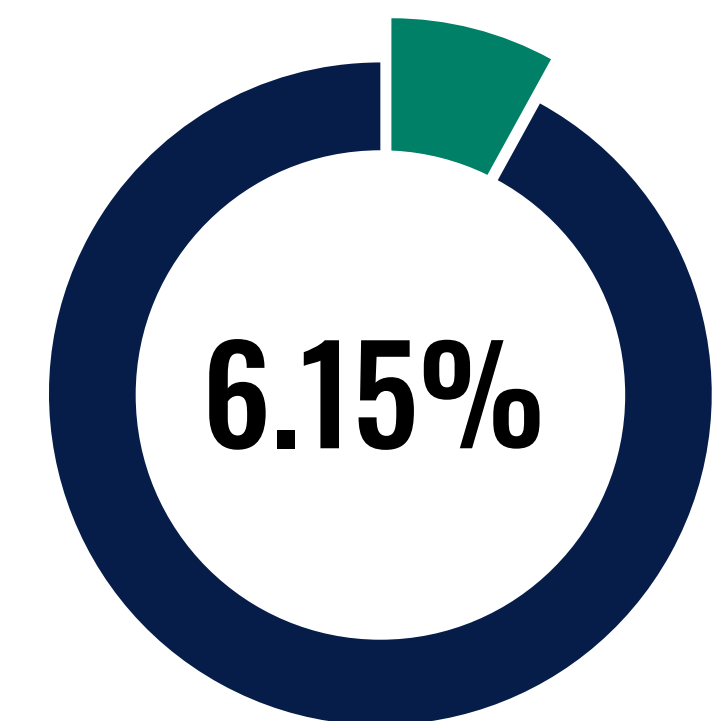
## Scenario analysis



### Total Loss Ratio



### Climate Value-at-Risk



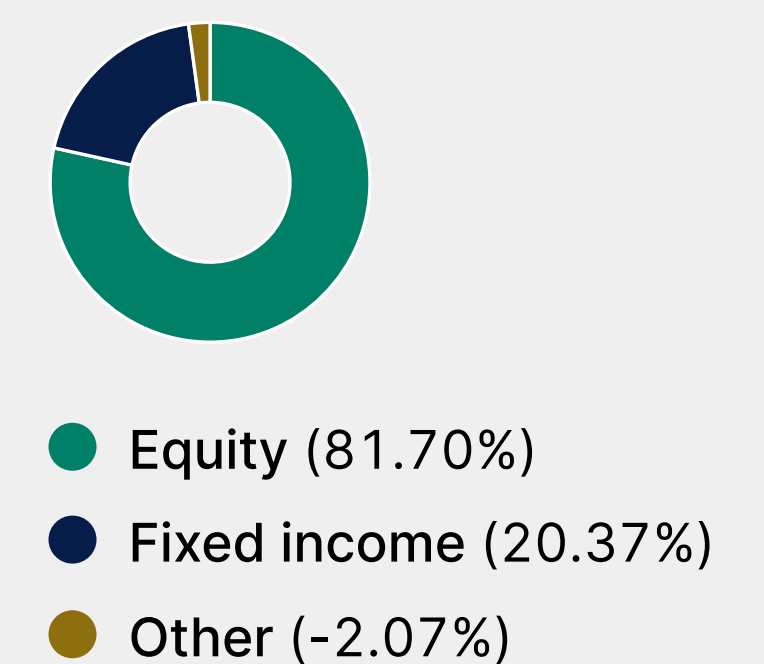
### Percentage of data that is reported

**73.29%**

### Fossil fuel exposure

**8.25%**

### Asset class mix



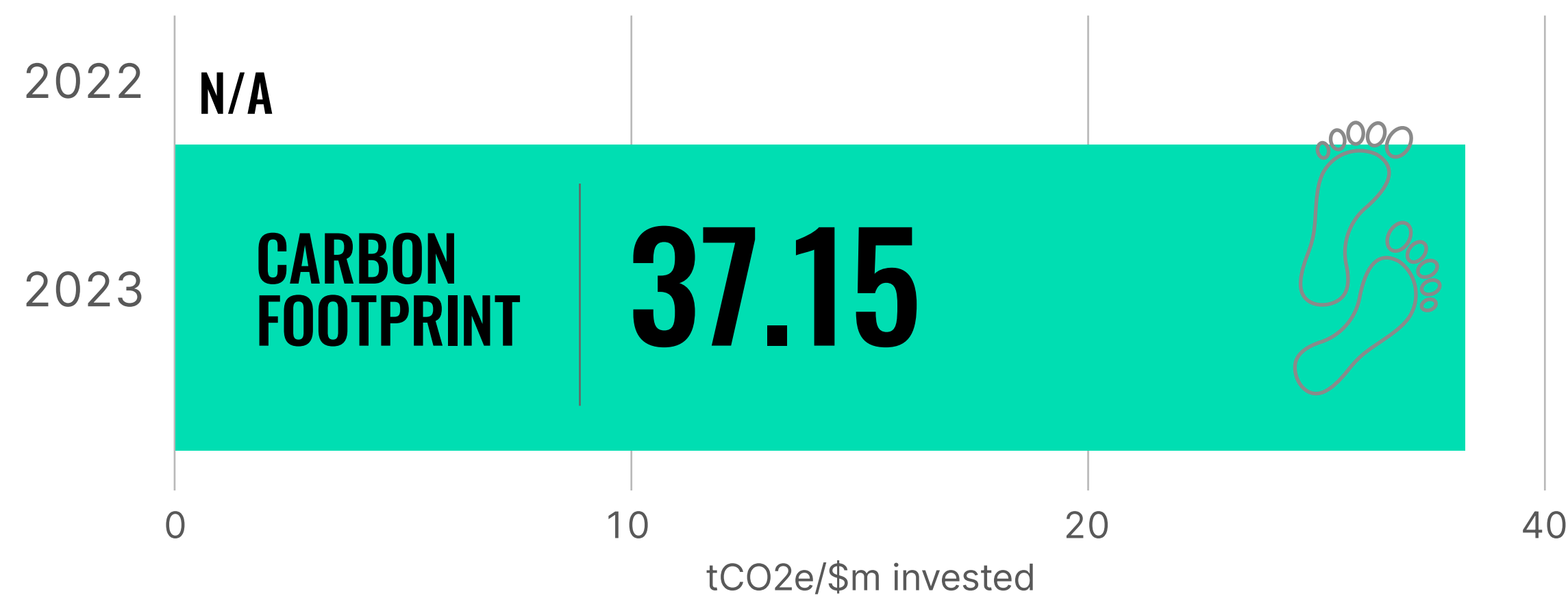
Please select the title of the data points for the definition and methodology.

# HL Multi Index Cautious Fund

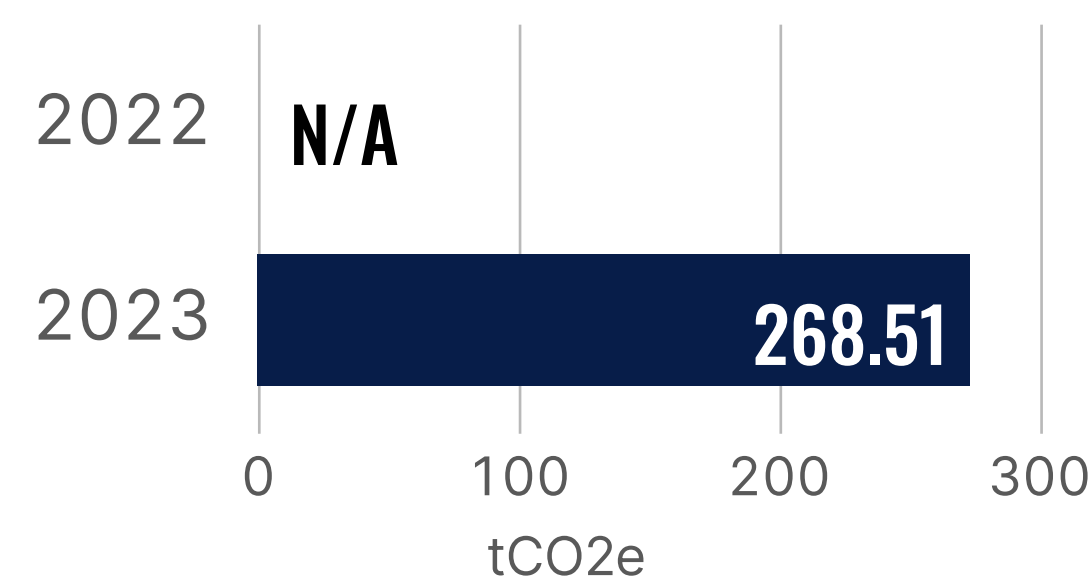
A low-cost fund globally diversified, for investors with a cautious attitude to risk. The fund invests predominantly in bonds, with a focus on lower risk government bonds and high-quality corporate bonds. To help deliver long-term growth, the fund also invests a smaller portion in company shares, including a small amount in higher risk emerging markets.

