

CT Responsible Global Emerging Markets Equity Strategy

2023

Responsible Profile



The CT Responsible Global Emerging Markets Equity Strategy is an actively managed portfolio of ordinary shares (equities) of companies in emerging markets, which contribute to or benefit from sustainable economic development.

Investment philosophy



Certain industries or securities are excluded from the investible universe based on environmentally damaging products or services, or unsustainable business or governance practices.

We invest in companies providing sustainable products and services and/or companies making a positive contribution to society or the environment.

We engage with companies on significant ESG issues most relevant to their business, to reduce risk, support long-term returns, and encourage better management of sustainability issues.

Key Facts

- Committed to achieve net zero emissions by 2050 or sooner.
- The benchmark is the MSCI EM Index.

Key risks

- The value of investments and any income from them can go down as well as up and investors may not get back the original amount invested.
- Screening out sectors or companies may result in less diversification and hence more volatility in investment values.
- Investing in emerging markets is generally considered to involve more risk than developed markets.

2023

in focus

In the Global Emerging Markets Equity team, we are deeply committed to our role as stewards of our clients' capital, ensuring transparency and accountability through regular reporting and disclosure. Within our Strategy, we believe that our duty extends beyond just considering financial returns, but also encompasses the broader impact of our investments on society and the environment.

This report serves as a testament to our dedication to responsible investing, highlighting our efforts to drive positive change in the markets where we operate.

Emerging markets present unique opportunities and challenges for us as investors. These regions are often characterised by rapid economic growth, dynamic market potential, and significant social and environmental needs. Responsible investing in emerging markets is not only a moral imperative but also a strategic approach to achieving sustainable long-term returns. By integrating environmental, social, and governance considerations into our investment process, we aim to discover and support companies that are well-positioned to thrive in a sustainable future.

Investing responsibly in these markets can mitigate material risks associated with poor governance, social instability, and environmental degradation, which are often more prevalent in emerging economies. Furthermore, it allows us to leverage our capital to encourage positive corporate behaviour, as well as promote ethical practices, environmental stewardship, and social inclusion.

Within the Strategy, we believe that our investments can be a powerful catalyst for change. By actively engaging with the companies in our portfolio, we encourage them to adopt best practices in a myriad of sustainability standards. This engagement ranges

from discussions with management to proxy voting and participating in shareholder resolutions. Our goal is to further a culture of accountability and continuous improvement within these companies, ultimately enhancing their long-term value.

We understand that our clients entrust us with their capital, expecting not only financial returns but also responsible management of their investments. Transparent reporting is essential to us to maintaining this trust. Our 2023 Responsible Profile report aims provide detailed insights into our investment processes, RI integration strategies, and the tangible progress of our investments. We also highlight case studies of portfolio holdings that have made significant strides in improving their ESG practices, illustrating the real-world outcomes of our responsible investing approach.

Moreover, we are committed to continuous learning and improvement. We regularly review and refine our RI criteria and investment strategies to adapt to evolving market conditions and emerging sustainability challenges. By doing so, we ensure that we remain at the forefront of responsible investing in emerging markets.

Gokce Bulut, Portfolio Manager, CT Emerging Market Equities team

Our Strategy's sustainability themes

Discover a breakdown of the Strategy's alignment to its sustainability themes, as well as an overview of each theme and related company example.

Strategy alignment to sustainability themes

32%
Technological innovation

Delivering technological and connectivity solutions to advance sustainable development.



Naver

Empowering customers to gain access to high quality, user-generated content and providing access for SMEs to move online through their ecommerce platform.

23%
Health and well-being

Supporting the provision of services to improve personal long-term well-being, such as education, health and sanitation. development.



Torrent Pharma

Bringing down the cost of medicine and creating access to a larger part of the population.

19%
Responsible finance

Providing financial services to advance financial inclusion, SME development, green finance and sustainable financial markets.



HDFC Bank

Reports it has impacted 10 million lives through rural development, education, financial inclusion and healthcare.

13%
Food and nutrition

Helping advance sustainable production and consumption patterns.



BIM

Turkish supermarket chain BIM operates an everyday low price (EDLP) strategy, with any cost savings passed back to the consumer. Turkey has had extremely high inflation and BIM has consistently indexed below which is a significant benefit to society struggling with pressure on their disposable income.

11%
Sustainable infrastructure

Helping build resilient infrastructure in transport, energy, water, communications and other sectors.



Techtronic Industries

Produces power equipment for professional and industrial users in the home improvement, repair, maintenance, construction and infrastructure industries. The company is committed to improving the environmental impact of these industries through a focus on cordless technology.

2%
Energy transition

Fuelling the economy with efficient and affordable energy from both conventional and alternative sources.



WEG

The company's core products enable significant energy savings by increasing efficiency. The W22 low voltage motor was used in an energy efficiency project in Mexico, where it reduced electricity consumption by 30-35%.

Achieving positive outcomes through engagement

Time is running out to halt and reverse the damage that has been inflicted on our environment and societies, and by extension our future economy.

One very effective and powerful way to drive positive change is to mobilise capital with intent and purpose. We distinguish between the contribution we can make to positive environmental and social outcomes via our underlying investments – i.e. through investee companies' activities – and our own activities, primarily through engagement and voting.

Focusing on the latter, we engage our investee companies to better understand and encourage improvements in how they are managing ESG issues. We believe that engaging in this way can help drive financial returns for our clients and contribute to a more resilient and sustainable global economy.

We measure and report on the success of our engagement through the assignment of Milestones, which recognise improvements in companies' ESG policy, management systems or practices against the engagement objectives that we set. We align Milestones to the SDGs to demonstrate how these outcomes can contribute towards a better, more sustainable future.

Milestones recorded in 2023

Discover the Milestones we achieved during 2023, and their alignment to the SDGs.

Improved employee engagement reporting



Advantech



SDG target 8.5 – Achieve full and productive employment for all

Enhanced TCFD reporting and climate risk management



Bank Central Asia



SDG target 12.6 – Encourage companies to adopt sustainable practices and enhance ESG reporting

Palm oil lending policy encouraging NDPE



Bank Central Asia



SDG target 15.2 – Promote the implementation of sustainable management of forests

Expansion of E&S risk sector-specific credit policies to new sectors



Bank Central Asia



SDG target 12.6 – Encourage companies to adopt sustainable practices and enhance ESG reporting

Disclosure of Scope 3 emissions



Biocon



SDG target 12.6 – Encourage companies to adopt sustainable practices and enhance ESG reporting

Standalone TCFD reporting



Bank Rakyat Indonesia Persero



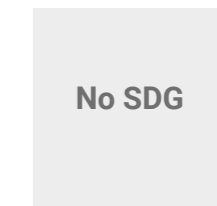
SDG target 12.6 – Encourage companies to adopt sustainable practices and enhance ESG reporting

SDG target 13.2 – Integrate climate change plans into policies and strategies

Fully independent audit committee



SITC International Holdings



No SDG

Our climate commitment

During 2023, we continued to implement our net zero by 2050 commitment for the Strategy. The **methodology** we use to implement our net zero commitment is based on the Net Zero Investment Framework, developed by the Paris Aligned Investment Initiative.

