Sustainability-Related Information – Octopus Growth Fund 3

octopusmoney direct

This document gives you sustainability-related info about this fund. It's a good idea to read it alongside the Key Investor Information, which covers the fund's aims, and risk, past performance, and charges.

Sustainability is about activities or products that aim to improve things environmentally or socially. Our sustainability-related info is about how this fund considers people and the planet in deciding what to invest in over the long term.

To help investors connect with sustainable financial products, the Financial Conduct Authority (FCA) introduced something called sustainability investment labels. Funds that meet high standards qualify for a label.

Our fund doesn't have a label, because it doesn't have a particular sustainability goal or meet the standards for having a label. However, it's responsibly invested which means we do consider people and the planet in the way we make investment decisions.

Octopus Growth Fund 3

Accumulation Units: ISIN GB00BN4CGS20 GBP

We're Octopus Money Unit Trust Managers Limited, and we manage this fund.
Our registered office is 33 Holborn, London EC1N 2HT.

Responsible Investing approach

This fund is **responsibly invested**. Meaning we use Environmental, Social, and Governance (ESG) considerations when we make investment decisions. So, when we're looking at the financial risks and opportunities of investments, we're also thinking about sustainability. That's the Environmental and Social part of ESG, covering the planet and people.

This fund is a **fund of funds** – it invests in a range of underlying funds from different investment managers.

We work with investment adviser Aberdeen Investments. They pick funds based on the likely returns, but also on how they fit with our **Responsible Investing Policy**, where possible. (Currently, 89% of our fund is responsibly invested.)

That helps us select funds with:

1. **Higher ESG scores.** Funds tilted towards companies with better ESG scores. These scores rate how companies manage financial risks and opportunities, against ESG considerations.
2. **Lower carbon emissions.** Funds tilted towards companies that are less carbon intensive compared to others in the same industry.
3. **Sustainable companies.** Funds investing more in sustainable companies aiming to achieve positive results for people and/or the planet.
4. **Active ownership.** Funds where the investment manager encourages positive change within invested companies.
5. **Exclusions.** Funds that filter out companies engaged in harmful activities or not aligned to international standards of business practices. Check out below for more detail.

Excluded companies

The fund doesn't invest in:

- **Tobacco** – companies that earn more than 5% of their revenue from making or distributing tobacco.
- **Thermal coal** – companies that earn more than 5% of their revenue from thermal coal.
- **Unconventional oil and gas** – companies that earn more than 5% of their revenue from unconventional oil and gas (like oil sands or shale gas).
- **Controversial weapons** – companies that make or distribute controversial weapons, such as cluster munitions.
- **Non-complying companies** – companies that don't comply with UN Global Compact principles. These cover human rights, labour, the environment, and anti-corruption.

We can't guarantee to exclude all companies in the above categories. However, our aim is that they make up less than 0.5% of the fund's value.

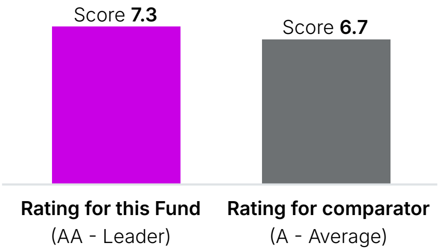
Continued overleaf...

Responsible Investing metrics

We regularly check how the fund is doing against the approach, using info supplied by an independent ESG data provider called MSCI. Using their data, we see what would happen if we invested in the same types of investments and regions as our Growth Fund 3, but in funds that aren't responsibly invested. Here's how we measure it.

1. Higher ESG score

ESG Score/rating



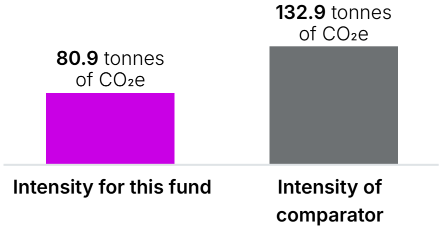
What it means

The higher the score, the more the fund includes companies leading the way in managing key financial ESG risks and opportunities. The fund has a better score than the comparator.
Funds are rated as follows:
AAA or AA = Leader, A or BBB or BB = Average, B or CCC = Laggard

The MSCI ESG Quality Score (0-10) for funds is calculated as the weighted average of the ESG scores of fund holdings. The ESG Rating is a direct mapping of ESG Quality Scores, with letter-rating categories (for example AA = 7.1-8.6). MSCI uses their own set of rules to calculate the score for each individual company. MSCI scores the most significant ESG risks and opportunities for a business and how it manages these compared to others in its industry sector.

2. Lower carbon emissions

Carbon intensity



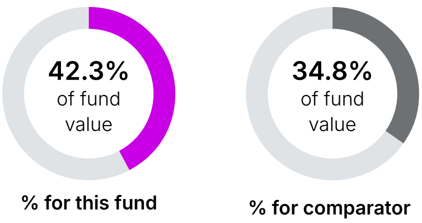
What it means

Low is good. The fund has a lower carbon intensity than the comparator.

MSCI measures a fund's exposure to companies that emit a lot of carbon. The measure is called the Weighted Average Carbon Intensity (WACI). It takes the carbon intensity of each company – their tonnes of scope 1 & 2 carbon emissions – and divides it by their revenue (per $1m). Then it multiplies that by the company's weight within the fund. Based on data available for 95% of the fund and 92% of the comparator.

3. Sustainable companies

Amount invested in companies that meet sustainable criteria



What it means

Higher is better. The fund invests more in companies that are considered a sustainable investment than the comparator does.

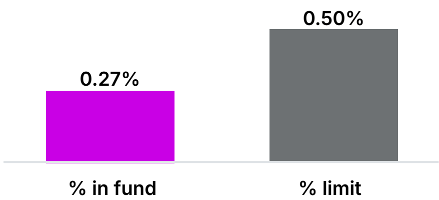
The MSCI-calculated percentage measures the fund's exposure to sustainable companies, as per the Sustainable Finance Disclosure Regulation – Article 2(17). This is based on three building blocks: 1) Good governance practices. 2) Does no significant harm. 3) Makes a positive contribution to environment or social objectives. Using data available for 95% of the fund and 92% of the comparator.

4. Active ownership

100% of underlying fund managers have policies in place aiming to influence companies towards positive change for people and/or the planet. What's more, all are members of the UN Principles of Responsible Investment (PRI), and signatories to the Financial Reporting Council (FRC) UK Stewardship Code.

5. Specific exclusions

Companies in the excluded category



What it means

Lower is better. Excluded companies should make up no more than 0.50% of the fund's value.

MSCI checks for companies engaged in excluded activities, or which fail UN minimum international standards. Where an underlying fund is invested responsibly, it'll have its own rules about this.

Need more info?

Head to our fund prospectus, **octopusmoneydirect.com/investments/existing-customers/prospectus** for more sustainability-related info on our funds.

For Key Investor Information, the latest fund performance, and all other info, go to **octopusmoneydirect.com/investments/existing-customers/**

Read about our Responsible Investing Policy at **octopusmoneydirect.com/investments/responsible-investing/policy**