

How Embark Investments applies ESG to the Embark Horizon Multi-Asset Funds

Embark Investments are committed to the integration of ESG considerations into the Horizon Multi-Asset fund range. Embark Investments will continue to evolve the Horizon Fund range in line with the changing investment markets and to meet the needs of our customers. EIL remain committed to incorporating ESG factors into the investment process by signing up to the United Nations supported Principles for Responsible Investment (UN PRI).

The six principles of the UN PRI are pledges to include ESG issues into investment analysis and decision making, and to seek appropriate disclosure on ESG issues by the entities in which we invest. As Authorised Corporate Director, Embark Investments will continue to evolve the Horizon fund range in line with the changing investment markets and customers' needs. [More...](#)

There are different approaches to ESG...

Approaches to ESG are numerous and complex, but the most common could be summarised as: *No ESG*; *Integrated ESG*; *Exclusion-based ESG*; and *Impact investing*.

No ESG: The fund manager does not look at ESG factors when making investment decisions.

Integrated ESG: The manager may not systematically exclude certain sectors on ESG grounds but will assess the different ESG factors that affect the company, the exposure to these, and how the company deals with them, engaging with the company and evaluating the direction of travel.

Exclusion-based ESG: The manager selects securities after systematically excluding certain sectors (i.e. oil, armaments), sub-sectors or companies that do not meet a pre-defined set of criteria.

Impact investing: Managers invest only in sectors, projects or companies that provide specific outcomes, such as funds investing in hydrogen, green energy, or African infrastructure. [More...](#)

Why Horizon uses an integrated ESG approach...

An integrated approach to ESG is embedded within our investment process. The Columbia Threadneedle Investments team responsible for managing the Horizon funds (and the sub-funds in which they invest) works closely with in-house Responsible Investment (RI) experts to assess ESG risks and spot sustainable opportunities. Typically, RI analysts scrutinise a company's leadership, and examine the footprint and record of the company with respect to ESG aspects, engaging with said leadership to examine the actions taken to improve the company practices and convey any concerns the RI professionals may have on such practices. [More...](#)

The potential impact on returns...

We cannot predict returns, but there are reasons an integrated approach can help company performance and better position investors within the market. Here are a couple...

1 A management team taking ESG factors into account is a clear signal of long-term thinking, which can affect a company's P&L, for example by reducing the chances of class actions or fines.

2 An integrated approach incentivises management to be more ESG-friendly than a blanket exclusion. Companies can perceive an improvement in their cost of capital as more investors invest in their companies alongside their improvement in ESG practices. [More...](#)

A group-wide promise

Alongside Embark Investments, ESG considerations are also important to the wider Embark Group.

We are committed to achieving high standards of corporate governance, integrity, and business ethics. We operate several sub-committees to provide corporate governance including, since 2020, the Group Corporate Social Responsibility (CSR) Committee. Our CSR agenda covers the four key areas of responsible investing; environmental impact; social impact; and people practices.

<https://embarkgroup.co.uk/corporate-social-responsibility/>

Important Information:

The document is for professional financial advisers only and issued by Embark Investments.

No other person should rely on, or act on any information in this document when making an investment decision. If you require further information on any of the Embark Horizon Multi-Asset Funds, the Key Investor Information Document (KIID) and the prospectus are both available on the website www.embarkinvestments.co.uk. The Authorised Corporate Director of the Embark Investment Funds ICVC is Embark Investments Limited authorised and regulated by the Financial Conduct Authority. Registered in England and Wales under registered number 3383730. Registered Office: 100 Cannon Street, London, EC4N 6EU.

Past performance is not necessarily a guide to future performance and the value of investments (and any income from them) can go down, so an investor may get back less than the amount invested. No guarantee is given for the performance of the Fund.

Embark Investments

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