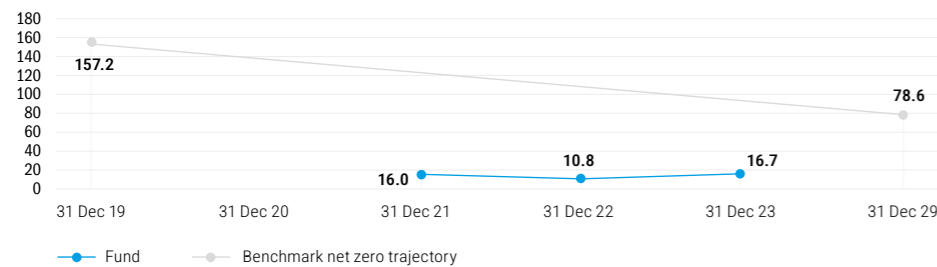
The focus of our approach is on real-world change, engaging investee companies to encourage improvement in their own alignment to a net zero future.

We compare the Strategy's overall carbon footprint (Scope 1 & 2 emissions) with a net zero aligned trajectory, based on taking the benchmark's end-2019 carbon footprint, and applying a 50% reduction by end-2029. Due to the limitations of looking at Scope 1 & 2 emissions in isolation, we view this data as a way to track progress rather than as a target, and hope to see these measures reflect real-economy

emissions cuts as our issuers take action.

As the chart below demonstrates, the Strategy's carbon footprint is already much lower than that of the trajectory for end-2029. The figure has risen from end-2022, which typically can be explained by market fluctuation and inflation, as this measure is expressed on a per- \$m invested basis. Consumer staples and information technology are the largest contributors to the Strategy's carbon footprint on a sector basis, with supermarket Jeronimo Martins and semiconductor manufacturer TSMC the largest contributors at the stock level.

The Strategy's net zero trajectory
CO₂e/\$m invested



Source: Columbia Threadneedle Investments and MSCI ESG, 31-12-23. Data for the Strategy dates back to when we began reporting. Strategy figures for 31-Dec-22 and 31-Dec-23 uses our company-wide Task Force on Climate-related Financial Disclosures (TCFD) system data. All previous figures are derived from our previous Responsible Investment impact reporting system.

¹ Total carbon emissions for a portfolio normalized by the market value of the portfolio, expressed in tonnes CO₂/\$M invested.

Companies' net zero alignment

We use a selection of data sources to rate companies on their alignment to a net zero pathway including their targets, strategy, governance, and disclosure around net zero. This enables us to analyse portfolios and identify issuers in need of engagement.

Alignment status of portfolio companies by percentage weight of portfolio

2%
Aligned

The company has specific commitments, targets, and a clear strategy in place to meet its net zero objectives by 2050 or sooner.

Examples: Our new holding in **Delta Electronics** is rated as aligned.

35%
Aligning

The company is progressing towards implementing sufficient commitments and targets to progress toward a net zero future.

Examples: **Jeronimo Markets**, **TSMC** and **Samsung Electronics**

15%
Committed

The company has committed to net zero by 2050 or sooner but has not yet set a pathway or strategy to achieve its goals.

Examples: **Yili Group**, **Techtronic Industries** and **Mercado Libre**

23%
Not aligned

The company does not meet minimum expectations on climate strategy.

Examples: **SITC International Holdings**, **BIM** and **Haier Smart Home**

25%
Not assessed

The company is not rated in the model. This includes financials and companies that are small and/or in sectors where climate change is less material.

Examples: **AIA Group**, **Bank Central Asia** and **HDFC Bank**

Source: Columbia Threadneedle Investments, as at 31 December 2023

18 companies engaged on climate change during 2023

We engaged **SITC International Holdings** – a relatively large contributor to the Strategy's carbon footprint – several times on its carbon emissions targets. While the company previously had carbon emissions targets in line with those of the International Maritime Organisation (IMO), in September the IMO set a new net zero target and so we engaged SITC since its 2040 and 2050 targets would need to be strengthened in light of this. The company told us they have discussed this internally, but do not have a concrete plan yet. Similarly, they are evaluating multiple

different alternative fuels to meet the IMO criteria and will likely wait until 2025/6 to take any hard steps. We encouraged SITC to disclose more information on how they are proactively assessing options, and how they are building the more viable options into considerations around ship procurement and retrofitting today. We also engaged **Samsung Electronics'** ESG team on its net zero commitment. The company has joined RE100 and committed to achieve 100% renewable energy by 2050. While many of its overseas sites run on 100% renewable energy, Samsung is struggling with the lack of renewable infrastructure in Korea, with renewables contributing to 6% of its energy mix.

development of a high-level climate change roadmap which includes a commitment to calculate GHG emissions from investment activities between 2023 and 2025. They also provide high-level disclosures of the outcomes of the recent climate scenario analysis. We have previously engaged with the company a number of times on climate risk management as well as requesting disclosure aligned to the TCFD recommendations.

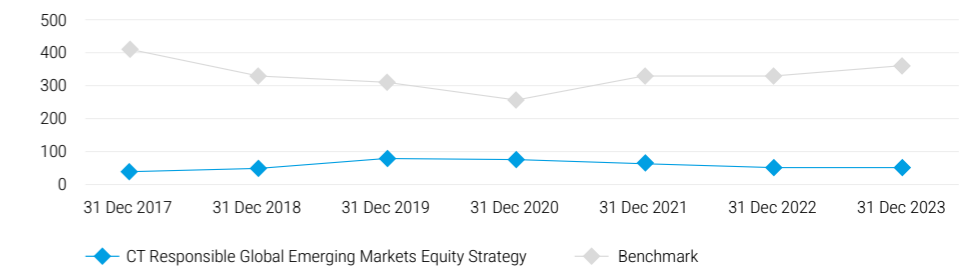
- **Bank Rakyat Indonesia** published its first standalone TCFD report, which included good disclosure on their governance and risk management of climate related risks, a transition and physical risk scenario analysis, as well as disclosure of their absolute financed emissions across their loan book. It also highlighted that they had sent a commitment letter to the Science-based Targets Initiative to set financed emissions targets. This is significant as it is the first instance of an Indonesian bank publishing their absolute financed emissions and a standalone TCFD report. We first engaged with BRI on their TCFD reporting in April 2020.

We recorded three Milestones related to climate change:

- **Biocon** disclosed its scope 3 emissions in the Integrated Annual Report FY23. We had asked for this as we consider this an industry best practice and the healthcare sector is considered a heavy emitter.
- **Bank Central Asia** enhanced its TCFD reporting and climate risk management. This includes the

We still report the Strategy's carbon intensity in terms of its weighted average carbon intensity (WACI) as a reference.

