

For professional investors/qualified investors only.

CT Responsible Global Equity Strategy

2023

Responsible Profile



2023

a transformational year

A year can be a very long time in the markets. Nothing exemplifies this more than 2023. With astonishing rapidity, investors shrugged off the gloom of 2022 and embraced risk, confident that radical central bank action has tamed inflation, and that rates are coming down, driving the MSCI World up almost 20%. This confidence has spilled over into 2024, despite the Fed keeping the world waiting for its first rate cut, with the continued rally underpinned by growth and technology stocks.

Given our bias towards innovative, quality-growth companies, it was particularly frustrating for us as a strategy to underperform in 2023. There were a number of headwinds, but much of this underperformance was rooted in being underweight to the constellation of stocks dubbed the Magnificent Seven – Nvidia, Tesla, Meta, Apple, Amazon, Microsoft and Alphabet – market cap behemoths who drove the majority of performance in an extremely concentrated rally.

Many of these names we cannot own due to the screens that safeguard this strategy. We firmly believe that having a rigorous, impartially applied set of screens aligns with our client’s ethics and protects their capital in the long term, but there will occasionally be performance penalties to these screens. Such was the case last year.

In a market where so many of the biggest businesses are also its innovation leaders, it is vital to regularly re-screen large benchmark weights to ascertain whether

our stance on them is still appropriate, and last year we re-screened most of the Magnificent Seven, with Alphabet moving from non-acceptable to acceptable due to material improvements in its data management practices. We added the stock towards the end of the year. We will continue to review and refine our screens to ensure they are appropriate for the world we are moving in to.

We live in era of continuous innovation, but even by these standards, 2023 has been an extraordinary year of technological change, with history seeming to accelerate in front of our eyes. Artificial intelligence has emerged to become an almost all-consuming interest of markets, driving Nvidia’s historic run to become the second biggest company in the world, and bringing hundreds of billions of dollars of capex off the sidelines to invest in GPUs, semi-conductors and data centre capacity, as corporates race to embrace this technology.

AI has the potential to augment and automate a huge range of cerebral tasks the way the industrial evolution substituted machines for muscles two and a half centuries ago. That first industrial revolution was the greatest wealth unlock in human history, but it was accompanied by serious social consequences. The implications of the AI revolution could be equally profound. As responsible investors, we want to attach ourselves to this growth, whilst also, just as importantly, trying to ensure it is applied ethically, wisely and sustainably.

We are a low turnover strategy by design, buying businesses that we have long-term conviction in. This will not change. But in a year of radical market and technological change, it is necessary that we are correspondingly nimble to grasp

opportunities before they evaporate. Our turnover in 2023 was consequentially higher than normal, but we believe that the trades we carried out leave us much better positioned in emergent mega-trends. You will read more about these trades in this report.

We are very mindful of the performances challenges of 2023 and 2022. They serve to keep us hungry and disciplined in our investment approach. But it is gratifying to see that trading activity we conducted in 2023 is positively contributing to performance into 2024.

These are genuinely exciting times to be an investor, and the opportunity set is rich. We hope to convey some of that excitement in this report, and remain committed to investing your money into the most innovative global businesses, which have both the potential to power long term fund performance, and scope to make a positive non-financial contribution for all employees, stakeholders and shareholders.



Jamie Jenkins
Managing Director,
Head of Global
ESG Equities



Nick Henderson
Director, Portfolio
Manager, Global
Equities



Harry Waight
Portfolio Manager,
Global Equities

The CT Responsible Global Equity Strategy is an actively managed strategy aiming to achieve long term capital growth by investing in equities in any market.

Key Facts

- The Strategy is committed to achieve net zero emissions by 2050 or sooner.
- The benchmark is the MSCI World 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.

Investment philosophy

Avoid
Exclusions

Comprehensive exclusion criteria, setting threshold standards to avoid investment in socially or environmentally damaging products or unsustainable business practices.

Invest
Sustainability-focused

Invest in companies providing sustainable solutions and/or companies making a positive contribution to society and/or the environment.

Improve
Driving change

Engage to encourage companies to improve both their product and conduct, including supporting the ambitious UN Sustainable Development Goals.

Repositioning into emerging mega-trends

Investing involves an attempt, however imperfectly, to understand the future – both in terms of the themes that will define it, and the companies that will thrive in it. 2023 was a year of higher-than-normal turnover for our Strategy, as we increased our focus on powerful emerging themes that we believe could be instrumental in driving social and environmental change and creating economic value for shareholders in the process. Read our views and recent investments in artificial intelligence and healthcare.

Artificial intelligence

We believe that artificial intelligence is in all likelihood the defining technological theme of the decade, impacting almost every industry and changing the way we think about intelligence itself. The potential positive impacts derived from AI are enormous, but there are also potential social and environmental risks, which we as responsible investors must navigate with care and caution.

In healthcare, AI can be used to analyse medical scans for early disease detection with a far higher degree of accuracy than a human radiologist, and to then personalise treatment plans. In education, AI tutors can build personalised learning experiences adapted to the nuances of any given student, or bring a wealth of information to underserved groups worldwide, democratising learning. In the environmental realm, AI can help with

precision agriculture, optimising water usage or crop yields, while at the same time analysing satellite imagery to predict natural disasters, protecting people and infrastructure against them.

Investment into this nascent technology is commensurate with its transformational power, and researchers are forecasting that 2030's global cloud AI capex will reach \$300 billion. Alphabet, Amazon, Meta and Microsoft alone have announced a combined total of \$200bn in capital expenditure for 2024.

It is absolutely vital that we as investors are on the right side of this mega-trend, capitalising on the capital growth opportunities it offers up. We want to be in the businesses underpinning this vital, emergent technology, and as shareholders we will continue to be active in ensuring

that these companies are themselves developing AI in a responsible, ethical manner.

During 2023, we added materially to our AI investment. We bought **Nvidia**, whose GPUs are the workhorses that underpin the complex calculations used in training and implementing AI models. Nvidia has a first mover advantage in this space, and its hardware and software ecosystem put it several years ahead of its competitors, something which has helped drive its astounding market cap rally over the last 18 months.

We are also playing the AI theme through second derivative winners. During the year, we added cybersecurity firm **CrowdStrike** to the Strategy – a company using AI to analyse vast quantities of security data to understand what activities are likely to be

malicious, as well as to automate certain parts of the incident response process. In a world where data is perhaps the most precious resource, CrowdStrike helps its clients, and by extension society, protect that data more efficiently and effectively.

We also added **Alphabet** to the Strategy. Alphabet has perhaps done more than any other business in history to democratise

access to information, and information catalyses human progress across almost all dimensions. No company in the world sits on a larger, higher-quality data pool, and it is this data that fuels AI models, making them more sophisticated.

All of this data must of course be stored, and we started to play this storage theme through the addition of **Equinix**, a world

leader in the management of data centre networks across over 35 countries, renting IT infrastructure to a global client base. As data volumes balloon, demand for Equinix's services grow as well, putting them in an enviable position to drive pricing power and revenue growth.

Healthcare – the next great breakthrough

The global increase in life expectancy over the last century from less than 40 years to over 70 is one of the most impressive of all human achievements. However, over the last few years, health improvements have stagnated in many countries.

Now, this stagnation could be at an end. The take-off of GLP-1 drugs offers the prospect of a genuine scientific breakthrough that addresses a huge range of health issues around obesity, and potentially returns us on the trajectory towards greater health and longevity.

GLP-1 drugs mimic the actions of a natural hormone, leading to better sugar control, and, crucially, suppressing appetites, leading to reduced calorific intake. The health implications are profound. Many of the most common causes of morbidity around the world are connected to obesity, including strokes, heart attacks, diabetes, liver disease and even cancers.

These issues are shockingly prevalent, and many have become more so as the world has become more affluent, and access to food much greater. They are diseases of abundance. According to the World Health Organization in 2016, over 1.9 billion adults were overweight, of which over 650 million were classified as obese. This translates to roughly 39% of adults

being overweight and 13% obese globally. If current trends continue, the WHO estimates that by 2025, nearly one in five adults will be obese, and this epidemic is spread across most continents.