## Climate-related metrics

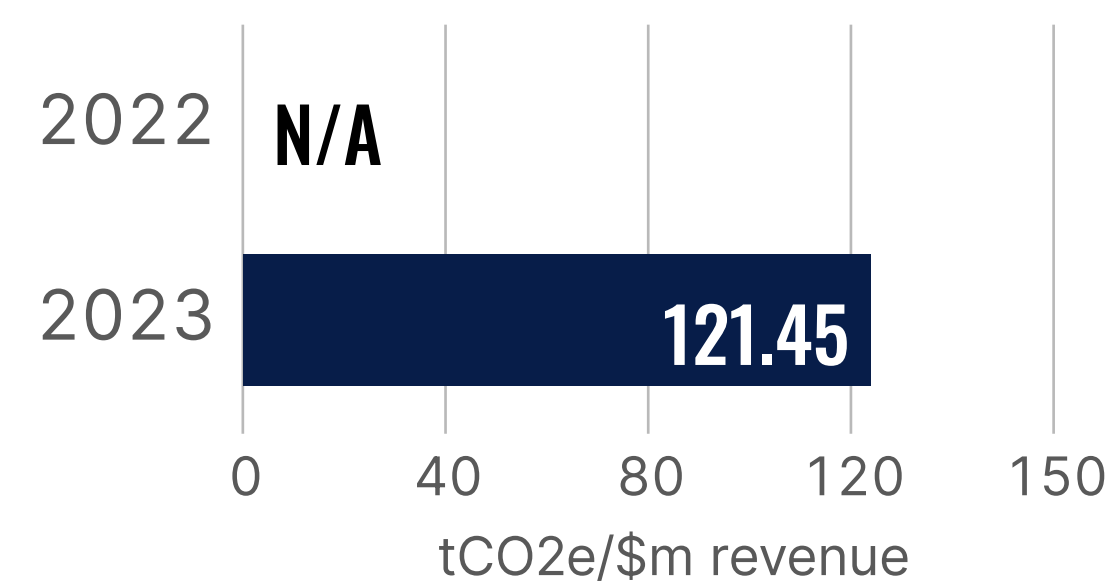
### Carbon footprint



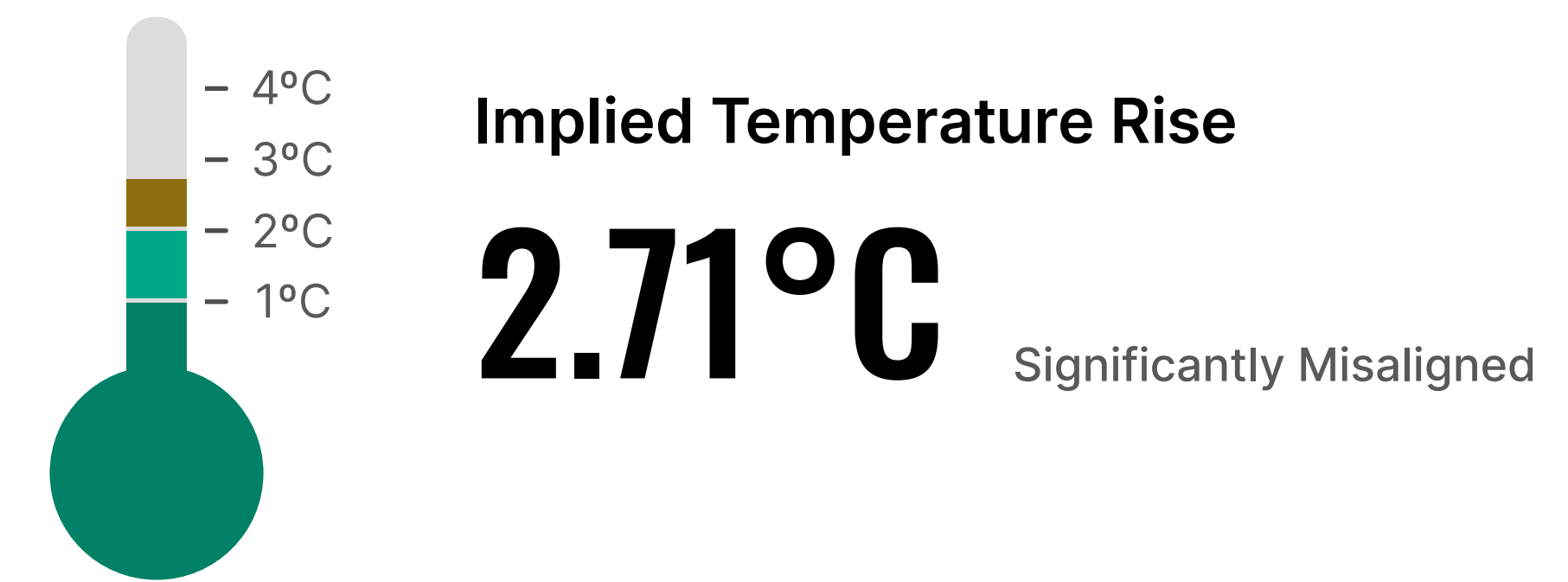
### Total emissions



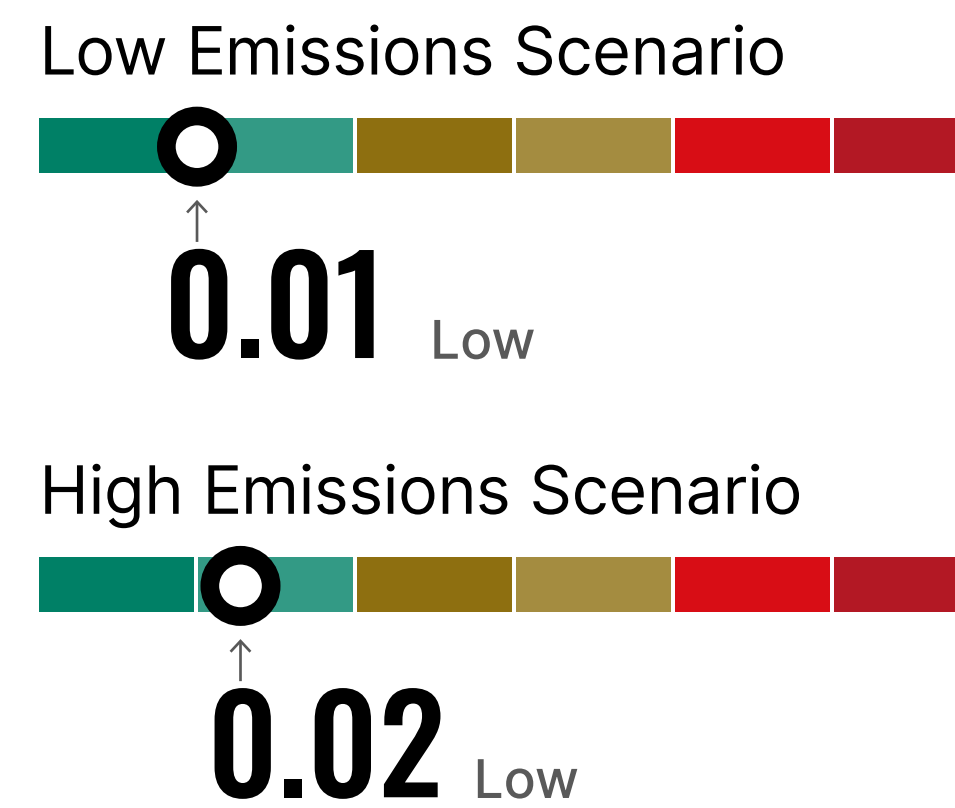
### Weighted average carbon intensity



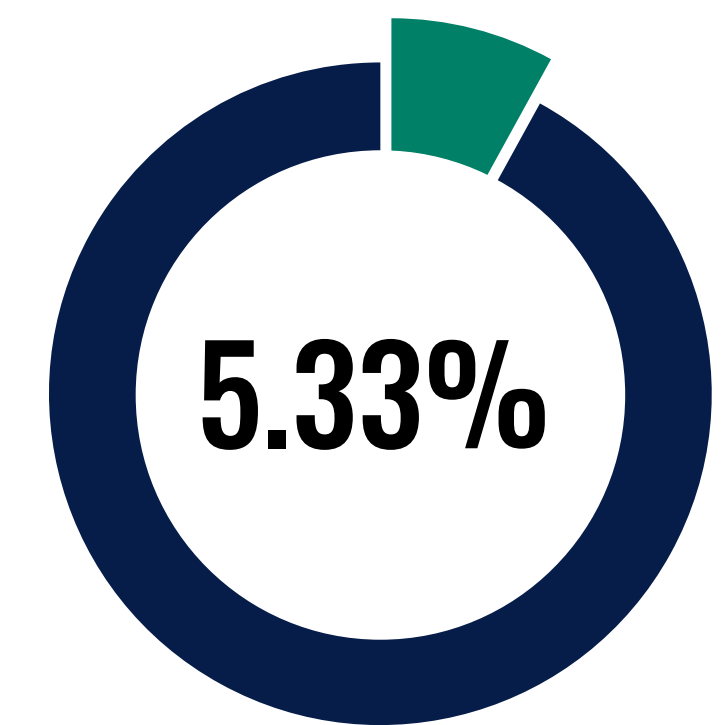
## Scenario analysis



### Total Loss Ratio



### Climate Value-at-Risk



### Percentage of data that is reported

**43.14%**

### Fossil fuel exposure

**3.73%**

### Asset class mix



- Equity (30.34%)
- Fixed income (70.84%)

Please select the title of the data points for the definition and methodology.

