



## Sustainability Disclosure Requirements

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### Product Report **HL Growth Fund**

A moderately adventurous multi-asset fund which invests primarily in passive underlying funds to keep costs as low as possible. The fund aims to deliver 80-90% of the long-term volatility of the global stock market and grow in value over any ten-year period.

Published on 19 February 2026  
For December 2024, and the year ending 31 December 2025

# About this report

The Financial Conduct Authority's Sustainability Disclosure Requirements (SDR) require HL to prepare a Product Report for any fund identified as having "sustainability characteristics". These reports provide more granular information about funds' sustainability-related performance and help investors make more informed decisions.

Although the regulation mandates that reporting begins from December 2024, we have chosen to align our reporting cycle with the calendar year for consistency and clarity.

As a result, where relevant, this report presents data for December 2024 separately from the full 2025 calendar year. Future reports will then follow a calendar-year cycle. Unless otherwise specified, the information provided in this report applies to both reporting periods.



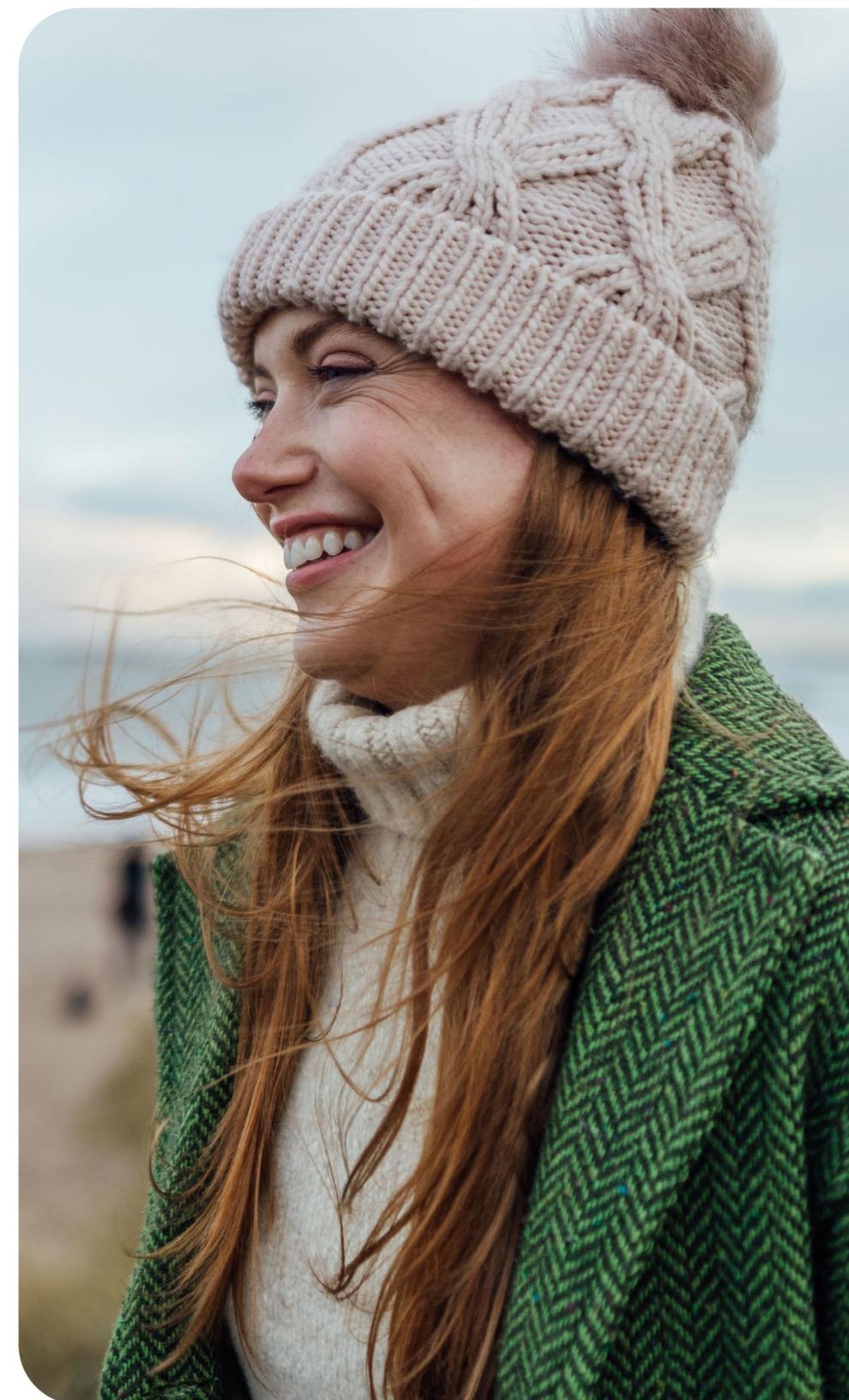
# Sustainability approach

## Sustainable investment labels

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

The HL Growth Fund invests at least 85% of its assets in funds tracking indices that incorporate specific environmental, social, and governance (ESG) requirements (ESG integrated funds).