Scope 1 + 2 Intensity (tCO₂e/USD million sales)

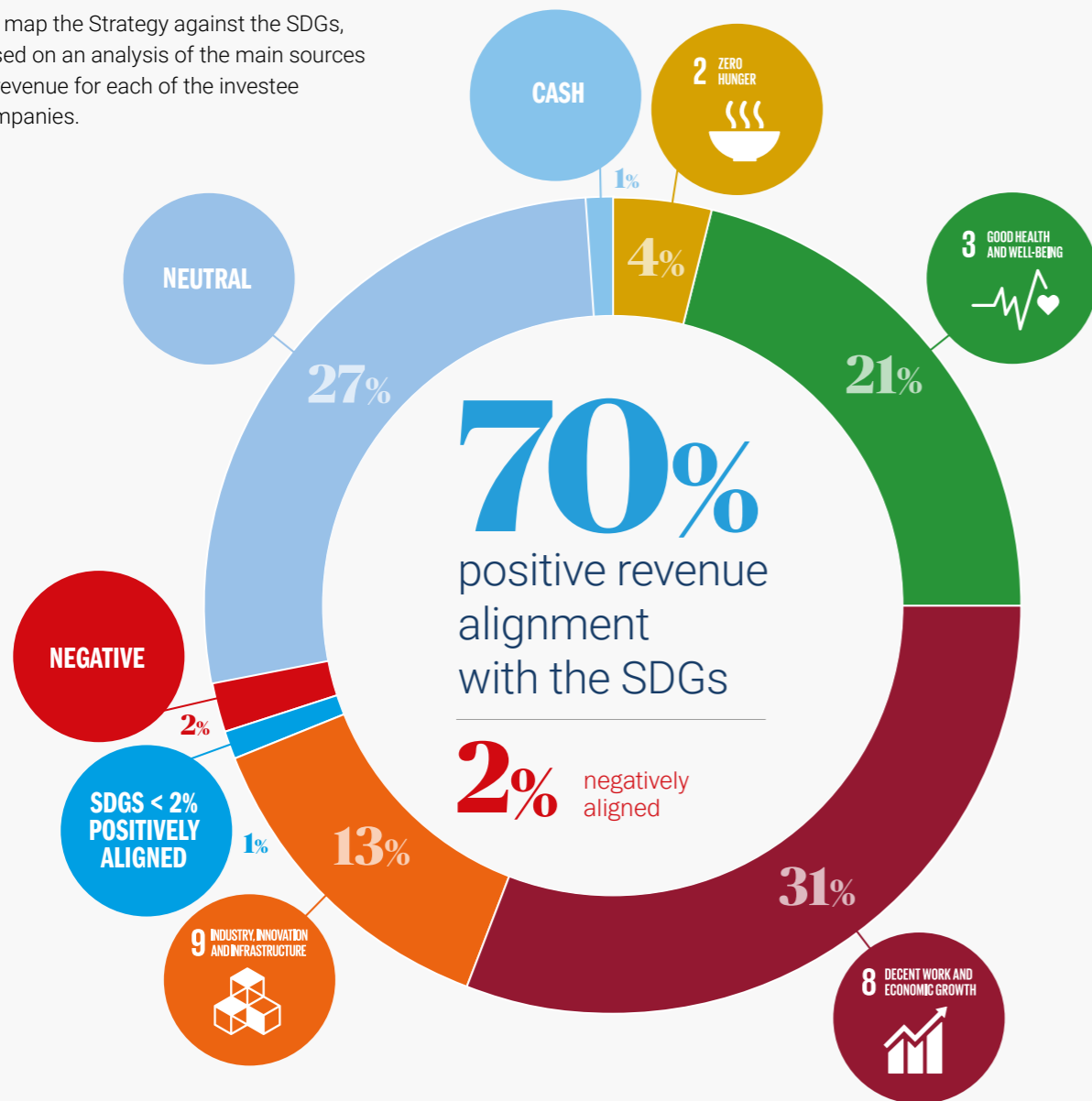


Source: MSCI ESG, as at 31 Dec 2023. Strategy and benchmark figures for 31-12-22 and 31-12-23 are based on our company-wide Task Force on Climate-related Financial (TCFD) disclosures, which we transitioned to during 2023. All previous figures are derived from our previous Responsible Investment impact reporting system.

Strategy alignment with the SDGs

The UN Sustainable Development Goals (SDGs) are 17 goals and 169 underlying targets that set out a roadmap for a more sustainable world by 2030, covering issues such as poverty, climate change and health and well-being.

We map the Strategy against the SDGs, based on an analysis of the main sources of revenue for each of the investee companies.



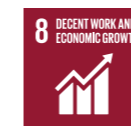
Source: Columbia Threadneedle Investments, as at 31st December 2023, designed for illustrative purposes, subject to change. Only >0.5% alignment is shown on the chart.

Specifically, we measure how the individual sources of revenue for each company correspond to the 169 targets that underlie the goals – so that one company, depending on its mix of goods and services, may have links to more than one goal. The results of this analysis are summarised here, with a full breakdown of each company and its relevant SDG links provided on p21-26.

companies contribute to the SDGs. Examples where we have assigned neutral mappings to the SDGs include **Wal-mart de Mexico** and Turkish discount supermarket **BIM**.

31%

positive alignment with SDG 8 – Decent Work and Economic Growth.



Examples that align with target 8.2 – Achieve greater productivity through innovation:

Taiwan Semiconductor Manufacturing Company produces silicon-based digital integrated circuits that support various applications such as high performance computing and the Internet of Things.

FPT Corp provides IT services and consulting designed to improve client companies' operating efficiency and business capabilities.

Naver is one of the leading commerce, fintech, content and cloud platforms in South Korea.

21%

positive alignment with SDG 3 – Good Health and Well-being.



Examples that align with target 3.8 – access to medicines and healthcare:

Torrent Pharmaceuticals manufactures and sells generic pharmaceutical products.

Dian Diagnostics provides medical diagnosis outsourcing services.

AIA Group provides health insurance.

27%

neutral alignment with the SDGs.

Our SDG mapping methodology still has some limitations that can prevent us from recognising all the ways in which

2%

negative alignment with the SDGs.

Our analysis also identifies companies' negative contributions to the SDGs. That is, those products or services that companies in our Strategy offer which might hinder the achievement of some of the SDGs. Whilst the Strategy screens remove many such companies, we did still identify some negative links. This includes:

Container shipping logistics company **SITC International Holdings** and **Meituan's** food delivery business are negatively aligned with target 13.2 – Integrate climate change plans into policies and strategies.

Nestle India has negative alignment with target 2.1 – end hunger and ensure access to safe and nutritious food – owing to its provision of unhealthy food products.