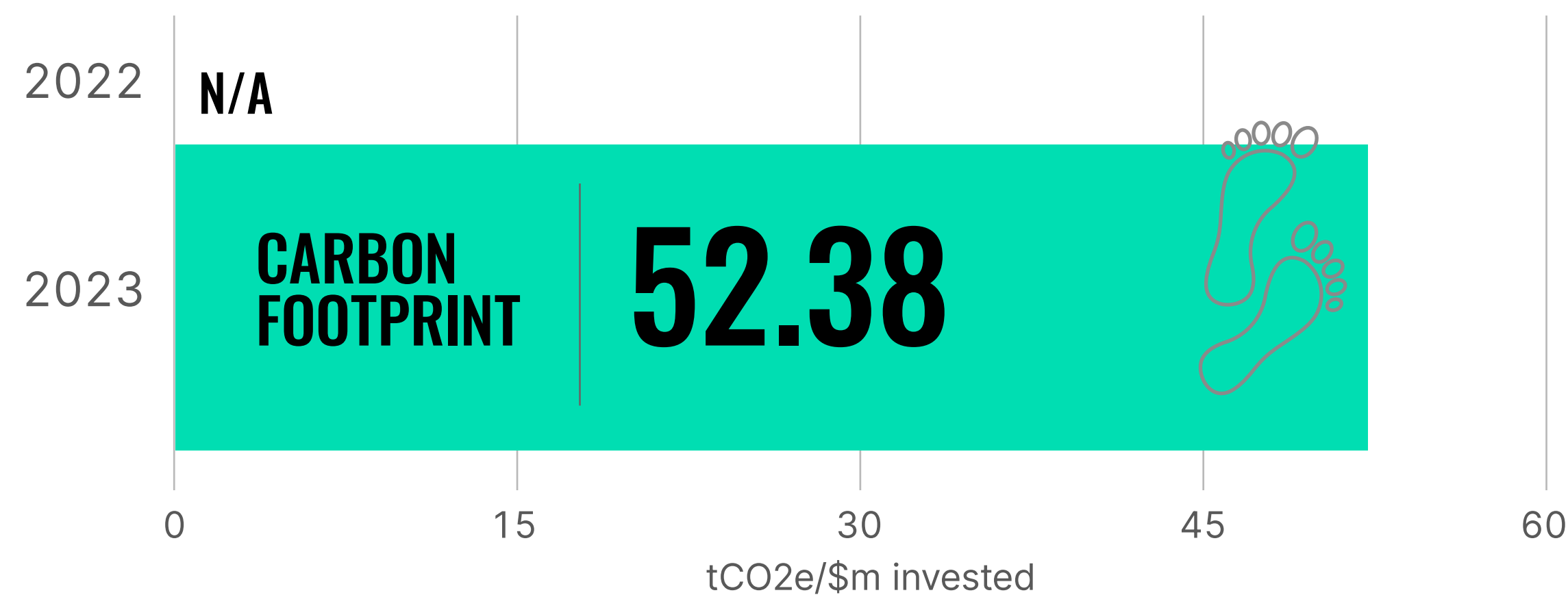


# HL Adventurous Managed Fund

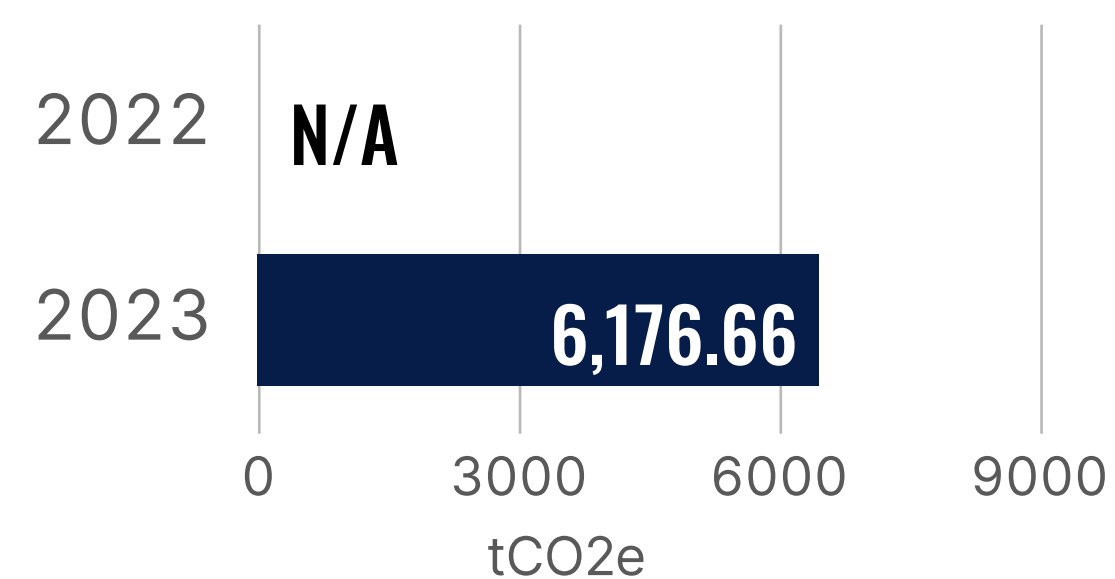
One of four expert managed portfolios built by carefully selecting the best opportunities / managers. With a mix of global shares (including emerging market shares), the portfolio is designed to deliver the highest growth potential possible while maintaining an adventurous approach to risk.