Over 422 million people globally are living with diabetes, according to the International Diabetes Federation. This translates to roughly one in 11 adults. Many people with diabetes remain undiagnosed, leading to delayed treatment and increased risk of complications.

Clearly this is concerning from a health perspective, but it is also an economic disaster, putting enormous strain on already stretched global healthcare systems, as well as reducing economic productivity. The IDF estimated the total economic cost at around \$1.3 trillion.

Companies combatting obesity therefore offer enormous societal benefits, and are also swimming in very large, and growing, economic pools. In 2023, we added **Novo Nordisk** to the Strategy, one of the two global leaders in the manufacturing and development of GLP-1 drugs. Its Ozempic and Wegovy drugs are blockbusters, and prescribed worldwide, and Novo is investing materially to refine and maintain its leadership position in the space. Industry experts believe that the GLP-1

market could expand to \$100bn by 2030, a 10x increase on today's market size. Novo is further exploring the extension of its GLP-1 applications outside of obesity and diabetes, into areas like Alzheimer's disease.

We also added **Dexcom** to the Strategy last year – a global leader in Continuous Glucose Monitoring (CGM) systems. Unlike traditional finger pricking methods, CGMs allow for real-time glucose monitoring data, empowering diabetic patients to have far better control over their condition, including around insulin dosages and dietary choices. Again, the size of this market is vast and impact on human health profound. Currently, only a tiny fraction of diabetics use Dexcom's products, and the company could grow into this market for decades to come.

If in 20 years we are looking back at a renewed surge in global longevity and wellness, we believe it is companies like Novo Nordisk and Dexcom that will have been at the heart of this journey.

Portfolio changes during 2023

Discover the companies bought and sold during 2023, and our reasoning.

Q1

Buys



Zoetis

Theme: Health & Wellbeing

Leading player in the global animal health market, with vaccines, medications and diagnostics improving the lives of companion animals and livestock, whilst also making food supply chains more resilient.

Sells



Principle Financial

Theme: Sustainable Finance

Reduced weight of market-sensitive financials to free up cash for more attractive names.



International Flavors & Fragrances

Theme: Health & Wellbeing:

Exited name on thesis drift and poor execution.



SVB Financial

Theme: Sustainable Finance

Bank collapsed after duration mis-matching helped cause a run on the bank.

Q2

Buys



Waste Connections, Inc.

Waste Connections

Theme: Resource Efficiency

Solid waste services company prioritising recycling and resource recovery. They have the lowest emissions intensity among national solid waste companies in the US.



CrowdStrike Holdings

Theme: Connect & Protect

Global leader in cloud-native cybersecurity, leveraging artificial intelligence to protect vital systems and data online.



Infineon Technologies

Theme: Digital Empowerment

Strong market presence in energy efficient semiconductor chips, with a particular focus on electric vehicles and industrial automation.



Nvidia

Theme: Digital Empowerment

Global leader in high-performance GPUs that sit at the heart of artificial intelligence, high performance computing and autonomous driving.



Adidas

Theme: N/A

Leading global provider of sportswear, helping to enable healthier lifestyles. Adidas has a strong brand and an improving margin profile.

Sells



Crown Castle

Theme: Connect & Protect

Exited name due to lack of momentum and higher interest rate expense backdrop.



PayPal

Theme: Sustainable Finance

Sold on intensifying competition in the online payments space beginning to erode PayPal's moat.

Q3

Buys



Dexcom

Theme: Health & Wellbeing

Provides glucose monitoring systems that enable people to accurately and safely manage their glucose levels, making informed decisions about food, medication and activity. Operates in a huge addressable market, with over 400mn people worldwide living with diabetes.

Sells



Prudential

Theme: Sustainable Finance

Sold out on lack of momentum and weakness in its China exposed business lines.



Umicore

Theme: Energy Transition

Concerns around long term outlook for cathode material demand, with other technologies taking share from Umicore's areas of expertise.

Q4

Buys



Trimble

Theme: Resource Efficiency

Enabler of improved industrial productivity and resource efficiency, as demonstrated in their precision agricultural capabilities.



Novo Nordisk

Theme: Health & Wellbeing

A leading global provider of anti-obesity drugs, helping solve one of the most profound global health crises, as well as alleviating strain on healthcare systems long term.

12 buys

10 sells

Alphabet

Alphabet

Theme: Digital Empowerment

Globally dominant search business helping democratise access to the world's information. Alphabet sits on perhaps the world's richest data mine, which it can use to fuel its AI technology.



AirBnB

Theme: Sustainable Cities

Leading global brand in the travel space with a platform that becomes consistently stronger with scale. Facilitates diverse forms of tourism without the need for new hotel construction.



Equinix

Theme: Connect & Protect

Operates one of the world's largest networks of data centres, facilitating smooth, safe and fast data storage and connectivity across a vast range of industries.

Sells



VF Corp

Theme: N/A

Sold out of VF Corp as some of its key brands began to lose market relevance, and the business faced worsening levels of consumer confidence.



DNB Bank

Theme: Sustainable Finance

Sold out of name on full valuation.



Murata Manufacturing

Theme: Connect & Protect

Sold as low-priced Chinese competition behind to undermine Murata's market share and pricing power for electronics into the Chinese auto and smartphone markets.



Americold Realty Trust

Theme: Resource Efficiency

Sold out on concerns around slower food distribution velocity and better opportunities in the data centre REIT space.

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.

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

Milestones recorded in 2023

Set circular economy targets



Zebra Technologies



SDG target 12.5 – Reduce waste through prevention, reduction, recycling and reuse

Improved its decarbonisation strategy disclosures



Smurfit Kappa

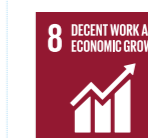


SDG target 13.2 – Integrate climate change plans into policies and strategies

Disclosed high-level employee engagement results in 2023 Corporate Responsibility Report



Mettler-Toledo International



SDG target 8.5 – Achieve full and productive employment for all

Improved its emissions reduction target



Hoya



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

Conducted a civil rights audit



Apple



SDG target 10.2 – Empower and promote inclusivity for all

Participated in the WorkForce Disclosure Initiative survey



AstraZeneca



Committed to set Science Based Targets Initiative (SBTi) emissions reduction targets



Waste Connections



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

Published a commitment to responsible AI and disclosed the key principles it incorporates



Wolters Kluwer



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

Published a report on concealment clauses



Apple



SDG target 10.3 – Ensure equal opportunity and legislation for all

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.

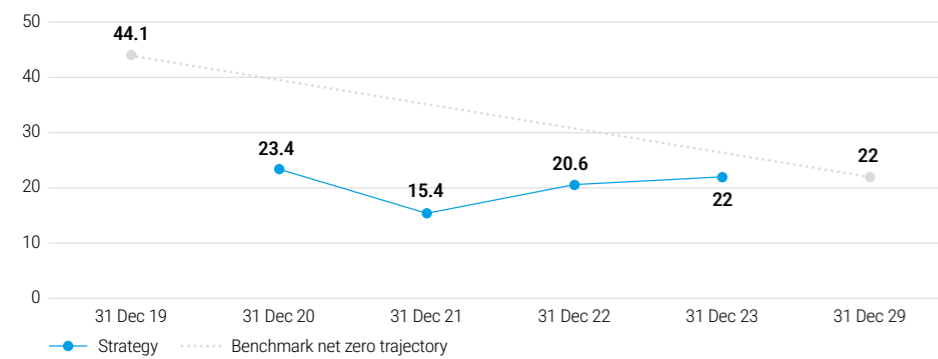
We compare the Strategy's overall carbon footprint¹ (Scope 1 & 2 emissions) with a net zero aligned trajectory, based on taking the benchmark's end-2019 carbon footprint, and applying a 50% reduction by end-2029. Due to the limitations of looking at Scope 1 & 2 emissions in isolation, we view this data 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 has already reached the end-2029 reference trajectory. The end-2023 figure has risen slightly from end-2022, and we note that our new holding in waste collection provider **Waste Connections** is now the second-largest contributor to the Strategy's carbon footprint. Industrial gases company **Linde** is the largest contributor at the stock level, and materials is the largest contributor at a sector 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 use 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 Financed emissions intensity, expressed as tonnes of CO₂ emitted per \$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

15%
Aligned

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

Examples: Vestas Wind Systems and Novo Nordisk.

