



**PUBLIC RI REPORT**

**2021 PILOT**

**Threadneedle Asset Management Ltd**

**Generated 2022-08-18**

# About this report

The PRI Reporting Framework helps to build a common language and industry standard for reporting responsible investment activities. **Public RI Reports** provide accountability and transparency on signatories' responsible investment activities and support dialogue within signatories' organisations, as well as with their clients, beneficiaries and other stakeholders.

This **Public RI Report** is an export of the signatory's responses to the PRI Reporting Framework during the 2021 reporting period. It includes the signatory's responses to mandatory indicators, as well as responses to voluntary indicators that the signatory has agreed to make public.

The information is presented exactly as it was reported. Where an indicator offered a multiple-choice response, all options that were available to select from are included for context. While presenting the information verbatim results in lengthy reports, the approach is informed by signatory feedback that signatories prefer that the PRI does not summarise the information.

## Context

In consultation with signatories, between 2018 and 2020 the PRI extensively reviewed the Reporting and Assessment processes and set the ambitious objective of launching in 2021 a completely new investor Reporting Framework, together with a new reporting tool.

We ran the new investor Reporting and Assessment process as a pilot in its first year, and such process included providing additional opportunities for signatories to provide feedback on the Reporting Framework, the online reporting tool and the resulting reports. The feedback from this pilot phase has been, and is continuing to be analysed, in order to identify any improvements that can be included in future reporting cycles.

## PRI disclaimer

This document presents information reported directly by signatories in the 2021 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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# Senior Leadership Statement (SLS)

## Senior leadership statement

### Our commitment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S1	CORE	N/A	N/A	PUBLIC	Our commitment	GENERAL

- o **Why does your organisation engage in responsible investment?**
- o **What is your organisation’s overall approach to responsible investment?**
- o **What are the main differences between your organisation’s approach to responsible investment in its ESG practice and in other practices, across asset classes?**

Our approach reflects our view that we must be responsible allocators of capital and stewards of our clients' assets within a framework of robust research, good governance and active engagement. Responsible Investment is an integral part of our research led philosophy. The identification of financially material environmental, social and governance (ESG) issues forms an important part of our investment process. We believe that focus on these ESG issues will help us identify companies that are better positioned to sustainably manage the risks, challenges and growth opportunities inherent in their business in order to generate attractive long term returns for our clients. Effective stewardship will therefore benefit the companies we invest in, our client outcomes and the global economy.

Responsible Investment research is fundamental research. We conduct original, independent, forward looking research that drives long-term consistent returns for our clients. Our holistic approach to research is underpinned by all our colleagues in Equity, Fixed Income, Responsible Investment, Real Estate, Macro and Data Science professionals collaborating and transferring insights throughout the firm. Analysis of ESG issues is integral to our corporate security research guided by our Stewardship Principles, as well various regional and global codes.

Stewardship of the capital our clients entrust us to invest is an integral part of this approach. Our research intensity prepares us to actively engage with the companies in which we invest. Through constructive dialogue and strategic proxy voting we seek to positively influence companies' business practices and governance. We strive to be transparent in our responsible investment activities, both to clients regulators and the wider public.

The same core philosophy applies across asset classes, although the tools, approaches and standards may differ (e.g. between the assessment of corporate investments vs sovereign investment vs real assets). The same is true in relation to equity vs fixed income. While stewardship remains central, equity investment generally have voting rights associated with them, whereas fixed income ones general do not. Similarly, depending on the objective of a strategy (e.g. social vs environmental), the assessment, weight and prioritization of factors will vary. This differences are also reflective of the different intensities and approaches seen in the EU's SFDR framework.

## Annual overview

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S2	CORE	N/A	N/A	PUBLIC	Annual overview	GENERAL

- **Discuss your organisation’s progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.**
- **Reflect on your performance with respect to your organisation’s responsible investment objectives and targets during the reporting year. This might involve e.g. outlining your single most important achievement, or describing your general progress, on topics such as the following:**
  - **refinement of ESG analysis and incorporation**
  - **stewardship activities with investees and/or with policy makers**
  - **collaborative engagements**
  - **attainment of responsible investment certifications and/or awards**

In development terms the year has been dominated by the EU Sustainable Finance Reforms. Both in the development of new analytics, integration across both equity and credit research, investment team training and the globalisation of the response and practices being developed.

Work has been initiated with clients on the development of methodologies to facilitate and enable both Paris and Net-zero solutions. New analytics across all elements of TCFD and beyond (e.g. carbon lock-ins) have been developed as part of this.

Our Global CIO has actively led work across the investment department, working with the Global Head of Research, to ensure global adoption of RI practices across asset classes. This has included the development to product frameworks and a review of all investment strategies, both in terms of current RI approach and potential future development and intensification of those approaches.

One the policy front the scope of our work has bene broad, not only in relation to the EU’s SFDR, but also US Department of Labor developments around proxy voting. A key highlight of this work was in relation to the promotion and lobbying for a UK Green Bond both bilaterally with the authorities and collaboratively with the Impact Investing Institute. We also continue to work with organizations like The Big Exchange in the UK to promote and facilitate retail access to outcome/impact investment solutions. This is in addition to the ongoing work we do with ICMS on the and around the social bond principles.

In addition, we have continued to seek and secure RI fund labels for specialist strategies in a number of EU countries. These include, for example, Febelfin in Belgium, Luxflag in Luxembourg and Österreichisches Umweltzeichen in Austria.

## Next steps

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S3	CORE	N/A	N/A	PUBLIC	Next steps	GENERAL

**What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?**

As mentioned earlier the globalisation of our response to the EU's SFDR reforms, beyond the scope of those reforms and the investment and work involved in that have been the primary focus. As part of this the systematic development and integration of RI in all our fundamental research is a key focus. This sits alongside the new initiatives on client collaboration on the development of solutions for Paris alignment and net-zero.

The announcement of the acquisition of BMO, including their REO overlay service, reflects the firms strategic plan in which RI is a key pillar. It reflects the heavy investment the firm has been making over the last two years and is continuing to make in people, data and systems to enhance our RI capabilities and solutions.

## Endorsement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S4	CORE	N/A	N/A	PUBLIC	Endorsement	GENERAL

**The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment.**

Name Kirk M. Moore, CFA

Position Head of Global Research

Organisation's name Threadneedle Asset Management Ltd

● This endorsement is for the Senior Leadership Statement only and is not an endorsement of the information reported by Threadneedle Asset Management Ltd in the various modules of the Reporting Framework. The Senior Leadership Statement is simply provided as a general overview of Threadneedle Asset Management Ltd's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such, and is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions.

# Organisational Overview (OO)

## Organisational information

### Categorisation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	Signatory category	Multiple, see guidance	PUBLIC	Categorisation	GENERAL

Select the type that best describes your organisation or the services you provide.

(O) Fund management

(1) This is our only (or primary) type

### Subsidiary information

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries that are also PRI signatories in their own right?

- (A) Yes
- (B) No

## Reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 3	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

Indicate the year-end date for your reporting year.

	Month	Day	Year
Reporting year end date:	December	31	2020

## Assets under management

### All asset classes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 4.1, OO 4.2	N/A	PUBLIC	All asset classes	GENERAL

What were your total assets under management (AUM) at the end of the indicated reporting year? Provide the amount in USD.

(A) AUM of your organisation, including subsidiaries US\$ 149,822,066,961.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only US\$ 0.00

## Asset breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total assets under management at the end of your indicated reporting year.

### Percentage of AUM

(A) Listed equity – internal 50-75%

(B) Listed equity – external 0.0%

(C) Fixed income – internal 10-50%

(D) Fixed income – external 0.0%

(E) Private equity – internal 0.0%

(F) Private equity – external 0.0%

(G) Real estate – internal 0.0%

(H) Real estate – external 0.0%

(I) Infrastructure – internal 0-10%

(J) Infrastructure – external 0.0%

(K) Hedge funds – internal 0.0%

(L) Hedge funds – external 0.0%

(M) Forestry – internal 0.0%

(N) Forestry – external 0.0%

(O) Farmland – internal 0.0%

(P) Farmland – external 0.0%

(Q) Other – internal, please specify:  
Alternatives, Multi-asset 0-10%

(R) Other – external, please specify: 0.0%

(S) Off-balance sheet – internal 0.0%

(T) Off-balance sheet – external 0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2 LE	CORE	OO 5, OO 5.1	Multiple, see guidance	PUBLIC	Asset breakdown	GENERAL

**Provide a further breakdown of your listed equity assets.**

**(A) Internal allocation**

(1) Passive equity 0-10%

(2) Active – quantitative 0.0%

(3) Active – fundamental >75%

(4) Investment trusts (REITs and similar publicly quoted vehicles) 0.0%

(5) Other, please specify: 0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2 FI	CORE	OO 5, OO 5.1	Multiple, see guidance	PUBLIC	Asset breakdown	GENERAL

**Provide a further breakdown of your fixed income assets.**

**(A) Internal allocation**

(1) Passive – SSA 0-10%

(2) Passive – corporate 0.0%

(3) Passive – securitised 0.0%

(4) Active – SSA 10-50%

(5) Active – corporate 50-75%

(6) Active – securitised 0-10%

(7) Private debt 0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2 INF	CORE	OO 5, OO 5.1	N/A	PUBLIC	Asset breakdown	GENERAL

**Provide a further breakdown of your infrastructure assets.**

**(A) Internal allocation**

(1) Data infrastructure 10-50%

(2) Energy and water resources 0.0%

(3) Environmental services 0.0%

(4) Network utilities 0.0%

(5) Power generation (excl. renewables) 0.0%

(6) Renewable power 0.0%

(7) Social infrastructure 0.0%

(8) Transport 50-75%

(9) Other, please specify: 0.0%

## ESG strategies

### Listed equity

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6 LE	CORE	OO 5.2 LE	OO 6.1 LE, LE 13	PUBLIC	Listed equity	1

**Which ESG incorporation strategy and/or combination of strategies do you apply to your internally managed active listed equity?**

Percentage out of total internally managed active listed equity:

(A) Screening alone 0.0%

(B) Thematic alone 0.0%

(C) Integration alone 0.0%

(D) Screening and integration >75%

(E) Thematic and integration 0.0%

(F) Screening and thematic 0.0%

(G) All three strategies combined 0-25%

(H) None 0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6.1 LE	CORE	OO 6 LE	LE 8	PUBLIC	Listed equity	1

What type of screening is applied to your internally managed active listed equity assets?

Percentage coverage out of your total listed equities where screening strategy is applied

(A) Positive/best-in-class screening only 0.0%

(B) Negative screening only 0.0%

(C) A combination of positive/best-in-class and negative screening >75%

## Fixed income

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6 FI	CORE	OO 5.2 FI	Multiple, see guidance	PUBLIC	Fixed income	1

Which ESG incorporation strategy and/or combination of strategies do you apply to your internally managed active fixed income?

	(1) Fixed income – SSA	(2) Fixed income – corporate	(3) Fixed income – securitised
(A) Screening alone	0.0%	0.0%	0.0%
(B) Thematic alone	0.0%	0.0%	0.0%
(C) Integration alone	>75%	>75%	0.0%
(D) Screening and integration	0.0%	0-25%	0.0%

(E) Thematic and integration	0.0%	0.0%	0.0%
(F) Screening and thematic	0.0%	0.0%	0.0%
(G) All three strategies combined	0-25%	0.0%	0.0%
(H) None	0.0%	0.0%	>75%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6.1 FI	CORE	OO 6 FI	N/A	PUBLIC	Fixed income	1

**What type of screening is applied to your internally managed active fixed income?**

	(1) Fixed income – SSA	(2) Fixed income – corporate
(A) Positive/best-in-class screening only	0.0%	0.0%
(B) Negative screening only	0.0%	0.0%
(C) A combination of positive/best-in-class and negative screening	>75%	>75%

# Stewardship

## Listed equity

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 LE	CORE	OO 5, OO 5.2 LE	Multiple, see guidance	PUBLIC	Listed equity	2

Does your organisation conduct stewardship activities for your listed equity assets?

	(1) Engagement on listed equity – active	(2) Engagement on listed equity – passive	(3) (Proxy) voting on listed equity – active	(4) (Proxy) voting on listed equity – passive
(A) Through service providers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) Through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Collaboratively	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) We did not conduct this stewardship activity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## Fixed income

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 FI	CORE	OO 5, OO 5.2 FI	Multiple, see guidance	PUBLIC	Fixed income	2

Does your organisation conduct stewardship activities for your fixed income assets?

	(1) Passive – SSA	(4) Active – SSA	(5) Active – corporate	(6) Active – securitised
(A) Through service providers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(C) Through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Collaboratively	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(E) We did not conduct this stewardship activity for this strategy/asset type	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## Private equity, real estate and infrastructure

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 ALT	CORE	OO 5	Multiple, see guidance	PUBLIC	Private equity, real estate and infrastructure	2

Does your organisation conduct stewardship activities in the following asset classes?

### (3) Infrastructure

(A) Through service providers	<input type="checkbox"/>
(C) Through internal staff	<input checked="" type="checkbox"/>
(D) Collaboratively	<input type="checkbox"/>
(E) We did not conduct stewardship activities for this asset class	<input type="checkbox"/>

# ESG incorporation

## Internally managed assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 10	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Internally managed assets	1

For each internally managed asset class, select whether or not you incorporate ESG into your investment decisions.

	(1) ESG incorporated into investment decisions	(2) ESG not incorporated into investment decisions
(A) Listed equity – passive	<input checked="" type="radio"/>	<input type="radio"/>
(C) Listed equity – active – fundamental	<input checked="" type="radio"/>	<input type="radio"/>
(F) Fixed income – SSA	<input checked="" type="radio"/>	<input type="radio"/>
(G) Fixed income – corporate	<input checked="" type="radio"/>	<input type="radio"/>
(H) Fixed income – securitised	<input type="radio"/>	<input checked="" type="radio"/>
(L) Infrastructure	<input checked="" type="radio"/>	<input type="radio"/>
(W) Other [as specified]	<input checked="" type="radio"/>	<input type="radio"/>

# Voluntary reporting

## Voluntary modules

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 14	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Voluntary modules	GENERAL

The following modules are voluntary to report on in the separate PRI asset class modules as they account for less than 10% of your total AUM and are under USD 10 billion. Please select if you wish to voluntarily report on the module.

(1) Yes, report on the module

(2) No, opt out of reporting on the module

(H) Infrastructure



The following modules are mandatory to report on as they account for 10% or more of your total AUM or are over USD 10 billion. The ISP (Investment and Stewardship Policy) module is always applicable for reporting.

(1) Yes, report on the module

ISP: Investment and Stewardship Policy



(A) Listed equity



(B) Fixed income – SSA



(C) Fixed income – corporate



(D) Fixed income – securitised



# ESG/sustainability funds and products

## Labelling and marketing

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Labelling and marketing	GENERAL

What percentage of your assets under management in each asset class are ESG/sustainability marketed funds or products, and/or ESG/RI certified or labelled assets? Percentage figures can be rounded to the nearest 5% and should combine internally and externally managed assets.

	Percentage
(A) Listed equity – passive	0.0%
(B) Listed equity – active	0-25%
(C) Fixed income – passive	0.0%
(D) Fixed income – active	0-25%
(G) Infrastructure	0-25%
(K) Other	0-25%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16.1	CORE	OO 16	ISP 52	PUBLIC	Labelling and marketing	GENERAL

What percentage of your total assets (per asset class) carry a formal ESG/RI certification or label? Percentage figures can be rounded to the nearest 5%.

Coverage of ESG/RI certification or label:

(A) Listed equity 0.0%

(B) Fixed income 0.0%

(E) Infrastructure 0.0%

(I) Other 0.0%

## Climate investments

### Asset breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17	CORE	N/A	N/A	PUBLIC	Asset breakdown	GENERAL

What percentage of your assets under management is in targeted low-carbon or climate-resilient investments?

0.0%

# Other asset breakdowns

## Geographical breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

What is the geographical breakdown of your organisation's assets under management by investment destination (i.e. where the investments are located)?

	(1) Listed equity	(2) Fixed income – SSA	(3) Fixed income – corporate	(4) Fixed income – securitised	(8) Infrastructure
(A) Developed	>75%	>75%	>75%	50-75%	>75%
(B) Emerging	0-25%	0.0%	0.0%	0.0%	0.0%
(C) Frontier	0.0%	0.0%	0.0%	0.0%	0.0%
(D) Other	0-25%	0-25%	0.0%	25-50%	0.0%

## Fixed income constraints

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 20	CORE	OO 5.2 FI	OO 20.1	PUBLIC	Fixed income constraints	GENERAL

What percentage of your fixed income assets are subject to constraints? The constraints may be regulatory requirements, credit quality restrictions, currency constraints or similar.

Internal and external fixed income assets subject to constraints

(A) Fixed income – SSA	0.0%
------------------------	------

(B) Fixed income – corporate 0.0%

(C) Fixed income – securitised 0.0%

## Infrastructure: Strategy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 30	CORE	OO 5	N/A	PUBLIC	Infrastructure: Strategy	GENERAL

What is the percentage breakdown of your organisation's internally managed infrastructure assets by investment strategy?

### Percentage of total internally managed infrastructure AUM

(A) Core >75%

(B) Value added 0.0%

(C) Opportunistic 0.0%

## Infrastructure: Type of asset

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 31	CORE	OO 5	INF 1	PUBLIC	Infrastructure: Type of asset	GENERAL

What is the percentage breakdown of your infrastructure assets by strategy?

### Percentage of total internally managed infrastructure AUM

(A) Standing investments/operating assets >75%

(B) New construction 0.0%

(C) Major renovation 0.0%

# Context and explanation

## ESG in other asset classes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 34	CORE	Multiple, see guidance	N/A	PUBLIC	ESG in other asset classes	1

Describe how you incorporate ESG into the following asset classes.

