

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) DISCLOSURE

HARGREAVES
LANSDOWN

Financial Year 2021,
data as at 30 June 2021

Asset Management & Custody Activities

Hargreaves Lansdown plc is reporting under the SASB disclosure framework for the first time in the FY21 period ending 30 June 2021. Following a review of our reporting standards and the growing importance among our investor base for more transparent and fair reporting, we have identified the SASB disclosure framework as a key reporting standard which aligns with our business and investor needs. We anticipate that this will be an iterative process and we will take a proactive approach to any updates issued by SASB.

All figures are for Financial Year 2021 (as at 30 June 2021)

Table 1. Sustainability Disclosure Topics & Accounting Metrics

Accounting Metric	Code	Disclosure/ Source
Transparent Information & Fair Advice for Customers		
(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	FN-AC-270a.1	<p>Of Hargreaves Lansdown's 1,842 employees, there was 1 (0.05%) recorded instance where an employee had a disclosed event. Following this incident, the employee was dismissed from their role at Hargreaves Lansdown.</p> <p><i>As per SASB, a disclosed event includes investment related investigations, consumer-initiated complaints, private civil litigations, or other regulatory procedures.</i></p>
Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product related information to new and returning customers	FN-AC-270a.2	<p>£0</p> <p>Hargreaves Lansdown did not suffer any losses as a result of legal proceedings associated with the marketing and communication of financial products in the Financial Year 2021.</p>
Description of approach to informing customers about products and services	FN-AC-270a.3	<p>Our approach to informing clients about our products and services is essential for producing positive client outcomes whilst also building trust and deepening our client relationships. Please see Appendix A to better understand our approach.</p>
Employee Diversity & Inclusion		
Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	FN-AC-330a.1	<p>Hargreaves Lansdown is committed to building a diverse and inclusive workforce, not simply because it is the right thing to do, but because we believe it will lead to better outcomes for clients, colleagues, our business and enable our sustainable growth. The more diverse our people, the more easily we can understand and meet the needs of our growing and increasingly diverse client base.</p> <p>Our Inclusion and Diversity strategy focuses on four pillars:</p> <ul style="list-style-type: none"> • Building an inclusive culture and brand • Recruitment and representation • Progression and retention • Reporting and accountability. <p>Each pillar is supported by a detailed action plan to ensure we attract, hire, progress, engage and retain diverse talent and build a market-leading culture.</p> <p>Please see Appendix B for our diversity figures for FY21.</p> <p>To discover more about our Inclusion and Diversity work, please see our Corporate Social Responsibility and About Us sections of the HL website. To better understand our Board Diversity policy, please see here.</p> <p>Alternatively, please refer to pages 30-32 and 116-117 of our 2021 Annual Report and Accounts.</p>

Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory

<p>Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening</p>	<p>FN-AC-410a.1</p>	<p>(1) Environmental, Social and Governance (ESG) factors are considered in all our research and investment processes which underpin our investment decision making. Hargreaves Lansdown Fund Management (HLFM) considers material ESG factors in all the investment processes covering both the HL Multi Manager and HL Select fund ranges, although they do not currently run any explicit Responsible Investment mandates. HLFM signed up to the UN-backed Principles for Responsible Investment (PRI) in May 2021.</p> <p>(2) £0 (3) £0</p>
<p>Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies</p>	<p>FN-AC-410a.2</p>	<p>Hargreaves Lansdown incorporates material ESG factors into the investment process and investment decisions within all the HL Multi Manager funds and HL Select funds. Our investment teams have access to a wide range of resources and systems allowing them to consider and research ESG in the investment process through proprietary systems and external providers such as Bloomberg and Morningstar Direct.</p> <p>Our Multi Manager investment teams frequently engage with fund managers to determine whether the manager is both aware of and taking seriously the ESG-related risks that may impact their portfolio and are supported to do so by the fund house they work for.</p> <p>Our HL Select fund managers approach ESG within a proprietary research framework that assesses and evaluates the risks and opportunities linked to the ESG characteristics of each company they invest in. This allows for a holistic view of material ESG factors before deciding which companies to invest in.</p> <p>To understand more about our approach to integrating ESG within our investment decision making processes, please read our Responsible Investment Policy.</p>
<p>Description of proxy voting and investee engagement policies and procedures</p>	<p>FN-AC-410a.3</p>	<p>Through Institutional Shareholder Service (ISS), who have a long track record of monitoring and advising upon corporate governance best practice, we actively exercise our right to vote on corporate actions in order to achieve the best possible client outcome.</p> <p>Our proxy voting policy covers all our managed equity funds from the HL Select range. When required, HLFM will exercise their rights in a timely manner for the total number of shares held within client accounts for which we have proxy-voting authority. Within our Multi Manager funds, the underlying fund manager has ultimate decision over proxy voting. To find out more about our proxy voting process and engagement procedures, please see our Engagement Policy.</p> <p>Additionally, please see our Fund Management Reports for further insights including our Engagement Report.</p>

