

# Responsible Investment Engagement Policy

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March 2025

## Purpose

This Responsible Investment (RI) Engagement Policy is drafted and reviewed in accordance with regulatory requirements, including those set out by Shareholder Directive, Directive (EU) 2017/828, outlining our approach to and implementation of engagement.

The policy applies globally to all Columbia Threadneedle Investments<sup>1</sup> client accounts to the extent agreed upon or permissible, and for issuers globally subject to any applicable requirements under local law and/or regulation. It also outlines our approach to engagement on behalf of **reo@**<sup>2</sup> clients

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.

We dynamically interact with issuers with a view to helping them to enhance their performance, viability, and sustainability to create long-term economic value for our clients.

Targeted Responsible Investment engagement with issuers that can align with our clients' investment goals is an important part of our investment approach, as it may enhance insight, encourage active dialogue, and help create future value. In addition, we believe that engagement on environmental, social, and governance (ESG) issues in certain cases can have a positive impact on corporate performance and investment returns.

## Engagement definition

We define engagement for the purposes of this policy as having constructive dialogue with issuers on environmental, social and governance topics that could have a material impact on financial results. Our purpose with engagement is to support long-term investment returns for our clients by increasing transparency of key risks and opportunities, and reducing any material negative impact that our investment decisions could have on these factors.

Our RI engagement programme is structured around six high level themes:

- Climate change
- Environmental stewardship, including biodiversity
- Labour standards
- Human rights
- Business conduct
- Corporate governance.

Underlying each theme is a range of subthemes to help focus our engagement. We monitor the outcomes of our engagement and report on the results to our clients and through public reporting. These six high level themes and associated sub-theme are in line with the achievement of the United Nations Sustainable Development Goals (SDGs).

Engagement under this policy may cover listed equities; corporate credit; Sovereign, Supranational and Agency (SSA) issuers; private equity; real estate; infrastructure; collateralized loan obligations; asset backed securities; municipal bonds; and commodities. For **reo@** clients engagement under this policy covers listed equities, and corporate (financial and non-financial) credit. Our engagement activity is reinforced by the broader public policy engagement undertaken for all our clients

The engagement programme's scope is reviewed annually.

<sup>1</sup> Columbia Threadneedle Investments is the global brand name of the Columbia and Threadneedle group of companies that together make up the asset management business of Ameriprise Financial, Inc. Individual client mandates or jurisdictional regulatory requirements may require a variation in approach. Any such variation in approach overrides this document as necessary.

<sup>2</sup> **reo@** is a pooled service that allows investors to receive engagement, and proxy voting where selected, on equity and corporate bond holdings, independent from portfolio management services received either from third party asset managers or Columbia Threadneedle Investments.

## Commitments and related policies

To inform our engagement approach, we are informed by international codes and standards, such as the International Labour Organization (ILO) Core Conventions, OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights, the UN Global Compact, the Paris Agreement, the Taskforce on Climate-related Financial Disclosures, the Taskforce on Nature-related Financial Disclosures, and national corporate governance principles and codes of business best practice<sup>3</sup>. Our key expectations on good practice are outlined in our corporate governance guidelines<sup>4</sup>, and environmental and social practices statement<sup>\*</sup>.

## Policy and engagement programme implementation

Our engagement programme is executed through close collaboration of our governance and proxy analysts, sustainability research analysts, fundamental research analysts and portfolio managers.

## Engagement identification, prioritization, and process

We identify and prioritize issuers for engagement based on the following:

- Client preferences, mandates, policies and guidelines
- Client holdings
- Analysts' coverage, judgement and expertise
- Material risks and opportunities identified by the research and engagement conducted related to our six high level themes and subthemes.
- Potential systemic risks, including geopolitical, regulatory, financial conditions, and sustainability risks.
- Event-driven, such as annual general meetings or unscheduled controversies.
- Regulatory or jurisdictional considerations and requirements

Additional considerations may be brought in as new information and knowledge is acquired during our engagement with issuers, clients and policy makers. Also, we will utilize specialist data sources to identify issuers subject to a specific risk we are focusing on.

## Conducting engagement

Our preferred approach to conducting engagement is to use constructive, confidential dialogue, typically interacting one-to-one with issuers and building a relationship of trust over time as long-term investors.