## Climate-related metrics

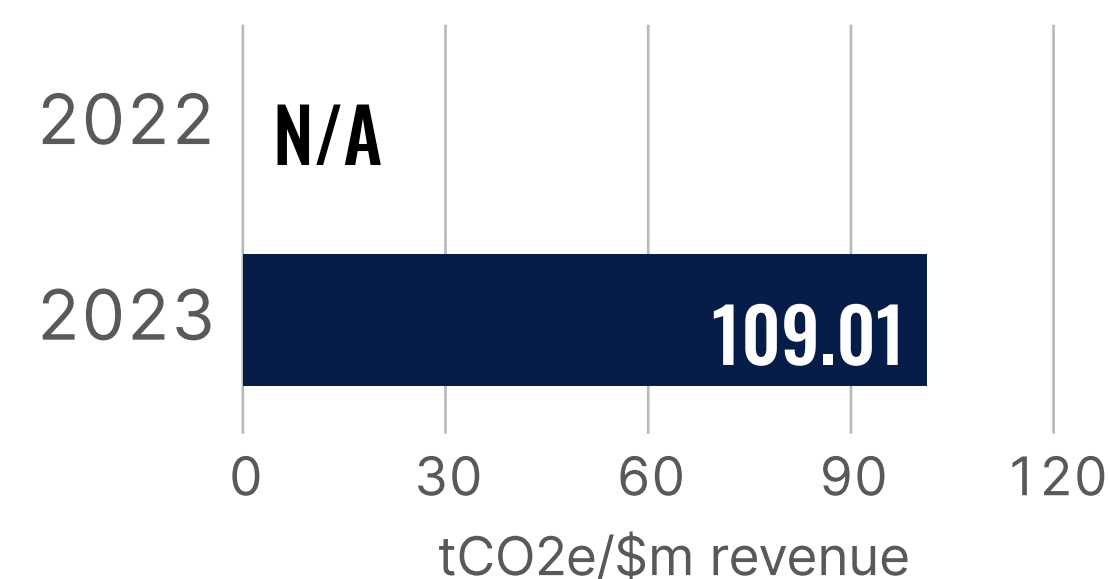
### Carbon footprint



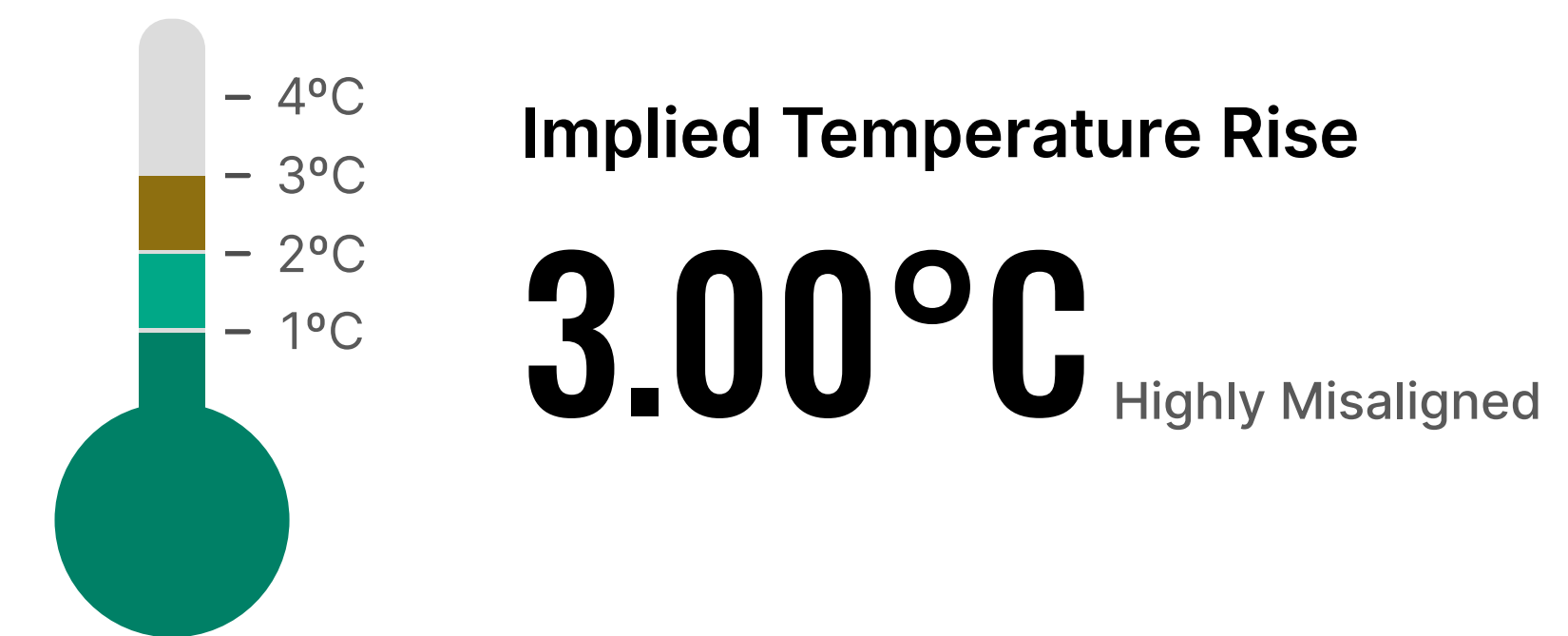
### Total emissions



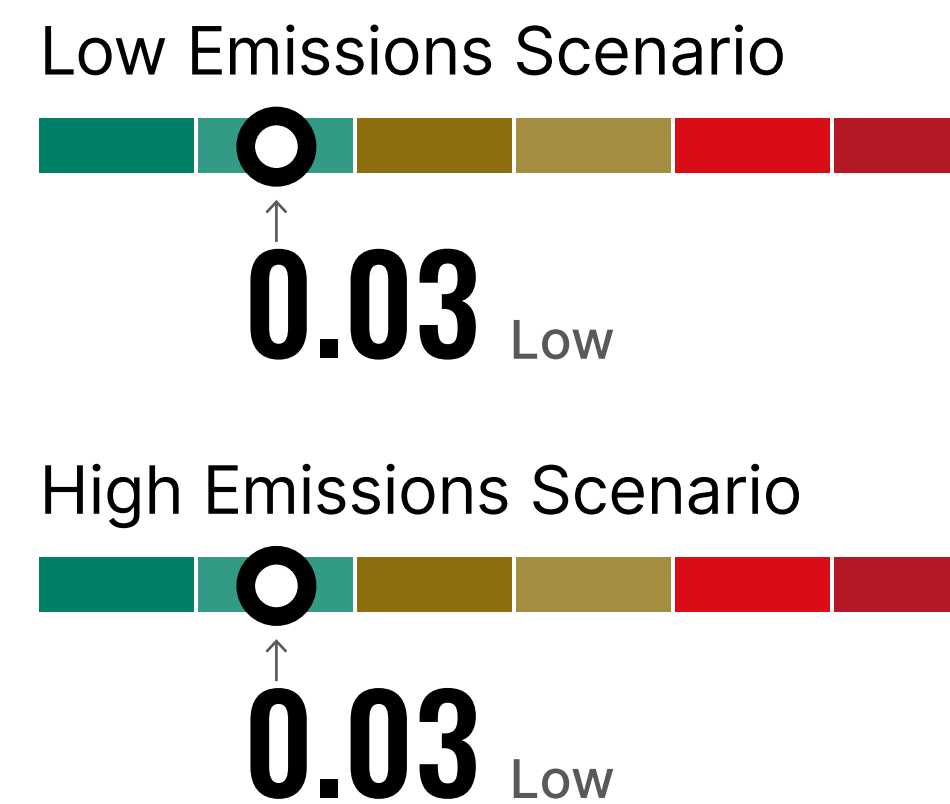
### Weighted average carbon intensity



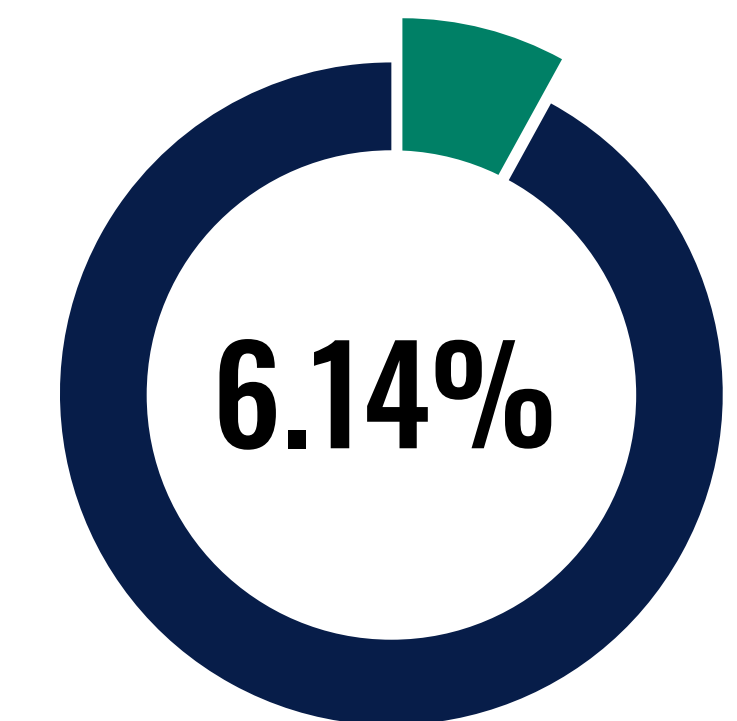
## Scenario analysis



### Total Loss Ratio



### Climate Value-at-Risk



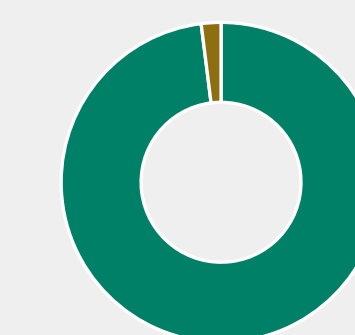
### Percentage of data that is reported

**73.34%**

### Fossil fuel exposure

**8.45%**

### Asset class mix



- Equity (98.01%)
- Fixed income (0.00%)
- Other (1.99%)

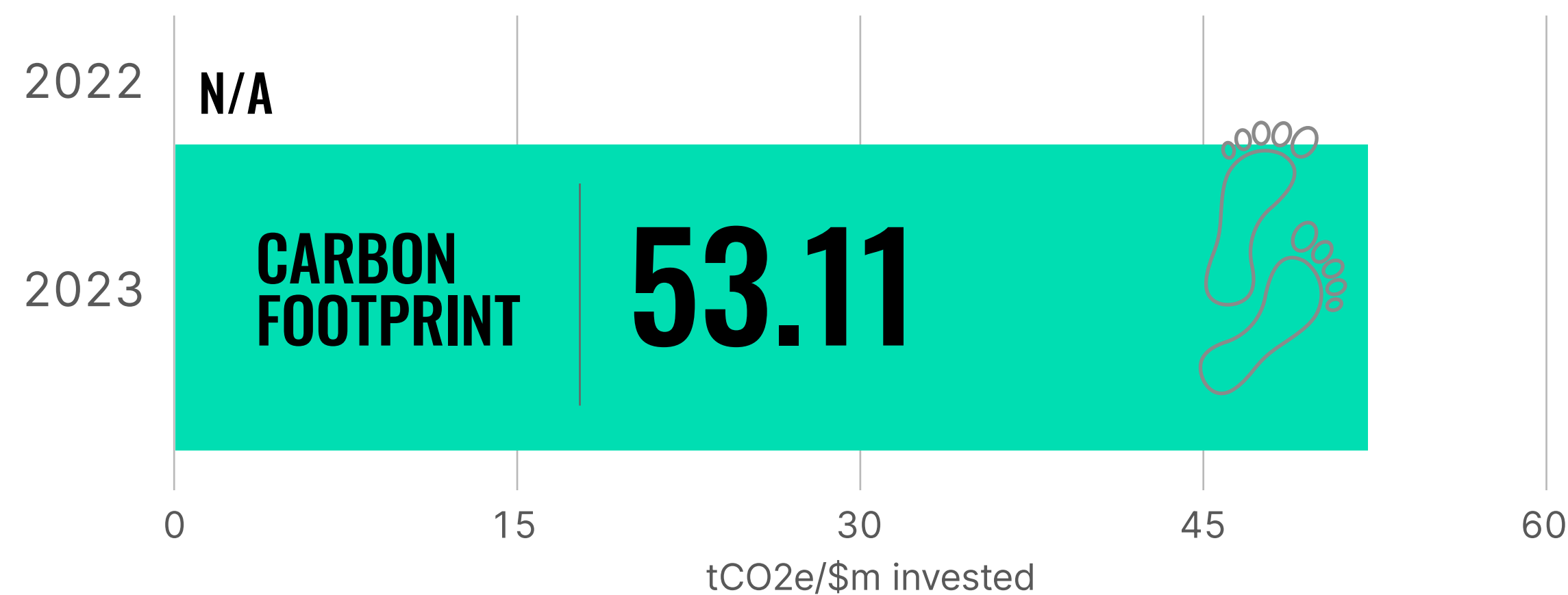
Please select the title of the data points for the definition and methodology.

# HL Moderately Adventurous Managed Fund

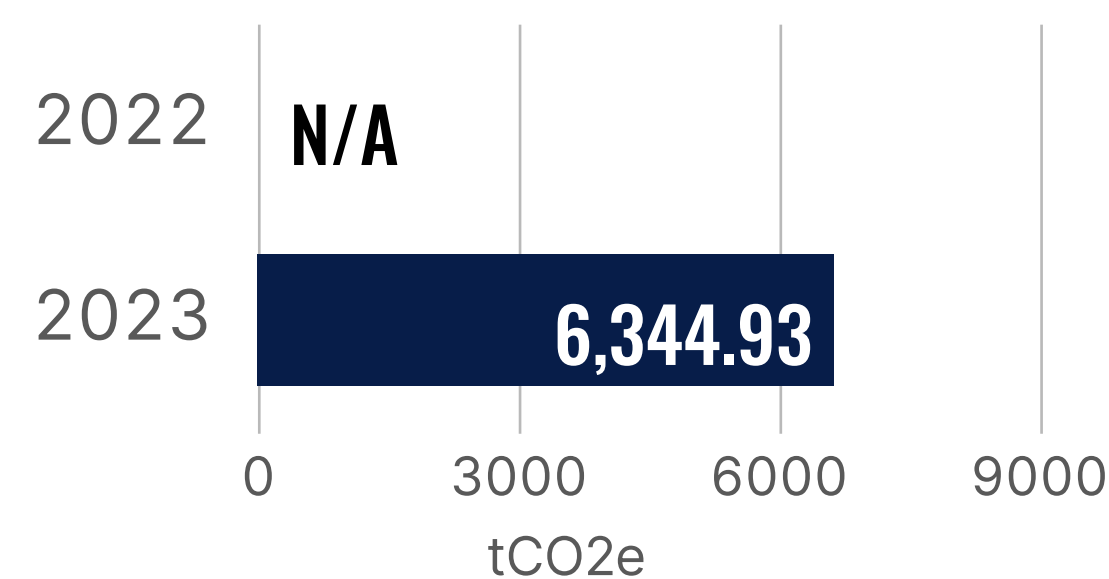
One of four expert managed portfolios built by carefully selecting the best opportunities / managers. With a mix of global shares (including emerging market shares) and bonds, the portfolio is designed to deliver the highest growth potential possible while maintaining a moderately adventurous approach to risk.