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



## Exclusions

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

Share exclusions	Bond exclusions
Persistent violators of the United Nations Global Compact	Violators of the United Nations Global Compact, as defined by two independent sources
Companies with any involvement in controversial weapons manufacture (such as antipersonnel mines, cluster munitions, biological and chemical weapons)	ESG laggards – issuers with an ESG score of 20 or less on a scale of 0-100, as defined by the index provider
Companies which generate certain revenues from: <ul style="list-style-type: none"> <li>Oil sands (in excess of 5% revenue)</li> <li>Thermal coal mining, extraction and power generation (in excess of 20% revenue)</li> </ul>	Bond issuers with any revenue from: <ul style="list-style-type: none"> <li>Oil sands</li> <li>Thermal coal</li> <li>Controversial weapons manufacture/supply</li> <li>Tobacco</li> </ul>

## ESG Tilted Indices

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

- **Environmental** – factors such as climate change, pollution and biodiversity.
- **Social** – factors such as diversity, human capital and ethics.
- **Governance** – factors such as shareholder rights, board diversity and audit independence.

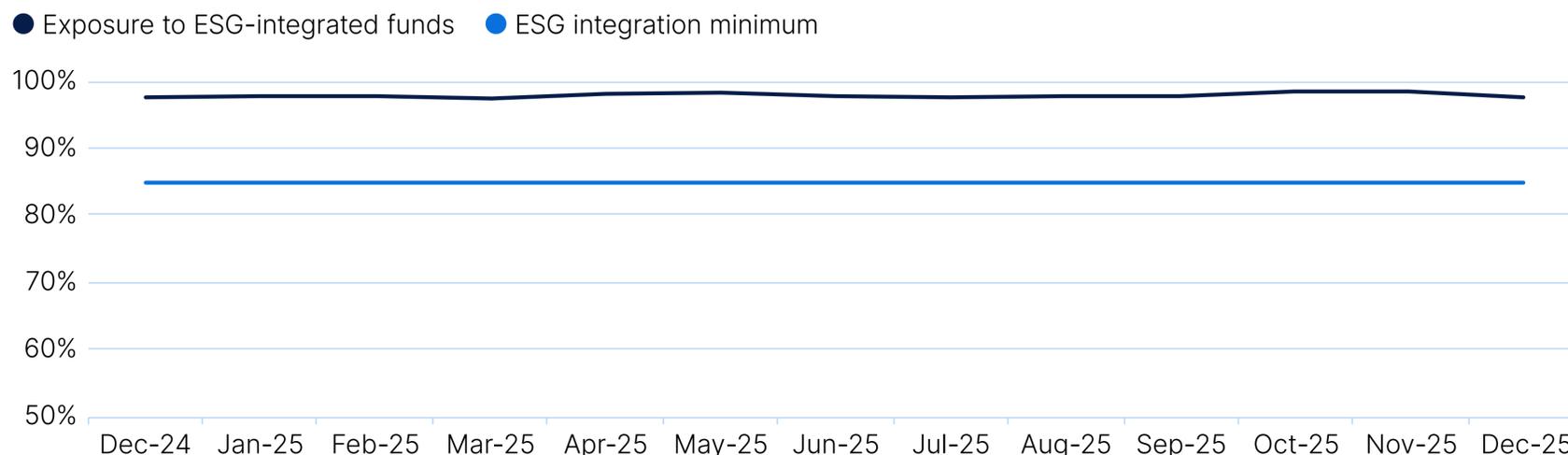
## Decarbonisation Pathway

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

# Metrics

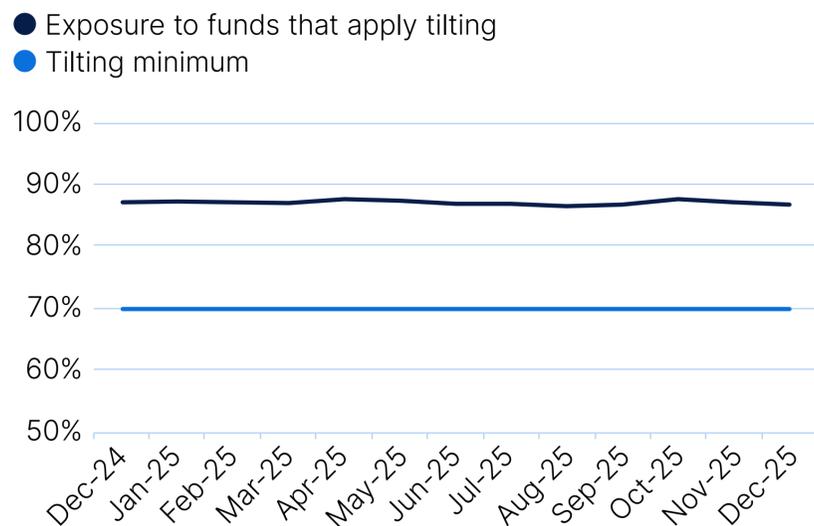
At least 85% of the HL Growth portfolio is invested in funds which integrate ESG in some form, be it through exclusions or tilting, and some will apply a decarbonisation pathway as well. In December 2024, the fund's exposure to ESG integrated funds was 97.9%. Throughout 2025, the fund's exposure to ESG-integrated funds averaged 98.2%.

## HL Growth exposure to ESG-integrated funds

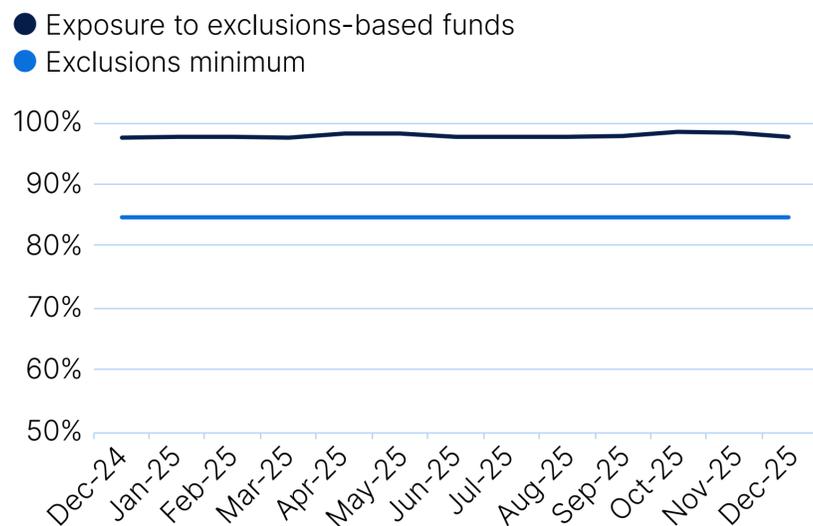


We commit to allocating at least 70% of the fund to underlying funds that apply tilting strategies, 85% to those using exclusions-based approaches, and 60% to funds aligned with a decarbonisation pathway. Note that individual underlying funds may employ more than one of these techniques. We are pleased to report that, in December 2024 and throughout 2025, our exposure to funds employing these approaches consistently exceeded the stated minimum thresholds.

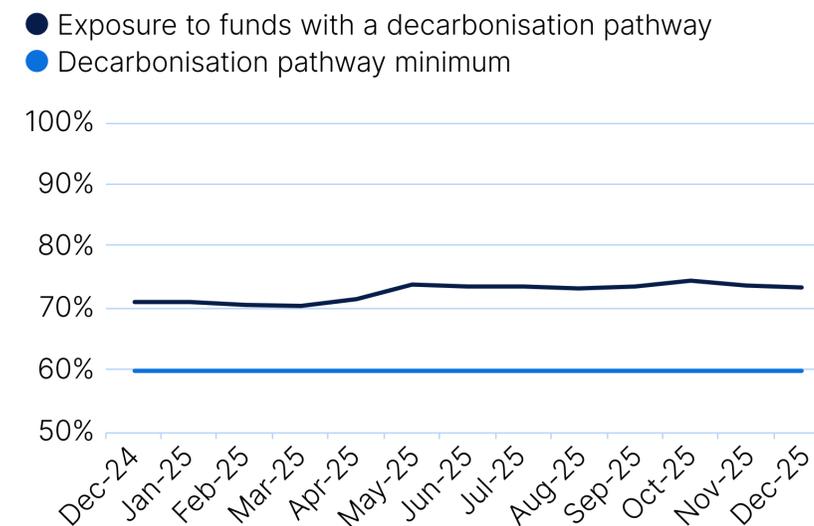
## HL Growth exposure to funds that apply tilting