### Description

(C) Other – internal

We believe that our collaborative work between portfolio managers, analysts and the Responsible Investment team better informs investment decision-making and stewardship activities to identify potentially material opportunities and risks, protecting and enhancing the interest of our clients and their capital. Responsible investment is an integral part of our investment philosophy and approach, as well as our approach to business more broadly. We believe the rationale for long-term responsible investment is clear; stronger economies and well-run or improving businesses that look to the future will deliver stronger, more sustainable investment returns. Being a responsible investor helps us to generate better informed investment decisions and outcomes for our clients. **(response continued in row below)**

We also recognize that the asset management industry plays an important role in the economy by helping to transfer today's savings into investment for tomorrow that will enhance productivity, support opportunity and enable future growth. Long-term responsible investment is even more critical given this underlying context. Our investment approach is underpinned by a belief that sharing insights across asset classes and geographies generates a richer perspective on global, regional and local investment landscapes..

## ESG not incorporated

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 35	CORE	Multiple, see guidance	N/A	PUBLIC	ESG not incorporated	1, 2

Describe why you currently do not incorporate ESG into your assets and/or why you currently do not conduct stewardship.

### Description

(E) Internally managed: Fixed income – securitised

We are continuing to develop tools that can help us build a credible RI capability with regard to our structured products.

## Investment and Stewardship Policy (ISP)

## Responsible investment policy & governance

### Responsible investment policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1	CORE	N/A	ISP 1.1, ISP 1.2	PUBLIC	Responsible investment policy	1

Does your organisation have a formal policy or policies covering your approach to responsible investment? Your approach to responsible investment may be set out in a standalone guideline, covered in multiple standalone guidelines or be part of a broader investment policy. Your policy may cover various responsible investment elements such as stewardship, ESG guidelines, sustainability outcomes, specific climate-related guidelines, RI governance and similar.

- (A) Yes, we do have a policy covering our approach to responsible investment
- (B) No, we do not have a policy covering our approach to responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1.1	CORE	ISP 1	Multiple, see guidance	PUBLIC	Responsible investment policy	1

What elements does your responsible investment policy cover? The responsible investment elements may be set out in one or multiple standalone guidelines, or they may be part of a broader investment policy.

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Approach to stewardship
- (F) Approach to sustainability outcomes
- (G) Approach to exclusions
- (H) Asset class-specific guidelines that describe how ESG incorporation is implemented
- (I) Definition of responsible investment and how it relates to our fiduciary duty
- (J) Definition of responsible investment and how it relates to our investment objectives
- (K) Responsible investment governance structure
- (L) Internal reporting and verification related to responsible investment
- (M) External reporting related to responsible investment
- (N) Managing conflicts of interest related to responsible investment
- (O) Other responsible investment aspects not listed here, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1.2	PLUS	ISP 1	N/A	PUBLIC	Responsible investment policy	1

What mechanisms do you have in place to ensure that your policies are implemented in an aligned and consistent way across the organisation?

Alongside the active role and leadership of members of the executive board, more widely, the firm has a robust governance committee structure intended to provide Firm level oversight. Our governance and supporting committees are responsible for ensuring we are operating cohesively and making decisions that deliver results with the highest level of integrity. Our various business units typically take front-line responsibility for ongoing implementation and monitoring of our policies and procedures, with oversight provided by our compliance department. Several operating committees, whose membership is comprised of personnel from the impacted business area(s) as well as our compliance and legal departments, also help ensure compliance with some of these policies and procedures. In addition, the executive have two distinct teams integrating RI factors: (i) The independent risk team; and (ii) the 5P team whose role it is to monitor and test that strategies are performing in line with their objectives, including RI integration.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 2	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	6

Indicate which of your responsible investment policy elements are publicly available and provide links.

- (A) Overall approach to responsible investment. Add link(s):  
<https://www.columbiathreadneedle.co.uk/en/intm/about-us/responsible-investment/>
- (B) Guidelines on environmental factors. Add link(s):  
<https://www.columbiathreadneedle.co.uk/en/intm/about-us/responsible-investment/>
- (C) Guidelines on social factors. Add link(s):  
<https://www.columbiathreadneedle.co.uk/en/intm/about-us/responsible-investment/>
- (D) Guidelines on governance factors. Add link(s):  
<https://www.columbiathreadneedle.co.uk/en/intm/about-us/responsible-investment/>
- (E) Approach to stewardship. Add link(s):  
<https://www.columbiathreadneedle.co.uk/en/intm/about-us/responsible-investment/>
- (F) Approach to sustainability outcomes. Add link(s):  
<https://www.columbiathreadneedle.co.uk/en/intm/about-us/responsible-investment/>
- (G) Approach to exclusions. Add link(s):  
<https://www.columbiathreadneedle.co.uk/en/intm/about-us/responsible-investment/>
- (H) Asset class-specific guidelines that describe how ESG incorporation is implemented. Add link(s):  
<https://www.columbiathreadneedle.co.uk/en/intm/about-us/responsible-investment/>
- (I) Definition of responsible investment and how it relates to our fiduciary duty. Add link(s):  
<https://www.columbiathreadneedle.co.uk/en/intm/about-us/responsible-investment/>
- (J) Definition of responsible investment and how it relates to our investment objectives. Add link(s):  
<https://www.columbiathreadneedle.co.uk/en/intm/about-us/responsible-investment/>
- (K) Responsible investment governance structure. Add link(s):  
<https://www.columbiathreadneedle.co.uk/en/intm/about-us/responsible-investment/>
- (L) Internal reporting and verification related to responsible investment. Add link(s):  
<https://www.columbiathreadneedle.co.uk/en/intm/about-us/responsible-investment/>
- (M) External reporting related to responsible investment. Add link(s):

<https://www.columbiathreadneedle.co.uk/en/intm/about-us/responsible-investment/>

(N) **Managing conflicts of interest related to responsible investment. Add link(s):**

<https://www.columbiathreadneedle.co.uk/en/intm/about-us/responsible-investment/>

(P) Our responsible investment policy elements are not publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 3	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	1

**What percentage of your total assets under management are covered by your policy elements on overall approach to responsible investment and/or guidelines on environmental, social and governance factors?**

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors

**AUM coverage of all policy elements in total:**

>75%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 4	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	1

**Which elements does your exclusion policy include?**

- (A) **Legally required exclusions (e.g. those required by domestic/international law, bans, treaties or embargoes)**
- (B) **Exclusions based on our organisation's values or beliefs (e.g. regarding weapons, alcohol, tobacco and/or avoiding other particular sectors, products, services or regions)**
- (C) Exclusions based on screening against minimum standards of business practice based on international norms (e.g. OECD guidelines, the UN Human Rights Declaration, Security Council sanctions or the UN Global Compact)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 5	CORE	Multiple, see guidance	N/A	PUBLIC	Responsible investment policy	1

What percentage of your total assets under management are covered by your asset class-specific guidelines that describe how ESG incorporation is implemented?

**AUM Coverage:**

(A) Listed Equity >75%

(B) Fixed Income >75%

(E) Infrastructure >75%

## Governance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 6	CORE	N/A	ISP 8	PUBLIC	Governance	1

Do your organisation's board, chief-level staff, investment committee and/or head of department have formal oversight and accountability for responsible investment?

- (A) Board and/or trustees
- (B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))
- (C) Investment committee
- (D) Other chief-level staff, please specify:  
 Head of Equities, Head of Fixed Income
- (E) Head of department, please specify department:  
 Head of Global Research
- (F) None of the above roles have oversight and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 7	CORE	N/A	ISP 8	PUBLIC	Governance	1

In your organisation, which internal or external roles have responsibility for implementing responsible investment?

- (A) Board and/or trustees
- (B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))
- (C) Investment committee
- (D) Other chief-level staff [as specified]
- (E) Head of department [as specified]
- (F) Portfolio managers
- (G) Investment analysts
- (H) Dedicated responsible investment staff
- (I) Investor relations
- (J) External managers or service providers
- (K) Other role, please specify:
- (L) Other role, please specify:
- (M) We do not have roles with responsibility for implementing responsible investment.

## People and capabilities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8	CORE	ISP 6, ISP 7	ISP 8.1, ISP 8.2	PUBLIC	People and capabilities	General

What formal objectives for responsible investment do the roles in your organisation have?

	(2) Chief-level staff	(4) Other chief-level staff [as specified]	(5) Head of department [as specified]	(6) Portfolio managers	(7) Investment analysts	(8) Dedicated responsible investment staff
(A) Objective for ESG incorporation in investment activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input type="checkbox"/>	<input checked="" type="checkbox"/>				
(D) Objective for ESG performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Other objective related to responsible investment [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(F) Other objective related to responsible investment [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(G) No formal objectives for responsible investment exist for this role	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8.1	PLUS	ISP 8	N/A	PUBLIC	People and capabilities	General

**Describe the key responsible investment performance indicators (KPIs) or benchmarks that your organisation uses to compare and assess the performance of your professionals in relation to their responsible investment objectives.**

- Our analytics, KPIs and both risk and performance monitoring are framed around a range of frameworks that provide key indicators that support integration and prioritization. These include:
- The Sustainability Accounting Standards Board (SASB)
  - The TCFD framework (adapted for carbon pathway analysis in lieu of just solvency driven temperature scenario analysis, to ensure greater relevance for portfolio management)
  - The Transition Pathway Initiative (TPI) management quality framework
  - UN Global Compact
  - ILO Labour Standards
  - UNGP for business on human rights

- OECD Guidelines for Multi-National Enterprises.

In a sovereign context we use a range of framework in the profiling and assessment of sovereign exposures, including:

- MSCI Sovereign ESG Ratings
- Paris Agreement Performance
- Germanwatch index (as with TPI in corporate securities this is used for high emission countries)
- BAU & NDC temperature scenario exposures
- Freedom House Global Freedom Status
- Global Peace Index Score
- GINI ratings
- Basel AML Index
- Transparency Intl Corruption Perception

The Global SDG (Sustainable Development Goals) Index and dashboards are also currently under consideration and subject to progress on the related licensing discussions.

In specialist solutions, other frameworks are used, such as:

- Sustainable Infrastructure – The FMC (Dutch Development Bank) updated ESG Management System, based on international standards to support fund managers in complying with international standards and industry best practices.
- Proprietary Social Impact framework that assesses (i) intentionality, using a framework derived from work done by Development Banks; and (ii) social intensity, of the impact against a social hierarchy of needs.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8.2	CORE	ISP 8	N/A	PUBLIC	People and capabilities	General

**Which responsible investment objectives are linked to variable compensation for roles in your organisation?**

RI objectives linked to variable compensation for roles in your organisation:

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**(2) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))**

---

(A) Objective for ESG incorporation in investment activities

---

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

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**(4) Other chief-level staff**

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(A) Objective for ESG incorporation in investment activities

---

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

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(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

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**(5) Head of department**

---

(A) Objective for ESG incorporation in investment activities

---

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

---

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

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**(6) Portfolio managers**

---

(A) Objective on ESG incorporation in investment activities

---

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

---

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

---

(D) Objective for ESG performance

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**(7) Investment analysts**

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(A) Objective for ESG incorporation in investment activities

---

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

---

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

---

(D) Objective for ESG performance

---

**(8) Dedicated responsible investment staff**

---

(A) Objective for ESG incorporation in investment activities

---

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

---

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

---

(D) Objective for ESG performance

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(G) We have not linked any RI objectives to variable compensation

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 9	CORE	N/A	N/A	PUBLIC	People and capabilities	General

**How frequently does your organisation assess the responsible investment capabilities and training needs among your investment professionals?**

- (A) Quarterly or more frequently
- (B) Bi-annually
- (C) **Annually**
- (D) Less frequently than annually
- (E) On an ad hoc basis
- (F) We do not have a process for assessing the responsible investment capabilities and training needs among our investment professionals

## Strategic asset allocation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 10	CORE	N/A	ISP 10.1	PUBLIC	Strategic asset allocation	1

**Does your organisation incorporate ESG factors into your strategic asset allocation?**

- (A) We incorporate ESG factors into calculations for expected risks and returns of asset classes
- (B) We specifically incorporate physical, transition and regulatory changes related to climate change into calculations for expected risks and returns of asset classes
- (C) **No, we do not incorporate ESG considerations into our strategic asset allocation**
- (D) Not applicable, we do not have a strategic asset allocation process

# Stewardship

## Stewardship policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 11	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship policy	2

What percentage of your assets under management does your stewardship policy cover?

(A) Listed equity >75%

(B) Fixed income 50-75%

(E) Infrastructure >75%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 12	CORE	ISP 1.1	ISP 12.1	PUBLIC	Stewardship policy	2

Which elements does your organisation's stewardship policy cover? The policy may be a standalone guideline or part of a wider RI policy.

- (A) Key stewardship objectives
- (B) Prioritisation approach of ESG factors and their link to engagement issues and targets
- (C) Prioritisation approach depending on entity (e.g. company or government)
- (D) Specific approach to climate-related risks and opportunities
- (E) Stewardship tool usage across the organisation, including which, if any, tools are out of scope and when and how different tools are used and by whom (e.g. specialist teams, investment teams, service providers, external investment managers or similar)
- (F) Stewardship tool usage for specific internal teams (e.g. specialist teams, investment teams or similar)
- (G) Stewardship tool usage for specific external teams (e.g. service providers, external investment managers or similar)
- (H) Approach to collaboration on stewardship
- (I) Escalation strategies
- (J) Conflicts of interest
- (K) Details on how the stewardship policy is implemented and which elements are mandatory, including how and when the policy can be overruled
- (L) How stewardship efforts and results should be communicated across the organisation to feed into investment decision-making and vice versa

(M) None of the above elements are captured in our stewardship policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 12.1	PLUS	ISP 12	N/A	PUBLIC	Stewardship policy	2

Describe any additional details related to your stewardship policy elements or your overall stewardship approach.

The stewardship function, which includes engagement and proxy voting, is performed by the Responsible Investment (RI) team. Our stewardship approach and policy is designed to protect the interests of all our clients, focusing and prioritizing on material and/or contentious issues affecting those companies in which we have significant holdings. This involves collaboration between portfolio managers, analysts and the RI Team who work together to monitor and engage with the companies in which we invest, to understand the opportunities and risks in their businesses.

## Stewardship policy implementation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 13	CORE	ISP 1.1	N/A	PUBLIC	Stewardship policy implementation	2

How is your stewardship policy primarily applied?

- (A) It requires our organisation to take certain actions
- (B) It describes default actions that can be overridden (e.g. by investment teams for certain portfolios)
- (C) It creates permission for taking certain measures that are otherwise exceptional
- (D) We have not developed a uniform approach to applying our stewardship policy

## Stewardship objectives

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 15	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship objectives	2

For the majority of assets within each asset class, which of the following best describes your primary stewardship objective?

	(1) Listed equity	(2) Fixed income	(5) Infrastructure
(A) Maximise the risk–return profile of individual investments	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

(B) Maximise overall returns across the portfolio	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) Maximise overall value to beneficiaries/clients	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(D) Contribute to shaping specific sustainability outcomes (i.e. deliver impact)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Stewardship prioritisation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 16	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship prioritisation	2

What key criteria does your organisation use to prioritise your engagement targets? For asset classes such as real estate, private equity and infrastructure, you may consider this as key criteria to prioritise actions taken on ESG factors for assets, portfolio companies and/or properties in your portfolio. Select up to 3 options per asset class from the list.

	(1) Listed equity	(2) Fixed income	(5) Infrastructure
(A) The size of our holdings in the entity or the size of the asset, portfolio company and/or property	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) The materiality of ESG factors on financial and/or operational performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Specific ESG factors with systemic influence (e.g. climate or human rights)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The ESG rating of the entity	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) The adequacy of public disclosure on ESG factors/performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(F) Specific ESG factors based on input from clients	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Specific ESG factors based on input from beneficiaries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(H) Other criteria to prioritise engagement targets, please specify:	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(I) We do not prioritise our engagement targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please specify for "(H) Other criteria to prioritise engagement targets".

We prioritize and engage with companies in regard to their compliance with UN Global Compact, ILO Labour Standards and UN Guiding Principles on Business and Human Rights and screen for those firms who do not comply.

## Stewardship methods

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 17	PLUS	Multiple, see guidance	N/A	PUBLIC	Stewardship methods	2

Please rank the methods that are most important for your organisation in achieving its stewardship objectives. Ranking options: 1 = most important, 5 = least important.

(A) Internal resources (e.g. stewardship team, investment team, ESG team or staff)	1
(B) External investment managers, third-party operators and/or external property managers (if applicable)	We do not use this method
(C) External paid services or initiatives other than investment managers, third-party operators and/or external property managers (paid beyond a membership fee)	We do not use this method
(D) Informal or unstructured collaborations with peers	3

(E) Formal collaborative engagements (e.g. PRI-coordinated collaborative engagements, Climate Action 100+, the Initiative Climat International (iCI) or similar)

2

## Collaborative stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 18	CORE	Multiple, see guidance	ISP 18.1	PUBLIC	Collaborative stewardship	2

**Which of the following best describes your organisation's default position, or the position of the service providers/external managers acting on your behalf, with regards to collaborative stewardship efforts such as collaborative engagements?**

- (A) We recognise that stewardship suffers from a collective action problem, and, as a result, we actively prefer collaborative efforts
- (B) We collaborate when our individual stewardship efforts have been unsuccessful or are likely to be unsuccessful, i.e. as an escalation tool
- (C) We collaborate in situations where doing so would minimise resource cost to our organisation
- (D) **We do not have a default position but collaborate on a case-by-case basis**
- (E) We generally do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 18.1	PLUS	ISP 18	N/A	PUBLIC	Collaborative stewardship	2

**Describe your position on collaborating for stewardship.**

Where appropriate, we prefer to engage in private to enable honest, open and frank discussions to take place with the companies in which we invest. However, ownership of a company is often dispersed and, for a shareholder's voice to have weight, it often (but not always) requires a reasonable number of shareholders to be engaged to address issues effectively. We are, therefore, active supporters of dialogue amongst investors and, when appropriate and allowed by market practice, collaborative engagement. We collaborate with other managers via a range of member organizations and investment forums. In the past year, we have mainly focused our collaborative efforts on thematic and policy matters e.g., work with The Investor Forum, the UK Government Advisory Group on Social Impact Investing, the Asian Corporate Governance Association, Pre-Emption Group and CDP. These have wide-ranging consequences and affect many companies, but it is difficult to calculate a specific number. There may also be limited occasions, on matters that are public, where we will make our views and concerns known publicly. In exceptional circumstances, where we decide that it is necessary and appropriate, we may comment publicly about a controversial matter at a company. In addition to individual company engagements, we may look to engage collaboratively with other investors and asset owners across a range of areas: \*Public policy \*Regulatory issues \*Best practice frameworks \*Sector and market issues \*Thematic and company specific issues

## Escalation strategies

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 19	PLUS	Multiple, see guidance	N/A	PUBLIC	Escalation strategies	2

Which of these measures did your organisation, or the service providers/external managers acting on your behalf, use most frequently when escalating initial stewardship approaches that were deemed unsuccessful?