## Climate-related metrics

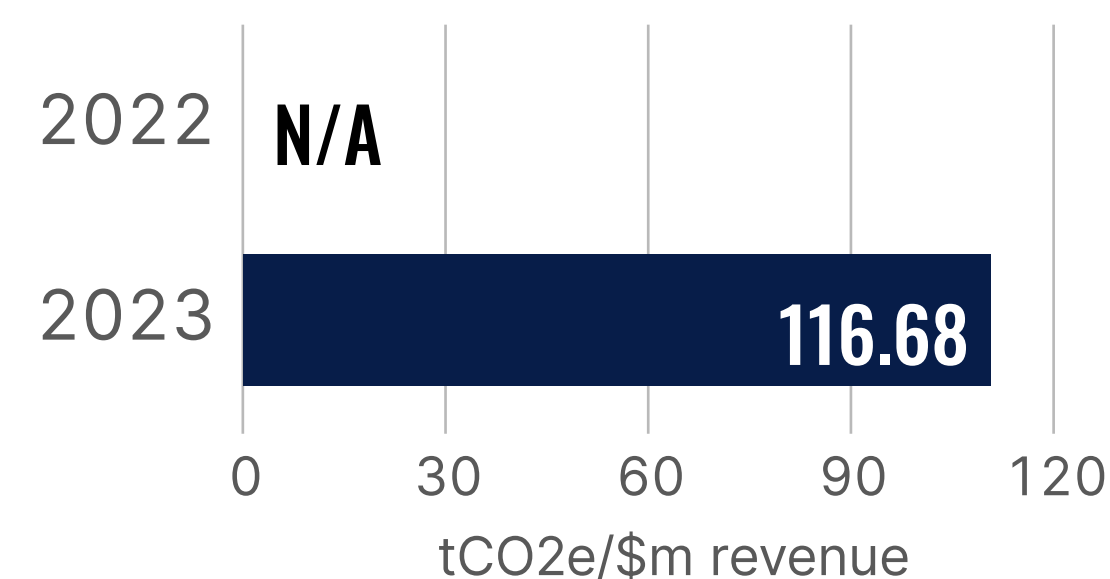
### Carbon footprint



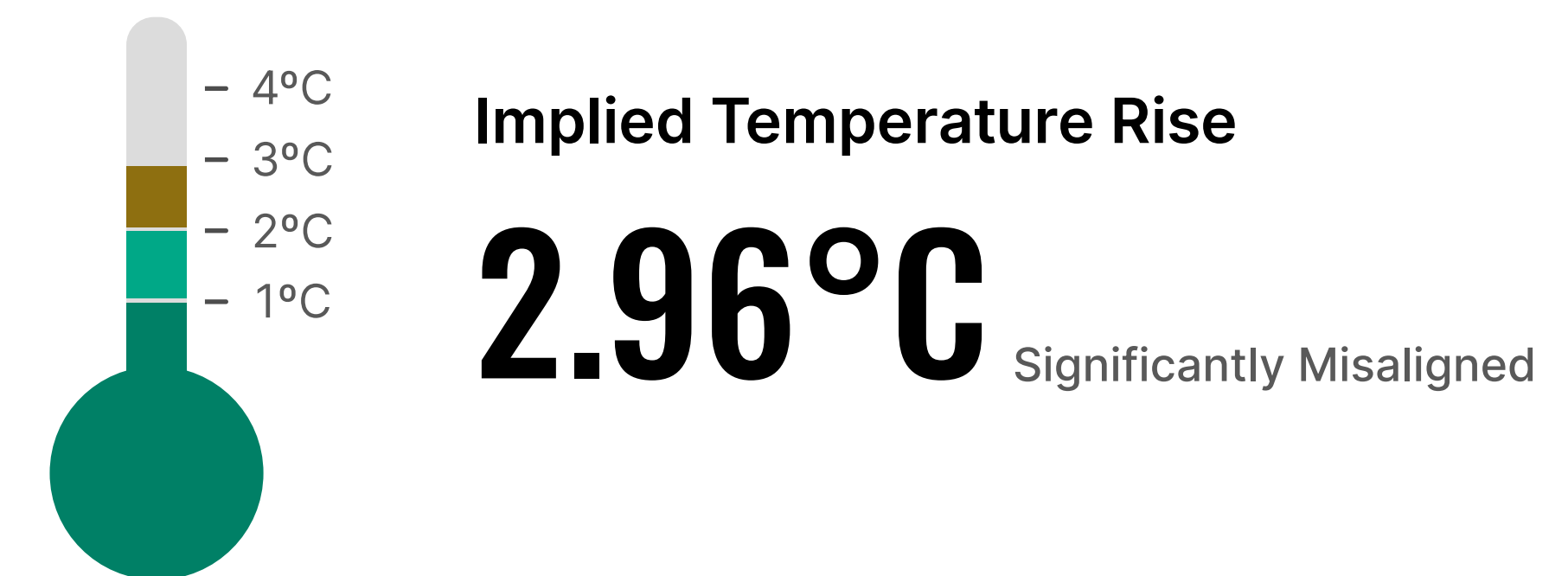
### Total emissions



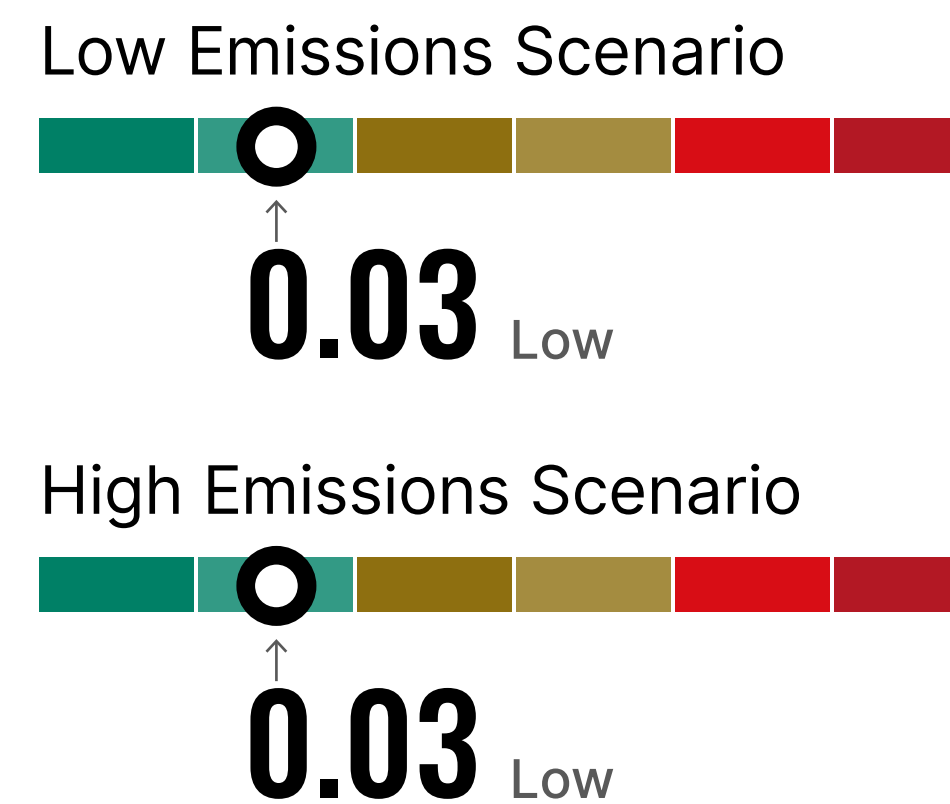
### Weighted average carbon intensity



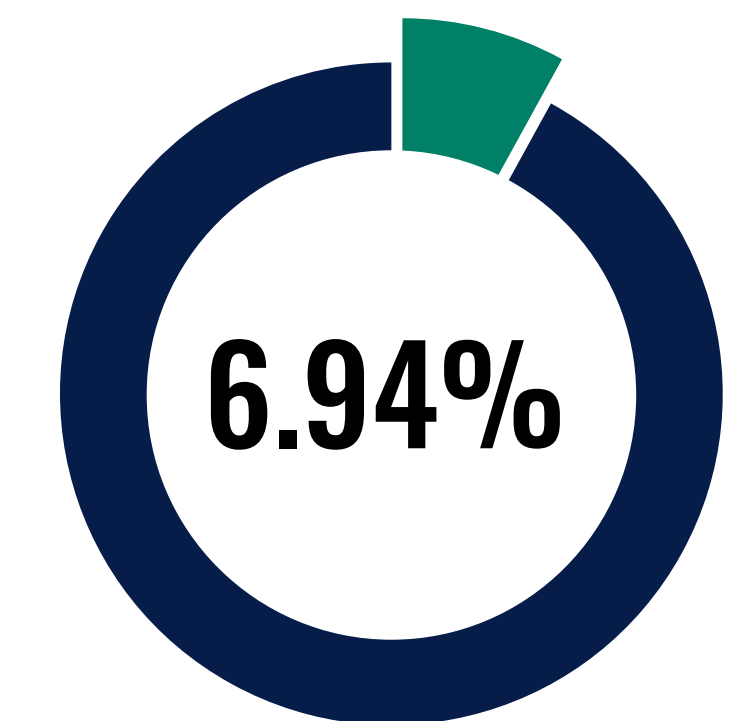
## Scenario analysis



### Total Loss Ratio



### Climate Value-at-Risk



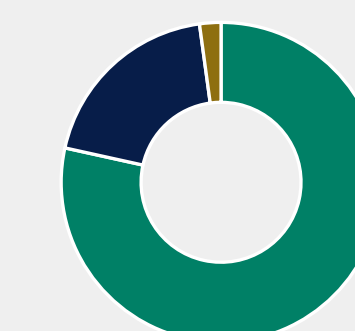
### Percentage of data that is reported

**68.21%**

### Fossil fuel exposure

**9.19%**

### Asset class mix



- Equity (78.45%)
- Fixed income (19.39%)
- Other (2.16%)

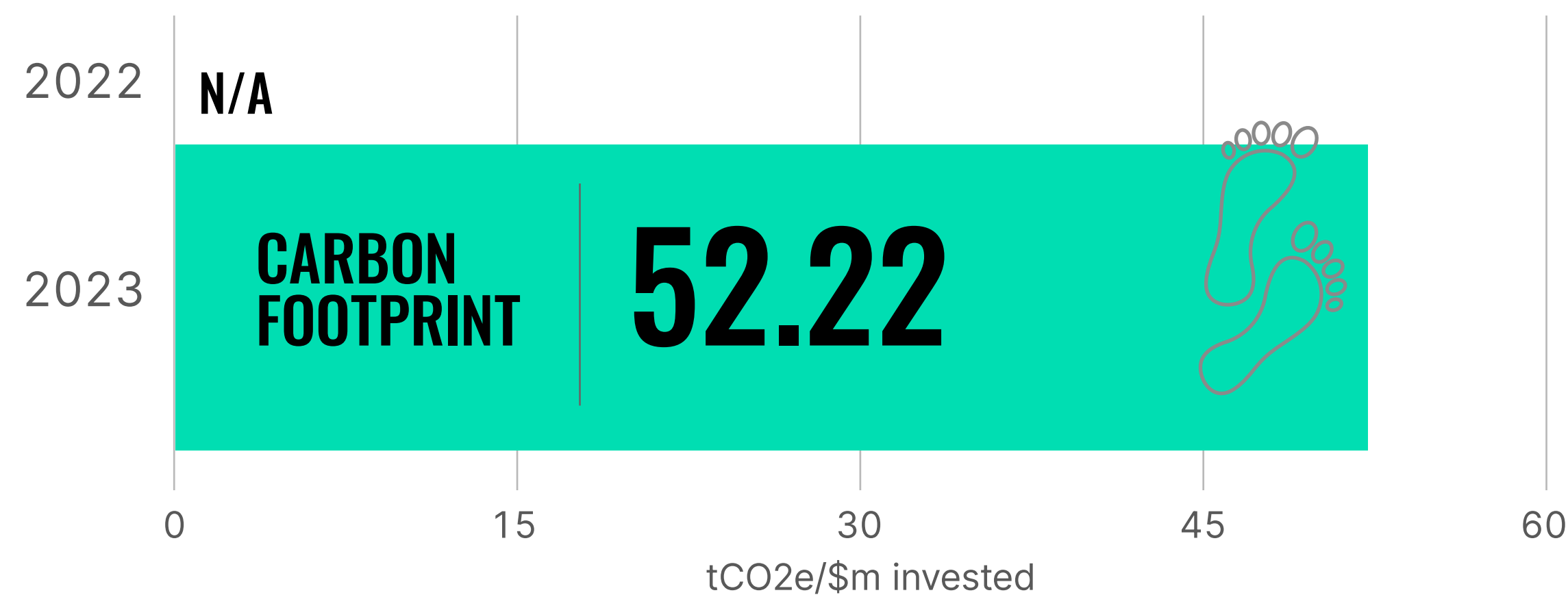
Please select the title of the data points for the definition and methodology.