51%
Aligning

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

Examples: Linde, Smurfit Kappa and SSE

11%
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: Waste Connections, Tractor Supply Company and CSL

15%
Not aligned

The company does not meet minimum expectations on climate strategy.

Examples: A.O. Smith, Hoya and Shimano

8%
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: Allianz and HDFC Bank

Source: Columbia Threadneedle Investments, as at 31 December 2023

14 companies engaged on climate change in 2023

We engaged new holding **Waste Connections** on its climate change strategy. We appreciate that following our engagement the company has done more to distinguish its emissions offset programmes from absolute emissions reduction. In the most recent reporting period, the company set an absolute emissions reduction target, which we view favourably. However, we continue to encourage the setting of a SBTi verified reduction target and whilst it is unlikely to mandatorily include scope 3 emissions, we highlighted best practice would include this in the target. Waste Connections is considered a growth company so key to emissions and

emissions intensity management will be their programme and mix of acquisitions, whereby additional collection and sorting facilities are likely to have a more limited impact on increasing overall emissions than the purchase of landfills. That said, Waste Connections is also good at finding carbon capture solutions to mitigate the risk of fugitive emissions. Finally, we continued to encourage disclosure to the CDP to facilitate comparable peer to peer assessment by asset managers. We also praised **Smurfit Kappa** for the step forward in its net zero transition disclosures, and highlighted a couple of areas for improvement, in particular around the process to identify strategic decarbonisation projects and the evaluation of the impact of physical risks on Smurfit's suppliers.

- **Waste Connections** committed to set SBTi emissions reduction targets. This will bring more credibility to Waste Connections' decarbonisation strategy. We have engaged the Company to engage with SBTi on its emissions management program since 2021.
- **Smurfit Kappa** improved its decarbonisation strategy disclosures. This includes more details on its scenario analysis and improvements in the detail provided on its net zero transition plan. These have been focus areas for our engagement over the past two years, and we will continue to advocate for further improvements moving forward.

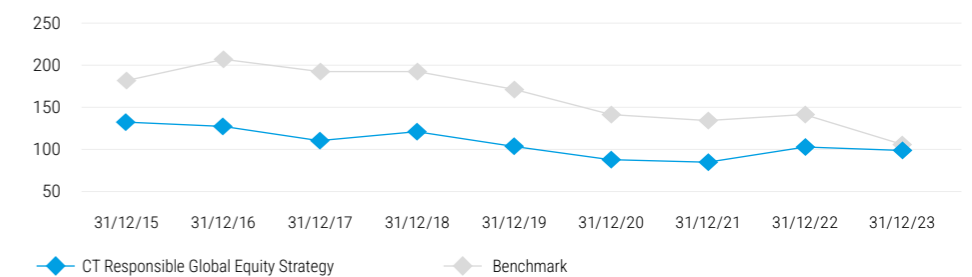
The Strategy's weighted average carbon intensity

We still report the Strategy's carbon intensity in terms of its weighted average carbon intensity (WACI) as a reference. As reflected on the chart below, while the Strategy's WACI fell slightly from end-2022 to end-2023, we note a larger decline for the benchmark – the MSCI World Index. Market trends, corporate behaviour, regulatory influences and potentially methodological changes can all contribute to a lower WACI for the index.

We recorded three Milestones related to climate change:

- **Hoya** improved its emissions reduction target, by setting set 2030 and 2040 goals in terms of absolute reduction. After its initial target was announced in 2021, we continued engaging Hoya because we found its target unambitious, and consider the new absolute reduction targets to be a significant improvement.

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



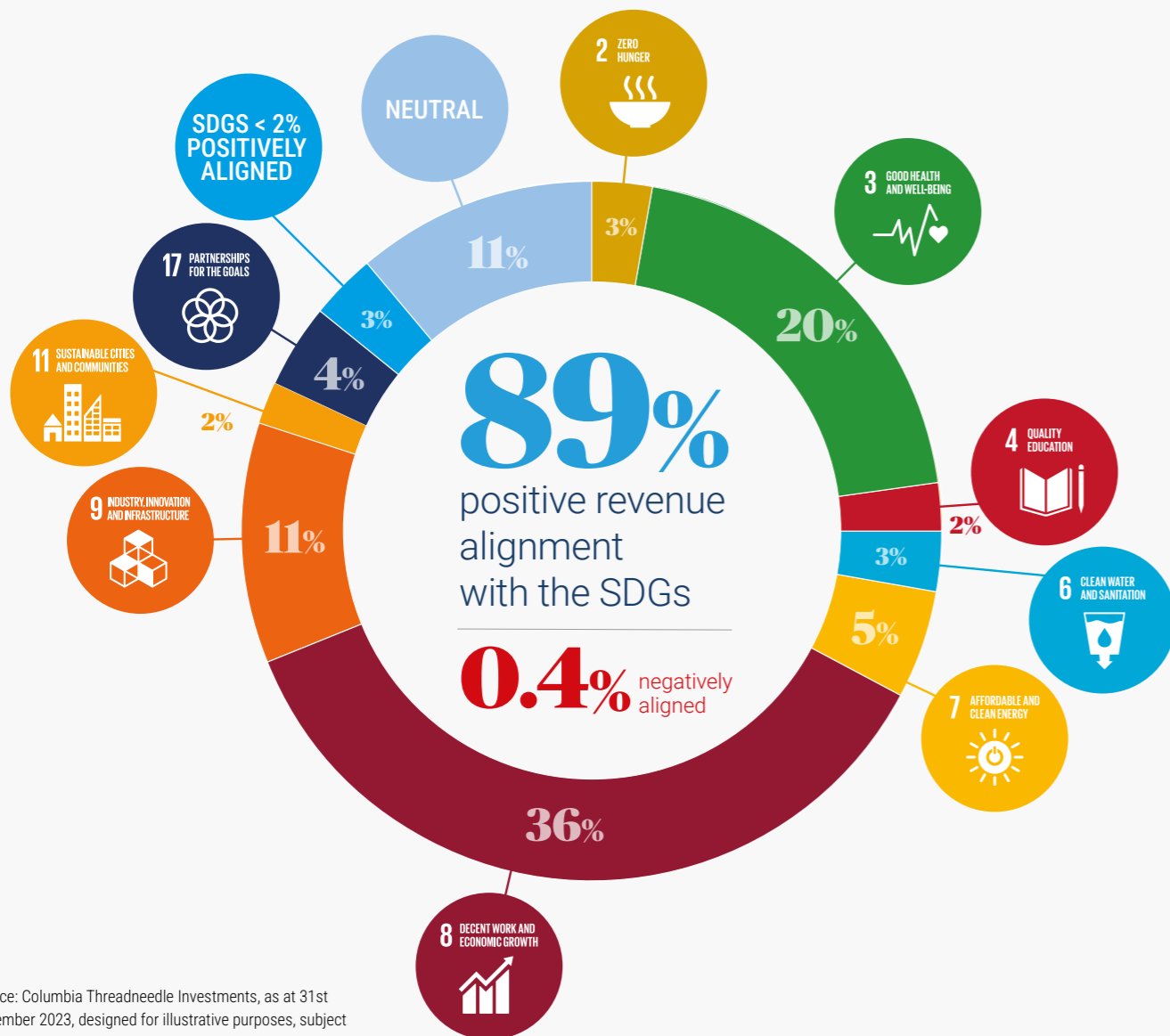
Source: MSCI ESG, as at 31 Dec 2023. Strategy and benchmark figures for 31-12-22 and 31-12-23 are based on our company-wide Task Force on Climate-related Financial (TCFD) disclosures, which we transitioned to during 2023. All previous figures are derived from our previous Responsible Investment impact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

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

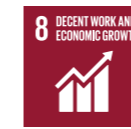
Specifically, we measure how the individual sources of revenue for each company correspond to the 169 targets that underlie the goals – so that one company, depending on its mix of goods and services, may have links to more than one goal. The results of this analysis are summarised here, with a full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



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.

36%

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



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

Keyence provides sensors and instruments for monitoring and controlling various industrial process variables.

Nvidia provides accelerated computing systems that provide the infrastructure to power applications such as data analytics for better business forecasting, AI for autonomous vehicles, and advanced visualization for medical diagnosis.