SDG revenue alignment breakdown

SDG Category	Percentage	SDG Target	Percentage
Positive alignment:	70%		
SDG 2: Zero Hunger	4%		
2.1	3.7%	End hunger and ensure access to safe and nutritious food	
SDG 3: Good Health and Well-being	21%		
3.8	20.5%	Access to medicines and health-care	
SDG 8: Decent Work and Economic Growth	31%		
8.2	17.3%	Achieve greater productivity through innovation	
8.10	14.2%	Increase access to finance	
SDG 9: Industry, Innovation and Infrastructure	13%		
9.1	5.3%	Develop resilient and sustainable infrastructure	
Neutral alignment:	27%		
Negative alignment:	2%		
13.2	1.7%	Integrate climate change plans into policies and strategies	
SDGs <2% negatively aligned	0.6%		
Cash:	1%		
SDGs <2% positively aligned	1%		

Source: Columbia Threadneedle Investments, as at 31st December 2023, designed for illustrative purposes, subject to change. Only SDG targets that are more than 0.5% aligned are shown on the table.

Sustainability metrics

Over the following pages we show how the Strategy ranks versus its benchmark and the previous year relative to various sustainability-oriented metrics related to environmental stewardship, fairness and equality.

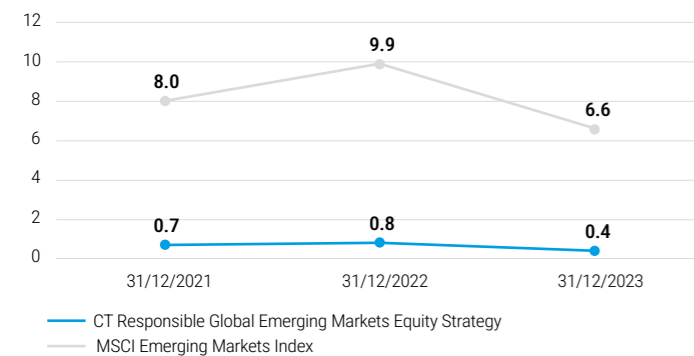
Environmental stewardship

We consider the Strategy's environmental performance versus its benchmark, by focusing on water and waste intensity metrics.



Water intensity

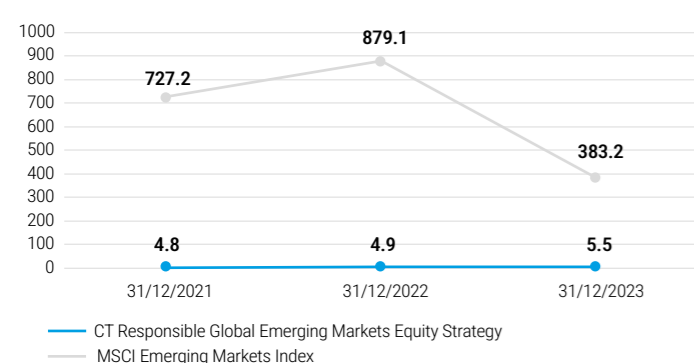
Thousands of cubic metres of fresh water used per \$1m revenue



Source: Impact Cubed, as at 31-12-2023

Waste intensity

Tonnes of solid waste generated to create \$1m revenue



Source: Impact Cubed, as at 31-12-2023

The Strategy's water and waste metrics remain well below the benchmark, with the water intensity decreasing in 2023 versus 2022, and the waste intensity increasing during the same time period. **TSMC** is the largest contributor to the Strategy's water intensity. Semiconductor manufacturing is a relatively water-intensive industry, with factories requiring large amounts of water to cool machinery and clean wafer sheets. Water consumption in the semiconductor industry is expected to increase as the technology advances, and so water security will become increasingly important to exposed companies such as TSMC. The company aims to achieve more than a 60% replacement rate of reclaimed water for fabrication plants in Taiwan by 2030, to enhance operational resilience and ensure sustainable action towards water recycling. We will continue to engage TSMC on sharing its pathway to achieving this.

Industrial machinery manufacturer **WEG** remains the largest contributor to the Strategy's overall waste intensity. 72% of waste generated by **WEG** is recyclable, and we plan to prioritise engagement with the company on its products' end of life circularity and how it incorporates this into product design. Supermarkets such as **Jerónimo Martins**, **BIM** and **Wal-Mart de Mexico** also continue to be relatively waste-intensive holdings within the Strategy. **Jerónimo Martins** has committed to halving the food waste generated by its operations by 2030; By 2025, **BIM** aims to reduce its paper waste and plastic waste significantly by 2025 and also aims to increase its use of recycled plastic in packaging also by 2025; and **Wal-Mart de Mexico** aims to transform its operations to zero waste by 2025.

Our relative underexposure to waste and water-intensive industries results in our outperformance versus the benchmark on these metrics.



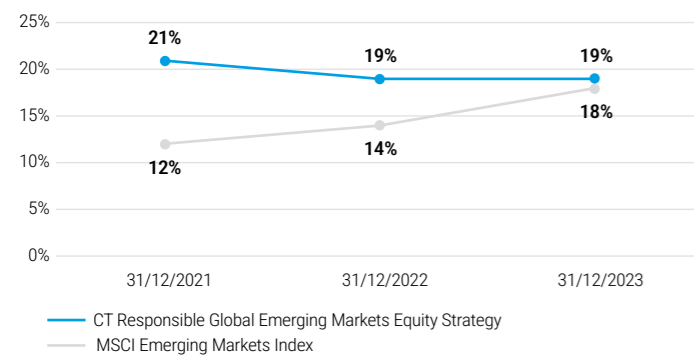
Fairness and equality

Here we provide two metrics to give an indication of the Strategy's performance in relation to aspects of fairness and equality in the workplace versus its benchmark: gender equality and the board level, and the ratio of executive to average employee pay.



Gender

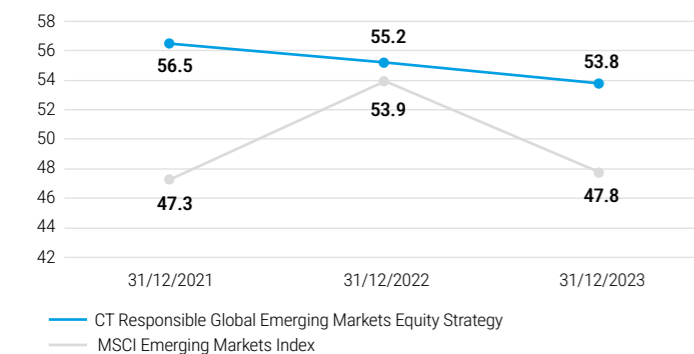
% female directors on company board



Source: MSCI ESG, as at 31-12-2023

Executive pay

Ratio of CEO to average employee pay



Source: Impact Cubed, as at 31-12-2023

The Strategy remains ahead of the benchmark in terms of board-level gender diversity and executive pay ratios. **Nestle India** has an equal split of male and female board directors, while several other companies have at least one-third of the board comprising women, such as **Yili Group** and **Clicks Group**. However, many companies in the Strategy have boards with less than one-third female directors, and **Bank Central Asia**, **BIM** and **By-Health** have all-male boards. We note that during 2023, Meituan added its first female director.