	(1) Listed equity	(2) Fixed income
(A) Collaboratively engaging the entity with other investors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Filing/co-filing/submitting a shareholder resolution or proposal	<input type="checkbox"/>	<input type="checkbox"/>
(C) Publicly engaging the entity (e.g. open letter)	<input type="checkbox"/>	<input type="checkbox"/>
(D) Voting against the re-election of one or more board directors	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(E) Voting against the chair of the board of directors	<input checked="" type="checkbox"/>	<input type="checkbox"/>

(F) Voting against the annual financial report	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(G) Divesting or implementing an exit strategy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(H) We did not use any escalation measures during the reporting year. Please explain why below	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 20	CORE	Multiple, see guidance	N/A	PUBLIC	Escalation strategies	2

**If initial stewardship approaches were deemed unsuccessful, which of the following measures are excluded from the potential escalation actions of your organisation or those of the service providers/external managers acting on your behalf?**

	(1) Listed equity	(2) Fixed income
(A) Collaboratively engaging the entity with other investors	<input type="checkbox"/>	<input type="checkbox"/>
(B) Filing/co-filing/submitting a shareholder resolution or proposal	<input type="checkbox"/>	<input type="checkbox"/>
(C) Publicly engaging the entity (e.g. open letter)	<input type="checkbox"/>	<input type="checkbox"/>
(D) Voting against the re-election of one or more board directors	<input type="checkbox"/>	<input type="checkbox"/>
(E) Voting against the chair of the board of directors	<input type="checkbox"/>	<input type="checkbox"/>
(F) Voting against the annual financial report	<input type="checkbox"/>	<input type="checkbox"/>
(G) Divesting or implementing an exit strategy	<input type="checkbox"/>	<input type="checkbox"/>

(H) We do not have any restrictions on the escalation measures we can use



## Alignment and effectiveness

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 21	PLUS	Multiple, see guidance	N/A	PUBLIC	Alignment and effectiveness	2

**Describe how you coordinate stewardship across your organisation to ensure that stewardship progress and results feed into investment decision-making and vice versa.**

At Columbia Threadneedle Investments we strive to be responsible stewards of our clients' assets, allocating their capital within our framework of robust research and good governance. Responsible Investment has long been integral to our investment research and decisions. In this regard, we believe that active ownership through continuous monitoring, targeted engagements and strategic voting enhances research insights, drives change and helps create future value because companies which demonstrate sustainable business models, organisational stability and the ability to effect positive change are more likely to deliver value to all stakeholders, including shareholders.

Our active ownership approach manifests itself through research intensity, which is our original, independent, forward looking research on fundamental and RI factors that drive long-term consistent returns for our clients. Our research teams across all asset classes (equities, investment grade and high yield credit, responsible investment, plus Municipal bonds, structured assets and real estate) collaborate within sectors and across themes to help drive greater research insights. These insights plus our active engagement and the use and exercise of voting rights feed and enhance our RI-focused outputs, including our proprietary RI ratings, on sustainable outcome themes such as the energy transition, and in consideration of ESG-linked controversies.

Our stewardship approach begins at the policy level, with annual reviews, enhancements and approvals of the principles and practices driving engagement and proxy voting. Three key documents summarize our intentions and initiatives: 1) the CTI RI Policy, ii) the CTI Stewardship Principles and Approach, and iii) the CTI Corporate Governance and Proxy Voting Principles. To assure engagement and proxy voting activities feed and inform investment decision-making, the Stewardship Principles and Proxy Voting Principles reflect input gathered from analysts and portfolio managers, and education sessions are held to further disseminate information on our approach to companies, tools we use to assess, and communications flow of results from stewardship activities.

As part of the education process, annual enhancements and updates to the Proxy Voting Principles are communicated for awareness and understanding, and an annual presentation is dedicated specifically to communicating annual thematic and quantitative priorities that determine our engagement agenda and companies we target for proactive RI-led engagement.

Analysts and portfolio managers remain close to the proactive engagement and proxy voting processes through regular updates; for example, each receives twice per week a customized spreadsheet listing all upcoming proxy meetings including preliminary votes based on CTI's custom voting policy, accompanied by vote rationales, for companies they cover or own. This practice drives awareness and involvement by investment professionals in determining final proxy voting decisions reflective of our policies, the facts and circumstances of each company in question, and reflects votes we believe are cast in our clients' best long-term economic interests. This approach assures maximum exposure to each voting decision, vote rationales and the impact of those votes, which forms an input into the research and portfolio construction processes of the analysts and portfolio managers.

In regards to our engagement approach, proactive engagements are preceded by one or more preparatory meetings involving representatives across asset classes that cover or own the name (equities, investment grade and high yield credit), led by the RI stewardship team, to: i) discuss our fundamental theses of the target company, ii) set the objective for the engagement meeting, iii) determine any remaining preparatory research required. All engagement meetings are listed on CTI Investments' central calendar system and meeting details are maintained in a tracking system used by CTI investment professionals to maintain contact information, meeting details and other logistics. Our engagement meetings are open internally to all analysts and portfolio managers, including beyond those who cover or own the targeted company. Attendance is often ten or more people participating in more intensive engagement meetings.

Following each meeting the RI stewardship analyst drafts and circulates a summary note with background research, in the company's cloud-based research repository system, which triggers an email summary to all analysts and portfolio managers. The RI engagement meeting summary connects the background research and meeting learnings and outcomes, including action items for follow-up and escalation, to CTI's fundamental thesis on the company. These research reports feed into our strategies' portfolio construction processes as holdings determinations are made by portfolio managers.

## Stewardship examples

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 22	PLUS	Multiple, see guidance	N/A	PUBLIC	Stewardship examples	2

Describe stewardship activities that you participated in during the reporting year that led to desired changes in the entity you interacted with. Include what ESG factor(s) you engaged on and whether your stewardship activities were primarily focused on managing ESG risks and opportunities or delivering sustainability outcomes.

	(1) Engagement type	(2) Primary goal of stewardship activity
(A) Example 1	a) Internally (or service provider) led	c) Both managing ESG risks and delivering outcomes
(B) Example 2	a) Internally (or service provider) led	a) Managing ESG risks/opportunities
(C) Example 3	b) Collaborative	c) Both managing ESG risks and delivering outcomes
	(3) The ESG factors you focused on in the stewardship activity	(4) Description of stewardship activity and the desired change(s) you achieved

(A) Example 1

Sustainability and strategy. We sought to assess contributing factors for the company's historically low third-party ESG risk scores. Our hypothesis was that the company was performing better than reported and, given the importance of its lithium products to battery technologies, we discussed the company's sustainable outcomes for the environment.

The RI team met alongside our fundamental equity analyst and engaged with Albemarle's investor relations team and senior sustainability staff. ALB products are increasingly important to solving global environmental challenges. The lithium business segment provides significant exposure to electric vehicle and stationary energy storage solutions. 50% of FY2019 revenues derived from products with a positive impact on lowering water usage and greenhouse gas emissions. **(response continued in row below)**

A significant investment in, and commitment to managing, climate and toxic material risks mitigates ESG concerns. At our encouragement, management committed to disclose greenhouse gases and water targets in spring 2021. CDP and TCFD reporting frameworks are also under consideration..

(B) Example 2

Corporate governance. As one of the largest protein companies in the world, Tyson Foods' meatpacking facilities became Covid-19 hotspots which drew worldwide concerns around employee and product safety. Our engagement sought to assess effectiveness of the company's actions to safeguard employees, food products and the firm's brand reputation.

A video call was held between Tyson investor relations, the senior vice president of health and safety, the RI team and Columbia Threadneedle fundamental equity and corporate credit analysts.

The company's actions to protect employees were considerably more extensive than reported, with more than \$350 million spent on programmes, tests and physical barriers in facilities resulting in infection rates below local averages. The company had conducted thousands of employee virus tests, hired a chief medical officer and contracted more than 500 nurses and physicians for facilities.

The company acknowledged they weren't prepared for the virus, but rebounded and we noted their particular responsibility to employee safety so products, brand and the workforce remain intact. **(response continued in row below)**

We continued to monitor reported infection rates and reviewed aggregate investments in safety and results at year end..

(C) Example 3

Corporate governance, strategy, intervention. We have been involved in a long-term engagement with Imperial Brands, both unilaterally and through the Investor Forum.

The new CEO will complete a review of the business and present an updated strategy at a capital markets day in Q1 2021. Remuneration is a focus for the board: balancing the shareholder experience and motivating a new management team. Any changes to pay structures throughout the organisation will align with the updated strategy and associated KPIs. While we continue to monitor the company, our period of intensive engagement has ended, having achieved many of our objectives including changes to senior management, the dividend policy and financial disclosures.

## Engaging policymakers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23	CORE	N/A	Multiple, see guidance	PUBLIC	Engaging policymakers	2

**How does your organisation, or the external investment managers or service providers acting on your behalf, engage with policymakers for a more sustainable financial system?**

- (A) We engage with policymakers directly
- (B) We provide financial support, are members of and/or are in another way affiliated with third-party organisations, including trade associations and non-profit organisations, that engage with policymakers
- (C) We do not engage with policymakers directly or indirectly

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23.1	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers	2

**What methods do you, or the external investment managers or service providers acting on your behalf, use to engage with policymakers for a more sustainable financial system?**

**(A) We participate in "sign-on" letters on ESG policy topics. Describe:**

We co-sign letters on policy topics. A recent example being the Access to Medicines letter calling for a global vaccine response

**(B) We respond to policy consultations on ESG policy topics. Describe:**

We provide feedback to and lobby both policymakers (e.g. HM Treasury) and regulatory bodies (e.g. ESMA, FCA and SEC) on draft legislative proposals, on occasion resulting in changes being made to legislative texts and changes in policy. Our employees have also been invited to speak on forthcoming ESG reforms at a number of industry events across Europe and in the US. We have met officials and worked through trade association committees.

**(C) We provide technical input on ESG policy change. Describe:**

The two main areas focus over the last period have been in respect of (i) the EU Sustainable Finance Reforms; and (ii) the US DoL reforms on proxy voting.

**(D) We proactively engage financial regulators on financial regulatory topics regarding ESG integration, stewardship, disclosure or similar. Describe:**

See above, with engagement with regulators in the EU, UK and US.

**(E) We proactively engage regulators and policymakers on other policy topics. Describe:**

A key example of this has been the work that led up to the UK's announcement of its first Green Gilt.

**(F) Other methods used to engage with policymakers. Describe:**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23.2	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers	2

Do you have governance processes in place (e.g. board accountability and oversight, regular monitoring and review of relationships) that ensure your policy activities, including those through third parties, are aligned with your position on sustainable finance and your commitment to the 6 Principles of the PRI?

● (A) Yes, we have governance processes in place to ensure that our policy activities are aligned with our position on sustainable finance and our commitment to the 6 Principles of the PRI. Describe your governance processes:

ESG legislation and regulation are monitored by both our GCO Regulatory Developments Team and the Head of Global Responsible Investment Policy in our Global Research team. We further enhance this with briefings from advisory firms (e.g. law firms) and play an active role in a range of organisations through which we monitor and engage on policy developments, including the UN sponsored PRI, the Investment Company Institute (membership of the board, ESG Advisory Group and ESG Taskforce), the UK Investment Association (members of the Stewardship Committee and Sustainable & Responsible Investment Committee) and Sustainable Investment Forums, amongst others. As appropriate, cross functional project teams are established to assesses and respond to related reforms under executive sponsorship.

○ (B) No, we do not have these governance processes in place. Please explain why not:

## Engaging policymakers – Policies

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 24	CORE	ISP 23	ISP 24.1	PUBLIC	Engaging policymakers – Policies	2

Do you have policies in place that ensure that your political influence as an organisation is aligned with your position on sustainable finance and your commitment to the 6 Principles of the PRI?

● (A) Yes, we have a policy(ies) in place. Describe your policy(ies):

As an organization we are subject to group wide policies on 'political activities'. Our house policies around RI shape frame our positions and our engagement around RI. It is unclear what purpose of the implied policy to follow policy would be.

○ (B) No, we do not a policy(ies) in place. Please explain why not:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 24.1	CORE	ISP 24	N/A	PUBLIC	Engaging policymakers – Policies	2

Is your policy that ensures alignment between your political influence and your position on sustainable finance publicly disclosed?

(A) Yes. Add link(s):

<https://www.columbiathreadneedle.co.uk/en/intm/about-us/responsible-investment/>

(B) No, we do not publicly disclose this policy(ies)

## Engaging policymakers – Transparency

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 25	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers – Transparency	2

During the reporting year, did your organisation publicly disclose your policy engagement activities or those conducted on your behalf by external investment managers/service providers?

(A) We publicly disclosed details of our policy engagement activities. Add link(s):

<https://www.columbiathreadneedle.co.uk/en/intm/about-us/responsible-investment/>

(B) We publicly disclosed a list of our third-party memberships in or support for trade associations, think-tanks or similar that conduct policy engagement activities with our support or endorsement. Add link(s):

(C) No, we did not publicly disclose our policy engagements activities during the reporting year. Explain why:

(D) Not applicable, we did not conduct policy engagement activities

# Climate change

## Public support

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 26	CORE	N/A	N/A	PUBLIC	Public support	General

### Does your organisation publicly support the Paris Agreement?

(A) Yes, we publicly support the Paris Agreement Add link(s) to webpage or other public document/text expressing support for the Paris Agreement:

(B) No, we currently do not publicly support the Paris Agreement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 27	CORE	N/A	N/A	PUBLIC	Public support	General

### Does your organisation publicly support the Task Force on Climate-Related Financial Disclosures (TCFD)?

(A) Yes, we publicly support the TCFD Add link(s) to webpage or other public document/text expressing support for the TCFD:

<https://www.columbiathreadneedle.co.uk/en/intm/about-us/responsible-investment/>

(B) No, we currently do not publicly support the TCFD

## Governance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 28	CORE	N/A	N/A	PUBLIC	Governance	General

### How does the board or the equivalent function exercise oversight over climate-related risks and opportunities?

(A) By establishing internal processes through which the board or the equivalent function are informed about climate-related risks and opportunities. Specify:

(B) By articulating internal/external roles and responsibilities related to climate. Specify:

(C) By engaging with beneficiaries to understand how their preferences are evolving with regard to climate change. Specify:

(D) By incorporating climate change into investment beliefs and policies. Specify:

Climate change has become a distinct and significant issue for policy-makers, regulators consumers and investors. Policy interventions, regulatory changes and initiatives, such as the Financial Stability Board’s Taskforce on Climate Related Financial Disclosures (TCFD), provide a clear indication of the importance attached to this issue.

The 2016 Paris Agreement and the Financial Stability Board’s TCFD recommendations have set a clear framework and focus for a global response to the risks of climate change. The practical and policy drivers of climate adaptation, and the focus on Paris alignment are important considerations for investment.

As investors, the executive board recognise this as part of the universal scope of sustainability risk (Art. 3 & 6 of the EU’s SFDR). New analytics have been commissioned to expand the scope of related analysis in line with TCFD and the executive leadership are leading and supporting the ongoing integration of climate risk factors across the investment department. Central to this is, analysis of climate exposures and related sustainability risks is integrated into our research, encompassing:

- Not only potential transition risk exposures from carbon emissions/intensity but also, related adaptation risk (carbon lock-ins);
- Potential exposures to the physical risks associated with climate change (e.g. associated operational, supply chain and market risks).
- Stranded asset risk; and
- For high intensity sectors, the quality of management engagement and practices around climate risk.

This recognises the potential for impacts that may shape our overall view on the relative climate exposures and risks of a company compared to its peers and inform our research on and analysis of investment opportunities.

We aim to assess companies’ focus, management and effectiveness in dealing with the environmental and social issues most relevant to their business. In this work we draw on our ESG research analytics, research intensity and the work of SASB, the CDP and the Transition Pathway Initiative (TPI). In cases where management and the board have not demonstrated adequate efforts to be transparent and address or mitigate material climate issues, or are considered to be failing to adequately address current or emergent risks, this is addressed in both our stewardship and voting policies.

The executive also have two distinct teams that help enable effective monitoring of RI integration: (i) The independent risk team; and (ii) the 5P team whose role it is to monitor and test that strategies are performing in line with their objectives, including RI integration.

- (E) By monitoring progress on climate-related metrics and targets. Specify:
- (F) By defining the link between fiduciary duty and climate risks and opportunities. Specify:
- (G) Other measures to exercise oversight, please specify:
- (H) The board or the equivalent function does not exercise oversight over climate-related risks and opportunities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 29	CORE	N/A	N/A	PUBLIC	Governance	General

**What is the role of management in assessing and managing climate-related risks and opportunities?**

- (A) Management is responsible for identifying climate-related risks/opportunities and reporting them back to the board or the equivalent function. Specify:

Management have responsibility for assessing climate related requirements, such as those set out by regulators and reporting to the relevant board(s). For example in relation to the UK PRA Supervisory Statement SS3/19: “Enhancing banks’ and insurers’ approaches to managing the financial risks from climate change” to assess and respond to regulators expectations concerning the strategic approach to managing the financial risks from climate change.