Accenture's IT and consultancy services are designed to improve client companies' operating efficiency and business capabilities.

20%

positive alignment with SDG 3 – Good Health and wellbeing.



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

Intuitive Surgical develops and manufactures robotic products to assist with minimally invasive surgeries.

Dexcom supports the treatment of diabetes through the provision of home testing blood glucose meters.

US health insurer **Humana** provides senior citizens with quality medical coverage.

0.4%

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 one remaining negative link:

Linde's construction of chemical and industrial plants is negatively aligned with target 9.1 – develop resilient and sustainable infrastructure. Overall, however, we remain compelled by the company's exposure to the hydrogen opportunity.

SDG revenue alignment breakdown

Positive alignment:

- SDG 2: Zero Hunger**
 - 2.1 End hunger and ensure access to safe and nutritious food
 - 2.4 Implement climate-resilient and sustainable food production
- SDG 3: Good Health and Wellbeing**
 - 3.4 Reduce mortality from non-communicable diseases and promote mental health
 - 3.6 Halve deaths and injuries from road traffic accidents
 - 3.8 Access to medicines and health-care
- SDG 4: Quality Education**
 - 4.4 Increase the number of technically and vocational trained individuals
- SDG 6: Clean Water & Sanitation**
 - 6.4 Increase water-use efficiency to address water scarcity
- SDG 7: Affordable and Clean Energy**
 - 7.2 Substantially increase the global share of renewable energy
 - 7.3 Double the global rate of improvement in energy efficiency

89%	SDG 8: Decent Work and Economic Growth	36%
3%	8.2 Achieve greater productivity through innovation	29.0%
1.7%	8.3 Promote development-oriented policies	1.0%
1.0%	8.10 Increase access to finance	6.2%
20%	SDG 9: Industry, Innovation and Infrastructure	11%
3.0%	9.3 Increase access to finance for SME's	0.6%
0.6%	9.4 Upgrade and retrofit industries to increase sustainability	8.0%
15.7%	9.c Ensure universal and affordable access to ICT	0.7%
2%	SDG 11: Sustainable Cities and Communities	2%
1.6%	11.6 Reduce the negative environmental externalities of cities	2.0%
1.6%	SDG 17: Partnerships for the goals	4%
3.4%	17.6 Enhance international cooperation and access to knowledge	1.6%
3%	17.16 Leverage multi-stakeholder partnerships to share resources	2.5%
5%	SDGs <2% positively aligned	3%
3.1%	Neutral alignment:	11%
1.8%	Negative alignment	0.4%
	SDGs <2% negatively aligned	0.4%

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.



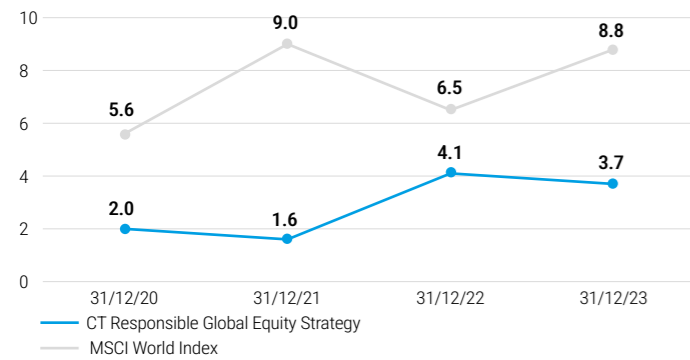
Environmental stewardship

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



Water intensity

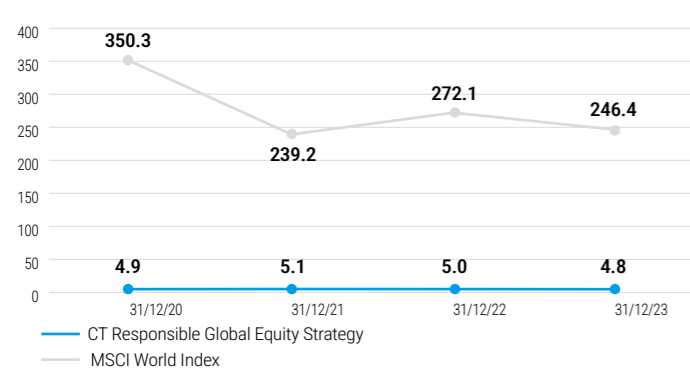
Thousands of cubic metres of fresh water used per \$1m revenue



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 low waste and water intensity versus the benchmark is largely due to the sector composition, which itself is a product both of the exclusion of resource-intensive sectors such as oil & gas, as well as the focus on sustainability solution providers. Energy company **SSE** is the largest contributor to the Strategy's water intensity. **SSE** operates 91 hydro dams in north Scotland, accounting for the majority of water extracted by the company. Water is taken from rivers and lochs and returned to the water almost immediately after being run through the turbines to generate electricity.

Smurfit Kappa is the largest contributor to the Strategy's waste intensity. We highlight again that while the company's packaging solutions help prevent waste generation, its involvement in paper recycling impacts its overall waste metrics. Encouragingly, during 2023 Smurfit Kappa reduced its waste sent to landfill from its mill system by 35.8% from 2013 levels, ahead of its target to decrease this by 30% by 2025.

Kerry Group is the second-largest contributor to the Strategy's waste intensity. In November, we spoke with the sustainability director and investor relations directors. We learned that progress is being made to make all plastic packaging reusable, recyclable or compostable by 2025, with the current figure at 70%. While there is not explicit target to increase recycled materials, Kerry Group is committed to reducing virgin plastic by 25% by 2025.

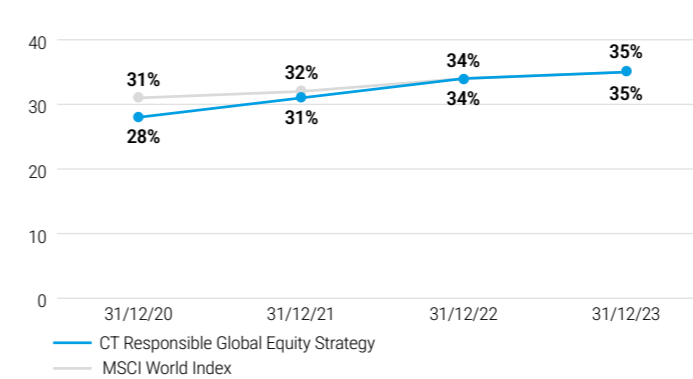
Fairness and equality

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

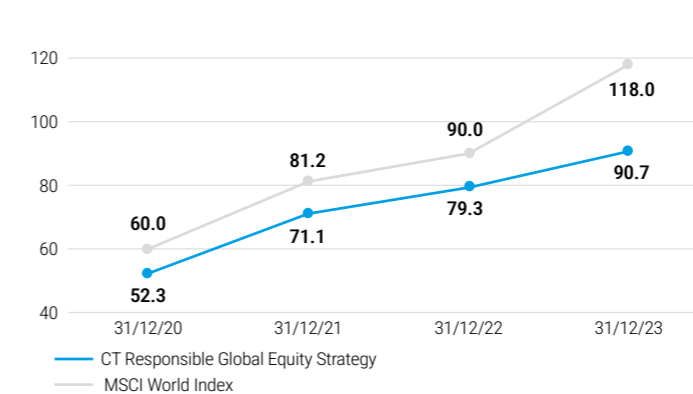
% female directors on company board



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 is in line with the benchmark in terms of gender diversity at the board level, and outperforms on CEO to average employee pay ratios. Overall, we are pleased to see that gender equality on the board has improved over the past few years. The majority of companies in the Strategy have at least one-third female representation on their boards. Financial exchange **Intercontinental Exchange Group** and publishing company **Wolters Kluwer** continue to have more than 50% female representation on their boards, while several companies including **Accenture** and **Schneider Electric** sit at 50% exactly. Laggards with less than one-third female board representation include several Asian companies – including **TSMC** and **Kubota** – where gender disparity is a relatively pronounced issue. During the year, we engaged both companies on improving their board gender diversity. **Kubota** noted that gender diversity remains difficult to achieve, particularly at board-level. They are considering overseas directors, which could be positive given their high share of overseas revenues. **TSMC** stated that board diversity is a key consideration when evaluating director candidates, and its importance will increase as the company continues to expand its global footprint.