This company is part of our "improve board gender diversity in Asia" engagement project. As a listed company in Hong Kong, the company is required to eliminate single gender board by December 2024. We are glad that the company complies with the requirement one year early before the deadline, and will continue to engage on its board diversity policy and diversity at the senior executive level. Companies with particularly large CEO to average employee pay ratios include supermarkets **Jeronimo Martins** and **Wal-mart de Mexico**, as well as **Infosys**. Remuneration was a topic of conversation in several company engagements during 2023, including with **Advantech**, **HDFC Bank** and **SITC International Holdings**.

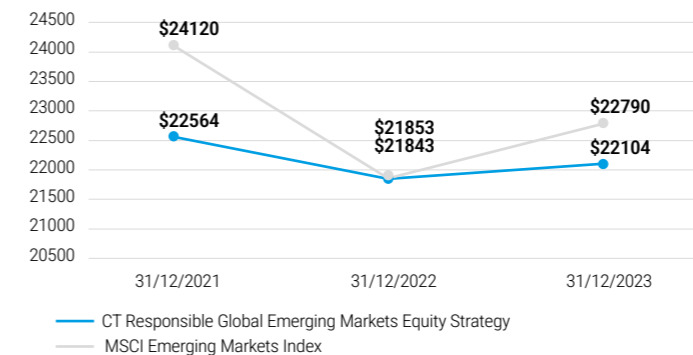
Economic development

We consider here the effect of our investments on global inequality, by looking at how companies support economic growth in parts of the world with the greatest needs. Both metrics are compared with the benchmark.



Economic development

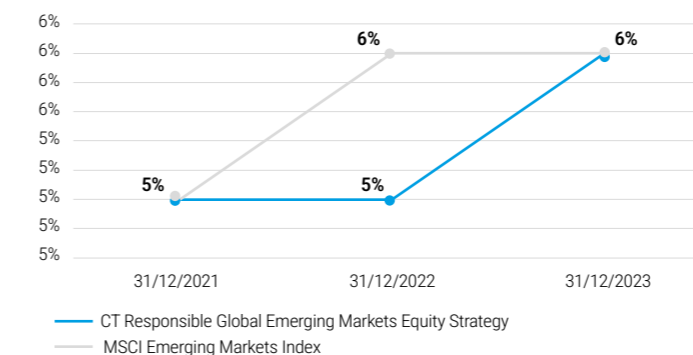
Company geographical spread of operations matched against GDP per capita*



Source: Impact Cubed, as at 31-12-2023

Employment

Company geographical spread of employment against unemployment rates provided by the ILO**



Source: Impact Cubed, as at 31-12-2023

The two metrics used compare the location of companies' operations and employment with local GDP per capita and unemployment rates, respectively. This allows us to consider the effect of our investments on global inequality by looking at how companies support economic growth in parts of the world with the greatest needs. The Strategy slightly outperforms the benchmark on economic development. We note our exposure to countries such as India, Vietnam and Indonesia, which have relatively low GDP per capita.

The Strategy is in line with the benchmark on employment. **Clicks Group** is a health, beauty and wellness company based in South Africa, which has a particularly high unemployment rate. The company reported in its latest sustainability report (dated for the year ended August 2023) that 95% of employees are black, and 63% are female. The group supports youth employment, with young people accounting for 67% of the permanent workforce. It offers bursary schemes for students from South African universities, internships, graduate programmes and senior leadership development programmes, among other programmes to build a robust talent pipeline. It also invested R135 million to provide learning opportunities for employees through on-the-job training, skills programmes, learnership programmes, short courses and academic qualifications.

* A higher figure indicates that the companies in the portfolio register less economic activity in low GDP/ capita countries, in aggregate, than the benchmark, and hence has a lower impact on development.

** A higher figure indicates that the companies in the portfolio register more activity in high unemployment countries, in aggregate, than the benchmark, and hence has a higher impact on employment.

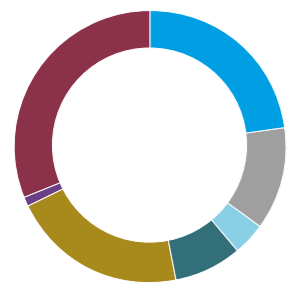
Engagement in 2023

We have constructive dialogue with companies on a range of risks and opportunities, including those linked to ESG factors, that could have a material impact on their businesses and, where necessary, encourage improvement in management practices that we believe could help drive financial returns.

As outlined on p4, we measure and report on the success of our engagement through the assignment of Milestones.

21
companies engaged

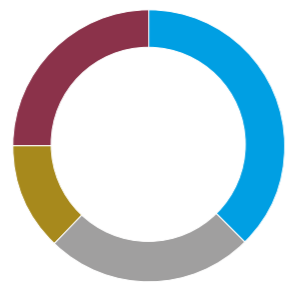
Engagements by theme



Climate change	23%
Environmental stewardship	12%
Business conduct	4%
Human rights	8%
Labour standards	21%
Public health	1%
Corporate governance	31%

8
Milestones achieved

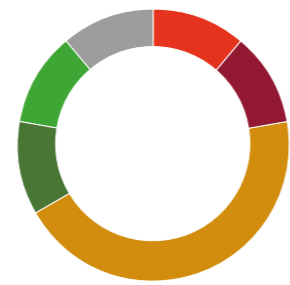
Milestones achieved by theme



Climate change	38%
Environmental stewardship	25%
Business conduct	0%
Human rights	0%
Labour standards	13%
Public health	0%
Corporate governance	25%

88%
Milestones aligned to SDGs

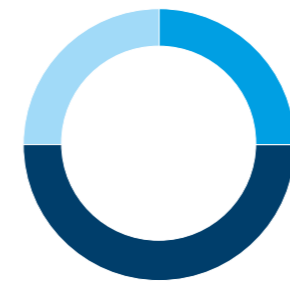
Milestones by SDG



5 Gender Equality	11%
8 Decent Work and Economic Growth	11%
12 Responsible Consumption and Production	44%
13 Climate Action	11%
15 Life on Land	11%
No SDG	11%

Milestones are ascribed using a three-star rating system, with three stars indicating the most significant impact of change and one star reflecting smaller, incremental change along a pathway for the issuer, or across a broader context, for the relevant industry as a whole.

Milestones achieved by rating



1 star	25%
2 stars	50%
3 stars	25%

How we voted in 2023

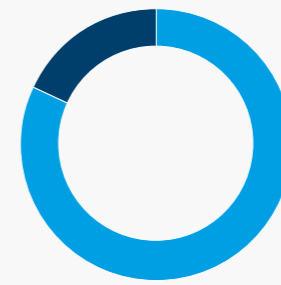
Good corporate governance is at the heart of any successful business, instrumental in supporting the delivery of strategic objectives and in driving sustainable performance, as well

as maintaining legal requirements and ethical standing.