- (B) Management implements the agreed-upon risk management measures. Specify:
- (C) Management monitors and reports on climate-related risks and opportunities. Specify:
- (D) Management ensures adequate resources, including staff, training and budget, are available to assess, implement and monitor climate-related risks/opportunities and measures. Specify:
- (E) Other roles management takes on to assess and manage climate-related risks/opportunities, please specify:
- (F) Our management does not have responsibility for assessing and managing climate-related risks and opportunities

# Strategy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 30	CORE	N/A	Multiple, see guidance	PUBLIC	Strategy	General

**Which climate-related risks and opportunities has your organisation identified within its investment time horizon(s)?**

- (A) Specific financial risks in different asset classes. Specify:
- (B) Specific sectors and/or assets that are at risk of being stranded. Specify:
- (C) Assets with exposure to direct physical climate risk. Specify:
- (D) Assets with exposure to indirect physical climate risk. Specify:
- (E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios. Specify:
- (F) Specific sectors and/or assets that contribute significantly to achieving our climate goals. Specify:
- (G) **Other climate-related risks and opportunities identified. Specify:**

We continue to develop our understanding of the potential physical risks associated with climate change which are, for us, principally determined by the extent to which a company's operations and assets are required to be located in or derived from a particular geography/location that could be materially affected by climate change, and the extent to which these assets and/or revenue streams would be rendered obsolete, inaccessible or otherwise unprofitable should a climate change related event occur in future. Developing a global approach and securing access to data sources that can enable us to enhance our understanding of such exposures is a core part of our work to improve our climate research capabilities. The main challenge in terms of evaluating the true scale of physical and transition risk to a given company/investment reflects the lack of certainty that exists around the speed and impact of future climate change, the long time frame over which impacts appear likely to be experienced, as well as the lack of public policy commitment to give effect to major agreements such as the Paris Accord. We believe that efforts to evaluate climate change risk are best concentrated at present on consideration of factors that may manifest over the short and medium terms. We do not believe that risk can presently be assessed effectively over the long or very-long terms. This is driven in large part by the fact that NDCs are due to be reviewed in 2023 as an agreed part of the follow up to the Paris Accord; we see this commitment as providing significant scope for change in around 5 years' time to the legislative and regulatory frameworks to which companies must adhere in the course of their normal operations.

- (H) We have not identified specific climate-related risks and opportunities within our organisation's investment time horizon

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 30.1	CORE	ISP 30	N/A	PUBLIC	Strategy	General

**For each of the identified climate-related risks and opportunities, indicate within which investment time-horizon they were identified.**

	(1) 3–5 months	(2) 6 months to 2 years	(3) 2–4 years	(4) 5–10 years
(G) Other climate-related risks and opportunities identified [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

(5) 11–20 years

(6) 21–30 years

(7) >30 years

(G) Other climate-related risks and opportunities identified [as specified]

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 31	CORE	N/A	N/A	PUBLIC	Strategy	General

**Which climate-related risks and opportunities has your organisation identified beyond its investment time horizon(s)?**

- (A) Specific financial risks in different asset classes. Specify:
- (B) Specific sectors and/or assets that are at risk of being stranded. Specify:
- (C) Assets with exposure to direct physical climate risk. Specify:
- (D) Assets with exposure to indirect physical climate risk. Specify:
- (E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios. Specify:
- (F) Specific sectors and/or assets that contribute significantly to achieving our climate goals. Specify:
- (G) Other climate-related risks and opportunities identified, please specify:

Where climate change and carbon risks are considered most material to a business' valuation (for instance, because the company has a substantial revenue stream from thermal coal production), we believe that in general risks are more likely already to have been priced by the market. Where these risks are less readily apparent we believe pricing is less likely to be reflective of climate change risk. We believe this discrepancy is in part due to ongoing disagreement over what is considered to be material for a company in a given sector/geography, and also lack of information over the extent to which revenues and asset valuations are reliant on exposure to business lines that are exposed to what might be considered to be a material risk. The degree to which the market reacts to big step changes that take place illustrates the market effect, as was the case, say, when BP made its June 2020 announcement that it was writing-off \$17.5 billion from the value of its assets after cutting its long-term oil and gas price forecasts, the potential impact of the COVID-19 crisis on energy demand and the accelerating shift away from fossil fuels.

- (H) We have not identified specific climate-related risks and opportunities beyond our organisation's investment time horizon

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 32	PLUS	N/A	N/A	PUBLIC	Strategy	General

**Describe the impact of climate-related risks and opportunities on your organization's investment strategy, products (where relevant) and financial planning.**

In keeping with the firm's focus on research intensity, we have an ongoing commitment to evolving and developing the tools and analytics we draw on to enhance our research and the insights made available to support our investment approaches. We are currently focusing much of our development effort on the issue of climate change, including: Water Stress Exposures & Physical risk analysis Our focus currently is on assessing new data sources to support more granular analysis of corporate risk, linked to facilities/operations exposed to physical climate risks, including weather (e.g. Cyclones, Hurricanes and Typhoons), flood risks, sea-level increases or wildfires Scope 3 Emissions & Emission trajectory analysis Given reliability issue, to date our analysis has focused on scope 1 & 2 emissions. Given wider market interest though, while recognizing the uncertainty and estimation, we are also looking at using scope 3 emissions data as an additional exposure measure. Climate adaptation analytics – moving beyond carbon foot-printing The standard methods of assessing portfolio exposure to emissions and transition risk are exposure-based measures that provide neither a clear nor effective signal of the ability to adapt effectively to climate change. Given this, a key area of our research and development work has, amongst other things, focused on working with established economic models (e.g. lock-ins) to enable more forward-looking analysis of organizations' adaptation capability to be developed. In terms of integrating climate issues in our investment approach, the RI Team have been monitoring the carbon characteristics of our funds for some time and continue to develop our approach to portfolio carbon footprinting.

## Strategy: Scenario analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 33	CORE	N/A	ISP 33.1	PUBLIC	Strategy: Scenario analysis	General

Does your organisation use scenario analysis to assess climate-related investment risks and opportunities? Select the range of scenarios used.

- (A) An orderly transition to a 2°C or lower scenario
- (B) An abrupt transition consistent with the Inevitable Policy Response
- (C) A failure to transition, based on a 4°C or higher scenario
- (D) Other climate scenario, specify:

We use scenario analysis as required (e.g, for Solvency II purposes), but have a preference for using carbon pathway analysis for portfolios, sectors and benchmarks. Powered by big data and data science, this provides actual forward looking projections that have greater utility in research and portfolio management towards Paris alignment.

- (E) We do not use scenario analysis to assess climate-related investment risks and opportunities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 33.1	PLUS	ISP 33	N/A	PUBLIC	Strategy: Scenario analysis	General

**Describe how climate scenario analysis is used to test the resilience of your organisation's investment strategy and inform investments in specific asset classes.**

- (A) An orderly transition to a 2°C or lower scenario
- (C) A failure to transition, based on a 4°C or higher scenario
- (D) **Other climate scenario**

As a business, we debated earlier this year the significance of the regulatory and investor headwinds facing carbon fuel providers (i.e. both the oil and gas and mining sectors). With these fuels set to play a significant role in the energy mix for some time yet under all mainstream scenarios being advanced at this time, we have retained exposure to companies in these sectors. We believe however that the disclosure standards adopted by these companies should, in general, be higher if they are to retain the trust of investors, for example, through the provision of scenario analysis to support decision making around capital expenditure. In this connection, we are regularly supporting shareholder proposals designed to secure enhanced disclosure of related climate scenario analysis, particularly where we consider the related company to be a market laggard.

## Risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 34	PLUS	ISP 30	N/A	PUBLIC	Risk management	General

**Which risk management processes do you have in place to identify and assess climate-related risks?**

- (A) Internal carbon pricing. Describe:
- (B) Hot spot analysis. Describe:
- (C) Sensitivity analysis. Describe:
- (D) TCFD reporting requirements on external investment managers where we have externally managed assets. Describe:
- (E) TCFD reporting requirements on companies. Describe:
- (F) **Other risk management processes in place, please describe:**

We integrate climate risk factors into our independent risk management systems. Our approaches to different facets of climate transition and physical risks are discussed separately in this response.

- (G) We do not have any risk management processes in place to identify and assess climate-related risks

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 35	PLUS	Multiple, see guidance	N/A	PUBLIC	Risk management	General

**In which investment processes do you track and manage climate-related risks?**

(A) In our engagements with investee entities, and/or in engagements conducted on our behalf by service providers and/or external managers. Describe:

This includes: •To investigate & gain insights into corporate responses to climate risk to contribute and when necessary shape our investment thesis. •to promote good disclosure in line with the TCFD to inform our assessment of climate related management quality (framed around TPI)

(B) In (proxy) voting conducted by us, and/or on our behalf by service providers and/or external managers. Describe:

We have voting policies to take voting actions on climate laggards (e.g. based on TPI management quality indicators)and, where appropriate, support climate resolutions (which saw us listed in the FT as the second most active voter on these issues in the sample of large asset managers used)

(E) In the asset class benchmark selection process. Describe:

(F) In our financial analysis process. Describe:

Integration of RI factors including climate change is required across all our fundamental research (equity & fixed income) and is overseen and reviewed by the Global Head of Research and his team leaders. This is also expanded on by the cross-sectoral thematic research team being dedicated to research on sustainability themes in collaboration with sectors research teams.

(G) Other investment process(es). Describe:

Asset class specific methodologies have been developed where appropriate, e.g. in the sovereign issuer space where different approaches are required to those used for corporate analysis.

(H) We are not tracking and managing climate-related risks in specific investment processes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 36	PLUS	N/A	N/A	PUBLIC	Risk management	General

**How are the processes for identifying, assessing and managing climate-related risks incorporated into your organisation's overall risk management?**

(A) The risk committee or the equivalent function is formally responsible for identifying, assessing and managing climate risks. Describe:

(B) Climate risks are incorporated into traditional risks (e.g. credit risk, market risk, liquidity risk or operational risk). Describe:

(C) Climate risks are prioritised based on their relative materiality, as defined by our organisation's materiality analysis. Describe:

(D) Executive remuneration is linked to climate-related KPIs. Describe:

(E) Management remuneration is linked to climate-related KPIs. Describe:

- (F) Climate risks are included in the enterprise risk management system. Describe:
- (G) **Other methods for incorporating climate risks into overall risk management, please describe:**  
 For institutional clients who adopt a divestment approach on fossil fuels, we do manage commodity derivative funds that can be considered as part of a risk mitigation approach in the design of related solutions. More broadly, we also invest heavily in green bonds, social bonds and sustainability bonds, designed to support the delivery of outcomes that are socially and environmentally positive. We invest in such bonds where we believe it is consistent to do so within our existing investment approach. We do not invest in labelled green, social or sustainable bonds for their own sake though; each investment must contribute to the delivery of the overarching investment objective. Even for our UK and European Social Bond strategies, a high degree of discretion is applied; not every green/social/sustainable bond makes for a good investment.
- (H) Processes for identifying, assessing and managing climate-related risks are not integrated into our overall risk management

## Metrics and targets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 37	PLUS	N/A	ISP 37.1	PUBLIC	Metrics and targets	General

### Have you set any organisation-wide targets on climate change?

- (A) Reducing carbon intensity of portfolios
- (B) Reducing exposure to assets with significant climate transition risks
- (C) Investing in low-carbon, energy-efficient climate adaptation opportunities in different asset classes
- (D) Aligning entire group-wide portfolio with net zero
- (E) **Other target, please specify:**  
 To deliver client driven targets on the exclusion of fossil fuel assets, carbon reduction targets and net-zero alignment.
- (F) No, we have not set any climate-related targets

## Metrics and targets: Transition risk

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 38	PLUS	N/A	ISP 38.1	PUBLIC	Metrics and targets: Transition risk	General

### What climate-related metric(s) has your organisation identified for transition risk monitoring and management?

- (A) **Total carbon emissions**
- (B) Carbon footprint
- (C) Carbon intensity
- (D) **Weighted average carbon intensity**
- (E) Implied temperature warming
- (F) Percentage of assets aligned with the EU Taxonomy (or similar taxonomy)
- (G) Avoided emissions metrics (real assets)
- (H) Other metrics, please specify:
- (I) No, we have not identified any climate-related metrics for transition risk monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 38.1	PLUS	ISP 38	N/A	PUBLIC	Metrics and targets: Transition risk	General

Provide details about the metric(s) you have identified for transition risk monitoring and management.

(1) Coverage of AUM

(A) Total carbon emissions (2) for the majority of our assets

(D) Weighted average carbon intensity (2) for the majority of our assets

## Metrics and targets: Physical risk

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 39	PLUS	N/A	ISP 39.1	PUBLIC	Metrics and targets: Physical risk	General

What climate-related metric(s) has your organisation identified for physical risk monitoring and management?

- (A) Weather-related operational losses for real assets or the insurance business unit
- (B) Proportion of our property, infrastructure or other alternative asset portfolios in an area subject to flooding, heat stress or water stress
- (C) Other metrics, please specify:  
 For equities and fixed income our framework has been developing to expand from water risk to include broader geographical, operational and supply chain exposures across a broad range of physical risks from weather, sea level rises, fire, etc.
- (D) Other metrics, please specify:
- (E) We have not identified any metrics for physical risk monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 39.1	PLUS	ISP 39	N/A	PUBLIC	Metrics and targets: Physical risk	General

Provide details about the metric(s) you have identified for physical risk monitoring and management.

(1) Coverage of AUM

(C) Other metrics [as specified]

(2) for the majority of our assets

## Sustainability outcomes

### Set policies on sustainability outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 40	CORE	ISP 1.1	N/A	PUBLIC	Set policies on sustainability outcomes	1, 2

Where is your approach to sustainability outcomes set out? Your policy/guideline may be a standalone document or part of a wider responsible investment policy.

- (A) Our approach to sustainability outcomes is set out in our responsible investment policy
- (B) Our approach to sustainability outcomes is set out in our exclusion policy
- (C) Our approach to sustainability outcomes is set out in our stewardship policy
- (D) Our approach to sustainability outcomes is set out in asset class-specific investment guidelines
- (E) Our approach to sustainability outcomes is set out in separate guidelines on specific outcomes (e.g. the SDGs, climate or human rights)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 41	CORE	ISP 1.1	N/A	PUBLIC	Set policies on sustainability outcomes	1, 2

Which global or regionally recognised frameworks do your policies and guidelines on sustainability outcomes refer to?

- (A) The SDG goals and targets
- (B) The Paris Agreement
- (C) The UN Guiding Principles on Business and Human Rights
- (D) The OECD Guidelines for Multinational Enterprises, including guidance on Responsible Business Conduct for Institutional Investors
- (E) Other frameworks, please specify:
  - We use our own thematic framework to shape the research and inputs provided to our outcomes based strategies.
- (F) Other frameworks, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 42	PLUS	ISP 1.1	N/A	PUBLIC	Set policies on sustainability outcomes	1, 2

What are the main reasons that your organisation has established policies or guidelines on sustainability outcomes? Select a maximum of three options.

- (A) Because we understand which potential financial risks and opportunities are likely to exist in (and during the transition to) an SDG-aligned world
- (B) Because we see it as a way to identify opportunities, such as through changes to business models, across supply chains and through new and expanded products and services
- (C) Because we want to prepare for and respond to legal and regulatory developments, including those that may lead to stranded assets
- (D) Because we want to protect our reputation and licence-to-operate (i.e. the trust of beneficiaries, clients and other stakeholders), particularly in the event of negative sustainability outcomes from investments
- (E) Because we want to meet institutional commitments on global goals (including those based on client or beneficiaries' preferences), and communicate on progress towards meeting those objectives
- (F) Because we consider materiality over longer time horizons to include transition risks, tail risks, financial system risks and similar
- (G) Because we want to minimise negative sustainability outcomes and increase positive sustainability outcomes of investments

## Identify sustainability outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 43	CORE	N/A	Multiple, see guidance	PUBLIC	Identify sustainability outcomes	1

Has your organisation identified the intended and unintended sustainability outcomes from any of its activities?

- (A) No, we have not identified the sustainability outcomes from our activities
- (B) Yes, we have identified one or more sustainability outcomes from some or all of our activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 44	CORE	ISP 43	ISP 44.1	PUBLIC	Identify sustainability outcomes	1

What frameworks/tools did your organisation use to identify the sustainability outcomes from its activities? Indicate the tools or frameworks you have used to identify and map some or all of your sustainability outcomes.

- (A) The UN Sustainable Development Goals (SDGs) and targets
- (B) The Paris Agreement
- (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (D) The OECD Guidelines for Multinational Enterprises, including guidance on Responsible Business Conduct for Institutional Investors
- (E) The EU Taxonomy
- (F) Other taxonomies (e.g. similar to the EU Taxonomy), please specify:
- (G) Other framework/tool, please specify:
  - We use our own thematic framework to shape the research and inputs provided to our outcomes based strategies.
- (H) Other framework/tool, please specify:
- (I) Other framework/tool, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 44.1	CORE	ISP 44	N/A	PUBLIC	Identify sustainability outcomes	1

**At what level(s) did your organisation identify the sustainability outcomes from its activities?**

- (A) At the asset level
- (B) At the economic activity level
- (C) At the company level
- (D) At the sector level
- (E) At the country/region level
- (F) At the global level
- (G) Other level(s), please specify:  
 At the portfolio level.
- (H) We do not track at what level(s) our sustainability outcomes were identified

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 45	CORE	ISP 43	SO 1	PUBLIC	Identify sustainability outcomes	1

**How has your organisation determined your most important sustainability outcome objectives?**

- (A) Identifying sustainability outcomes that are closely linked to our core investment activities
- (B) Consulting with key clients and/or beneficiaries to align with their priorities
- (C) Assessing the potential severity (e.g. probability and amplitude) of specific negative outcomes over different timeframes
- (D) Focusing on the potential for systemic impacts (e.g. due to high level of interconnectedness with other global challenges)
- (E) Evaluating the potential for certain outcome objectives to act as a catalyst/enabler to achieve a broad range of goals (e.g. gender or education)
- (F) Analysing the input from different stakeholders (e.g. affected communities, civil society or similar)
- (G) Understanding the geographical relevance of specific sustainability outcome objectives
- (H) Other method, please specify:  
 by defining appropriate investment solutions based on them. For example, our Social Bond strategies.
- (I) We have not yet determined our most important sustainability outcome objectives

# Transparency & Confidence-Building Measures

## Information disclosed – ESG assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 46	CORE	OO 16	N/A	PUBLIC	Information disclosed – ESG assets	6

For the majority of your ESG/sustainability marketed funds or products, and/or your ESG/RI certified or labelled assets, what information about your ESG approach do you (or the external investment managers/service providers acting on your behalf) include in material shared with clients, beneficiaries and/or the public? The material may be marketing material, information targeted towards existing or prospective clients or information for beneficiaries.