Executive pay ratios have increased within the Strategy and benchmark over the past few years. A variety of healthcare and technology companies feature relatively high executive to average employee pay ratios, such as **eBay**, **Apple**, **AstraZeneca** and **CVS Health**. We spoke with **Apple** ahead of its AGM, to discuss among other topics its overall approach to executive compensation. We appreciated the CEO pay cut after the 2022 say-on-pay vote and shareholder feedback, but would encourage the company to disclose metrics under the long-term incentive plan to include an appropriate operational metric in addition to the relative total shareholder return (TSR) metric currently used.

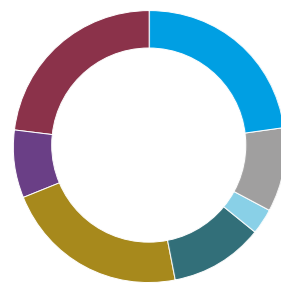
Engagement in 2023

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 p9, we measure and report on the success of our engagement through the assignment of Milestones.

29
companies engaged

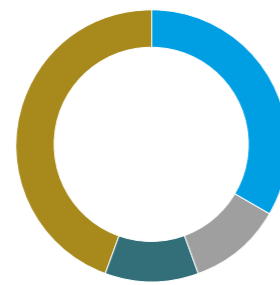
Engagements by theme



Climate change	23%
Environmental stewardship	10%
Business conduct	3%
Human rights	11%
Labour standards	22%
Public health	8%
Corporate governance	23%

9
Milestones achieved

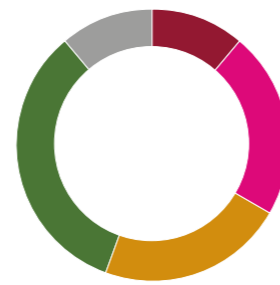
Milestones achieved by theme



Climate change	33%
Environmental stewardship	11%
Business conduct	0%
Human rights	11%
Labour standards	44%
Public health	0%
Corporate governance	0%

88%
Milestones aligned to SDGs

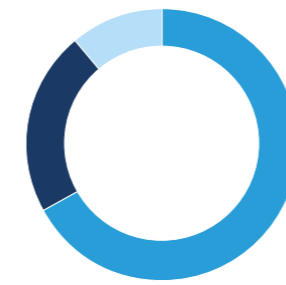
Milestones by SDG



8 Decent Work and Economic Growth	11%
10 Reduced Inequalities	22%
12 Responsible Consumption and Production	22%
13 Climate Action	33%
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	67%
2 stars	22%
3 stars	11%

How we voted for the Strategy in 2023

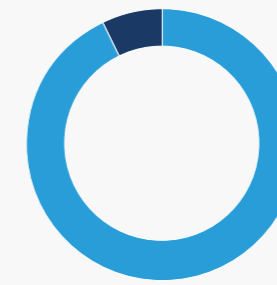
Good corporate governance is at the heart of any successful business, instrumental in supporting the delivery of strategic objectives and in driving

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	93%
Against management	7%

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.



Zebra Technologies

Background: Zebra Technologies provides digital solutions, hardware and software to businesses in retail, manufacturing, transportation and logistics, healthcare and other industries. The company is at the heart of innovation trends in robotics, machine vision and automation – allowing companies to operate more efficiently.

Our engagement experience: In our experience, persistent dialogue on meaningful topics yields the best engagement outcomes. Through repeated engagement, we can help companies better understand the ESG issues most pertinent to them and that matter to us, as investors.

This is the journey we've been on with Zebra. Having first invested in the company in 2022, we have engaged the company several times in the intervening period and were pleased to observe our first Milestone in 2023.

Engagement in 2023: We have engaged Zebra across the gamut of ESG issues, but our priorities have been climate, e-waste, supply chain management and human capital management. We have returned to these topics, sharing best practice and guidance on our expectations.

On climate, we were encouraged that Zebra set a science-based emissions reduction target, aligned with a 1.5C future which represents the industry gold standard.

Zebra's supply chain extends to many areas of the globe and is exposed to ESG risks. We have encouraged the company to expand on the results of its supply chain audits, and are pleased it conducts its own audits and in-person monitoring of its supply chain, in addition to using the Responsible Business Alliance.

We assess Zebra to be at quite an early stage of its ESG reporting, with the publication of its first sustainability report in 2023. We provided insights on appropriate metrics related to human capital management that could be included in the next report, highlighting the Workforce Disclosure Initiative.

Zebra established a Green Product Council to drive sustainable products and packaging initiatives and have a continued partnership with the Ellen MacArthur Foundation to advance its circular economy efforts. We have encouraged the company to set metrics to measure the success of its circular economy programme.

Outlook: We are encouraged by Zebra's continued focus on its material ESG priorities, including resource conservation, climate change and human capital. The company is at the early stages of its sustainability disclosure journey and going forward we will continue to advocate for the inclusion of additional human capital metrics. Diversity, equity and inclusion will be an area of focus for our engagement discussions, as we encourage the development of an internal diverse talent pipeline, not just diverse hiring.

Milestone in detail: During 2023, we noted a positive change made by the company on a topic we have engaged on, enabling us to record a milestone:



Target 12.5 – Reduce waste through prevention, reduction, recycling and reuse.

Set circular economy targets

Zebra committed to achieving 1 million circular economy devices by year end 2024. We had previously spoken to the company to encourage target setting to get a better understanding of its e-waste management and how it measures the success of its circular product life cycle. We awarded this milestone a two-star rating.



Apple

Background: The demands on companies from an ESG perspective have ramped up significantly in recent years, with standards, regulations and expectations evolving fast and putting increased pressure on companies. As investors, we can engage with companies to provide a constructive and practical viewpoint on our expectations and priorities. Apple is of course one of the largest companies in the world, and we know we are only one of many investors engaging it; nevertheless, we seek to drive change through our deep subject matter expertise and dialogue on specific, material issues.

Engagement in 2023: We have had meaningful engagement with Apple during 2023 and believe there is scope to progress these discussions going forward. As is well-reflected elsewhere in this report, AI has the capacity to transform industries and the companies and people that work within them. It is therefore crucial to consider what Responsible AI looks like. To us, it's a values-driven approach that ensures AI systems are designed, deployed and governed in a way that considers the societal impact of the technology – including the potential benefits and harm. The purpose of Responsible AI is to instil trust and confidence as we scale the adoption of AI.

In discussing AI with Apple, the company reiterated it has not published specific principles and is continuing to monitor regulatory and industry efforts to ensure it develops inclusive technology. We shared our guidance and expectations on responsible AI principles, governance and risk management.

We also discussed carbon neutrality. Apple reiterated its commitment to use high-quality carbon credits (ones that are real, measurable, quantifiable and avoid double counting) that align with international standards. Apple has high expectations of its suppliers, aiming to have a carbon-neutral supply chain by 2030. They informed us of their continued focus on supplier engagement through communication expectations and a ratcheting up of commitments.

Outlook: As a holding in a Responsible portfolio, Apple has both positive and negative attributes that must be carefully balanced. We view the company positively in terms of disclosure and the positive impact they're driving through supply chain expectations. In reviewing their newly published civil rights audit report, we would like to see more clarity on which of the recommendations will be actioned or prioritised. Regarding governance, Apple acknowledges it has long-tenured board members and is planning succession while taking diversity into consideration. However, we believe there is room for improvement, which we will encourage through further engagement and voting.

Milestones in detail: During 2023, we noted two positive changes made by Apple on topics we have engaged on, enabling us to record two Milestones:



SDG target 10.3 – Ensure equal opportunity and legislation for all.

Published a report on concealment clauses

In 2022 we supported a shareholder resolution requesting Apple to release a report to assess the potential risks to the company associated with its use of concealment clauses. We were encouraged that Apple engaged outside counsel and published a report to review and evaluate documentation around its use of these clauses. This report would help shareholders better assess the potential risks of the company's standard arbitration provision. As this information may bring information to light that could result in improved recruitment, development, and retention and could help the company prepare for pending federal legislation on the matter.



SDG target 10.2 – Empower and promote inclusivity for all.