## HL Growth exposure to exclusions-based funds



## HL Growth exposure to funds with a decarbonisation pathway



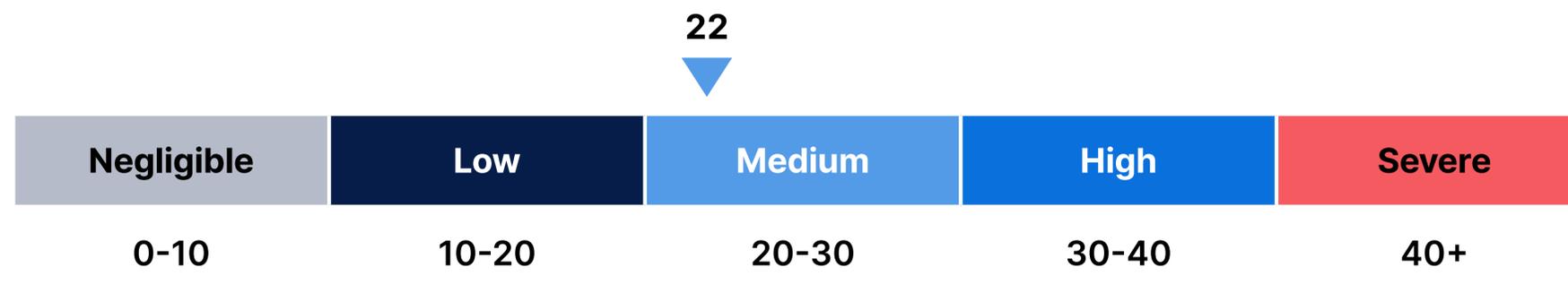
In addition, there were 0 breaches of the underlying funds' exclusionary policies in December 2024, or throughout 2025.

## HL Growth Fund ESG score

An ESG score measures how well the companies within a fund are managing their material environmental, social and governance risks.

**Data coverage: 90%**

**31 December 2024**



ESG risk contribution by country – as at 31 December 2024	Percentage
United States	55%
United Kingdom	12%
Japan	6%
Germany	4%
Canada	3%
China	2%
Australia	2%
Hong Kong	2%
Italy	2%
Other	13%

ESG risk contribution by sector – as at 31 December 2024	Percentage
Information technology	26%
Financials	23%
Healthcare	12%
Consumer discretionary	11%
Industrials	9%
Consumer staples	8%
Energy	5%
Materials	4%
Utilities	2%

**31 December 2025**

**Data coverage: 93%**



<b>ESG risk contribution by country – as at 31 December 2025</b>	<b>Percentage</b>
United States	54%
United Kingdom	10%
Japan	7%
Germany	3%
Canada	3%
China	3%
Australia	2%
Hong Kong	2%
Italy	2%
Other	14%

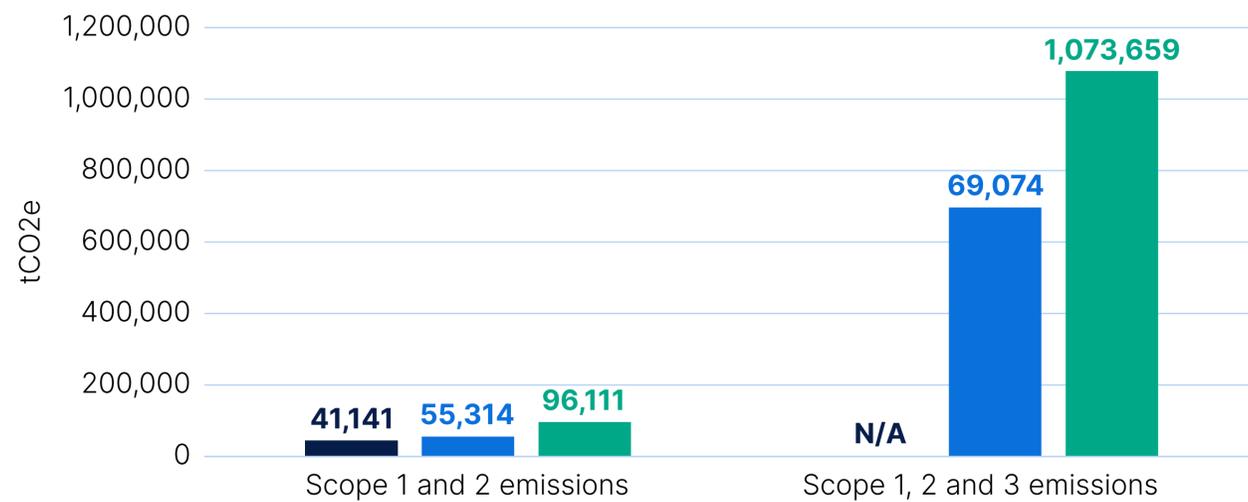
<b>ESG risk contribution by sector – as at 31 December 2025</b>	<b>Percentage</b>
Information technology	23%
Financials	20%
Healthcare	11%
Industrials	10%
Consumer discretionary	9%
Consumer staples	6%
Materials	5%
Energy	5%
Utilities	3%
Other	8%

## HL Growth carbon metrics

Carbon metrics assess the levels of greenhouse gas emissions associated with the investments in a fund. Select the title of the data points for the definition and methodology.