Business Ethics

<p>Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations</p>	<p>FN-AC-510a.1</p>	<p>£0</p> <p>Hargreaves Lansdown require all colleagues to undergo periodic training surrounding regulatory matters including but not limited to CASS, Data Protection, Market Abuse, Fraud Prevention, Whistleblowing, Anti-Bribery and Corruption. Hargreaves Lansdown expect all colleagues to hold themselves to the highest standards of ethics and encourages employees to undertake frequent recommended training on areas of importance to the role.</p>
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Description of whistle blower policies and procedures	FN-AC-510a.2	<p>Hargreaves Lansdown promotes a safe and honest culture which encourages employees to raise any malpractice concerns such as a suspected employee fraud, a bribery & corruption issue, a danger to health and safety, or the concealment of rule breaches.</p> <p>The whistleblowing policy applies to all those who work for us, including:</p> <ul style="list-style-type: none"> - All colleagues, full time, or part time - Contractors and subcontractors - Agency colleagues <p>Colleagues can raise concerns to our:</p> <ul style="list-style-type: none"> - Money Laundering Reporting Officer - Compliance Director - Chief People Officer <p>Alternatively, all colleagues can receive confidential advice on a matter through an external Independent Charity, Protect.</p> <p>For more information, please see our Whistleblowing Policy</p>
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Systemic Risk Management

Based on industry feedback and robust market consultation, SASB voted to remove the Systemic Risk Management disclosure topic for the Asset Management and Custody Activities Standard, effective January 1st 2022. As per SASB permitting early adoption of this update for all entities reporting in periods beginning prior to 1st January 2022, Hargreaves Lansdown have decided to exclude this topic from the FY21 SASB disclosure to align more closely with industry standards and remain consistent with future disclosures.

Table 2. Activity Metrics

Activity Metric	Code	Disclosure/ Source						
(1) Total registered and (2) total unregistered assets under management (AUM)	FN-AC-000.A	<p>Hargreaves Lansdown's AUM comprises of registered and unregistered AUM. Registered AUM include those subject to the regulations of the Investment Company Act of 1940 (1940 Act), such as mutual funds, managed under the Employee Retirement Income Security Act of 1974 (ERISA), subject to the Undertakings for Collective Investment in Transferable Securities (UCITS) Directive, or managed under the Commodity Futures Trading Commission's (CFTC's) Commodity Pool Operator (CPO) regulations. Unregistered AUM are those that do not fall under the definition of the registered AUM.</p> <table border="0" data-bbox="766 1489 1181 1590"> <tr> <td>Registered AUM</td> <td>£1.15 billion</td> </tr> <tr> <td>Unregistered AUM</td> <td>£7.88 billion</td> </tr> <tr> <td>Total</td> <td>£9.03 billion</td> </tr> </table>	Registered AUM	£1.15 billion	Unregistered AUM	£7.88 billion	Total	£9.03 billion
Registered AUM	£1.15 billion							
Unregistered AUM	£7.88 billion							
Total	£9.03 billion							
Total assets under custody and supervision	FN-AC-000.B	£9.03 billion						

Appendix A

FN-AC-270a.3

Description of approach to informing customers about products and services

Hargreaves Lansdown is a publicly traded digital wealth management company offering a wide range of products and services through investments, savings, pensions, and advice to both retail and institutional clients.

Our website, www.hl.co.uk, is one of the most comprehensive direct-to-client investment websites in the UK. We also have 600,000 regular users of our app. Our website hosts a wide range of factual and opinion-based information on savings and investments, including product and services offered by Hargreaves Lansdown. It also hosts a wealth of insight, tools, guides and other education all designed to help people make better decisions with their money and to empower people to save and invest with confidence.

Types and frequency of communication

We communicate with our clients using a range of different methods depending on the client's preferred channel and the information being communicated. Clients will receive all notifications and information required during their time as a client, including but not limited to contract notes for any purchases and sales, quarterly investment reports and, if applicable, an annual tax certificate. In addition, we will notify clients of any corporate actions taking place to any of their investments held with Hargreaves Lansdown, this will include but is not limited to rights issues, consolidations, bonus issues or name changes. We also respond to requests by our clients for ad hoc information related to activity in their account.

Value-added communications

Hargreaves Lansdown build investor engagement and drive better client behaviours and outcomes. We do this by providing clients and potential investors with value-added expert tools, guides, insights and research through various media and channels.