Our engagement with issuers is always structured. We set specific engagement objectives ("Objectives") and track progress against these to assess achievements ("Milestones") and determine next steps. All meetings are memorialized with date, participants, objective of the meeting and, as appropriate, the outcome of the engagement. Often, we meet with an issuer multiple times a year, engaging with different individuals (Executive management, Board members, Sustainability leadership), depending on the meeting objective. We track issuers over time to inform our understanding of issuer risks and opportunities, and to inform our proprietary sustainability exposure ratings.

Our meeting information, objectives and ratings are accessible to all research analysts, traders and portfolio managers through internal systems. These systems allow us to produce engagement activity reports for internal use, clients, or the general public, e.g. our Stewardship Report.

When it is more effective to take a collaborative approach to enhance our understanding of an issuer, we may participate with other investors, non-governmental organisations (NGOs) or industry groups, where we believe this will be in our clients' best long-term economic interests and subject in all cases to such participation being in full compliance with the requirements of applicable law and/or regulation. Collaborations can help build knowledge and skills whilst enhancing engagement efficiency. We are a member of several investor coalitions actively pursuing collaborative engagements<sup>5</sup>.

## Public policy engagement

We recognise that action by governments or regulatory intervention may be needed to create a level playing field and achieve meaningful results. To that end, we aspire to play a role in public policy development through engagement with policymakers and regulators to the extent we believe it would be in the best interests of our clients to do so. We seek to bring a constructive investor voice to standard settings, and we believe that policy and regulatory change is often the catalyst for improved corporate behaviour that can help drive long term shareholder value.

<sup>\*</sup> For our RI policies, please see <https://www.columbiathreadneedle.com/en/gb/intermediary/about-us/responsible-investment/#Disclosures>

<sup>4</sup> For a full, current list, please see our [Stewardship Report](#).

<sup>5</sup> These memberships and initiatives may change over time and the current list is disclosed in the annual [Stewardship Report available here](#)

## Escalation

If issuers do not demonstrate progress on matters that we believe are in our clients' best long-term economic interests, we may consider further escalation.

Escalation activity takes place in collaboration with other investment departments within Columbia Threadneedle Investments to ensure agreement on the need for escalation and alignment on avenues to pursue, acting in the best economic interests of our clients.

As stewards of our clients' investments, we have at our disposal several different options for escalation, the options available will depend on the requirements of applicable law and/or regulation. Consequently, in some jurisdictions, certain options may not be available for use at all or may only be available for us on a reduced basis. Escalation options include:

- **Partial or complete divestment**<sup>6</sup>
- **Proxy voting:** Voting against management on key resolutions.
- **Annual General Meetings (AGMs):** Requesting a shareholder meeting or intervening at an AGM.
- **Collaborative engagement:** While we generally prefer to engage issuers in private collaboration with other investors or stakeholders can in certain situations be an impactful engagement or escalation strategy.
- **Public statements:** For both equity and corporate credit escalation issuing a public statement outlining views on practices and expectations for its consideration.
- **Filing or supporting shareholder resolutions**

## Transparency

Clear accountability and transparent communication are key elements of our Responsible Investment engagement programme. We report periodically on the number of engagements, engagement outcomes, as well as our public policy engagement. We do this via quarterly and annual stewardship reports that we make publicly available on our website. We also publish research and thought leadership pieces on specific engagement activities and topics; and issue ESG profile and impact reports for a number of funds which have a specific investment mandate that contain information on engagement.

These are all available on our website.

## Conflicts of interest

Although we seek to act in the best interests of our managed asset and **reo**<sup>®</sup> clients, we recognize that certain conflicts of interest may arise due to our engagement activities contemplated by this policy. Our approach to identify, prevent, and/or manage potential conflicts to ensure we serve our clients' best interests is guided by various conflicts of interest policies in place across Columbia Threadneedle Investments including specifically around conflicts arising in respect of Active Ownership – Engagement<sup>7</sup>.

## Governance of the Responsible Investment Engagement Policy


The Responsible Investment Engagement Policy is reviewed annually by the Responsible Investment team, the General Counsel's Organisation (GCO) and other relevant stakeholders, including Investment teams. The internal governance committees approve any updates to policy and its underlying principles and processes.

<sup>6</sup> This does not apply to **reo**<sup>®</sup> clients given the nature and scope of the service. **reo**<sup>®</sup> clients may choose to take this path themselves in response to our assessment of inadequate progress against engagement objectives.

<sup>7</sup> See Conflicts of Interest Addendum – [Active Ownership: Engagement](#)

## Contact us

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