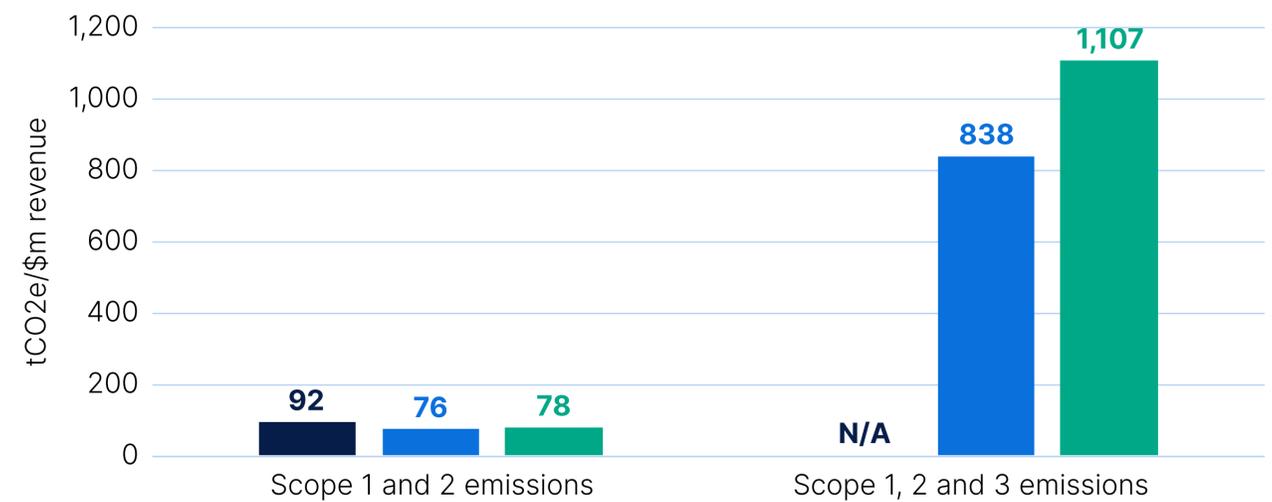
### Total carbon emissions

● 2023 ● 2024 ● 2025



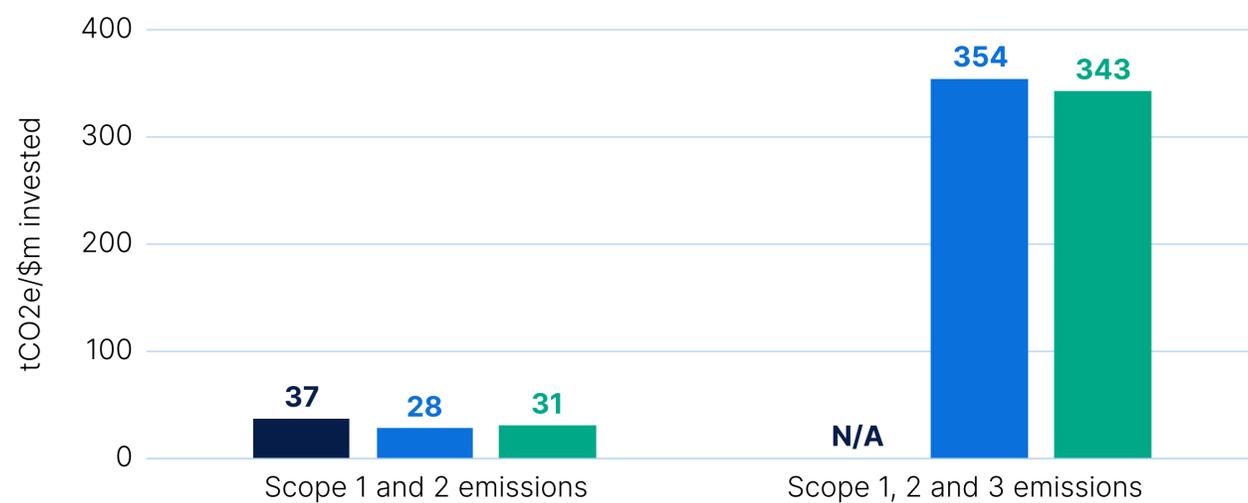
### Weighted average carbon intensity (WACI)

● 2023 ● 2024 ● 2025



### Carbon footprint

● 2023 ● 2024 ● 2025



	Data coverage		Data quality score	
	Scope 1 & 2	Scope 1, 2 & 3	Scope 1 & 2	Scope 3
2025	89%	87%	2.2	2.3
2024	89%	88%	N/A	N/A
2023	69%	N/A	N/A	N/A

More information on the HL Growth Fund's climate-related attributes can be found in the [HL Growth TCFD Product Report](#).