Conducted a civil rights audit

Apple conducted its first civil rights audit, assessing the company's initiatives to address not only racial equity and opportunity, but also civil rights more broadly, with respect to gender, age, ethnicity, sexual orientation, disability, and other dimensions of identity. This covered all aspects of the company's business from products and services, workforce, customer experience and efforts to promote its values. The conclusion was that Apple had taken significant steps to respect civil rights internally and externally but there are nonetheless opportunities for the company to do more, which they acknowledged. We had previously supported a shareholder resolution in 2022 requesting the company to conduct a civil rights audit to help shareholders better assess the effectiveness of Apple's efforts to address the issue of any inequality in its workforce and its management of related risks.

Our Strategy in detail

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

Connect & Protect

Delivering Technological advances create huge opportunities to accelerate our collective connectivity, as well as bringing in a swathe of technologies to progress social wellbeing, supply chain efficiencies and sustainable cities. We look for those companies that are promoting public 'good' and doing so in a safe, secure, and customer-centric way..

Company	Company description	SDG alignment	Number and subject of engagement(s) in 2023	2023 milestones
Apple	2008 buy date, 6.4% weighting Apple aims to have a carbon-neutral supply chain by 2030 by constantly improving its manufacturing supply chain and products lifecycle. We also welcome their strong line on data privacy.	<ul style="list-style-type: none"> ⊕ 67% – 8.2 – Enables gains in economic productivity through the use of technology and payment services ⊕ 11% – 3.8 – Enables users to take more control of their health by making it easier to track, record and share health information, such as heart rate ⊖ 22% – Neutral 	2: Climate change, human rights, labour standards, corporate governance	<ul style="list-style-type: none"> Published report on concealment clauses Conducted a civil rights audit
CrowdStrike Holdings Information technology United States	2023 buy date, 1.5% weighting Global cybersecurity company that provides cloud-delivered protection of endpoints, cloud workloads, identity and data.	<ul style="list-style-type: none"> ⊕ 94% – 16.10 – Provision of network security to protect against unauthorised use or harmful cyber-threats. ⊕ 6% – 8.2 – Helps promote productivity through the provision of security and management consulting services 	1: Corporate governance	0
Equinix Real estate United States	2023 buy date, 1.4% weighting Global data centre and colocation provider for enterprise network and cloud computing.	⊕ 100% – 8.2 – Promotes productivity through the provision of internet colocation and data centers that safeguard data and enable its productive use by businesses and organisations	2: Climate change	0
Keyence Corp Information technology Japan	pre-2000 buy date, 2.4% weighting With a proven ability to remain highly profitable even in a downturn, Keyence fits into our Connect & protect theme in making production lines safer, and more efficient.	⊕ 100% – 8.2 – Supports economic efficiency by producing sensors, lasers and measuring equipment to make manufacturing and research processes more effective	2: Climate change, human rights, labour standards, corporate governance	0
Roper Technologies Industrials United States	2013 buy date, 2.6% weighting Diversified technology business providing innovative engineering solutions ranging from industrial (water efficiency) to healthcare (diagnostics) end markets.	⊕ 100% – 8.2 – Enables greater economic productivity by providing communications and software solutions		0
Zebra Technologies Information technology United States	2022 buy date, 1.2% weighting Zebra Technologies is a global leader in design and manufacture of enterprise mobile computers, advanced data capture systems and specialty printers. Its products enable businesses in ecommerce /retail, logistics, manufacturing and health care to achieve greater accuracy and efficiency of both human capital and natural resource usage. The increasing shift to digitise the global economy plays right into Zebra Technologies' strengths.	⊕ 100% – 8.2 – Enables gains in economic productivity through automating and protecting supply chains and logistics	1: Climate change, environmental stewardship, labour standards, corporate governance	0

Digital Empowerment

The explosion of data in recent years has been nothing short of mind-blowing, especially when we consider that data interactions went up by 5000% between 2010 and 2020. There is a huge opportunity for this data to be harnessed for good; better informing our climate change efforts, enabling better healthcare, and empowering smaller businesses, leading to broader competition and employment opportunities.

Company	Company description	SDG alignment	Number and subject of engagement(s) in 2023	2023 milestones
Accenture Health care India	2009 buy date, 2.9% weighting High quality global consultancy, with incredible brand strength, helping drive enterprise level efficiency. Sustainable consultancy also a growing part of the business.	+ 80% – 8.2 – Technology consultancy drives potential for technological upgrading and innovation - 20% – Neutral	1: Labour standards	1: Disclosure of Scope 3 emissions
Alphabet Information technology United States	2023 buy date, 3.9% weighting Multinational technology based around a Search franchise, which aims to make all the world's information accessible and easily navigable.	+ 67% – 8.2 – Helps increase productivity through the provision of Google Search for user-friendly web navigations and Google Cloud for digital storage solutions - 33% – Neutral	1: Corporate governance	0
ASML Holding Information technology The Netherlands	2022 by date, 2.7% weighting ASML is a global leader in the semi-conductor supply chain, with a dominant global market share of EUV machines used to pattern leading edge chips, which are used everywhere from phones to medical equipment, as well as in emergent technologies like AI, robotics, and electrified cars.	+ 100% – 8.2 – Enables gains in economic and technological productivity by enabling the manufacture of high-end chips and pushing electrification		0
eBay Consumer discretionary United States	2010 buy date, 1.0% weighting Enabling entrepreneurs and small-medium sized companies to grow their businesses and reach a global audience through the eBay ecosystem, now reinforced by their managed payments service.	+ 100% – 8.3 – Encouraging small and medium-sized enterprises through access to financial services	1: Human rights, labour standards, corporate governance	0
Infineon Technologies Information technology Germany	2023 buy date, 1.2% weighting Designer, developer and manufacturer of semiconductors and related system solutions.	+ 70% – 8.2 – Promotes productivity through the manufacture of semiconductors used for a variety of applications such as communications, security and robotics + 17% – 3.6 – Can help prevent road traffic accidents through the provision of specialty technology to increase safety in passenger cars + 13% – 9.1 – Supports the development of resilient and sustainable infrastructure through the provision of microcontroller units, which enable reduced power consumption, as well as safety and security	2: Human rights, labour standards, corporate governance	0
Mastercard Information technology United States	2014 buy date, 4.3% weighting Strong market position and brand strength; growth underpinned by accelerating cashless and mobile transactions. Provides access to finance for under-developed markets and communities whilst also providing education to boost financial literacy.	+ 100% – 8.10 – Improving access to banking and financial services through the provision of payment services		0
NetApp Information technology United States	2021 buy date, 0.9% weighting Provider of storage and data management solutions, serving enterprises, government agencies and universities worldwide.	+ 100% – 8.2 – Enables gains in economic productivity through cloud-based solutions and data storage providing technological upgrading and innovation	2: Climate change, business conduct, labour standards, corporate governance	0

Company	Company description	SDG alignment	Number and subject of engagement(s) in 2023	2023 milestones
Nvidia Information technology United States	2023 buy date, 3.0% weighting Fabless semiconductor chip designer, at the forefront of accelerated computing and AI.	+ 100% – 8.2 – Accelerated computing providing GPUs that sit at the heart of enabling artificial intelligence, and all of the efficiency gains that accompany it		0
TSMC Information technology Taiwan	2016 buy date, 1.9% weighting TSMC is the world's leading semiconductor manufacturer. Its leading edge technology enables their clients to create innovative products using more powerful processors that consume less energy.	+ 56% – 8.2 – Supports greater energy efficiency in a wide range of technologies through the production of semiconductors + 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	0
Wolters Kluwer Industrials The Netherlands	2017 buy date, 1.2% weighting Wolters Kluwer provide their clients in the health, tax & accounting, governance, risk & compliance and legal & regulatory sectors with expert solutions and productivity tools, which empower customers to make better decisions when it matters most.	+ 78% – 4.4 – Supports access to health, governmental and legal education through the provision of consulting services and educational materials + 9% – 8.2 – Enables gains in economic productivity through its software offerings + 8% – 16.3 – Promote the rule of law at the national and international levels through its legal services and data + 3% – 4.6 – Improves access to education and literacy through its print books - 3% – Neutral	1: Human rights	Published a commitment to Responsible AI

Energy Transition

The energy transition is the pathway towards transforming the global energy sector from one dominated by fossil fuel-based systems of energy production and consumption – including oil, natural gas, and coal – to a system of zero-carbon and renewable energy sources, such as solar, wind and hydropower.