# HL Balanced Managed Fund

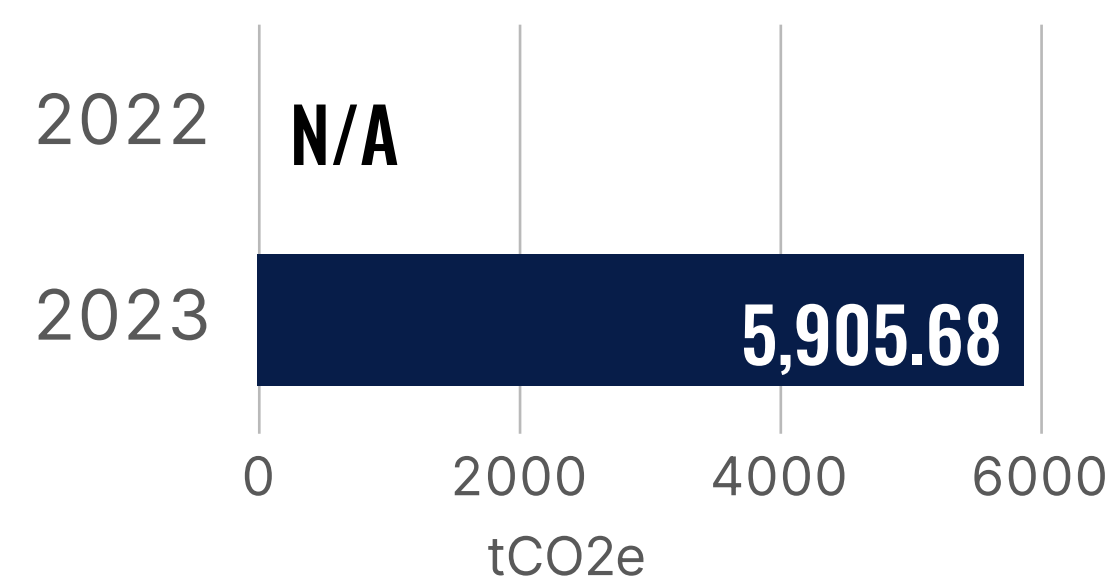
One of four expert managed portfolios built by carefully selecting the best opportunities / managers. With a mix of global shares (including emerging market shares) and bonds, the portfolio is designed to deliver the highest growth potential possible while maintaining a balanced approach to risk.