# Engagement

Engagement can be a force for positive change. For example, by applying pressure in the boardroom to set more stretching emission reduction targets, improve the treatment of workers and suppliers, or strengthen decision-making transparency.

The HL Growth Fund is made up of funds provided by Legal & General Investment Management (LGIM), who we have appointed to run the fund to our specification. We delegate engagement and voting responsibilities to LGIM.

Every year, LGIM engages with thousands of companies with the aim to boost shareholder value. A key component of LGIM's stewardship approach is its Climate Impact Pledge, where the firm encourages companies in climate-critical sectors (like airlines, aluminium, food and forestry) to reduce climate change risks and transition to net-zero. Companies covered by the Climate Impact Pledge may face targeted engagement or divestment if they don't respond to engagement efforts.

## 1 December 2024 to 31 December 2024

% of the HL Growth Fund (by value) which LGIM engaged with	7.4%
Number of unique companies which LGIM engaged with	83
Number of engagements relating to the environment	39
Number of engagements relating to social topics	37
Number of engagements relating to corporate governance	27
Number of engagements relating to other topics, e.g., finance & strategy	8

## 1 January 2025 to 31 December 2025

% of the HL Growth Fund (by value) which LGIM engaged with	56%
Number of unique companies which LGIM engaged with	2,007
Number of engagements relating to the environment	2,231
Number of engagements relating to social topics	68
Number of engagements relating to corporate governance	240
Number of engagements relating to other topics, e.g., finance & strategy	109

### Most popular engagement topics 2024:

Ethnic diversity	23
Remuneration	16
Climate impact pledge	15
Climate mitigation	14
Biodiversity	4

### Most popular engagement topics 2025:

Climate impact pledge	1,600
Deforestation	702
Remuneration	156
Climate change	126
Corporate strategy	88

## Engagement case studies



### Heidelberg Materials

In September 2023, LGIM identified Heidelberg as a potential sustainability leader in heavy building materials, noting its sector-leading emissions-intensity target and early carbon capture and storage (CCS) deployment. As the cement sector is critical to global decarbonisation, Heidelberg has been a focus of LGIM’s climate engagement under its Climate Impact Pledge.

LGIM viewed the company’s sustainability strategy as a core competitive advantage. Ahead of the company’s May 2025 Capital Markets Day, LGIM engaged to encourage clearer disclosure of the value of its sustainability strategy. The event delivered on these expectations. Since September 2023, Heidelberg’s share price has more than doubled, outperforming peers as it delivers on ambitious emissions-intensity targets and rolls out its zero-carbon cement product.



### Nestlé

LGIM has engaged with Nestlé on nutrition since 2021, both directly and through the Access to Nutrition Initiative and ShareAction’s Healthy Markets Initiative. LGIM’s concerns focused on Nestlé’s healthy-product sales targets, which did not appear to drive meaningful dietary improvements, and on its classification of products such as coffee as “nutritious” despite these falling outside recognised nutrient-profiling models.

To address this, LGIM co-filed a shareholder resolution at the 2024 AGM calling for more effective targets, which received around 11% support. Nestlé recently announced a new commitment to improve nutrition reporting in line with Access to Nutrition Initiative guidelines. LGIM believes moves like this from market leaders can help lift standards across the food sector.



### Nippon Steel

In 2022, LGIM noted that Nippon Steel lacked transparency in its climate-related policy engagement. After continuous engagement and limited progress, LGIM co-filed a shareholder resolution at the 2024 AGM requesting greater disclosure, which received 28% support – one of the highest levels of support for a climate-related resolution in Japan.

Since then, LGIM has met with the company several times, noting increased willingness to address shareholder concerns and intentions to improve disclosures. Ahead of the 2025 AGM, Nippon Steel published its first Industry Association Review and policy positions, including commitments to positive climate-related policy engagement in Japan, following earlier disclosures on direct lobbying. These are encouraging first steps, however LGIM will continue to engage on boosting transparency.