Our Corporate Governance Guidelines set out our expectations of investee companies in terms of good governance and guide how we vote. These address matters related to topics such as shareholder rights, boards of directors, corporate governance, compensation, capital management, environmental, social and governance practices and certain other matters.

We believe that voting is an important tool for driving improvement in company practices and market standards, and re-enforcing objectives set in engagement.

Voting in 2023



With management	82%
Against management	18%

Votes against management most commonly related to compensation and director elections.

Source for all charts: Columbia Threadneedle Investments, as at 31-12-2023. Rounding may result in chart figures not totaling 100%.

Engagement case studies

Discover examples of where we worked in partnership with companies to drive improvements in their approach to sustainability and outcomes.



Bank Central Asia Tbk PT



SDG target 15.2 – promote the implementation of sustainable management of forests.

Background: Bank Central Asia (BCA) Provides commercial and personal banking services across Indonesia. Our engagement objective was for BCA to implement a palm oil lending policy encouraging 'No Deforestation, No Peat and No Exploitation' (NDPE) for their clients.

Engagement: We engaged BCA initially in August 2021, with a subsequent meeting in October 2021, where we asked about their lending criteria to the palm oil sector. We specifically asked if BCA would consider an NDPE requirement in the policy. We discussed this again in January 2023, where BCA clarified that NDPE was encouraged, but not required.

Outcome: Bank Central Asia have now disclosed and implemented a palm oil sector lending policy. The policy largely requires debtors in the sector to ensure legal compliance; however, it does also explicitly highlight that they encourage debtors to adopt the principle of NDPE.

Progress and follow up: We will continue to engage for this NDPE to be a required measure instead of a voluntary one.



ICICI Bank Limited



SDG target 12.6 – encourage companies to adopt sustainable practices and enhance ESG reporting

Background: ICICI Bank is an Indian multinational bank and financial services company headquartered in Mumbai. We planned to use engagement to encourage the company to improve its climate risk reporting aligned with TCFD recommendations.

Engagement: We reached out to the company in April 2023 to request discussion and disclosure on climate risk management. During an engagement call in June 2023, we asked about the bank's management of climate risks. ICICI noted that they already conduct some analysis of physical climate risks; however, in general they appeared to be waiting for further guidance from the Reserve Bank of India. We followed up with an email, highlighting

areas that they could improve their climate risk management. In particular, we wanted to understand if they had considered measuring and disclosing their financed emissions, or aligning their reporting with the TCFD recommendations. We highlighted the Reserve Bank of India as good practice for Indian banks.

Outcome: In its most recent 22/23 ESG report, ICICI Bank provides additional disclosures on its climate risk management, including a key to highlight the relevant TCFD sections. This includes more disclosure on its climate risk scenario analysis, including physical climate risks. This is incorporated into the capital adequacy assessment. While we believe there is still significant room for improvement, this is an important step in their management of climate risks, particularly given the prudential regulators growing focus on this.

Progress and follow up: We will continue to engage with ICICI Bank on this objective. For example, in November 2023, after the publication of ICICI Bank's ESG report, we attended an in-person meeting at the company's office in Mumbai, coordinated by the ACGA investor group. As part of this discussed we encouraged the bank to disclose more information on its financed emissions and expand its coverage of the TCFD report.

Engagement dialogue with investee companies is an integral part of our approach to research and investment, and as stewards of client capital.

Our Strategy in detail

Over the following pages, discover how the companies held in the Strategy correspond to our sustainability themes, as well as details such as SDG alignment, any engagement conducted during the year and any positive outcomes (Milestones) achieved.



Technological innovation

Delivering technological and connectivity solutions to advance sustainable development.

Company	Company description	SDG alignment	Number and subject of engagement(s) in 2023	2023 milestones
Allegro.eu Consumer discretionary Luxembourg	Owned since 2021 – 1.1% weighting Online shopping platform offering products in categories such as automotive, fashion, electronics, health and beauty.	⊖ 100% – Neutral	0	0
Delta Electronics Information technology Taiwan	Owned since 2023 – 1.9% weighting Manufactures switching power supplies and thermal management products.	⊕ 14% – 8.2 – Promotes innovation through the provision of industrial automation products and solutions ⊖ 86% – Neutral	1: Climate change, environmental stewardship, labour standards, corporate governance	0
EPAM Systems Information technology United States	Owned since 2022 – 2.2% weighting Global IT services organisation that provides a comprehensive range of digitalisation services to its clients in diverse industries.	⊕ 100% – 8.2 – Promotes innovation through the provision of software engineering services, digital platform engineering and digital product design	0	0
Fabrinet Information technology Thailand	Owned since 2023 – 0.8% weighting Provides advanced optical packaging and precision optical, electro-mechanical, and electronic manufacturing services across the manufacturing process.	⊖ 100% – Neutral	0	0
FPT Corp. Information technology Vietnam	Owned since 2021 – 4.8% weighting Provides technology and telecommunications services and solutions around the globe.	⊕ 57% – 8.2 – Promotes innovation through the provision of IT consulting ⊕ 31% – 9.1 – Provides technology and telecommunications solutions, including consulting, to help clients achieve technology-driven business development goals ⊕ 11% – 4.6 – Provides education at all levels from elementary school to postgraduate education and short-term training programmes for businesses ⊖ 2% – Neutral	0	0
Haier Smart Home Co. Consumer discretionary Hong Kong	Owned since 2021 – 2.2% weighting Researches, develops and manufactures household electrical appliances, such as refrigerators/freezers and washing machines.	⊖ 100% – Neutral	3: Climate change, environmental stewardship, human rights	0