Company	Company description	SDG alignment	Number and subject of engagement(s) in 2023	2023 milestones
Aptiv Consumer discretionary United States	2015 buy date, 2.0% weighting With a mission of Safe, Green and Connected, Aptiv provide sustainable mobility solutions globally including automated driving hardware and software, as well as EV architecture.	+ 79% – 9.4 – Manufactures a range of vehicle powertrain solutions which can help improve transport energy efficiency + 21% – 3.6 – Reducing death and injury from road traffic accidents via autonomous driving technology	4: Climate change, human rights, labour standards, corporate governance	1: Improved employee engagement reporting
Linde Materials Germany	2010 buy date, 2.9% weighting High-quality industrial gases business operating in consolidated sector with strong moat. Provides gases allowing customers to reduce carbon emissions and has boosted hydrogen investments as part of its decarbonisation focus.	+ 86% – 9.4 – Produces a range of industrial gases which are used to make industrial processes more efficient + 8% – 9.1 – Provides solutions to nuclear and fossil energy and process plant construction - 6% – Neutral		0

Company	Company description	SDG alignment	Number and subject of engagement(s) in 2023	2023 milestones
Schneider Electric Industrials France	2020 buy date, 2.4% weighting Schneider Electric is a global leader in energy management and automation solution, selling into end markets like Buildings, Industrials, and Data Centers. They are at the heart of the transition to a more energy efficient world.	<ul style="list-style-type: none"> + 77% – 9.4 – Provides energy management products and services that enable companies to improve their energy efficiency + 23% – 8.2 – Supports economic productivity through the provision of industrial automation and software solutions 	0	
SSE Utilities United Kingdom	2022 buy date, 1.5% weighting A UK energy business generating, transmitting and distributing electricity, and a key player in UK net-zero plans, with its target of increasing its renewables output fivefold by 2030.	<ul style="list-style-type: none"> + 99% – 7.2 – Contributing to substantially increase the share of renewable energy in the global energy mix through their on and offshore wind capabilities + 1% – 9.1 – Provides electricity utility networks in Europe, as well as power generation infrastructure 	0	
Vestas Wind Systems Industrials Denmark	2021 buy date, 1.6% weighting Danish wind turbine manufacturer and service company, focused on the provision of sustainable energy solutions to address climate change.	<ul style="list-style-type: none"> + 100% – 7.2 – Contributing to substantially increase the share of renewable energy in the global energy mix through their turbine products and servicing 	0	

Health & Wellbeing

Robust and efficient healthcare systems around the world are essential. The demand for health and healthcare access equality is rising – and opportunities created from the change must not be ignored.

Company	Company description	SDG alignment	Number and subject of engagement(s) in 2023	2023 milestones
AstraZeneca Health care United Kingdom	2021 buy date, 1.9% weighting One of the world's major pharmaceutical firms, researching, manufacturing and selling pharmaceutical and medical products, improving the health of its consumers.	<ul style="list-style-type: none"> + 53% – 3.4 – Produces a range of biopharmaceuticals aimed at the treatment of noncommunicable diseases + 45% – 3.8 – Provides access to healthcare through the production of essential medicines + 2% – 3.3 – Prevention and treatment of non-communicable diseases through vaccines and antivirals 	3: Labour standards, public health, corporate governance	Participation in the Workforce Disclosure Initiative's 2022 survey
Becton Dickinson & Co Health care United States	2019 buy date, 1.9% weighting A global provider of medical equipment, devices and consumable supplies to various healthcare facilities, serving more than 90% of healthcare patients worldwide.	<ul style="list-style-type: none"> + 100% – 3.8 – Provides access to healthcare through the production of essential medical supplies such as needles, syringes and surgical products 		0
CSL Health care Australia	2015 buy date, 2.2% weighting The science of CSL saves lives. They develop and deliver innovative medicines that help people with serious and life-threatening conditions live full lives, and protect communities around the world.	<ul style="list-style-type: none"> + 71% – 3.8 – Supports the treatment of non-communicable diseases through the development of a range of innovative biotechnology treatments + 15% – 3.4 – Provides access to healthcare through its treatments for serious medical conditions + 13% – 3.3 – Produces vaccines for influenza and other communicable diseases - 1% – Neutral 	1: Corporate governance	0

Company	Company description	SDG alignment	Number and subject of engagement(s) in 2023	2023 milestones
CVS Health Health care United States	2005 buy date, 1.1% weighting An integrated health insurer, pharmacy benefit manager and retail pharmacy, providing services which are core to day-to-day life for millions of Americans.	<ul style="list-style-type: none"> + 99% – 3.8 – Provides access to healthcare through its retail pharmacy stores and clinics 	2: Climate change, labour standards, public health, corporate governance	0
Dexcom Health care United States	2023 buy date, 1.4% weighting Medical device company focused on diabetes care technology through glucose monitoring systems.	<ul style="list-style-type: none"> + 100% – 3.8 – Helps enable access to healthcare and medicine through the provision of home glucose testing and diabetes monitoring products 		0
Hoya Health care Japan	2018 buy date, 1.4% weighting Supporting vision globally through production of eyeglass lenses, contact lenses and intraocular lenses used for cataract operations, combatting the leading cause of blindness worldwide. Leading player in the equipment supply-chain for miniaturising semi-conductors, driving technological innovation.	<ul style="list-style-type: none"> + 65% – 3.8 – Provides access to healthcare through the production of eyeglass and lens products, and of medical endoscopes + 34% – 8.2 – Enables gains in economic productivity through technologies used in a range of digital products such as phones - 1% – Neutral 	1: Climate change, human rights, labour standards, corporate governance	Improved emissions reduction target
Humana Health care United States	2019 buy date, 1.3% weighting A leading US health insurer providing senior citizens with quality medical coverage, as well as various value-based care programmes to support both mental and physical wellbeing.	<ul style="list-style-type: none"> + 100% – 3.8 – Provides access to healthcare through its medical insurance products 	1: Public health, corporate governance	0
Intuitive Surgical Health care United States	2022 buy date, 2.1% weighting The world number one designer and manufacturer of surgical robots, with an 80% market share in a rapidly growing industry. Intuitive Surgical's robots lead to fewer surgical errors and faster operating times, driving better patient outcomes and protecting healthcare budgets.	<ul style="list-style-type: none"> + 100% – 3.8 – Protects patient health through through its surgical robots that enable safer, faster more automated surgical procedures 		
Kerry Group Consumer staples Ireland	2016 buy date, 1.6% weighting Kerry Group is a specialist ingredient provider to the food and beverage markets, where clients depend on their innovative solutions to drive better nutrition, clean up labels and lower their ingredients' environmental footprint.	<ul style="list-style-type: none"> + 99% – 2.1 – Produces ingredients which contribute to the provision of safe, nutritious food - 1% – Neutral 	3: Climate change, environmental stewardship, labour standards, corporate governance	0
Mettler-Toledo International Health care United States	2011 buy date, 1.4% weighting Laboratory and industrial equipment driving better healthcare and enabling precision manufacturing. Good sustainability practices, including a recent commitment to reduce water intensity by 20%, and achieve zero waste to landfill.	<ul style="list-style-type: none"> + 57% – 3.8 – Helps access to safe and high-quality medicines through its laboratory testing services and analytical instruments + 38% – 8.2 – Contributes to economic efficiency through its range of testing products and services - 5% – Neutral 	1: Human rights, Labour standards	Disclosure of high-level employee engagement results
Novo Nordisk Health care Denmark	2023 buy date, 1.2% weighting Global healthcare company engaged in diabetes care, as well as the discovery, development, manufacturing and marketing of pharmaceutical products.	<ul style="list-style-type: none"> + 55% – 3.4 – Promotes good health and a reduction in non-communicable diseases through the provision of treatments for diabetes and obesity, as well as hemophilia + 45% – 3.8 – Promotes access to healthcare and medicine by providing treatment for diabetes and obesity, as well as rare diseases 	1: Public health	0
Thermo Fisher Scientific Health care United States	2018 buy date, 1.9% weighting Global provider of high-quality, innovative life sciences equipment and services which enhance accuracy and safety in clinical research, drug development, and diagnostics testing.	<ul style="list-style-type: none"> + 100% – 3.8 – Supports access to healthcare via its range of analytical and data tools 	1: Public health	0
Zoetis Health care United States	2023 buy date, 1.7% weighting Animal health company focused on the discovery, development and manufacture of medicines, vaccines, diagnostics, biodevices, genetic tests and precision animal health.	<ul style="list-style-type: none"> + 5% – 2.1 – Manufactures feed used in livestock farming + 1% – 3.8 – A small part of the business is focused on contract manufacturing and human health services - 94% – Neutral 		0

Resource Efficiency

Resource efficiency is the art of using the Earth’s limited resources in a more sustainable way, whilst minimising the impact that we have on the environment – doing more with less. Resource inefficiency, as we are all too aware, is distressingly common.