# Voting

LGIM seeks to vote at company meetings wherever possible. A summary of how the LGIM team exercised its voting rights for companies held within the HL Growth Fund is set out here.

## 1 December 2024 to 31 December 2024

Number of company meetings which LGIM was eligible to vote at	<b>451</b>
Number of resolutions LGIM was eligible to vote on	<b>2,784</b>
% of eligible votes exercised	<b>100%</b>

	Management proposals	Shareholder proposals	Total
Votes with management	2,171	87	2,258
Votes against management	431	24	455
Abstentions	71	0	71

## 1 January 2025 to 31 December 2025

Number of company meetings which LGIM was eligible to vote at	<b>8,955</b>
Number of resolutions LGIM was eligible to vote on	<b>92,014</b>
% of eligible votes exercised	<b>99.89%</b>

	Management proposals	Shareholder proposals	Total
Votes with management	66,647	1,602	68,249
Votes against management	22,081	850	22,931
Abstentions	803	21	824

## Voting case studies

<b>easyJet plc.</b>	<b>Meeting date: 08 May 2025</b>
Proposal	Shareholder approval of the company’s remuneration policy
LGIM’s view	<p>LGIM believes that too small a portion of the management team’s bonuses is deferred into shares for a meaningful period. Under the new remuneration policy, bonus deferral can be reduced, even to zero, once directors meet their shareholding guidelines, meaning the proposed incentivisation structure might not adequately align management interests with those of shareholders.</p> <p>As the current management team is relatively new and has not yet built up a significant shareholding, and given that the existing guidelines are in line with market practice, LGIM did not see a clear need for policy change at this time.</p> <p>Following internal discussions and correspondence with easyJet, LGIM voted against the remuneration policy.</p>
Outcome	The remuneration policy was approved, with 90.9% of investors voting in favour.
<b>Walmart Inc.</b>	<b>Meeting date: 05 June 2025</b>
Proposal	Re-elect Gregory B. Penner as Chair
LGIM’s view	<p>Walmart was one of 15 global food retailers targeted in LGIM’s living wage engagement campaign due to the sector’s large low-wage workforce and financial resilience.</p> <p>Despite ongoing engagement, including LGIM co-filing a shareholder resolution in 2024, Walmart has not made the expected progress toward meeting their minimum living wage standards.</p> <p>In line with their escalation framework, they voted against the re-election of the Chair.</p>
Outcome	The Chair was re-elected with 98.1% support.

# Limitations and assumptions

The holdings data used in this report is correct as of 31/12/2025 unless otherwise specified. N/A is used in cases where the data is unavailable. This may occur where investee companies have not disclosed the relevant metric and where our data provider has insufficient information to provide a robust estimate, or where our data provider was not producing the metric for the time period in question.

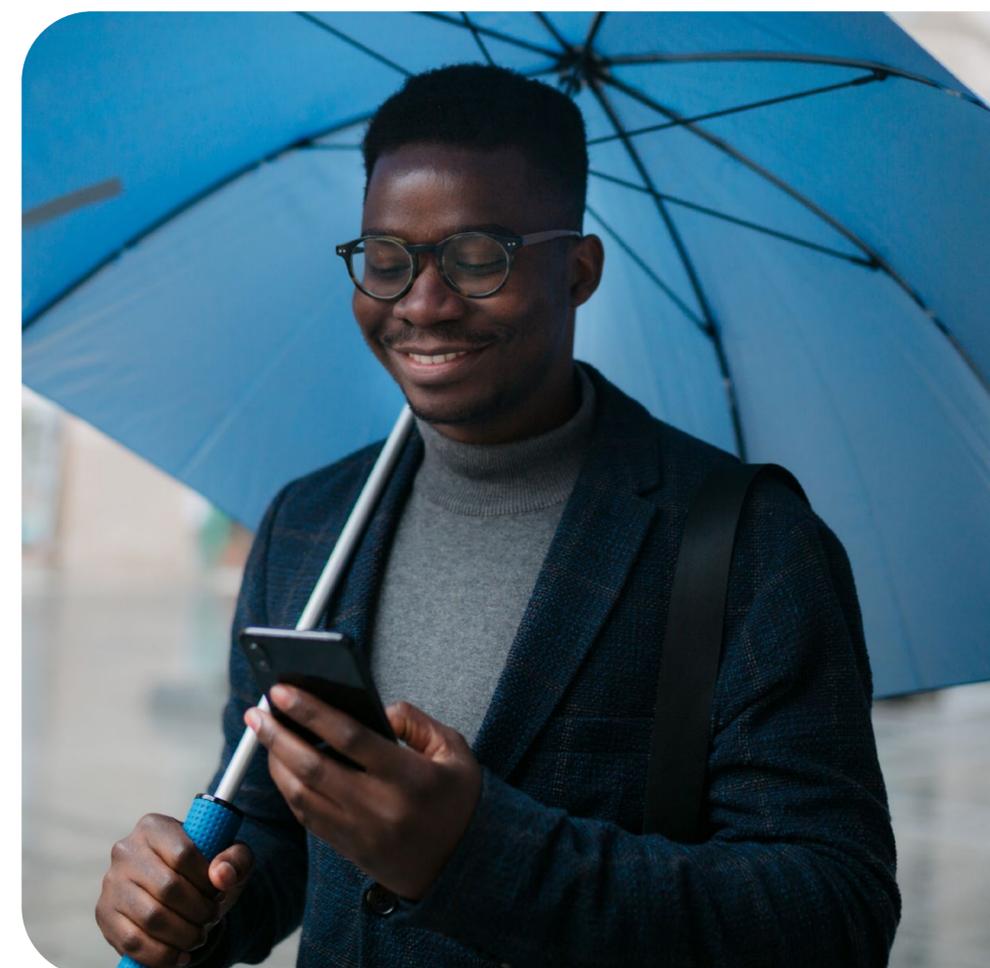
The ESG risk score ranges from 0 to 100, with 0 indicating that ESG risks are fully managed, and 100 indicating the highest level of unmanaged risk. It is calculated as the difference between a company's overall ESG risk exposure score, and its overall managed risk score. Company-level scores are then aggregated to the fund level.