Company	Company description	SDG alignment	Number and subject of engagement(s) in 2023	2023 milestones
Infosys Information technology India	Owned since 2019 – 2.3% weighting Provides IT consulting and software services, including e-business, program management and supply chain solutions.	⊕ 6% – 8.2 – Helps drive innovation in enterprise service management through the provision of software products and platforms ⊖ 94% – Neutral	0	0
Meituan Consumer discretionary China	Owned since 2022 – 0.9% weighting Web-based platform linking locally sourced consumer products and retail services with users. We sold our holding in Meituan in 2024.	⊖ 71% – 13.2 – Transportation for food delivery has negative impacts on climate change ⊖ 29% – Neutral	6: Climate change, labour standards, corporate governance	1: Added first female director
MercadoLibre Consumer discretionary Uruguay	Owned since 2022 – 2.6% weighting Online e-commerce and financial technology company in Latin America.	⊕ 45% – 8.10 – Increases access to finance through the provision of electronic payment processing ⊖ 55% – Neutral	1: Climate change, business conduct, corporate governance	0
NAVER Corp Communication services South Korea	Owned since 2020 – 2.5% weighting Operates as a search engine and e-commerce platform providing fintech, digital content, and cloud services.	⊕ 70% – 8.2 – Helps its customers achieve higher levels of productivity through diversification, technological upgrading and innovation ⊕ 14% – 8.10 – Provides electronic payment processing services ⊖ 15% – Neutral	1: Climate change, human rights, labour standards	0
Samsung Electronics Information technology South Korea	Owned since 2023 – 2.1% weighting Produces a wide variety of consumer and industry electronics, such as appliances, semiconductors and digital media devices such as TVs and mobiles.	⊕ 41% – 8.2 – Helps promote innovation and productivity through the manufacturing of electronic components and semiconductors used in computers and mobiles ⊕ 35% – 9.c – Supports access to universal and affordable technology through the manufacturing and retail of smartphones ⊖ 24% – Neutral	5: Climate change, environmental stewardship, human rights, labour standards, corporate governance	
Taiwan Semiconductor Manufacturing Co. Information technology Taiwan	Owned since 2010 – 7.8% weighting The world's largest dedicated pure-play semiconductor foundry, TSMC manufactures and markets integrated circuits.	⊕ 56% – 8.2 – Helps its customers achieve higher levels of productivity through diversification, technological upgrading and innovation ⊕ 39% – 9.c – Increasing access to information and communications technology through its smartphone platform ⊕ 5% – 3.6 – Reducing death and injury from road traffic accidents via automotive technology	2: Climate change, environmental stewardship, labour standards, corporate governance	
Tata Consultancy Services Information technology India	Owned since 2019 – 2.6% weighting Global IT services organisation that provides a comprehensive range of IT services to its clients in diverse industries.	⊕ 71% – 8.2 – Helps promote productivity through the provision of IT consulting across different industries such as retail, communications and financial services ⊖ 29% – Neutral		
WNS Holdings Information technology India	Owned since 2023 – 1.7% weighting Business process management company that provides digital-first transformation solutions to businesses.	⊕ 23% – 16.6 – Promotes accountability and transparency in insitutions through the provision of accounting and bookkeeping services ⊖ 77% – Neutral	2: Business conduct, labour standards	

Health and well-being

Supporting the provision of services to improve personal long-term well-being, such as education, health and sanitation.

Company	Company description	SDG alignment	Number and subject of engagement(s) in 2023	2023 milestones
Biocon Health care India	Owned since 2020 – 2.5% weighting Manufactures generic active pharmaceutical ingredients that are sold in over 120 countries across the globe.	⊕ 100% – 3.8 – Promotes access to safe, effective and affordable essential medicines	3: Climate change, labour standards, corporate governance	1: Disclosure of Scope 3 emissions
By-health Co. Consumer staples China	Owned since 2020 – 0.9% weighting Produces and sells nutritional and dietary supplements primarily in China.	⊕ 100% – 3.8 – Promotes access to safe, effective and affordable essential vitamins and dietary supplements	0	0
Clicks Group Healthcare South Africa	Owned since 2023 – 1.5% weighting Wholesaler, retailer, and supplier of health, pharmacy, and beauty products.	⊕ 100% – 3.8 – Promotes access to healthcare through the retail and distribution of pharmaceutical and healthcare products	0	0
Dian Diagnostics Group Co. Health care China	Owned since 2020 – 0.9% weighting Engages in the provision of medical diagnosis outsourcing service.	⊕ 100% – 3.8 – Promotes access to safe, effective and affordable essential medical diagnostics services	0	0
Home Product Centre Consumer discretionary Thailand	Owned since 2020 – 1.4% weighting Retailer of building materials and home improvement products in Thailand and Malaysia.	⊕ 94% – 9.1 – Home centers and hardware stores supports the development of resilient and infrastructure through the provision of building materials and supplies ⊖ 6% – Neutral	1: Corporate governance	0
Jumbo Consumer discretionary Greece	Owned since 2023 – 1.1% weighting Retailer of toys, baby items, seasonal items, decoration items, books and stationery.	⊖ 6% – Neutral	1: Climate change, environmental stewardship, human rights, labour standards	0
Marico Consumer staples India	Owned since 2020 – 2.0% weighting Provides consumer products and services in the areas of health, beauty and wellness in over 25 countries across Asia and Africa.	⊕ 55% – 2.1 – Provides affordable, safe and nutritious food all year round ⊖ 45% – Neutral	0	0
Max Healthcare Institute Health care India	Owned since 2022 – 2.6% weighting Hospital chain operator in India.	⊕ 100% – 3.8 – Promotes access to medicine and healthcare through the provision of healthcare and pharmaceutical services in India	4: Corporate governance	0
Raia Drogasil Consumer staples Brazil	Owned since 2018 – 1.0% weighting Owns and operates a chain of pharmaceutical stores across Brazil.	⊕ 100% – 3.8 – Promotes access to safe, effective and affordable essential medicines through its drug retail and distribution activities	0	0
Shenzhen Mindray Bio-Medical Electronics Co Healthcare China	Owned since 2023 – 1.9% weighting Designs and manufactures medical equipment and accessories.	⊕ 100% – 3.8 – Promotes access to healthcare through the provision of medical instruments and devices used in radiology and diagnostics	0	0
Torrent Pharmaceuticals Health care India	Owned since 2020 – 1.9% weighting Manufactures and sells branded, as well as unbranded generic pharmaceutical products.	⊕ 100% – 3.8 – Promotes access to safe, effective and affordable essential medicines	0	0
Wuxi Biologics Health care China	Owned since 2022 – 0.9% weighting Global biologics manufacturing and developer.	⊕ 100% – 3.8 – Provides outsourcing options to small and medium-sized biotechnology companies with limited manufacturing capabilities, empowering them to discover and develop biologics.	0	0

Responsible finance

Providing financial services to advance financial inclusion, SME development, green finance and sustainable financial markets.