## Climate-related metrics

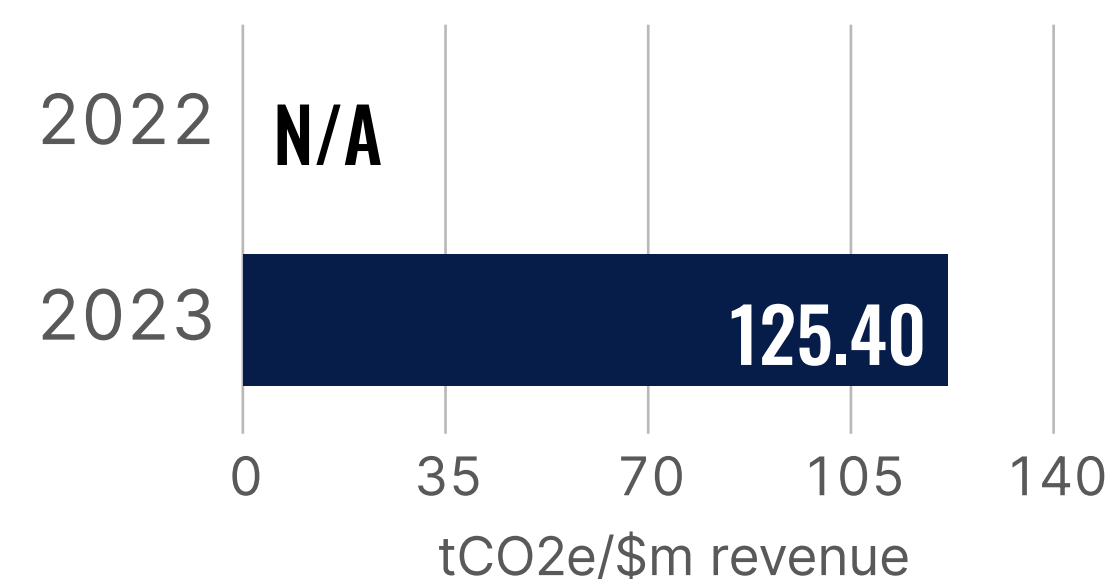
### Carbon footprint



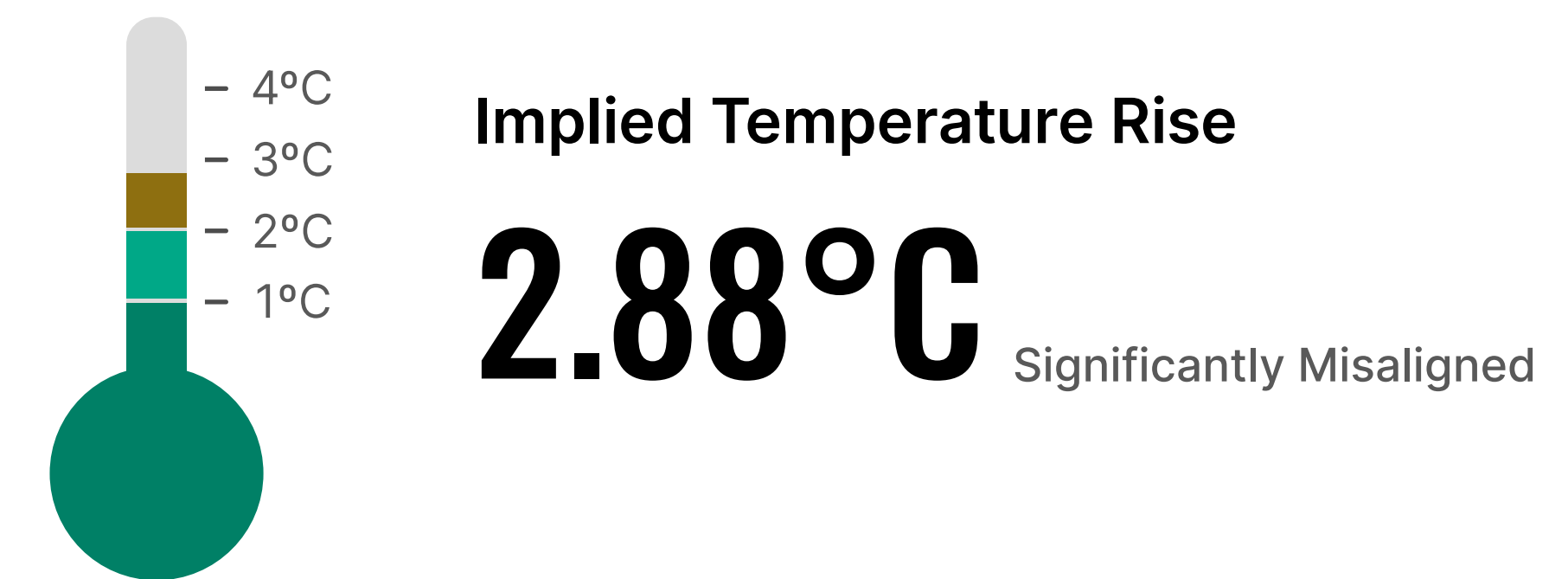
### Total emissions



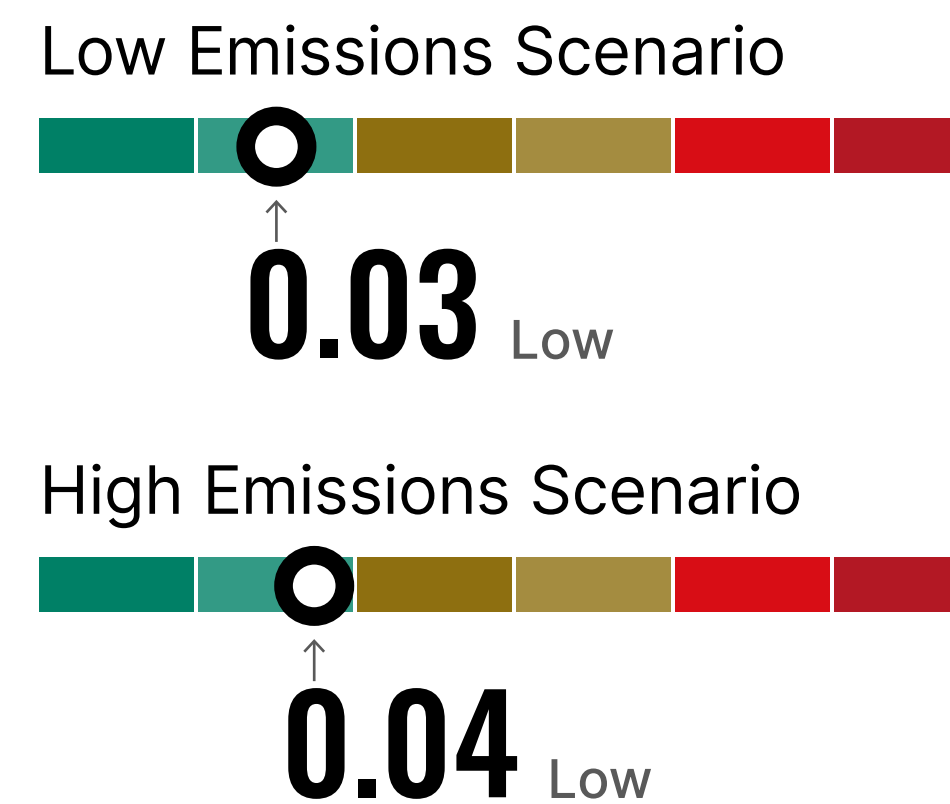
### Weighted average carbon intensity



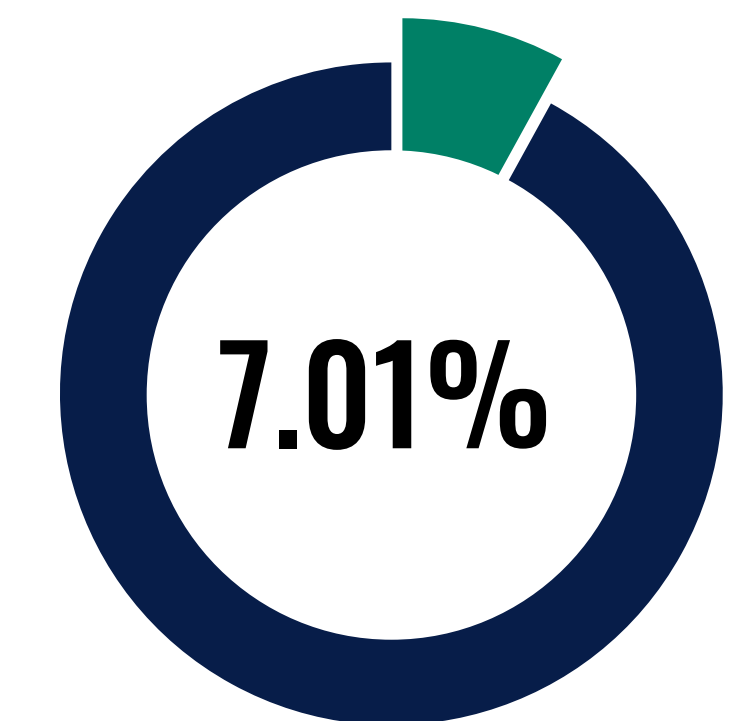
## Scenario analysis



### Total Loss Ratio



### Climate Value-at-Risk



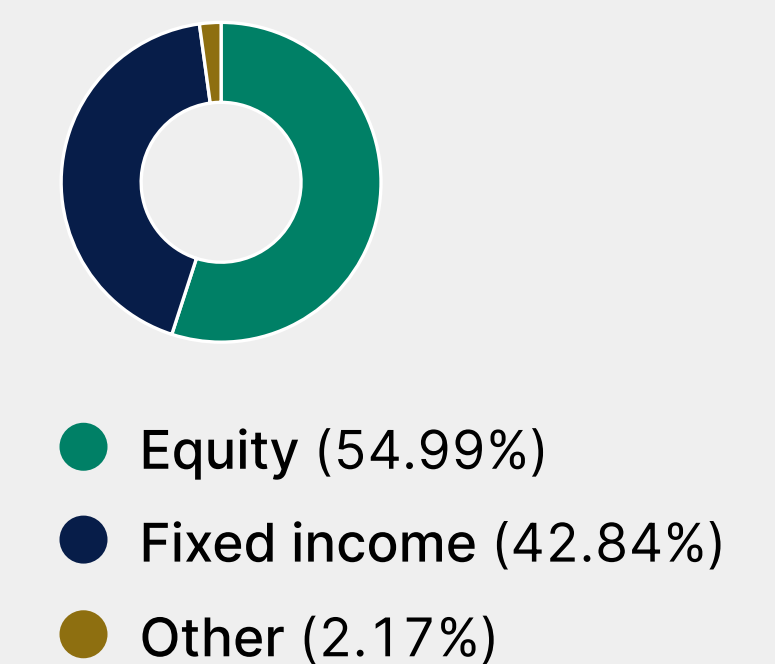
### Percentage of data that is reported

**60.02%**

### Fossil fuel exposure

**9.07%**

### Asset class mix



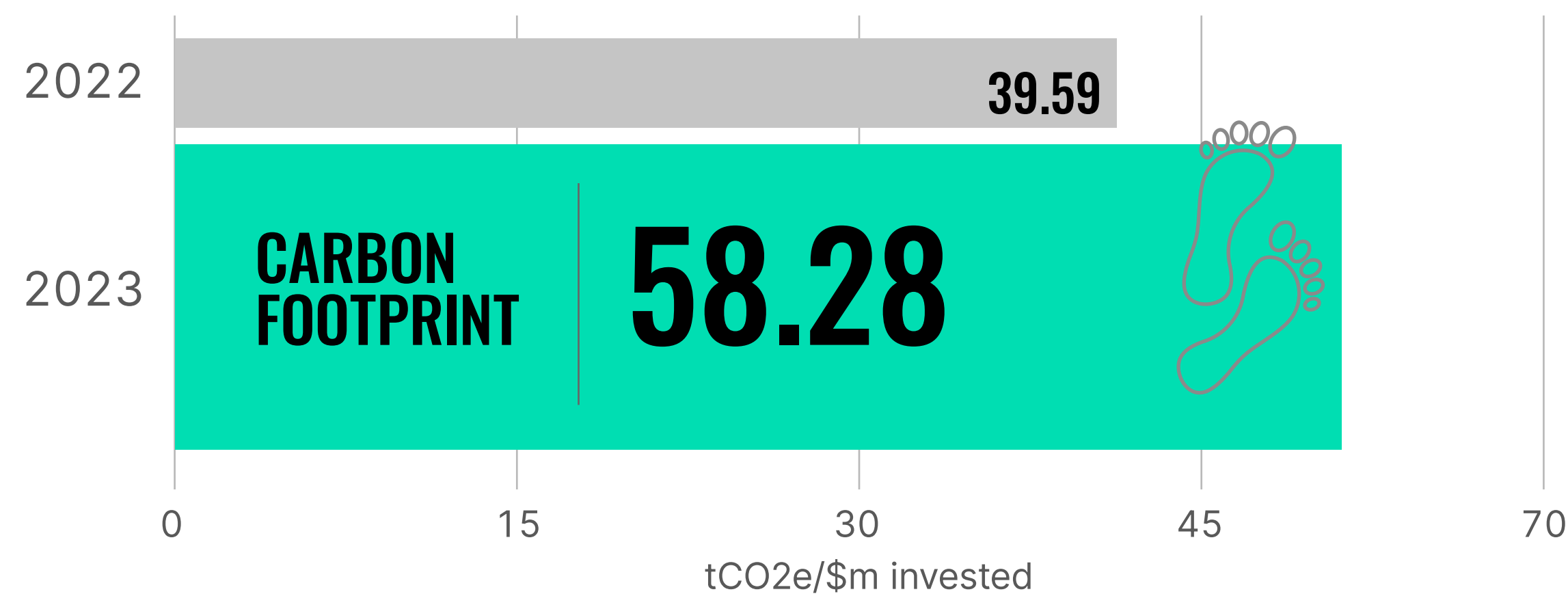
Please select the title of the data points for the definition and methodology.

# HL Cautious Managed Fund

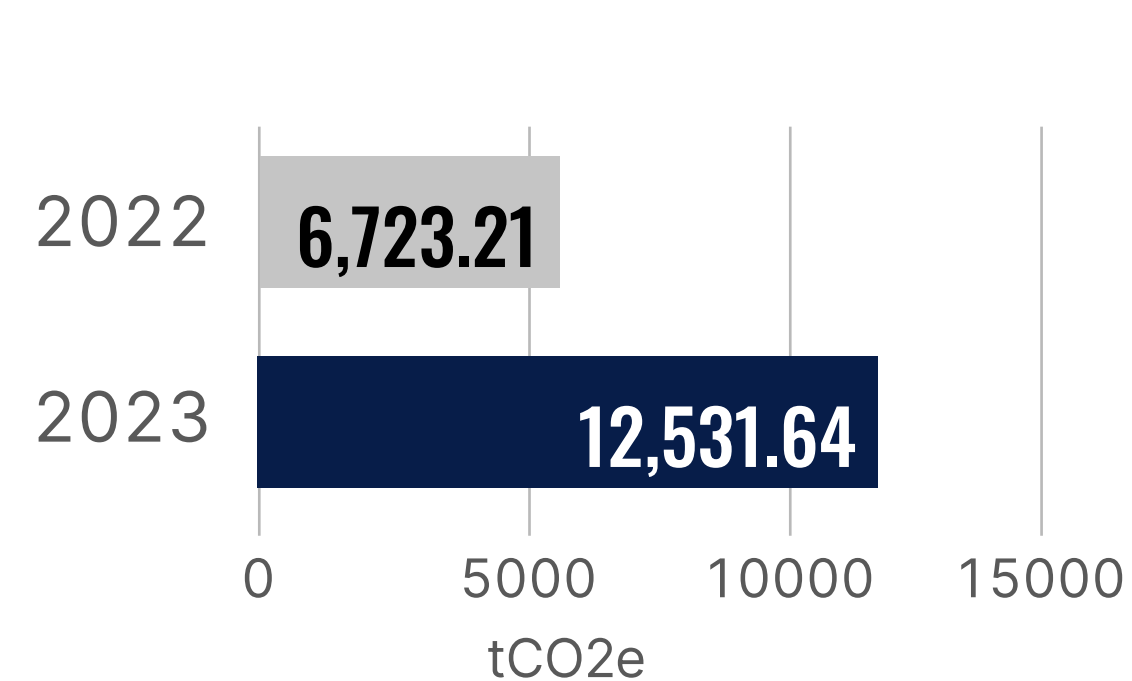
One of four expert managed portfolios built by carefully selecting the best opportunities / managers. With a mix of global shares (including emerging market shares) and bonds, the portfolio is designed to deliver the highest growth potential possible while maintaining a cautious approach to risk.