The data used to calculate the fund-level ESG score, total carbon emissions, weighted average carbon intensity and carbon footprint considers our equity and corporate bond investments and is reweighted where

appropriate to account for data gaps and out of scope asset classes. Cash held in the product is omitted from the calculations.

Reported data coverage percentages reflect the proportion of the portfolio holdings for which sufficient, reliable data is available from our data provider at the time of reporting. Coverage may be reduced where estimates cannot be produced with sufficient confidence, or where holdings fall outside our data provider's coverage.

All data is provided by Morningstar Sustainalytics, unless otherwise stated. In line with Task Force on Climate-related Financial Disclosures (TCFD) guidance on climate-related metrics, HL uses revenue-based WACI for its 2030 intensity reduction target. Financed emissions and other attribution metrics use EVIC-based Partnership for Carbon Accounting Financials (PCAF) methodologies for financed-emissions accounting, consistent with industry best practice. The EVIC (Enterprise Value Including Cash) calculation values a company based on both its equity and debt value, including any cash.



The data quality score assesses the reliability of emissions data for investment portfolios on a scale of 1 (best) to 5 (worst), taking into account things like the data source, calculation methodology, and verification processes. This is calculated in line with the PCAF methodology.

Metric	Definition	Calculation methodology
Total carbon emissions	The absolute greenhouse gas (GHG) emissions associated with the portfolio. Scope 1 and Scope 2, and Scope 3 if specified, GHG emissions are allocated to investors based on an enterprise value approach. This is the total emissions associated with the fund.	$\sum \left( \frac{\text{current value of investment}}{\text{investee company's enterprise value}} \times \text{investee company's emissions}^* \right)$
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.	$\frac{\sum \left( \frac{\text{current value of investment}}{\text{investee company's enterprise value}} \times \text{investee company's emissions}^* \right)}{\text{current portfolio value (\$M)}}$
Weighted average carbon intensity	The portfolio's exposure to carbon-intensive companies, relative to revenue. Scope 1 and Scope 2, and Scope 3 if specified, 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.	$\sum \left( \frac{\text{current value of investment}}{\text{investee company's enterprise value}} \times \frac{\text{investee company's emissions}^*}{\text{investee company's revenue}} \right)$

\*Emissions reported are based on Scope 1 and 2 GHG emissions unless specified to include Scope 3. Scope 3 data quality may be less reliable, as it includes 15 indirect emissions categories. If a company does not disclose any Scope 3 data, our data provider will estimate the emissions. However, if a company only partially discloses its material Scope 3 emissions, the data provider may not supplement this disclosure, potentially leading to an incomplete view of the company's absolute emissions.

# Additional information

To read more about the sustainability characteristics of the HL Growth Fund, please see its [prospectus](#) and [consumer-facing disclosures](#). Hargreaves Lansdown Fund Managers' sustainability entity report will be available on our website from 2 December 2026. In the meantime, the TCFD entity report can be found [here](#).

For other information about the fund, including costs and charges, see the [HL Growth Fund factsheet](#), and the [Key Investor Information Document](#).



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