Company	Company description	SDG alignment	Number and subject of engagement(s) in 2023	2023 milestones
AIA Financials Hong Kong	Owned since 2012 – 4.5% weighting Offers insurance and investment services across Asia.	⊕ 100% – 3.8 – Promotes access to healthcare through the provision of health insurance	0	0
Angel One Financials India	Owned since 2023 – 1.5% weighting	⊖ 100% – Neutral	0	0
Bank Central Asia Tbk PT Financials Indonesia	Owned since 2021 – 4.0% weighting Provides commercial and personal banking services across Indonesia.	⊕ 100% – 8.10 – Promotes access to finance by providing corporate and consumer banking services in Indonesia	3: Climate change, environmental stewardship, business conduct, corporate governance	3: Enhanced TCFD reporting and climate risk management Expansion of environmental and social risk sector-specific credit policies to new sectors Palm oil lending policy encouraging NDPE
Bank Rakyat Indonesia Tbk PT Financials Indonesia	Owned since 2022 – 1.6% weighting Provides micro, small and medium enterprises and personal banking services across Indonesia.	⊕ 99% – 8.10 – Promotes access to finance by providing corporate and consumer banking services in Indonesia ⊕ 1% – 9.3 – Increases access to financed for SMEs by providing corporate banking services to such companies across Indonesia	2: Climate change, environmental stewardship, corporate governance	1: Standalone TCFD reporting
Bank Tabungan Pensiunan Nasional Syariah Tbk PT Financials Indonesia	Owned since 2020 – 1.0% weighting Provides banking services for unbanked and underbanked individuals and businesses across Indonesia.	⊕ 100% – 8.10 – Promotes access to financial services for all through its retail banking operations	0	0
CreditAccess Grameen Financials India	Owned since 2023 – 0.9% weighting Provides microfinance services to women from low-income, rural households.	⊕ 100% – 8.10 – Promotes access to finance for women from low-income, rural households through the provision of microfinance services	0	0
Discovery Financials South Africa	Owned since 2019 – 2.5% weighting Offers insurance, banking and investment services worldwide, focusing in South Africa.	⊕ 57% – 38 – Helps achieve universal health coverage, including financial risk protection, through its health insurance products ⊕ 2% – 8.10 – Promotes access to insurance products for all, including health and life insurance ⊖ 41% – Neutral	0	0
Grupo Financiero Banorte Financials Mexico	Owned since 2023 – 2.3% weighting Provides banking and financial services.	⊕ 100% – 8.10 – Promotes access to finance through the provision of corporate and retail banking services in Mexico	0	0
HDFC Bank Financials India	Owned since 2011 – 4.8% weighting Provides general banking services serving corporate, commercial and SME, retail and microfinance, and treasury customers.	⊕ 46% – 8.10 – Promotes access to financial services for all through its retail banking operations ⊕ 30% – 9.3 – Promotes socioeconomic growth by enabling access to financial services for small, medium and large enterprises, including affordable credit ⊖ 24% – Neutral	1: Climate change, corporate governance	0

Company	Company description	SDG alignment	Number and subject of engagement(s) in 2023	2023 milestones
Ping An Insurance Financials China	Owned since 2021 – 1.3% weighting Financial services group providing services such as insurance, banking and asset management, as well as health technology capabilities.	<ul style="list-style-type: none"> ⊕ 47% – 3.8 – Provides accident and health insurance ⊕ 46% – 8.10 – Provides a range of financial services, including insurance, banking and asset management ⊕ 2% – 8.2 – Helps promote greater productivity through the use of technologies including artificial intelligence, blockchain and a cloud computing platform that support financial services, medical, real estate and other industries. ⊖ 5% – Neutral 	0	0

Food and nutrition

Helping advance sustainable production and consumption patterns.

Company	Company description	SDG alignment	Number and subject of engagement(s) in 2023	2023 milestones
BIM Biresik Magazalar AS Consumer staples Turkey	Owned since 2011 – 0.9% weighting Operates food and basic consumer goods discount stores in Turkey.	⊖ 100% – Neutral	0	0
Inner Mongolia Yili Industrial Group Co. Consumer discretionary China	Owned since 2018 – 1.8% weighting Manufactures and distributes milk and dairy-based products.	<ul style="list-style-type: none"> ⊕ 92% – 2.1 – Provides affordable, safe and nutritious food all year round ⊖ 8% – 2.1 – Produces snack foods such as ice cream that provide limited nutritional value 	7: Climate change, environmental stewardship, labour standards, public health, corporate governance	0
Jeronimo Martins Consumer staples Portugal	Owned since 2019 – 4.3% weighting Through its subsidiaries, distributes food in Portugal, Poland, and Colombia.	⊖ 100% – Neutral	0	0
Nestle India Consumer staples India	Owned since 2020 – 1.3% weighting Produces food, beverages, chocolate and confectioneries.	<ul style="list-style-type: none"> ⊕ 72% – 2.1 – Provides affordable, safe and nutritious food all year round ⊖ 16% – 2.1 – Produces snack foods and beverages that provide limited nutritional value ⊖ 12% – Neutral 	0	0
Sendas Distribuidora Consumer staples Brazil	Owned since 2023 – 1.6% weighting Food distributor providing wholesale Cash & Carry and retail hypermarkets, supermarkets and convenience stores under various brands.	⊖ 100% – Neutral	5: Climate change, labour standards, corporate governance	0
Wal-Mart de Mexico Consumer staples Mexico	Owned since 2016 – 1.5% weighting Retails food, clothing, and other merchandise under a variety of store formats across Mexico and Central America.	⊖ 100% – Neutral	0	0

Energy transition

Fueling the economy with efficient and affordable energy from both conventional and alternative sources.

Company	Company description	SDG alignment	Number and subject of engagement(s) in 2023	2023 milestones
WEG Industries Industrials Brazil	Owned since 2022 – 2.1% weighting Manufacturer of industrial machinery.	<ul style="list-style-type: none"> ⊕ 87% – 9.4 – Supports efforts to upgrade infrastructure and retrofit industries to make them sustainable through the provision of electric motors used for various commercial and industrial applications ⊖ 13% – 7.2 – Not all of WEG's power generation solutions are based on renewable energy sources 	2: Climate change, environmental stewardship, human rights, labour standards	0

Sustainable infrastructure

Helping build resilient infrastructure in transport, energy, water, communications and other sectors.

Company	Company description	SDG alignment	Number and subject of engagement(s) in 2023	2023 milestones
Advantech Information technology Taiwan	Owned since 2022 – 2.5% weighting Manufacturer of industrial computing hardware	⊕ 100% – 8.2 – Promotes innovation in IoT, big data and artificial intelligence through the provision of computer hardware and software solutions	4: Climate change, human rights, labour standards, corporate governance	1: Improved employee engagement reporting
Shenzhen Inovance Technology Co Industrials China	Owned since 2023 – 1.0% weighting Manufactures electrical equipment such as automation control products and robotics.	<ul style="list-style-type: none"> ⊕ 52% – 8.2 – Promotes productivity through the provision of industrial robots and other automation tools to support factory automation ⊕ 24% – 9.4 – Manufactures powertrains for electric vehicles ⊕ 22% – 2.4 – Supports sustainable food production through the manufacture of machinery components that help promote sustainable and resilient agricultural practices ⊖ 2% – Neutral 	0	0
SITC International Holdings Co. Industrials Hong Kong	Owned since 2020 – 1.2% weighting Offers marine shipping and other logistics services.	<ul style="list-style-type: none"> ⊖ 93% – 13.2 – Marine transport has significant impacts on climate change ⊖ 7% – Neutral 	5: Climate change, labour standards, corporate governance	1: Fully independent audit committee
Techtronic Industries Co. Industrials Hong Kong	Owned since 2021 – 2.7% weighting Produces power tools, outdoor power equipment, floor care appliances and other related products.	<ul style="list-style-type: none"> ⊕ 93% – 9.1 – Supports the development of resilient and sustainable infrastructure through the provision of power equipment ⊖ 7% – Neutral 	2: Climate change, corporate governance	0

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