



# Introducing **reo**<sup>®</sup>

Our Responsible Engagement  
Overlay service



# Introducing **reo**<sup>®</sup>

Discover how our Responsible Engagement Overlay service (**reo**<sup>®</sup>) can help clients advance their responsible investment strategy, wherever they are on their journey.



At Columbia Threadneedle Investments we have built a powerful responsible investment capability with research at its heart and deep expertise encompassing a broad spectrum of ESG risks, across issuers, sectors and geographies.

Through **reo**<sup>®</sup>, clients can access the full suite of our active ownership expertise including ESG research, engagement, and proxy voting. Clients gain greater influence to effect positive change by pooling their assets under engagement with our asset base.

We incorporate client's views into our engagement programme through our annual client consultation

## **A wealth of Responsible investment experience**

We have a 24-year track record of active ownership and a team of 45+ responsible investment specialists.

## **Driving effective outcomes through targeted engagement and proxy voting**

We use in-depth research to identify financially material ESG risks and opportunities and use constructive engagement with the aim of generating and sustaining long-term investor value.

## **Excellent client service is paramount**

**reo**<sup>®</sup> clients can expect regular communication to keep up-to-date on the engagement programme as well as client reporting to help meet regulatory requirements.

## **A responsible corporate citizen**

**reo**<sup>®</sup> is backed by a research-driven, global asset manager with a responsible ethos and continuous improvement at its core.

Our responsible investment specialists have a wide range of sector and thematic expertise.

**2023 coverage:**

**1,424\***

RI-related interactions with **867\*** companies across **45\*** countries and achieved **217\*** milestones

**76%**

engagement coverage of MSCI AC World Index over a 3 year period (by weight)

**106,139**

total proposals voted at **10,546** company meetings with **18%** votes against management on behalf of our **reo**<sup>®</sup> clients

## Be part of our holistic engagement programme

We define engagement as having constructive dialogue with issuers on environmental, social and governance (ESG) risks that could have a material negative impact on their businesses and, where necessary, encouraging improvement in ESG management practices. Our purpose with engagement is to support long-term investment returns by mitigating risk and capitalising on opportunities linked to ESG factors.

Our engagement programme is structured around high-level themes encompassing ESG issues most relevant to investors. We engage companies in both developed and emerging markets across the globe. Our knowledge, scale and experience help us gain access to key decision-makers and we engage at different levels, talking to the board, executive management, investor relations, sustainability leadership, and operational specialists.

If issuers do not demonstrate progress on matters that we believe are in our clients' best long-term economic interests, we may consider further escalation, such as proxy voting, public statements, filing shareholder resolutions and intervening at an AGM.

Our **reo**<sup>®</sup> engagement covers listed equities, and corporate (financial and non-financial) credit. Engagement activity is reinforced by the broader public policy engagement.

\*For these figures, we sought independent limited assurance from KPMG LLP. Please refer to our **Reporting Criteria** document for our approach to the classification, calculation and reporting of stewardship data.



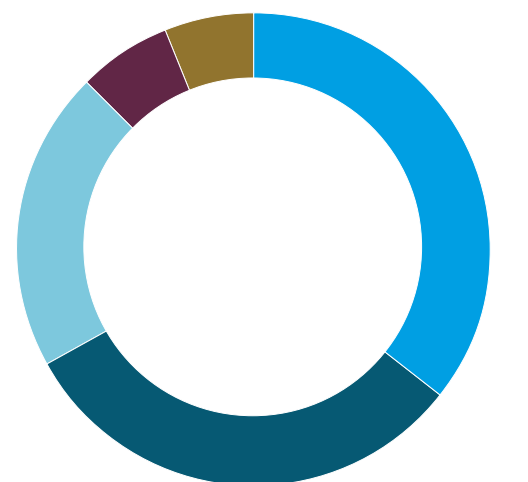
## Aligned with the Sustainable Development Goals (SDGs)

We align our engagement to the 17 SDGs and the 169 underlying targets adopted by the UN – providing a globally recognised way to articulate sustainability.

## Recording engagement progress

RI analysts record Milestones where companies make tangible improvement in their policies and practices in alignment with our Objectives. We rate milestones from one to three-stars based on materiality and align them to our ESG themes as well as the SDGs.