## Climate-related metrics

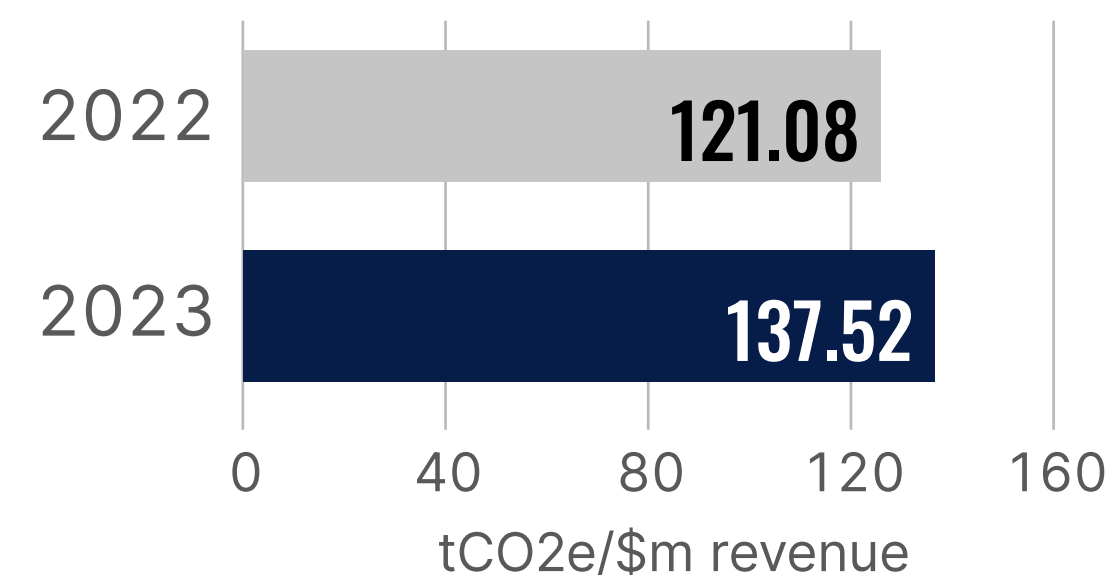
### Carbon footprint



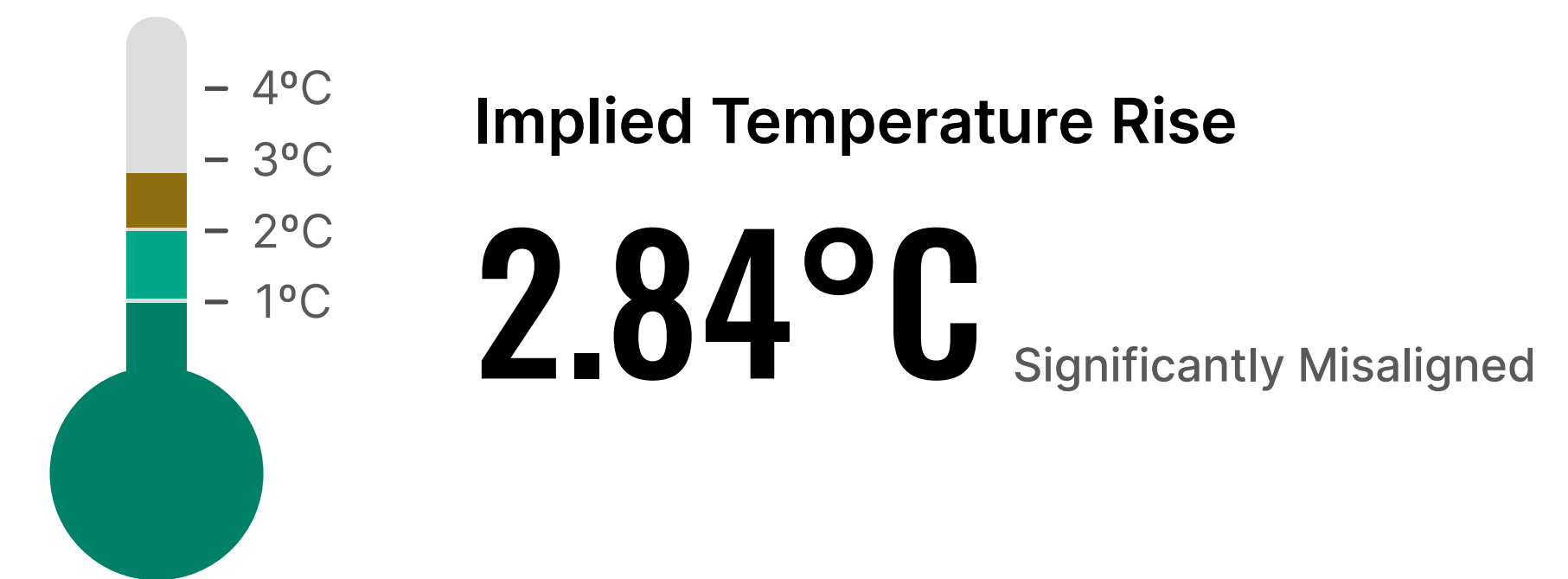
### Total emissions



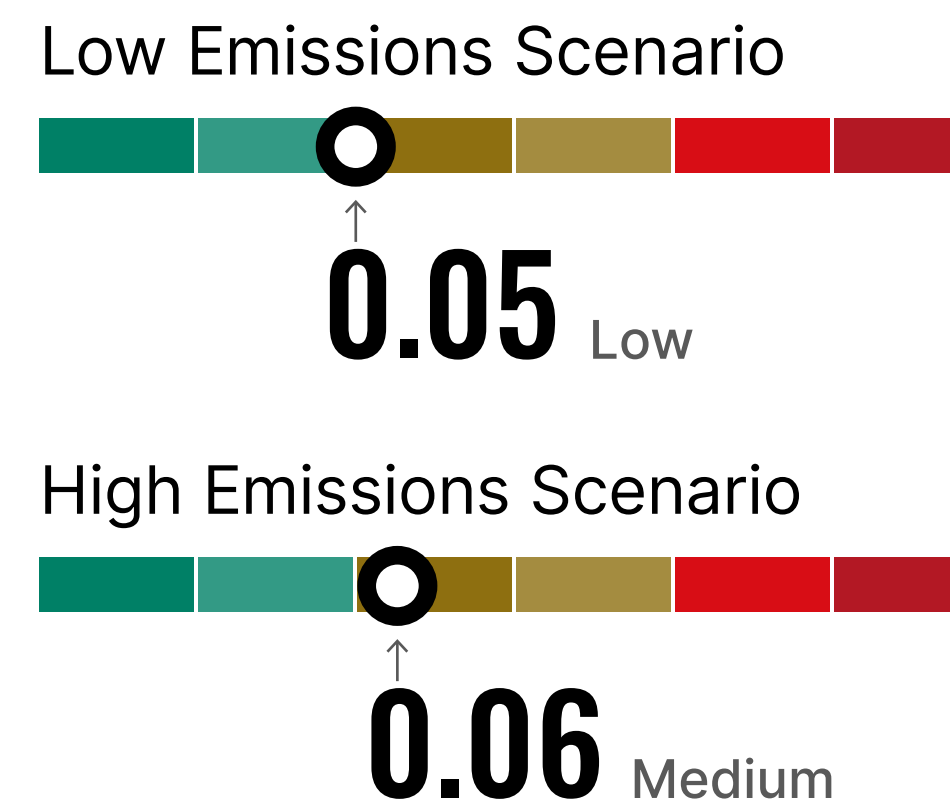
### Weighted average carbon intensity



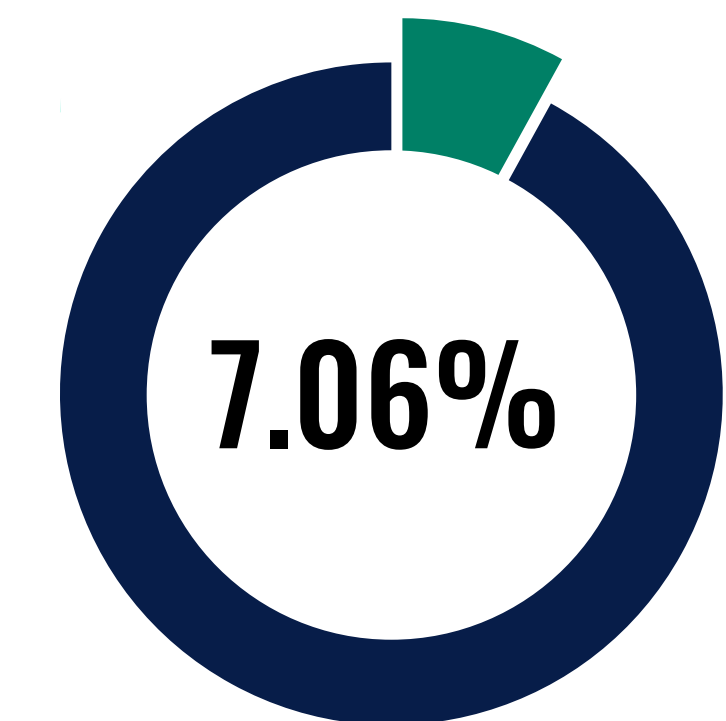
## Scenario analysis



### Total Loss Ratio



### Climate Value-at-Risk



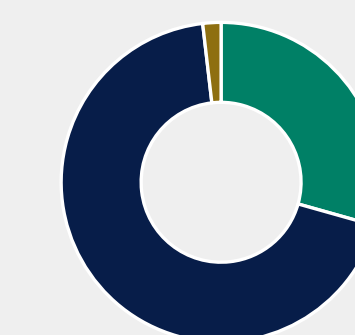
### Percentage of data that is reported

**39.10%**

### Fossil fuel exposure

**6.43%**

### Asset class mix



- Equity (29.37%)
- Fixed income (68.79%)
- Other (1.84%)

Please select the title of the data points for the definition and methodology.