Company	Company description	SDG alignment	Number and subject of engagement(s) in 2023	2023 milestones
A.O. Smith Industrials United States	2018 buy date, 1.4% weighting Water heaters and boilers play into energy efficiency and water conservation thematics. Water filtration systems replace the need for single-use plastic bottles. Also attractive linkage to rising Chinese middle class.	<ul style="list-style-type: none"> + 100% – 6.4 – Enables greater water efficiency through the provision of water filtration products 	0	
Kubota Industrials Japan	2011 buy date, 1.0% weighting Leading manufacturer of agricultural and industrial machinery, with a lead market share in sub 40hp tractors in the U.S. and a key player in the mechanisation of agriculture in South East Asia.	<ul style="list-style-type: none"> + 68% – 2.4 – Supports sustainable food production through the sale of agricultural machinery + 26% – 9.1 – Promotes sustainable infrastructure, particularly in water where it has a range of engineering solutions and products + 5% – 6.4 – Enables greater water efficiency through the provision of water products and solutions - 94% – Neutral 	4: Climate change, business conduct, human rights, labour standards, corporate governance	0
Smurfit Kappa Group Materials Ireland	2018 buy date, 1.4% weighting Smurfit is exposed to a number of megatrends, such as eCommerce, and is leading the way in the shift from plastic packaging to paper, with a management that is committed to sustainability.	<ul style="list-style-type: none"> + 100% – 12.5 – Provides environmentally sustainable paper-based packaging, reducing waste generation 	4: Climate change, environmental stewardship, human rights	Improvement in decarbonisation strategy disclosures
Trimble Information technology United States	2023 buy date, 1.5% weighting Industrial technology company providing hardware, software and services across agriculture, construction, geospatial and transportation industries.	<ul style="list-style-type: none"> + 61% – 9.1 – Provides project management software to support buildings and infrastructure construction, as well as advanced surveying and mapping solutions to support geospatial analysis + 22% – 2.4 – Agriculture technologies enable data-driven farming decisions through modern industry solutions. - 17% – Neutral 		0
Waste Connections Industrials Canada	2023 buy date, 2.7% weighting Provides solid waste collection, transfer, recycling and disposal services, along with recycling and resource recovery.	<ul style="list-style-type: none"> + 75% – 11.6 – Provides residential and commercial waste collection services, as well as the disposal of hazardous industrial waste + 2% – 12.4 – Provides intermodal services for the movement of cargo and solid waste containers + 2% – 12.5 – Supports waste reduction through the provision of commercial and residential recycling services + 21% – Neutral 	1: Climate change, environmental stewardship	Committed to set SBTi emissions reduction targets
Xylem Industrials United States	2016 buy date, 2.6% weighting Strong and diverse portfolio addressing global water challenges, such as improving water efficiency and accessibility in local communities. Structural growth driven by the need to address scarcity by delivering operational efficiencies.	<ul style="list-style-type: none"> + 75% – 6.4 – Enables greater water efficiency through its comprehensive range of water solutions + 25% – 9.4 – Supports greater water resource efficiency by producing measurement and control systems 		0



Sustainable Cities

A growing global population coupled with urban migration is putting cities under increasing stress, from social issues such as the provision of reliable healthcare and education, to environmental challenges like global warming. This creates compelling opportunities for companies who can address these challenges head on and create sustainable urban environments for humanity to thrive in.

Company	Company description	SDG alignment	Number and subject of engagement(s) in 2023	2023 milestones
Acuity Brands Industrials United States	2014 buy date, 1.9% weighting Distributor of energy-efficient indoor and outdoor lighting and control systems delivering energy savings through higher efficiencies, longer source life and smaller form factors.	+ 94% – 7.3 – Supports sustainable food production through the sale of agricultural machinery + 6% – 8.2 – Supports economic efficiency through the provision of payment services		0
Airbnb Consumer discretionary United States	2023 buy date, 1.0% weighting Operates a global platform for stays and experiences, using a marketplace model to connect hosts and guests online.	100% – Neutral	1: Business conduct, labour standards, public health	0
Autodesk Information technology United States	2020 buy date, 2.1% weighting Autodesk is a global leader in software to improve efficiency in the Architectural, Engineering, Construction, Manufacturing and Media industries. The growing move to digital solutions should drive demand.	+ 94% – 8.2 – Provides architects with the technological tools to improve energy and material efficiency within real estate - 6% – Neutral		0
Shimano Consumer discretionary Japan	2017 buy date, 1.2% weighting World leader in gears and brakes for bicycles, with expert metal-working skills, supporting sustainable cities and mobility, and facilitating healthy lifestyles.	+ 82% – 3.4 – Produces bicycle components, contributing to good health and the reduction in non-communicable diseases - 18% – Neutral		0
Tractor Supply Company Consumer discretionary United States	2012 buy date, 1.6% weighting US rural life retailer, with a clear focus on being a responsible operator, both for customers and employees alike, as evidenced by lower employee attrition rates.	100% – Neutral		0

Sustainable Finance

The financial sector is uniquely positioned to adapt and promote innovation to address global sustainability challenges – including climate change, population growth and resource scarcity. The provision of training to improve financial literacy can not only serve to improve standards of personal finances, but also has an important role in addressing the needs of the most vulnerable in society, including closing the gender gap and lifting people out of the poverty trap.

Company	Company description	SDG alignment	Number and subject of engagement(s) in 2023	2023 milestones
Allianz Financials Germany	2014 buy date, Provision of financial services to individuals and corporates, incorporating ESG and climate risks into sustainable solutions offerings.	+ 49% – 3.8 – Improves access to health-care through their health insurance products + 46% – 8.10 – Promotes access to financial services for all through its retail banking operations + 5% – 12.6 – Promotes responsible investment through providing asset management services with ESG integration, and specialist SRI funds.	1: Labour standards, corporate governance	0
HDFC Bank Financials India	2017 buy date, 2.0% weighting High-quality Indian bank with strong market position, addressing the almost 190mn unbanked adults in India, providing financial education along the way.	+ 46% – 8.10 – Promotes access to financial services for all through its retail banking operations, including a particular focus on rural customers + 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
Inter-continental Exchange Group Financials United States	2010 buy date, 3.1% weighting One of the world's leading financial exchanges allowing efficient capital raising and risk management for global businesses. Has been at forefront of development of environmental markets.	+ 67% – 17.16 – Facilitates the sharing of financial knowledge and information through the operation of exchanges + 22% – 4.4 – Provides financial reference data on more than 35 million financial instruments to support a range of use cases such as trade execution and decision support, and enabling skills development + 12% – 9.1 – Contributing to development of resilient infrastructure through mortgage technology		0
London Stock Exchange Group Financials United Kingdom	2021 buy date, 2.3% weighting The UK's primary stock exchange exchange, allowing efficient capital raising and risk management for businesses.	+ 70% – 17.6 – Provides data and technology services that support international information-sharing + 20% – 17.16 – Facilitates the sharing of financial knowledge and information through the operation of exchanges + 10% – 8.10 – Improving access to financial services		0

No theme

Company	Company description	SDG alignment	Number and subject of engagement(s) in 2023	2023 milestones
Adidas Consumer discretionary Germany	2023 buy date, 1.4% weighting Designs, develops, produces, and markets a range of athletic and sports lifestyle products.	100% – Neutral	1: Labour standards, corporate governance	0

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