- (A) A commitment to responsible investment (e.g. that we are a PRI signatory)
- (B) Industry-specific and asset class-specific standards that we align with (e.g. TCFD, or GRESB for property and infrastructure)
- (C) Our responsible investment policy (at minimum a summary of our high-level approach)
- (D) A description of our investment process and how ESG is considered
- (E) ESG objectives of individual funds
- (F) Information about the ESG benchmark(s) that we use to measure fund performance
- (G) Our stewardship approach
- (H) A description of the ESG criteria applied (e.g. sectors, products, activities, ratings and similar)
- (I) The thresholds for the ESG criteria applied in our investment decisions or universe construction
- (J) A list of our main investments and holdings
- (K) ESG case study/example from existing fund(s)
- (L) We do not include our approach to ESG in material shared with clients/beneficiaries/the public for the majority of our ESG/sustainability marketed funds or products, and/or our ESG/RI certified or labelled assets

## Client reporting – ESG assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 48	CORE	Multiple, see guidance	N/A	PUBLIC	Client reporting – ESG assets	6

What ESG information is included in your client reporting for the majority of your ESG/sustainability marketed funds or products, and/or your ESG/RI certified or labelled assets?

- (A) Qualitative analysis, descriptive examples or case studies
- (B) Quantitative analysis or key performance indicators (KPIs) related to ESG performance
- (C) Progress on our sustainability outcome objectives
- (D) Stewardship results
- (E) Information on ESG incidents, where applicable
- (F) Analysis of ESG contribution to portfolio financial performance
- (G) We do not include ESG information in client reporting for the majority of our ESG/sustainability marketed funds or products, and/or our ESG/RI certified or labelled assets

## Information disclosed – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 49	CORE	N/A	N/A	PUBLIC	Information disclosed – All assets	6

For the majority of your total assets under management, what information about your ESG approach do you (or the external managers/service providers acting on your behalf) include in material shared with clients, beneficiaries and/or the public? The material may be marketing material, information targeted towards existing or prospective clients or information for beneficiaries.

- (A) A commitment to responsible investment (e.g. that we are a PRI signatory)
- (B) Industry-specific and asset class-specific standards that we align with (e.g. TCFD, or GRESB for property and infrastructure)
- (C) Our responsible investment policy (at minimum a summary of our high-level approach)
- (D) A description of our investment process and how ESG is considered
- (E) ESG objectives of individual funds
- (F) Information about the ESG benchmark(s) that we use to measure fund performance
- (G) Our stewardship approach
- (H) A description of the ESG criteria applied (e.g. sectors, products, activities, ratings and similar)
- (I) The thresholds for the ESG criteria applied in our investment decisions or universe construction
- (J) A list of our main investments and holdings

(K) ESG case study/example from existing fund(s)

(L) We do not include our approach to ESG in material shared with clients/beneficiaries/the public for the majority of our assets under management

## Client reporting – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 50	CORE	Multiple, see guidance	N/A	PUBLIC	Client reporting – All assets	6

What ESG information is included in your client reporting for the majority of your assets under management?

(A) Qualitative ESG analysis, descriptive examples or case studies

(B) Quantitative analysis or key performance indicators (KPIs) related to ESG performance

(C) Progress on our sustainability outcome objectives

(D) Stewardship results

(E) Information on ESG incidents where applicable

(F) Analysis of ESG contribution to portfolio financial performance

(G) We do not include ESG information in client reporting for the majority of our assets under management

## Frequency of client reporting – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 51	CORE	Multiple, see guidance	N/A	PUBLIC	Frequency of client reporting – All assets	6

For the majority of each asset class, how frequently do you report ESG-related information to your clients?

(A) Listed equity (1) Quarterly

(B) Fixed income (1) Quarterly

(E) Infrastructure (1) Quarterly

## Confidence-building measures

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 52	CORE	OO 16.1	Multiple, see guidance	PUBLIC	Confidence-building measures	6

**What verification has your organisation had regarding the information you have provided in your PRI Transparency Report this year?**

- (A) We received third-party independent assurance of selected processes and/or data related to our responsible investment processes, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls/governance or processes to be able to conduct an external assurance next year
- (C) **The internal audit function team performed an independent audit of selected processes/and or data related to our responsible investment processes reported in this PRI report**
- (D) **Our board, CEO, other C-level equivalent and/or investment committee has signed off on our PRI report**
- (F) We conducted an external ESG audit of our ESG/sustainability marketed funds or products (excluding ESG/RI certified or labelled assets)
- (G) We conducted an external ESG audit of our holdings to check that our funds comply with our RI policy (e.g. exclusion list or investee companies in portfolio above certain ESG rating)
- (H) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- (I) **Responses related to our RI practices documented in this report have been internally reviewed before submission to the PRI**
- (J) None of the above

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 56	CORE	OO 14, ISP 52	N/A	PUBLIC	Confidence-building measures	6

**What responsible investment processes and/or data were audited by internal auditors/outsourced internal auditors?**

- |                                       |  |
|---------------------------------------|--|
| (A) Investment and stewardship policy | (3) Processes and related data assured |
| (C) Listed equity                     | (3) Processes and related data assured |
| (D) Fixed income                      | (3) Processes and related data assured |

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 57	PLUS	ISP 52	N/A	PUBLIC	Confidence-building measures	6

**Provide details about the internal audit process regarding the information provided in your PRI Transparency Report.**

The firm has a robust governance committee structure intended to provide Firm level oversight. Our governance and supporting committees are responsible for ensuring we are operating cohesively and making decisions that deliver results with the highest level of integrity. Specifically related to the PRI Transparency Report, an independent review by our General Council Organization, Asset Management Distribution Compliance and c-level senior management, is conducted prior to finalization, approval and submission.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 58	CORE	ISP 52	N/A	PUBLIC	Confidence-building measures	6

**Who has reviewed/verified the entirety of or selected data from your PRI report?**

(A) Board and/or trustees (4) report not reviewed

(B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO)) (1) the entire report

(C) Investment committee (4) report not reviewed

(D) Other chief-level staff, please specify:  
N/A (4) report not reviewed

(E) Head of department, please specify:  
Head of Responsible Investment Policy Research, EMEA Head of Stewardship Head of Fundamental Equity (1) the entire report

(F) Compliance/risk management team (1) the entire report

(G) Legal team (1) the entire report

(H) RI/ ESG team

(1) the entire report

(I) Investment teams

(3) parts of the report

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 62	PLUS	ISP 52	N/A	PUBLIC	Confidence-building measures	6

Describe your organisation's approach to ensuring that your responsible investment processes are implemented as per your policies and guidelines. In your description please include the frequency of ensuring that your processes follow stated policies and include the choice of ESG fund audit, internal audit function and/or third-party external assurance.

Across our global business, our Investment Consultancy & Oversight Team uses a bespoke '5P' approach to ensure the integrity of an investment strategy. This approach monitors each investment process to assure that the managers are adhering to their philosophy and process; to the extent that ESG issues are considered or are a required component in the team's mandate, that usage and success is regularly monitored and reported. Additionally, sustainability risk is integrated into our independent risk oversight and risk systems, ensuring that portfolio exposures (eg, ESG, climate, controversies) are monitored and assessed through both financial and non-financial lenses.

## Listed Equity (LE)

### Pre-investment phase

#### Materiality analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1	CORE	OO 10	LE 1.1	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify material ESG factors across listed equities?

(1) Passive equity

(3) Active – fundamental

(A) Yes, we have a formal process to identify material ESG factors for all of our assets



(B) Yes, we have a formal process to identify material ESG factors for the majority of our assets

(C) Yes, we have a formal process to identify material ESG factors for a minority of our assets

(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their own discretion

(E) No, we do not have a formal process to identify material ESG factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1.1	CORE	LE 1	N/A	PUBLIC	Materiality analysis	1

**How does your current investment process incorporate material ESG factors?**

**(1) Passive equity**

**(3) Active - Fundamental**

(A) The investment process incorporates material governance factors

(B) The investment process incorporates material environmental and social factors

(C) The investment process incorporates material ESG factors beyond our organisation's typical investment time horizon

(D) The investment process incorporates the effect of material ESG factors on revenues and business operations

## Long-term ESG trend analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 2	CORE	OO 10	N/A	PUBLIC	Long-term ESG trend analysis	1

Do you continuously monitor a list of identified long-term ESG trends related to your listed equity assets?

	(1) Passive equity	(3) Active – fundamental
(A) We monitor long-term ESG trends for all assets	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(B) We monitor long-term ESG trends for the majority of assets	<input type="radio"/>	<input type="radio"/>
(C) We monitor long-term ESG trends for a minority of assets	<input type="radio"/>	<input type="radio"/>
(D) We do not continuously monitor long-term ESG trends in our investment process	<input type="radio"/>	<input type="radio"/>

## ESG incorporation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3	CORE	OO 10	LE 3.1	PUBLIC	ESG incorporation	1

How does your financial modelling and equity valuation process incorporate material ESG risks?

	(1) Passive equity	(3) Active – fundamental
(A) We incorporate governance-related risks into financial modelling and equity valuations	<input type="checkbox"/>	<input checked="" type="checkbox"/>

(B) We incorporate environmental and social risks into financial modelling and equity valuations

(C) We incorporate environmental and social risks related to companies' supply chains into financial modelling and equity valuations

(D) ESG risk is incorporated into financial modelling and equity valuations at the discretion of individual investment decision-makers, and we do not track this process

(E) We do not incorporate ESG risks into our financial modelling and equity valuations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3.1	CORE	LE 3	N/A	PUBLIC	ESG incorporation	1

**In what proportion of cases do you incorporate the following material ESG risks into your financial modelling and equity valuation process?**

**(3) Active - Fundamental**

(A) We incorporate governance-related risks into financial modelling and equity valuations (1) in all cases

(B) We incorporate environmental and social risks into financial modelling and equity valuations (1) in all cases

(C) We incorporate environmental and social risks related to companies' supply chains into financial modelling and equity valuations (1) in all cases

## Assessing ESG performance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4	CORE	OO 10	LE 4.1	PUBLIC	Assessing ESG performance	1

What information do you incorporate when you assess the ESG performance of companies in your financial modelling and equity valuation process?

	(1) Passive equity	(3) Active – fundamental
(A) We incorporate information on current performance across a range of ESG metrics	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(B) We incorporate information on historical performance across a range of ESG metrics	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(C) We incorporate information enabling performance comparison within a selected peer group across a range of ESG metrics	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(D) We incorporate information on ESG metrics that may impact or influence future corporate revenues and/or profitability	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(E) We do not incorporate ESG factors when assessing the ESG performance of companies in our financial modelling or equity valuation	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4.1	CORE	LE 4	N/A	PUBLIC	Assessing ESG performance	1

**In what proportion of cases do you incorporate the following information when assessing the ESG performance of companies in your financial modelling and equity valuation process?**

**(3) Active – fundamental**

(A) We incorporate information on current performance across a range of ESG metrics (1) in all cases

(B) We incorporate information on historical performance across a range of ESG metrics (1) in all cases

(C) We incorporate information enabling performance comparison within a selected peer group across a range of ESG metrics (1) in all cases

(D) We incorporate information on ESG metrics that may impact or influence future corporate revenues and/or profitability (1) in all cases

## ESG incorporation in portfolio construction

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 5	PLUS	OO 10	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**Outline one best practice or innovative example where ESG factors have been incorporated into your equity selection and research process.**

We believe responsible investment research is fundamental research so the consideration of ESG factors are considered as part of our standard research process. We integrate assessments of ESG risk into our investment processes as part of idea generation, research and debate: ESG analysis is part of the consideration of investment opportunities and risks. Our research notes incorporate ESG factors and an ESG rating. By considering the additive insights of ESG factors our portfolio manager can better assess the sustainability and long-term value creation of portfolio companies. This rating comes from our own analysis, complemented by secondary sources. Our proprietary RI ratings are tailored to individual industries and incorporate a forward-looking assessment. These ratings include both a financial stewardship model and a materiality model. Our approach to determining materiality is informed principally by the work of the Sustainability Accounting Standards Board (SASB). The ratings serve as an additional research input for our investment teams, linked to an issuer’s ESG risk management performance characteristics.

The ratings, and associated risk and opportunity flags, are made available on a cloud-based platform accompanied by additional proprietary ESG and sustainability-focused analytics tools and qualitative data to inform research processes by enhancing insights, thus helping us to form a more holistic view of a given issuer. Our proprietary ratings provide our investment team with a robust responsible investment framework and enhanced analysis of over 8,500 companies around the world. They give analysts and portfolio managers an evidence-based and forward-looking numerical rating for a company, which provides insight into how sustainably it is managing its balance sheet and how effectively it is managing material ESG risks. It does this by combining two models – one focused on financial stewardship (FS) and the other on performance on ESG materiality factors. The outputs of the models are combined to produce a responsible investment rating from 1 (high quality) to 5 (low quality). The Financial Stewardship (FS) model: The FS model combines four separate academic models that measure prudent, long-term financial governance to identify well-managed businesses. These models represent a proxy for good corporate governance and importantly offer insight into whether corporate governance is working in practice. For example, it takes into account the level of R&D reinvestment, leverage, liquidity management and accounting standards. The ESG Materiality model: Companies that manage ESG risks effectively are considered better positioned to address future challenges, avoid technical and social obsolescence, and capitalize on both unknown and known future business opportunities.

As society, markets, and government regulations evolve, the companies that lead on the most financially material industry ESG metrics should be well positioned to mitigate risks, build competitive advantage and sustain their long-term future. To the same extent that quality companies command higher relative prices, so too will companies that perform well in terms of ESG risk management. This model focuses on companies' performance in managing the ESG risks it faces. It does this by building on the Sustainability and Accounting Standards Board (SASB®) framework which identifies the most financially material ESG risk factors for 77 distinct industries and provides an insight into the management focus and operating practice standards of a company. For each company between two and 16 financially material ESG risk factors are identified for assessment. The RI rating: The outputs of the Financial Stewardship model and the ESG Materiality model are generated by drawing on a large amount of published data for each constituent of our universe of 8,500 companies. Through the use of cloud-based analytics and data science, the outputs of the two models are combined to produce an overall responsible investment rating from 1 to 5. Issuers rated 1 are regarded in terms of 'quality', whereas issuers rated 5 are regarded in terms of 'value'. As our ratings are relative and updated daily, incremental/decremental movement in an issuers rating can and do provide significant informational value within the investment research and portfolio construction process.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6	CORE	OO 10	LE 6.1	PUBLIC	ESG incorporation in portfolio construction	1

**How do ESG factors influence your portfolio construction?**

	(1) Passive equity	(3) Active – fundamental
(A) The selection of individual assets within our portfolio is influenced by ESG factors	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(B) The holding period of individual assets within our portfolio is influenced by ESG factors	<input type="checkbox"/>	<input checked="" type="checkbox"/>

(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors



(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process



(E) Other expressions of conviction (please specify below)



(F) The portfolio construction or benchmark selection does not explicitly include the incorporation of ESG factors



**Please specify for "(E) Other expressions of conviction".**

This relates to reflecting client values and objectives into portfolios. This includes collaborative work with clients (eg with members of the Net-Zero Asset Owner Alliance) to develop new methodologies and approaches to align portfolios and their holdings to meet clients' needs over time. The range of factors is broad and varied and includes ethical, norms based, climate and other factors to ensure alignment. We maintain a framework of these factors for application in the development of new funds and client solutions. Such factors are also integrated into our portfolio dashboards to enable portfolio managers to identify and assess the exposures they have. The front office controls team independently manages and monitors the related controls coded into our systems.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6.1	CORE	LE 6	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**In what proportion of cases did ESG factors influence your portfolio construction?**

**(3) Active – fundamental**

(A) The selection of individual assets within our portfolio is influenced by ESG factors

(1) in all cases

(B) The holding period of individual assets within our portfolio is influenced by ESG factors

(1) in all cases

(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors (1) in all cases

(E) Other expressions of conviction (1) in all cases

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 7	PLUS	OO 10	N/A	PUBLIC	ESG incorporation in portfolio construction	1

Please provide two examples of how ESG factors have influenced weightings and tilts in either passive or active listed equity.

Provide examples below:

(A) Example 1:

The challenge: VW’s ESG rating lags peers based upon a 2015 emissions scandal – diesalgate which prompted its failure with the UN Global Compact and its poor ESG ratings. The ratings weighted heavily the activities of VW 5 years ago, however lessons were learned and opportunities to improve their E&S footprint have been taken. In February 2021, the UN Global Compact readmitted VW. In April 2021, MSCI upgraded their controversy score from a ‘Fail’ to ‘Watch List’.  
 The opportunity: Over the next ten years, VW has the largest EV rollout of any OEM – 100% EV by 2030 and 70 new models by 2025. Given VW’s current emissions profile accounts for 1% of global carbon emissions - this strategy promotes significant positive environmental outcomes.  
**(response continued in row below)**

Approach is aligned with European Green Deal “sustainable” investment for vehicles that emit less than 50g of CO2 per km, (current:95g CO2/km). From 2026 only zero emission vehicles qualify. VW is focused on electric but well positioned to benefit from increased demand in fuel cell electric vehicles (draw upon Audi research) through cheaper production of green hydrogen. Internal analysis and engagement concluded that the VW is not the same company as it was in 2015 and it is undervalued in its ESG ratings. We have opened a position and will continue to monitor and engage..