We know investors trust and value our insight and opinion – not only our clients, but those of other platforms who use our free, open information. We work tirelessly to find new ways to improve the information we provide investors, and drive better client outcomes, stepping in where we see poor client behaviours or to add reassurance during periods of market volatility.

Better Investor is a prime example of how we lead the investment industry in putting client outcomes first. Our campaign targets clients with information and behavioural nudges to educate and help them make better decisions. The communications focus on providing relevant information that helps clients to target their investment choices around their goals, raise awareness of how changing conditions suit different investments and how they can build long-term savings. Alongside this we continue to engage with regulators, working on how we can continue to serve our clients better, deliver the right outcomes and continue to set an example as the market leading service in our industry.

Our close relationship with what our clients want to know – and how they're using our platform – helps us identify key trends in investor interest. An example being the change in retail investor interest in ESG. We will continue to respond to these changes in

interest by making more online resources and information available.

Another example of this dynamic approach to content includes our drive to empower female investors through our [Financially Fearless](#) content. It is dedicated to supporting women through their financial journeys, removing the barriers around their finances and helping them become more confident with their money. Whether you're starting out or a seasoned professional, we are committed to creating content for women that empowers and builds confidence.

[Switch Your Money ON](#) is our fortnightly podcast launched in July 2021. The hosts are joined by guests from the HL investment research team, external fund managers and sector experts to deliver topical and news-based investment content in an entertaining way. It targets engagement from younger, often app-first, audiences and aims to encourage them to be better investors.

Whilst most of our content is online, we cannot ignore those who prefer to engage and digest information and content through other media and channels. We're one of the few direct-to-client investment platforms with a regular investment magazine, the [Investment Times](#). It is a quarterly print and online investment magazine that explores an overarching theme or trend in detail. Print editions use sustainable resources and are now sent in recyclable paper envelopes rather than degradable plastic, saving the equivalent of 1.4 million plastic bags.

We are also driving better accessibility and inclusivity across our website content and our communications to investors. One in five people in the UK have a disability, growing to half of people over the age of 65. We must make our website and communications accessible to all. Hargreaves Lansdown has Accessibility Ambassadors sitting within teams across the business, focused on driving better awareness and education for those creating content and communications. We deliver our service in a way that is accessible to all clients. To better support our vulnerable clients, we have worked with the Alzheimer's Society and have over 1,800 trained Dementia Friends at HL.

We continue to challenge ourselves to deliver a better experience for our clients through the information and communications we provide. We will make greater use of data analytics to deliver more tailored content to engage with clients and we will increase our focus on making clients better investors.

Communications Principles and protocols

While communicating with clients about our products and services, Hargreaves Lansdown abide by various regulations set out in the FCA's product governance sourcebook (PROD 3), as well as internal policies and frameworks requiring our communications to be appropriate to the client audience, fair and transparent and aimed at producing the best possible client outcome.

Our clients range from first time investors to the highly experienced, with different levels of confidence, time and willingness to engage with their finances. As such, our content and communications must suit their varying needs and appeal to anyone who wants to engage in saving and investing.

Our Product Governance Committee oversees the implementation of our internal communications framework,

chaired by the Head of Client Proposition and Service, to ensure Hargreaves Lansdown meet the legal and regulatory obligations required during communications.

How we communicate with our clients is as important as the information we provide. Industry jargon and lack of clarity can prevent people saving and investing with confidence. Our content and communications are written in a way that aims to break down the barriers and make investing accessible to a wider audience. Our authors have the subject, product or service expertise and knowledge to share information in a way people can easily understand, allowing clients to take next steps confidently.

We use both quantitative and qualitative research to monitor the quality of our online content, making use of website analysis and tracking tools and by seeking feedback from our clients using a content scoring system and client surveys. This information is reported to content and communication authors on a regular basis and the continuous feedback loop is key to us ensuring that we continue providing the content our audience want and need.

Appendix B

FN-AC-330a.1

Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees

Ethnic Breakdown as at 30 June 2021:

Total UK FTE 1,768*				
	Other senior management		Total employees (FTE)	
	Number	%	Number	%
Asian	0	0%	69	4%
Black	0	0%	26	2%
Mixed	0	0%	48	3%
Other	0	0%	5	0%
White	36	92%	1419	80%
Prefer Not to Say/ Unknown	3	8%	201	11%

*Excluding employees located in Poland

Gender Breakdown as at 30 June 2021:

Total Workforce 1,842						
	Board of Directors*		Other senior management		Total employees	
	Number	%	Number	%	Number	%
Female	3	33%	10	26%	670	36%
Male	6	67%	29	74%	1,172	64%

*At the date this document was approved (10 June 2022), female directors constituted 50% of the plc Board.