## Issuers engaged by region in 2023



Europe	36%
North America	31%
Asia (ex Japan)	21%
Japan	7%
Other	6%



# Chosen with clients' preferences in mind

We incorporate client views into our engagement programme through our Client Consultation.

Unique to **reo**<sup>®</sup>, each year we give clients the opportunity to voice their thematic ESG engagement priorities. The results feed into our engagement programme and related project work for the year. Below are examples of recent engagement projects.

## Improving board gender diversity in Asia



**Yu-Ting Fu**

Analyst, Responsible Investment

Industry:

Cross-sector

Theme:

Corporate governance

Status

Ongoing

All-male boards are still commonly seen in Asia. This project intends to cover the largest issuers in Asia which still have an all-male board. There is clear evidence that an inclusive and diverse issuer, especially at the highest leadership level, often outperforms other less diverse peers.

## Sustainable critical mineral supply chains



**Joe Horrocks-Taylor**

Analyst, Responsible Investment



**Albertine Pegrum-Haram**

Analyst, Responsible Investment

Industry:

Automobile manufacturers, Automotive parts & equipment, Diversified Metals & Mining, Electric utilities

Theme:

Climate Change, Human Rights

Status

New

The energy transition requires substantial amounts of metals such as copper, nickel, cobalt, aluminium, lithium, rare earth elements as well as steel with lower embodied carbon. We focus our engagement with both the demand side (automakers and utilities) as well as the supply side (mining) to evaluate the consistency in their identification of minerals that may become supply constrained over different timeframes.

## Sustainable food systems



**Marcus Wilert**

Analyst, Responsible Investment

Industry:

Consumer staples and consumer discretionary

Theme:

Environmental Stewardship, Climate Change, Labour Standards, Public Health

Status

New

The food and beverage industry is facing a number of social and environmental risks, while needing to provide food for a growing population. Our work aims to take a systemic approach to challenges including addressing plastic pollution, reducing GHG emissions, managing water stress and soil depletion, securing working conditions in operations and supply chains, and eliminating deforestation in raw material sourcing.

## Engagement reinforced by proxy voting

**reo**<sup>®</sup> offers clients the option of a voting service, alongside our engagement service.

We believe that voting is an impactful tool for driving improvement in company practices and market standards, as well as for reinforcing engagement.

For clients who adopt our voting service, we seek to exercise voting rights on their behalf at shareholder meetings, acting

in their best long-term economic interests. It's an opportunity to demonstrate preferences on relevant aspects of an issuer's business and promote industry best practices, or express concerns identified through our research and engagement.

We have a well resourced team of proxy voting specialists, structured on a regional basis to reflect local nuances in company law and best practices codes.

### You can expect:



Coverage of 25 market/region-specific voting rules



An experienced team who play active roles in global industry groups with expertise on governance and related public policy issues



Tailored policy options



Detailed voting and engagement reports with vote comments



Notice of our vote position for high-profile issues

## Reporting and resources



Our engagement and voting policy framework includes the following:

- [Responsible Investment Engagement Policy](#)
- [Corporate debt and Responsible Investment Policy](#)
- [Proxy voting policy](#)
- [Proxy voting policy addendum – conflicts of interest](#)
- [Corporate Governance Guidelines](#)
- [Environmental and Social Practices Statements](#)
- [Conflicts of Interest Addendum to Engagement Policy](#)

We understand the importance of comprehensive and transparent reporting, and offer access to a quality suite of content and our online **reo**<sup>®</sup> Partner Portal.

This includes, but is not limited to:

- Client-tailored quarterly reporting for engagement and voting
- Our annual review and outlook of the overall **reo**<sup>®</sup> programme
- UN PRI reporting assistance
- Thought leadership content



**Log into the Partner Portal to access your reports and content, and explore:**

- Company engagement
- Engagement projects
- Engagement case studies
- Records of milestones
- Issuer level engagement and objectives



Example of thought leadership content.



Example of an annual engagement priorities outlook.

## Contact us

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To find out more visit [columbiathreadneedle.com](https://columbiathreadneedle.com)



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