(B) Example 2:

The challenge: Illumina is the market share leader in genetic sequencing. In February and March 2020 the shares sold off aggressively when Covid struck, as up until this point the sequencing market had been dominated by research use, and due to lockdowns, academic labs closed; cancer diagnostics were down; population studies were pushed out. The opportunity: Our analysis forecast that the huge future opportunity for genetic sequencing was in clinical applications such as pre-natal testing, cancer, etc. and its use would further widen as the cost of sequencing fell. Illumina plays a key role in driving down the cost of sequencing as has 80 to 90% market share of sequencers, and its innovations and technological advancements are dramatically reducing the speed and cost of sequencing. **(response continued in row below)**

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The reduction of the cost we believe will drive further use of genetic sequencing and this in turn will help fight diseases and save lives. For this reason Illumina was identified as a stock that fitted very well within our Sustainable outcomes theme of “Health and wellbeing” Internal analysis: Despite short term pressures from Covid our internal analysis predicted a large and growing long term market for gene sequencing, as its use expanded from the research market to clinical applications. The analyst also identified an opportunity for Illumina in sequencing for Covid variants. This analysis of clinical applications and therefore its close alignment with our “Health and wellbeing” sustainable theme was a key deciding factor for the fund manager of our Global Sustainable outcomes fund who, held onto the stock through the Covid related dips of 2020, as was focused on the long term benefits/opportunities of clinical applications of genetic sequencing. Q1 2021 results were a big beat for Illumina and a key driver was growth in the sequencing of Covid variants..

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## ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 8	CORE	OO 6.1 LE	N/A	PUBLIC	ESG risk management	1

What compliance processes do you have in place to ensure that your listed equity assets subject to negative exclusionary screens meet the screening criteria?

- (A) We have an independent committee that oversees the screening implementation process, but only for our ESG/sustainability labelled funds that are subject to negative exclusionary screening
- (B) We have an independent committee that oversees the screening implementation process for all of our listed equity assets that are subject to negative exclusionary screening
- (C) We have an independent committee that verifies that we have correctly implemented pre-trade checks in our internal systems to ensure no execution is possible without their pre-clearance
- (D) Other, please specify:
- (E) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens

## Post-investment phase

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 9	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

Do your regular reviews incorporate ESG risks?

(1) Passive equity

(3) Active – fundamental

(A) Our regular reviews include quantitative information on material ESG risks specific to individual listed equities



(B) Our regular reviews include aggregated quantitative information on material ESG risks at a fund level



(C) Our regular reviews only highlight fund holdings where ESG ratings have changed

(D) We do not conduct regular reviews. Risk reviews of ESG factors are conducted at the discretion of the individual fund manager and vary in frequency



(E) We do not conduct reviews



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 10	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

**Do you regularly identify and incorporate ESG incidents into the investment process for your listed equity assets?**

**(1) Passive equity**

**(3) Active – fundamental**

(A) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into all of our investment decisions



(B) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into the majority of our investment decisions



(C) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into a minority of our investment decisions



(D) Yes, we have an ad hoc process in place for identifying and incorporating ESG incidents



(E) Other

(F) We currently do not have a process in place for regularly identifying and incorporating ESG incidents into our investment decision-making



## Performance monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 11	PLUS	OO 10	N/A	PUBLIC	Performance monitoring	1

Provide an example of an ESG factor that your organisation incorporated into your equity valuation or fund construction and describe how that affected the returns of those assets.

Provide examples below:

(A) Example from your active listed equity:

At CTI we have a team of Responsible Investment Research analysts who report into our Head of EMEA equity research to aid integration of RI into our investment process. Each RI analyst specializes in 1 or 2 of CTIs 8 identified sustainability themes. One of these themes is “Energy and Climate Transition”. We also have a working group that focuses on energy transition and has representatives from equity, credit and responsible investment, both in the US and EMEA. One of the key conclusions from this group has been: energy consumption will continue to rise, but emissions must fall, the enabling factor needs to be increased use of renewables. **(response continued in row below)**

In addition to this, work was done on Hydrogen. The conclusion was Green Hydrogen would need to play a key role in substituting for fossil fuels if we are to meet targets, however this would require huge growth in renewables to create the “green” hydrogen, up to 20x the current renewables demand. The RI team worked with the industry analysts to find stocks to play the themes and presented on Hydrogen and Energy transition to the whole investment team. These views have fed into investments in shares that had exposure to renewables, namely Nextera in the US and Orsted in Europe. Orsted was held widely across the European Desk and our Global Sustainable outcomes fund for example held both stocks. **(response continued in row below)**

Both these stocks outperformed the MSCI ACWI in 2020 which was up 14% but Nextra was up 27% and Orsted 80% so significant outperformance which drove performance in our funds. In addition, following the themes meeting on Hydrogen our materials analyst incorporated the increased renewables forecasts into his model demand for copper, as Wind and solar energy require a lot of copper. His analysis concluded that this would create copper deficits in future years, which would drive up copper prices. He concluded Freeport McMoran was a key way to play an increase in copper prices, being a copper miner. Since he wrote his note on the 10th October 2020 to the time of writing the 28th April 2021, Freeport McMoran is up 134% vs the MSCI ACWI up 22%..

(B) Example from your passive listed equity:

N/A

## Passive equity

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 12	CORE	OO 10	N/A	PUBLIC	Passive equity	1

What percentage of your total passive listed equity assets utilise an ESG index or benchmark?

0.0%

# Reporting/Disclosure

## Sharing ESG information with stakeholders

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 13	CORE	OO 6 LE	N/A	PUBLIC	Sharing ESG information with stakeholders	6

How do you ensure that clients and/or beneficiaries understand ESG screens and their implications?

	(1) for all of our listed equity assets subject to ESG screens	(2) for the majority of our listed equity assets subject to ESG screens	(3) for a minority of our listed equity assets subject to ESG screens	(4) for none of our assets subject to ESG screens
(A) We publish a list of ESG screens and share it on a publicly accessible platform such as a website or through fund documentation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(B) We publish any changes in ESG screens and share them on a publicly accessible platform such as a website or through fund documentation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) We outline any implications of ESG screens, such as deviation from a benchmark or impact on sector weightings, to clients and/or beneficiaries	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 14	CORE	OO 10	N/A	PUBLIC	Sharing ESG information with stakeholders	6

**What ESG information is covered in your regular reporting to stakeholders such as clients or beneficiaries?**

**(1) Passive equity**

(A) Our regular stakeholder reporting includes qualitative examples of engagement and/or ESG incorporation

2) In the majority of our regular stakeholder reporting

(B) Our regular stakeholder reporting includes quantitative ESG engagement data

2) In the majority of our regular stakeholder reporting

(C) Our regular stakeholder reporting includes quantitative ESG incorporation data

2) In the majority of our regular stakeholder reporting

**(3) Active – fundamental**

(A) Our regular stakeholder reporting includes qualitative examples of engagement and/or ESG incorporation

2) In the majority of our regular stakeholder reporting

(B) Our regular stakeholder reporting includes quantitative ESG engagement data

2) In the majority of our regular stakeholder reporting

(C) Our regular stakeholder reporting includes quantitative ESG incorporation data

2) In the majority of our regular stakeholder reporting

# Stewardship

## Voting policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 15	CORE	OO 9 LE	LE 15.1, LE 16	PUBLIC	Voting policy	2

Does your organisation have a publicly available (proxy) voting policy? (The policy may be a standalone policy, part of a stewardship policy or incorporated into a wider RI policy.)

- (A) Yes, we have a publicly available (proxy) voting policy Add link(s):  
<https://www.columbiathreadneedle.co.uk/en/intm/about-us/responsible-investment/>
- (B) Yes, we have a (proxy) voting policy, but it is not publicly available
- (C) No, we do not have a (proxy) voting policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 15.1	CORE	OO 9 LE, LE 15	N/A	PUBLIC	Voting policy	2

What percentage of your listed equity assets does your (proxy) voting policy cover?

(A) Actively managed listed equity covered by our voting policy (12) 100%

(B) Passively managed listed equity covered by our voting policy (12) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 16	CORE	LE 15	N/A	PUBLIC	Voting policy	2

Does your organisation's policy on (proxy) voting cover specific ESG factors?

- (A) Our policy includes voting guidelines on specific governance factors Describe:

A company's recognition and management of its material ESG exposures and related disclosures provide shareholders with an additional lens through which to assess the quality, leadership, strategic focus, risk management and operational standards of practice of a business. Reflecting our philosophy on the importance of integrating ESG considerations into our assessment of how well a business is run, we will consider the level and effectiveness of ESG disclosure made by companies in their annual reports and other materials. Our focus will be on those factors deemed material to businesses in a given sector, with a focus on practices that we consider are unsustainable, create potential risks or adverse impacts to stakeholders, or which are in need of improvement to avoid erosion of shareholder value. As investors, in framing and assessing what are the material ESG factors for a business, we draw on the Sustainability Accounting Standards Board (SASB)'s <https://materiality.sasb.org/>. SASB's mission is to help businesses identify, manage and report on the sustainability topics that matter most given their industry. Their standards have been developed based on extensive research and feedback from companies, investors, and other market participants as part of a transparent, publicly-documented process. While companies may have specific exposures unique to their circumstances, the SASB standards form the basis and starting point for assessing and monitoring a company's ESG characteristics. Where management and the board have not demonstrated adequate standards of practice, or effort to be transparent in how they address and mitigate material ESG issues or are considered to be failing to adequately address current or emergent risks that may threaten shareholder value in the future, we may take voting action to highlight this. We have adopted the Columbia Threadneedle Investments Corporate Governance and Proxy Voting Principles ("Voting Principles"), which outline key issues and describe the broad principles we consider and our general approach to voting client proxies. The Principles address governance matters relating to shareholder rights, boards of directors and board composition including gender, ethnic/racial diversity and diversity of skills/experiences, corporate governance, compensation, capital management, environmental, social and governance practices, and certain other matters, and includes considerations for local market norms and regulations around the globe.

**(B) Our policy includes voting guidelines on specific environmental factors Describe:**

A company's recognition and management of its material ESG exposures and related disclosures provide shareholders with an additional lens through which to assess the quality, leadership, strategic focus, risk management and operational standards of practice of a business. Reflecting our philosophy on the importance of integrating ESG considerations into our assessment of how well a business is run, we will consider the level and effectiveness of ESG disclosure made by companies in their annual reports and other materials. Our focus will be on those factors deemed material to businesses in a given sector, with a focus on practices that we consider are unsustainable, create potential risks or adverse impacts to stakeholders, or which are in need of improvement to avoid erosion of shareholder value. As investors, in framing and assessing what are the material ESG factors for a business, we draw on the Sustainability Accounting Standards Board (SASB)'s <https://materiality.sasb.org/>. SASB's mission is to help businesses identify, manage and report on the sustainability topics that matter most given their industry. Their standards have been developed based on extensive research and feedback from companies, investors, and other market participants as part of a transparent, publicly-documented process. While companies may have specific exposures unique to their circumstances, the SASB standards form the basis and starting point for assessing and monitoring a company's ESG characteristics. Where management and the board have not demonstrated adequate standards of practice, or effort to be transparent in how they address and mitigate material ESG issues or are considered to be failing to adequately address current or emergent risks that may threaten shareholder value in the future, we may take voting action to highlight this. We have adopted the Columbia Threadneedle Investments Corporate Governance and Proxy Voting Principles ("Voting Principles"), which outline key issues and describe the broad principles we consider and our general approach to voting client proxies. In addition to the SASB key issues noted above, the Principles address environmental matters relating to climate risk, TCFD and CDP reporting by companies, and management of environmental risks and opportunities by boards as part of their governance and oversight.

**(C) Our policy includes voting guidelines on specific social factors Describe:**

A company's recognition and management of its material ESG exposures and related disclosures provide shareholders with an additional lens through which to assess the quality, leadership, strategic focus, risk management and operational standards of practice of a business. Reflecting our philosophy on the importance of integrating ESG considerations into our assessment of how well a business is run, we will consider the level and effectiveness of ESG disclosure made by companies in their annual reports and other materials. Our focus will be on those factors deemed material to businesses in a given sector, with a focus on practices that we consider are unsustainable, create potential risks or adverse impacts to stakeholders, or which are in need of improvement to avoid erosion of shareholder value. As investors, in framing and assessing what are the material ESG factors for a business, we draw on the Sustainability Accounting Standards Board (SASB)'s <https://materiality.sasb.org/>. SASB's mission is to help businesses identify, manage and report on the sustainability topics that matter most given their industry. Their standards have been developed based on extensive research and feedback from companies, investors, and other market participants as part of a transparent, publicly-documented process. While companies may have specific exposures unique to their circumstances, the SASB standards form the basis and starting point for assessing and monitoring a company's ESG characteristics. Where management and the board have not demonstrated adequate standards of practice, or effort to be transparent in how they address and mitigate material ESG issues or are considered to be failing to adequately address current or emergent risks that may threaten shareholder value in the future, we may take voting action to highlight this. We have adopted the Columbia Threadneedle Investments Corporate Governance and Proxy Voting Principles ("Voting Principles"), which outline key issues and describe the broad principles we consider and our general approach to voting client proxies. In addition to the SASB key issues noted above, the Principles address social matters relating to companies' standards of operating practice across their workforce in view of hiring, diversity and inclusion, training, remuneration and safety, as well as compliance with international standards of practice, such as the United Nations Global Compact (UNGC), International Labour Organization (ILO) Core Labor Standards, and the UN Guiding Principles on Business and Human Rights.

(D) Our policy is high-level and does not cover specific ESG factors Describe:

## Security lending policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 18	CORE	OO 9 LE	LE 18.1, LE 18.2	PUBLIC	Security lending policy	2

Does your organisation have a public policy that states how voting is addressed in your securities lending programme? (The policy may be a standalone guideline or part of a wider RI or stewardship policy.)

(A) We have a public policy to address voting in our securities lending programme. Add link(s):

<https://www.columbiathreadneedle.co.uk/en/intm/about-us/responsible-investment/>

- (B) We have a policy to address voting in our securities lending programme, but it is not publicly available
- (C) We rely on the policy of our service provider(s)
- (D) We do not have a policy to address voting in our securities lending programme
- (E) Not applicable, we do not have a securities lending programme

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 18.1	CORE	LE 18	N/A	PUBLIC	Security lending policy	2

**How is voting addressed in your securities lending programme?**

- (A) We recall all securities for voting on all ballot items
- (B) We always recall all holdings in a company for voting on ballot items deemed important (e.g. in line with specific criteria)
- (C) We always recall some securities so that we can vote on their ballot items (e.g. in line with specific criteria)
- (D) We maintain some holdings so that we can vote at any time
- (E) We recall some securities on an ad hoc basis so that we can vote on their ballot items
- (F) We empower our securities lending agent to decide when to recall securities for voting purposes

(G) **Other, please specify:**

We do not carry out stock lending on accounts for which we have discretionary authority. Some of our clients may participate in securities lending programs. In these situations, in which we are responsible for voting a client's proxies, we will work with the client to determine whether there will be situations in which securities loaned out under these lending arrangements will be recalled for the purpose of exercising voting rights. In certain circumstances securities on loan may not be recalled due to clients' preferences or due to circumstances beyond the control of our organization.

- (H) We do not recall our securities for voting purposes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 18.2	CORE	LE 18	N/A	PUBLIC	Security lending policy	2

**What exclusions do you apply to your organisation's securities lending programme?**

- (A) We do not lend out shares of companies that we are engaging with either individually or as a lead or support investor in collaborative engagements
- (B) We do not lend out shares of companies if we own more than a certain percentage of them
- (C) We do not lend out shares of companies in jurisdictions that do not ban naked short selling
- (D) We never lend out all our shares of a company to ensure that we always keep voting rights in-house

(E) **Other, please specify:**

We do not carry out stock lending on accounts for which we have discretionary authority. Some of our clients may participate in securities lending programs. In these situations, in which we are responsible for voting a client's proxies, we will work with the client to determine whether there will be situations in which securities loaned out under these lending arrangements will be recalled for the purpose of exercising voting rights. In certain circumstances securities on loan may not be recalled due to clients' preferences or due to circumstances beyond the control of our organization.

- (F) We do not exclude any particular companies from our securities lending programme

## Shareholder resolutions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 19	CORE	OO 9 LE	N/A	PUBLIC	Shareholder resolutions	2

Which of the following best describes your decision-making approach regarding shareholder resolutions, or that of your service provider(s) if decision-making is delegated to them?

- (A) In the majority of cases, we support resolutions that, if passed, are expected to advance progress on the underlying ESG factors or on our stewardship priorities
- (B) In the majority of cases, we support resolutions that, if passed, are expected to advance progress on the underlying ESG factors but only if the investee company has not already committed publicly to the action requested in the proposal
- (C) In the majority of cases, we only support shareholder resolutions as an escalation tactic when other avenues for engagement with the investee company have not achieved sufficient progress
- (D) In the majority of cases, we support the recommendations of investee company management by default
- (E) In the majority of cases, we do not vote on shareholder resolutions

## Pre-declaration of votes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 20	CORE	OO 9 LE	N/A	PUBLIC	Pre-declaration of votes	2

How did your organisation or your service provider(s) pre-declare votes prior to AGMs/EGMs?

- (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system
- (B) We pre-declared our voting intentions publicly (e.g. through our own website) Link to public disclosure:
- (C) We pre-declared our voting intentions publicly through the PRI's vote declaration system, including the rationale for our (proxy) voting decisions where we planned to vote against management proposals or abstain
- (D) We pre-declared our voting intentions publicly, including the rationale for our (proxy) voting decisions where we planned to vote against management proposals or abstain Link to public disclosure:
- (E) Prior to the AGM/EGM, we privately communicated our voting decision to investee companies in cases where we planned to vote against management proposals or abstain
- (F) We did not privately or publicly communicate our voting intentions
- (G) We did not cast any (proxy) votes during the reporting year

## Voting disclosure post AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 21	CORE	OO 9 LE	LE 21.1	PUBLIC	Voting disclosure post AGM/EGM	2

Do you publicly report your (proxy) voting decisions, or those made on your behalf by your service provider(s), in a central source?

(A) Yes, for >95% of (proxy) votes Link:

<https://vds.issgovernance.com/vds/#/Mjc3NQ==/>

(B) Yes, for the majority of (proxy) votes Link:

(C) Yes, for a minority of (proxy) votes 1) Add link and 2) Explain why you only publicly disclose a minority of (proxy) voting decisions:

(D) No, we do not publicly report our (proxy) voting decisions Explain why you do not publicly report your (proxy) voting decisions:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 21.1	CORE	LE 21	N/A	PUBLIC	Voting disclosure post AGM/EGM	2

In the majority of cases, how soon after an investee's AGM/EGM do you publish your voting decisions?

(A) Within one month of the AGM/EGM

(B) Within three months of the AGM/EGM

(C) Within six months of the AGM/EGM

(D) Within one year of the AGM/EGM

(E) More than one year after the AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 22	CORE	OO 9 LE	LE 22.1	PUBLIC	Voting disclosure post AGM/EGM	2

Did your organisation and/or the service provider(s) acting on your behalf communicate the rationale for your voting decisions?

- (A) In cases where we voted against management recommendations or abstained, the rationale was provided privately to the company
- (B) In cases where we voted against management recommendations or abstained, the rationale was disclosed publicly
- (C) In cases where we voted against management recommendations or abstained, we did not communicate the rationale
- (D) We did not vote against management or abstain

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 22.1	CORE	LE 22	N/A	PUBLIC	Voting disclosure post AGM/EGM	2

Indicate the proportion of votes where you and/or the service provider(s) acting on your behalf communicated the rationale for your voting decisions.

(B) In cases where we voted against management recommendations or abstained, the rationale was disclosed publicly (5) >95%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 23	CORE	OO 9 LE	LE 23.1	PUBLIC	Voting disclosure post AGM/EGM	2, 5

Did your organisation and/or the service provider(s) acting on your behalf communicate the rationale for your voting decisions when voting against a shareholder resolution proposed/filed by a PRI signatory?

- (A) In cases where we voted against a shareholder resolution proposed/filed by a PRI signatory, the rationale was disclosed publicly
- (B) In cases where we voted against a shareholder resolution proposed/filed by a PRI signatory, the rationale was not disclosed publicly
- (C) We did not vote against any shareholder resolution proposed/filed by a PRI signatory

## Alignment & effectiveness

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 24	PLUS	OO 9 LE	N/A	PUBLIC	Alignment & effectiveness	2

### How are you contributing to the integrity of the end-to-end voting chain and confirmation process?

While we do not have a formal initiative focused on this issue, we have worked with our primary vote vendor to advance efforts in the space, and to encourage collaboration with other groups and regulators who will be critical to affecting long-overdue change. We believe the current system in place, which includes multiple intermediaries utilizing SWIFT, practices and regulations across local markets and issuers' unique voting requirements, hamper any streamlined or efficient process for proxy voting. Technology innovation and disruption is critical to any potential solution, as will be advances in regulation like those under the Second Shareholder Rights Directive (SRD II).

## Example

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 25	PLUS	OO 9 LE	N/A	PUBLIC	Example	2

Provide examples of the most significant (proxy) voting activities that your organisation and/or the service provider acting on your behalf carried out during the reporting year.

### Provide examples below:

(A) Example 1:

What was the issue? \*Significant restatement of financial statements \*Engaged with directors; concerns with quality and depth of board oversight Why did we take voting action? \*Holding directors to account; signal our perception of leadership failure How did we vote? \*Voted in favour of separating the roles of CEO and Chairman to improve check and balance mechanism. \*Vote received majority support What was the outcome? \*The company has committed to separating the roles at the next leadership transition

(B) Example 2:

What was the issue? \*Executives received a large, exceptional equity award for settling long-running litigation with the company's largest client Why did we take voting action? \*Unwarranted and excessive bonus How did we vote? \*Voted against the 'Say on Pay' item at the 2020 AGM \*Received dissent from 17% of shareholders What was the outcome? \*Subsequent and ongoing engagement with Chairman and CompCo Chair to better align executive pay and strategy

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(C) Example 3:

What was the issue? \*The CEO's long-term pay package was adjusted to remove a strongly-performing comparator company \*This increased the value of the CEO's pay by £1.6m Why did we take voting action? \*To escalate concerns with alignment between management incentives and the shareholder experience How did we vote? \*We voted against pay and re-election of the committee chair \*Received dissent from 67% of shareholders What was the outcome? \*Continue to engage with the company and push for better alignment between management and shareholders

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# Fixed Income (FI)

## Pre-investment phase

### Materiality analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1	CORE	OO 10	FI 1.1	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify material ESG factors for its fixed income assets?

	(1) SSA	(2) Corporate
(A) Yes, we have a formal process to identify material ESG factors for all of our assets	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(B) Yes, we have a formal process to identify material ESG factors for the majority of our assets	<input type="radio"/>	<input type="radio"/>
(C) Yes, we have a formal process to identify material ESG factors for a minority of our assets	<input type="radio"/>	<input type="radio"/>
(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their own discretion	<input type="radio"/>	<input type="radio"/>
(E) No, we do not have a formal process to identify material ESG factors	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1.1	CORE	FI 1	N/A	PUBLIC	Materiality analysis	1

**How does your current investment process incorporate material ESG factors?**

	(1) SSA	(2) Corporate
(A) The investment process incorporates material governance factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) The investment process incorporates material environmental and social factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) The investment process incorporates material ESG factors beyond our organisation's typical investment time horizon	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The investment process incorporates the effect of material ESG factors on revenues and business operations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2	CORE	OO 10	FI 2.1	PUBLIC	ESG risk management	1

**How are material ESG factors incorporated into your portfolio risk management process?**

	(1) SSA	(2) Corporate
(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto	<input type="checkbox"/>	<input type="checkbox"/>

(B) Companies, sectors, countries and currency are monitored for changes in ESG exposure and for breaches of risk limits	<input type="checkbox"/>	<input type="checkbox"/>
(C) Overall exposure to specific ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on individual issuers' sensitivity to these factors	<input type="checkbox"/>	<input type="checkbox"/>
(D) Other method of incorporating ESG factors into risk management process, please specify below:	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) We do not have a process to incorporate ESG factors into our portfolio risk management	<input type="checkbox"/>	<input type="checkbox"/>

Please specify for "(D) Other method of incorporating ESG factors into risk management process".

The relative exposure of portfolios across different RI risk factors in both absolute and relative terms are monitored using both daily point in time and ongoing trend analysis.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2.1	CORE	FI 2	N/A	PUBLIC	ESG risk management	1

For what proportion of your fixed income assets are material ESG factors incorporated into your portfolio risk management process?

(1) SSA

(D) Other method of incorporating ESG factors into risk management process (2) for the majority of our assets

(2) Corporate

(D) Other method of incorporating ESG factors into risk management process (2) for the majority of our assets

## ESG incorporation in asset valuation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3	CORE	OO 10	FI 3.1	PUBLIC	ESG incorporation in asset valuation	1

How do you incorporate the evolution of ESG factors into your fixed income asset valuation process?

	(1) SSA	(2) Corporate
(A) We incorporate it into the forecast of cash flow, revenues and profitability	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) We do not incorporate the evolution of ESG factors into our fixed income asset valuation process	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3.1	CORE	FI 3	N/A	PUBLIC	ESG incorporation in asset valuation	1

In what proportion of cases do you incorporate the evolution of ESG factors into your fixed income asset valuation process?

(1) SSA

(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer (1) in all cases

(2) Corporate

(A) We incorporate it into the forecast of cash flow, revenues and profitability (1) in all cases

(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer (1) in all cases

## Performance monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 4	PLUS	OO 5.2 FI, OO 10	N/A	PUBLIC	Performance monitoring	1

Provide an example of an ESG factor that your organisation incorporated into your fixed income valuation or portfolio construction and describe how that affected the returns of those assets.

### Example:

(A) Example from your active management strategies:

The incorporation of ESG into our underwriting process is meant to enhance our view into strategic direction, capital allocation and culture that are critical in the underwriting of corporate management teams. We believe this provides us a holistic view of risk when considering, debating the risk/reward proposition of a security within the portfolio construction process. Doing this well is represented in the alpha generated in portfolio performance and is considered in the evaluation of an analyst's performance. There isn't a specific quantitative metric to measure an analyst's use of RI scores, nor specific measures based on a rating agency ratings or other fundamental metrics.

(B) Example from your passive management strategies:

N/A

## ESG incorporation in portfolio construction

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 5	CORE	OO 10	FI 5.1	PUBLIC	ESG incorporation in portfolio construction	1

### How do ESG factors influence your portfolio construction?

	(1) SSA	(2) Corporate
(A) The selection of individual assets within our portfolio is influenced by ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) The holding period of individual assets within our portfolio is influenced by ESG factors	<input type="checkbox"/>	<input type="checkbox"/>
(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors	<input type="checkbox"/>	<input type="checkbox"/>
(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process	<input type="checkbox"/>	<input type="checkbox"/>
(E) Other expressions of conviction, please specify below:	<input type="checkbox"/>	<input type="checkbox"/>
(F) The portfolio construction or benchmark selection does not explicitly include the incorporation of ESG factors	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 5.1	CORE	FI 5	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**In what proportion of cases do ESG factors influence your portfolio construction?**

**(1) SSA**

(A) The selection of individual assets within our portfolio is influenced by ESG factors (2) in the majority of cases

**(2) Corporate**

(A) The selection of individual assets within our portfolio is influenced by ESG factors (2) in the majority of cases

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 6	PLUS	OO 10	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**Please provide two examples of how ESG factors have influenced weightings and tilts in either passive or active fixed income.**

**Please provide examples below:**

(A) Example 1:

NXP Semiconductors issued a green bond. The use of proceeds was for future green initiatives. We believe that NXP stands out from their competitors in how clearly the firm has illustrated how their business initiatives support the UN's Sustainable Development Goals. In addition to our consistent process of engaging the standard investment grade audience and disseminating the offering information and credit thesis, the research analyst also engaged Portfolio Management teams with socially responsible investing mandates.

(B) Example 2:

ViacomCBS is a company whose debt we have not held due to what we view as a poor governance structure – particularly for bondholders. The Redstone family is the majority voting shareholders of ViacomCBS and their professional and personal differences have played out very publicly. Despite ViacomCBS bonds often appearing cheap and our view that the current CEO is quite strong operationally, we will have chosen to not invest based on our view that the firm’s governance structure is lacking.

## ESG incorporation in assessment of issuers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 7	CORE	OO 10	N/A	PUBLIC	ESG incorporation in assessment of issuers	1

**When assessing issuers'/borrowers' credit quality, how does your organisation incorporate material ESG risks in the majority of cases?**

	(1) SSA	(2) Corporate
(A) In the majority of cases, we incorporate material governance-related risks	<input type="radio"/>	<input type="radio"/>
(B) In addition to incorporating governance-related risks, in the majority of cases we also incorporate material environmental and social risks	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(C) We do not incorporate material ESG risks for the majority of our credit quality assessments of issuers/borrowers	<input type="radio"/>	<input type="radio"/>

## ESG performance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 8	CORE	OO 10	N/A	PUBLIC	ESG performance	1

**In the majority of cases, how do you assess the relative ESG performance of a borrower within a peer group as part of your investment process?**

	(1) SSA	(2) Corporate
(A) We use the relative ESG performance of a borrower to adjust the internal credit assessments of borrowers by modifying forecasted financials and future cash flow estimates	<input type="checkbox"/>	<input type="checkbox"/>
(B) We use the relative ESG performance of a borrower to make relative sizing decisions in portfolio construction	<input type="checkbox"/>	<input type="checkbox"/>
(C) We use the relative ESG performance of a borrower to screen for outliers when comparing credit spreads to ESG relative performance within a similar peer group	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) We consider the ESG performance of a borrower only on a standalone basis and do not compare it within peer groups of other benchmarks	<input type="checkbox"/>	<input type="checkbox"/>
(E) We do not have an internal ESG performance assessment methodology	<input type="checkbox"/>	<input type="checkbox"/>

## ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 9	CORE	OO 10	FI 9.1	PUBLIC	ESG risk management	1

For your corporate fixed income, does your organisation have a framework that differentiates ESG risks by issuer country and sector?

- (A) Yes, it differentiates ESG risks by country/region (for example, local governance and labour practices)
- (B) Yes, it differentiates ESG risks by sector
- (C) No, we do not have a framework that differentiates ESG risks by issuer country/region and sector

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 9.1	CORE	FI 9	N/A	PUBLIC	ESG risk management	1

For what proportion of your corporate fixed income assets do you apply your framework for differentiating ESG risks by issuer country/sector?

	(1) for all of our corporate fixed income assets	(2) for the majority of our corporate fixed income assets	(3) for a minority of our corporate fixed income assets
(A) We differentiate ESG risks by country/region (for example, local governance and labour practices)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(B) We differentiate ESG risks by sector	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

# Post-investment phase

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 12	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

## Do your regular reviews incorporate ESG risks?

	(1) SSA	(2) Corporate
(A) Our regular reviews include quantitative information on material ESG risks specific to individual fixed income assets	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Our regular reviews include aggregated quantitative information on material ESG risks at a fund level	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Our regular reviews only highlight fund holdings where ESG ratings have changed	<input type="checkbox"/>	<input type="checkbox"/>
(D) We do not conduct regular reviews. Risk reviews of ESG factors are conducted at the discretion of the individual fund manager and vary in frequency	<input type="checkbox"/>	<input type="checkbox"/>
(E) We do not conduct reviews that incorporate ESG risks	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 13	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

**Do you regularly identify and incorporate ESG incidents into the investment process for your fixed income assets?**

	(1) SSA	(2) Corporate
(A) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into all of our investment decisions	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(B) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into the majority of our investment decisions	<input type="radio"/>	<input type="radio"/>
(C) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into a minority of our investment decisions	<input type="radio"/>	<input type="radio"/>
(D) Yes, we have an ad hoc process in place for identifying and incorporating ESG incidents	<input type="radio"/>	<input type="radio"/>
(E) We do not have a process in place for regularly identifying and incorporating ESG incidents into our investment decision-making	<input type="radio"/>	<input type="radio"/>

## Time horizons

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 14	CORE	OO 10	N/A	PUBLIC	Time horizons	1

In the majority of cases, how does your investment process account for differing time horizons of holdings and how they may affect ESG factors?

	(1) SSA	(2) Corporate
(A) We take into account current risks	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) We take into account medium-term risks	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) We take into account long-term risks	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) We do not take into account differing time horizons of holdings and how they may affect ESG factors	<input type="checkbox"/>	<input type="checkbox"/>

## Long-term ESG trend analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 15	CORE	OO 10	N/A	PUBLIC	Long-term ESG trend analysis	1

Do you continuously monitor a list of identified long-term ESG trends related to your fixed income assets?

	(1) SSA	(2) Corporate
(A) We monitor long-term ESG trends for all of our assets	<input checked="" type="radio"/>	<input checked="" type="radio"/>

(B) We monitor long-term ESG trends for the majority of our assets	<input type="radio"/>	<input type="radio"/>
(C) We monitor long-term ESG trends for a minority of our assets	<input type="radio"/>	<input type="radio"/>
(D) We do not continuously monitor long-term ESG trends in our investment process	<input type="radio"/>	<input type="radio"/>

## Passive

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 16	CORE	OO 5.2 FI, OO 10	N/A	PUBLIC	Passive	1

What percentage of your total passive fixed income assets utilise an ESG index or benchmark?

## Examples of leading practice

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 17	PLUS	OO 10	N/A	PUBLIC	Examples of leading practice	1 to 6

Describe any leading responsible investment practices that you have adopted for some or all of your fixed income assets.

Description per fixed income asset type:

(A) SSA

Our UK and European Social Bond Fund strategies, run in partnership with Big Issue Invest and INCO, respectively, are underpinned by innovative approaches to social investment based on the principle of positive inclusion, as opposed to negative exclusion. Investing in bonds, rather than equities, allows a direct line of sight to the investment, and the ability to select bonds where the use of proceeds is to be directed towards purposes that meet pre-determined social criteria. The goal is to invest for social impact while delivering a financial return. The mantra 'you can do well by doing good' applies to these funds. **(response continued in row below)**

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The funds have a commitment to offer daily liquidity, offering a compelling alternative to conventional impact investments and other social impact vehicles, which frequently require assets to be tied up for long periods in order to access socially-beneficial investment opportunities.

For the European Social Bond Fund our methodology identifies the Social Impact category for every issue we analyse. Working with our European social partner with experience in this area, we ensure a robust framework, in alignment with the European Commission's recommendations for approaching social impact assessment.

In the case of the UK Social Bond Fund, there is some measurement of the impact of the fund on specific social factors, which we initially identify, but which are further analysed by the social partner. These are outlined in Big Issue Invest's Annual Report on the fund, which includes an overall sector-based picture of the Fund's employment performance using a Jobs Assessment Methodology. During engagement for issuers suitable for sustainable outcome strategies, we have also encouraged impact reporting, to facilitate our understanding of the impact of our investment..

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(B) Corporate

We have developed our own proprietary RI ratings, tailored to individual industries and incorporating a forward-looking assessment. These ratings include both a financial stewardship model and a materiality model. They give analysts and portfolio managers an initial evidence-based and forward-looking assessment of a company, which provides insight into how sustainably it is being run and how effectively it is managing material ESG exposures. Within corporate fixed income, there is greater emphasis on the ESG Materiality model given the nature of credit risk analysis. Key aspects of the Financial Stewardship (FS) model are already systematically factored into our corporate credit research and investment process. Given this, it is not additive to include the FS model in our fixed income ratings, which focus specifically on our ESG materiality model. The outputs of the models are combined to produce a responsible investment rating from 1 to 5. The ESG Materiality model: Companies that manage ESG risks effectively are considered better positioned to address future challenges, avoid technical and social obsolescence, and capitalize on both unknown and known future business opportunities. As society, markets, and government regulations evolve, the companies that lead on the most financially material industry ESG metrics should be well positioned to mitigate risks, build competitive advantage and sustain their long-term future. **(response continued in row below)**

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To the same extent that quality companies command higher relative prices, so too will companies that perform well in terms of ESG risk management. This model focuses on companies' performance in managing the ESG risks it faces. It does this by building on the Sustainability and Accounting Standards Board (SASB®) framework which identifies the most financially material ESG risk factors for 77 distinct industries and provides an insight into the management focus and operating practice standards of a company. For each company between two and 16 financially material ESG risk factors are identified for assessment. We have developed our own proprietary RI ratings, tailored to individual industries and incorporating a forward-looking assessment. These ratings include both a financial stewardship model and a materiality model. They give analysts and portfolio managers an initial evidence-based and forward-looking assessment of a company, which provides insight into how sustainably it is being run and how effectively it is managing material ESG exposures. Within corporate fixed income, there is greater emphasis on the ESG Materiality model given the nature of credit risk analysis. Key aspects of the Financial Stewardship (FS) model are already systematically factored into our corporate credit research and investment process. **(response continued in row below)**

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Given this, it is not additive to include the FS model in our fixed income ratings, which focus specifically on our ESG materiality model. The outputs of the models are combined to produce a responsible investment rating from 1 to 5. The ESG Materiality model: Companies that manage ESG risks effectively are considered better positioned to address future challenges, avoid technical and social obsolescence, and capitalize on both unknown and known future business opportunities. As society, markets, and government regulations evolve, the companies that lead on the most financially material industry ESG metrics should be well positioned to mitigate risks, build competitive advantage and sustain their long-term future. To the same extent that quality companies command higher relative prices, so too will companies that perform well in terms of ESG risk management. This model focuses on companies' performance in managing the ESG risks it faces. It does this by building on the Sustainability and Accounting Standards Board (SASB®) framework which identifies the most financially material ESG risk factors for 77 distinct industries and provides an insight into the management focus and operating practice standards of a company. For each company between two and 16 financially material ESG risk factors are identified for assessment..

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## Thematic bonds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 18	PLUS	OO 6 FI	FI 18.1	PUBLIC	Thematic bonds	1

**What proportion of your total thematic investments are labelled green bonds, social bonds and/or sustainability bonds by the issuers in accordance with the four ICMA Social/Green Bond Principles?**

**Proportion out of total thematic fixed income investments:**

(A) Proportion of green/SDG bonds linked to environmental goals 0.0%

(B) Proportion of social/SDG bonds linked to social goals >75%

(C) Proportion of sustainability/SDG bonds (i.e. combination of green and social bonds linked to multiple SDG categories) 0.0%

(D) None of the above 0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 18.1	PLUS	FI 18	N/A	PUBLIC	Thematic bonds	3

**What proportion of your social, green and/or sustainability labelled bonds has been subject to an independent review arranged by the issuer?**

(A) Second-party opinion (1) 0%

(B) Third-party assurance (5) >75%

(C) Green bond rating (1) 0%

(D) Climate Bonds Certification according to the Climate Bonds Standard (1) 0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 19	CORE	OO 6 FI	N/A	PUBLIC	Thematic bonds	1

**How do you determine which non-labelled thematic bonds to invest in?**

- (A) By reviewing the bond's use of proceeds
- (B) By reviewing companies' ESG targets
- (C) By reviewing companies' progress towards achieving ESG targets
- (D) We do not invest in non-labelled thematic bonds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 20	CORE	OO 6 FI	N/A	PUBLIC	Thematic bonds	1, 2, 6

**What action do you take in the majority of cases where proceeds of a thematic bond issuer are not allocated to the original plan?**

- (A) We engage with the issuer
- (B) We alert regulators
- (C) We alert thematic bond certification agencies
- (D) We sell the security
- (E) We publicly disclose the breach
- (F) We blacklist the issuer
- (G) Other action, please specify:  
  - We encourage impact reporting during our engagements with municipal issuers within scope, which facilitates our understanding of the impact of our investments.
- (H) We do not take any specific actions when proceeds from bond issuers are not allocated in accordance with the original plan

# Reporting/Disclosure

## ESG screens

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 21	CORE	OO 6 FI	N/A	PUBLIC	ESG screens	6

**How do you ensure that clients and/or beneficiaries understand ESG screens and their implications?**

(A) We publish a list of ESG screens and share it on a publicly accessible platform such as a website or through fund documentation Voluntary URL link(s) to list of ESG screens:

(4) for none of our assets subject to ESG screens

(B) We publish any changes in ESG screens and share it on a publicly accessible platform such as a website or through fund documentation Voluntary URL link(s) to ESG screen changes:

(4) for none of our assets subject to ESG screens

(C) We outline any implications of ESG screens, such as deviation from a benchmark or impact on sector weightings, to clients and/or beneficiaries

(1) for all of our fixed income assets subject to ESG screens

# Engagement

## Engaging with issuers/borrowers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 22	CORE	OO 9 FI	FI 22.1	PUBLIC	Engaging with issuers/borrowers	2

**At which stages does your organisation engage with issuers/borrowers?**

	(1) SSA	(2) Corporate	(3) Securitised
(A) At the pre-issuance/pre-deal stage	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) At the pre-investment stage	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(C) During the holding period	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) At the refinancing stage	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) When issuers/borrowers default	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 22.1	PLUS	FI 22	N/A	PUBLIC	Engaging with issuers/borrowers	2

Describe your approach to engagement.

**Engagement approach per fixed income asset type or general description for all your fixed income engagement:**

(A) Description of engagement approach for all of our fixed income

Given the more limited access to management, engagement is less frequent in fixed income than across equities. In some cases, we can draw on our position as equity investors to conduct engagement and feed this back into fixed income research. Similarly, engagement to effect change in fixed income is less frequent and structured, but does occur, mainly to encourage best practice and especially around governance practices. Occasionally, and when appropriate, our fixed income fundamental analysts will engage with legislators and regulators to better understand the context in which companies operate. These engagements typically relate to the legal and regulatory environment, which can include environmental considerations. These sorts of engagements are most common for the utility sector. We also prioritize engagement with companies where:

- We have identified material yet-unmitigated ESG risks through our fundamental or ESG analysis
- Our fundamental analysts have a strong relationship with the issuer and we believe the probability of a successful engagement is high

(B) Description of engagement approach for our securitised fixed income

Analysts have routine engagement with sponsor management teams and analyze the sponsor’s ability to underwrite and service the collateral. Initially the engagement thoroughly covers topics such as financial stability, management experience, technology platforms, loan origination and underwriting, historical and future asset performance, collections (incl. in-house, 3rd party, chargeoffs, credit bureau reporting), and surveillance. Following the initial due diligence analysts engage with management and may do so during new-issue roadshows, conferences, earnings calls, or management visits to understand changes, if any, in the sponsor’s processes, procedures, and performance.

(C) Description of engagement approach for our SSA fixed income

Originators and primary dealers: We engage with debt management offices and policymakers across central banks and ministries of finance to educate emerging market sovereign issuers about ESG-related risk premiums that we are now embedding in our valuations of sovereign debt. For quasi-sovereign corporates, we apply the same ESG framework that we use for private issuers when assessing risk.

(D) Description of engagement approach for our corporate fixed income

The Corporate Fixed Income and Responsible Investment teams initiated a joint engagement program targeting issuers that: 1) are poor ESG disclosures either absolutely or relative to peers, 2) have an identified, yet-unmitigated material ESG risk, or 3) our analysts have a strong relationship with and that want to leverage our in-house Responsible Investment expertise to develop their ESG approach.

**Sovereign bonds**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 23	CORE	OO 9 FI	N/A	PUBLIC	Sovereign bonds	2

**For the majority of your sovereign bond engagements, which non-issuer stakeholders do you engage with to promote your engagement objectives?**

- (A) Non-ruling parties
- (B) Originators and primary dealers
- (C) Index and ESG data providers
- (D) Multinational companies/state-owned enterprises (SOEs)
- (E) Supranational organisations
- (F) Credit rating agencies (CRAs)
- (G) Business associations

- (H) Media
- (I) NGOs, think tanks and academics
- (J) Other non-issuer stakeholders, please specify:
- (K) We do not engage with any of the above stakeholders for the majority of our sovereign bond engagements

## Infrastructure (INF)

### Policy

#### Investment guidelines

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 1	CORE	OO 31, OO 32	N/A	PUBLIC	Investment guidelines	1 to 6

What infrastructure-specific ESG guidelines are currently covered in your organisation's responsible investment policies?

- (A) Guidelines on how we adapt our ESG approach for each infrastructure sector we invest in
- (C) Guidelines on our ESG approach to standing investments or operating assets
- (D) Guidelines on our engagement approach related to workforce
- (F) Guidelines on our engagement approach related to contractors
- (G) Guidelines on our engagement approach related to other external stakeholders (e.g. government, local communities and end-users)
- (H) Our policies do not cover infrastructure-specific ESG guidelines

# Fundraising

## Commitments to investors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 2	CORE	N/A	N/A	PUBLIC	Commitments to investors	1, 4

For all of your funds that you closed during the reporting year, what type of formal responsible investment commitments did you make in Limited Partnership Agreements (LPAs) or side letters? (If you did not close any funds during this reporting year, refer to the last reporting year in which you did close funds.)

- (A) We incorporated responsible investment commitments in LPAs as a standard, default procedure
- (B) We added responsible investment commitments in LPAs upon client request
- (C) We added responsible investment commitments in side letters upon client request
- (D) We did not make any formal responsible investment commitments for the relevant reporting year
- (E) Not applicable as we have never raised funds
- (F) Not applicable as we have not raised funds in the last 5 years

## Pre-investment phase

### Materiality analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 3	CORE	N/A	INF 3.1	PUBLIC	Materiality analysis	1

During the reporting year, how did you conduct ESG materiality analysis for your potential infrastructure investments?

- |   |  |
|---|--|
| (A) We assessed materiality at the asset level, as each case is unique        | (4) for none of our potential infrastructure investments |
| (B) We performed a mix of industry-level and asset-level materiality analysis | (1) for all of our potential infrastructure investments  |
| (C) We assessed materiality at the industry level only                        | (4) for none of our potential infrastructure investments |

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 3.1	CORE	INF 3	N/A	PUBLIC	Materiality analysis	1

During the reporting year, what tools, standards and data did you use in your ESG materiality analysis of potential infrastructure investments?

- (A) We used GRI Standards to inform our infrastructure materiality analysis
- (B) We used SASB to inform our infrastructure materiality analysis
- (C) We used GRESB Materiality Assessment (RC7) or similar in our infrastructure materiality analysis
- (D) We used environmental and social factors detailed in the IFC Performance Standards (or other similar standards) in our infrastructure materiality analysis
- (E) We used climate risk disclosures such as the TCFD recommendations (or other climate risk analysis tools) to inform our infrastructure materiality analysis
- (F) We used geopolitical and macro-economic considerations in our infrastructure materiality analysis
- (G) Other, please specify:

## Due diligence

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 4	CORE	N/A	N/A	PUBLIC	Due diligence	1

During the reporting year, how did ESG factors affect the selection of your infrastructure investments?

- |   |   |
|---|---|
| (A) ESG factors helped identify risks   | (1) for all of our infrastructure investments selected        |
| (B) ESG factors were discussed by the investment committee (or equivalent)  | (1) for all of our infrastructure investments selected        |
| (C) ESG factors helped identify remedial actions for our 100-day plans (or equivalent)                                | (4) for none of our infrastructure investments selected       |
| (D) ESG factors helped identify opportunities for value creation  | (1) for all of our infrastructure investments selected        |
| (E) ESG factors led to the abandonment of potential investments   | (3) for a minority of our infrastructure investments selected |
| (F) ESG factors impacted investments in terms of price offered and/or paid by having an effect on revenue assumptions | (1) for all of our infrastructure investments selected        |

(G) ESG factors impacted investments in terms of price offered and/or paid by having an effect on CAPEX assumptions	(1) for all of our infrastructure investments selected
(H) ESG factors impacted investments in terms of price offered and/or paid by having an effect on OPEX assumptions	(1) for all of our infrastructure investments selected
(I) ESG factors impacted investments in terms of price offered and/or paid by having an effect on the cost of capital or discount rate assumptions	(4) for none of our infrastructure investments selected
(J) Other, please specify: N/A	(4) for none of our infrastructure investments selected

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 5	CORE	N/A	N/A	PUBLIC	Due diligence	1

**Once material ESG factors have been identified, what processes do you use to conduct due diligence on these factors for potential investments?**

(A) We do a high-level/desktop review against an ESG checklist for initial red flags	(1) for all of our potential infrastructure investments
(B) We send detailed ESG questionnaires to target assets	(4) for none of our potential infrastructure investments
(C) We hire third-party consultants to do technical due diligence on specific issues	(1) for all of our potential infrastructure investments
(D) We conduct site visits and in-depth interviews with management and personnel	(1) for all of our potential infrastructure investments
(E) We incorporate actions based on the risks and opportunities identified in the due diligence process into the 100-day plan (or equivalent)	(1) for all of our potential infrastructure investments
(F) We incorporate ESG due diligence findings in all of our relevant investment process documentation in the same manner as for other key due diligence (e.g. commercial, accounting and legal)	(1) for all of our potential infrastructure investments
(G) Our investment committee (or an equivalent decision-making body) is ultimately responsible for ensuring all ESG due diligence is completed in the same manner as for other key due diligence (e.g. commercial, accounting and legal)	(1) for all of our potential infrastructure investments

(H) Other, please specify:

N/A

(4) for none of our potential infrastructure investments

## Post-investment phase

### Monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 9	CORE	N/A	INF 9.1	PUBLIC	Monitoring	1

During the reporting year, did you track one or more core ESG KPIs across all your infrastructure investments?

- (A) Yes, we tracked environmental KPIs
- (B) Yes, we tracked social KPIs
- (C) Yes, we tracked governance KPIs
- (D) We did not track ESG KPIs across our infrastructure investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 10	CORE	N/A	N/A	PUBLIC	Monitoring	1

For the majority of the core KPIs that you tracked, how did you set targets across your infrastructure investments?

- (A) We set targets to achieve incremental improvements based on past performance
- (B) We set targets using industry benchmarks or standards
- (C) We set targets against global benchmarks or thresholds (e.g. on climate change and/or the SDGs)
- (D) We did not set targets for the core ESG KPIs that we track
- (E) We did not set targets as we don't track core ESG KPIs

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 11	CORE	OO 32	INF 11.1	PUBLIC	Monitoring	1,2

**What processes do you have in place to support meeting your ESG targets for your infrastructure investments?**

(A) We use operational-level benchmarks to assess and analyse the performance of assets against sector performance	1/ For all of our infrastructure investments
(B) We implement international best practice standards such as the IFC Performance Standards to guide ongoing assessment and analysis	1/ For all of our infrastructure investments
(C) We implement certified environmental and social management systems across our portfolio	1/ For all of our infrastructure investments
(D) We make sufficient budget available to ensure that the systems and procedures needed to achieve the target are put in place	1/ For all of our infrastructure investments
(E) We hire external verification services to audit performance, systems and procedures	1/ For all of our infrastructure investments
(G) We develop minimum health and safety standards	1/ For all of our infrastructure investments
(H) We conduct ongoing engagement with all key stakeholders (e.g. local communities, NGOs, governments and end-users)	1/ For all of our infrastructure investments
(I) Other, please specify: N/A	4/ For none of our infrastructure investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 12	CORE	N/A	N/A	PUBLIC	Monitoring	1, 2

**Post-investment, how do you manage material ESG-related risks and opportunities to create value during the holding period of your investments?**

- |   |  |
|---|--|
| (A) We develop company-specific ESG action plans based on pre-investment research, due diligence and materiality findings | (1) for all of our infrastructure investments  |
| (B) We adjust our ESG action plans regularly based on performance monitoring findings                                     | (1) for all of our infrastructure investments  |
| (C) We hire external advisors to provide support with specific ESG value creation opportunities                           | (1) for all of our infrastructure investments  |
| (D) Other, please specify:<br>N/A   | (4) for none of our infrastructure investments |

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 14	CORE	N/A	INF 14.1	PUBLIC	Monitoring	1, 2

**How do you ensure that adequate ESG-related competence exists at the asset level?**

- |  |   |
|--|---|
| (A) We assign the board responsibility for ESG matters   | (1) for all of our infrastructure investments |
| (B) We mandate that material ESG matters are discussed by the board at least once a year   | (1) for all of our infrastructure investments |
| (C) We provide training on ESG aspects and management best practices relevant to the asset to C-suite executives only              | (1) for all of our infrastructure investments |
| (D) We provide training on ESG aspects and management best practices relevant to the asset to employees (excl. C-suite executives) | (1) for all of our infrastructure investments |
| (E) We support the asset in developing and implementing its ESG strategy   | (1) for all of our infrastructure investments |

(F) We support the asset by finding external ESG expertise (e.g. consultants or auditors)	(1) for all of our infrastructure investments
(G) We share best practices across assets (e.g. educational sessions, implementation of environmental and social management systems)	(1) for all of our infrastructure investments
(H) We include incentives to improve ESG performance in management remuneration schemes	(1) for all of our infrastructure investments
(I) Other, please specify: N/A	(4) for none of our infrastructure investments

## Exit

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 15	CORE	N/A	N/A	PUBLIC	Exit	4, 6

### During the reporting year, what responsible investment information has your organisation shared with potential buyers of infrastructure investments?

(A) We shared our firm's high-level commitment to responsible investment (e.g. that we are a PRI signatory)	(4) for none of our infrastructure investments
(B) We shared a description of what industry and asset class standards our firm aligns with (e.g. TCFD or GRESB)	(4) for none of our infrastructure investments
(C) We shared our firm's responsible investment policy (at minimum, a summary of key aspects and firm-specific approach)	(4) for none of our infrastructure investments
(D) We shared our firm's ESG risk assessment methodology (topics covered, in-house and/or with external support)	(4) for none of our infrastructure investments
(E) We shared the outcome of our latest ESG risk assessment on the asset or portfolio company	(4) for none of our infrastructure investments
(F) We shared key ESG performance data on the asset or portfolio company being sold	(4) for none of our infrastructure investments
(G) Other, please specify: This is not applicable to open end funds.	(4) for none of our infrastructure investments

# Reporting/Disclosure

## ESG portfolio information

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 16	CORE	N/A	N/A	PUBLIC	ESG portfolio information	6

During the reporting year, how did you report on core ESG data and targets to your investors or beneficiaries?

- (A) We reported in aggregate through a publicly disclosed sustainability report
- (B) We reported in aggregate through formal reporting to investors or beneficiaries
- (C) We reported on the asset level through formal reporting to investors or beneficiaries
- (D) We reported through a limited partners advisory committee (or equivalent)
- (E) We reported back at digital or physical events or meetings with investors or beneficiaries
- (F) We did adhoc or informal reporting on serious ESG incidents
- (G) Other, please specify:
- (H) We did not report on core ESG data and targets to our investors or beneficiaries during the reporting year