

Columbia Threadneedle  
Investments

# Good Governance Policy

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April 2026

## Policy

To ensure the suitability of investments and effective application of the EU's Sustainable Finance Disclosure Regulation ("SFDR"), the assessment of investee companies in relation to good governance is integral to financial products that promote environmental or social characteristics (Article 8 SFDR or UK OEIC Article 8 equivalent funds), or which have a sustainable investment objective (Article 9 SFDR).

SFDR requires that financial products classified as Article 8 or Article 9 invest only in investee companies that follow good governance practices, "in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance."<sup>1</sup>

## Purpose

This Policy describes how a determination of good governance is made, what research and analysis are used in making such a determination, and actions to be taken if an investee company does not meet our definition of good governance.

## Definition

Governance describes the arrangements and practices that frame how directors and management of an investee company organize and operate in leading and directing a business. Adopting and achieving acceptable governance is a dynamic process between the board, management, investors, and stakeholders. We encourage investee companies to engage in the process of shaping and meeting evolving standards of best practice.

We believe that well-governed investee companies are better positioned to manage the risks and challenges inherent in business and capture opportunities that help deliver sustainable growth and returns for our clients.

## Scope

This Policy covers all investee companies held in financial products categorized as either Article 8 or Article 9 under SFDR, as described in the Policy section above, which are managed by any member of Columbia Threadneedle Investments.

## Assessment and monitoring of investee companies

Portfolio managers and fundamental research analysts operating under the independent oversight of our compliance teams, are responsible for the pre-investment assessment and post-investment monitoring of the governance practices of the investee companies in which they invest or which forms part of their research coverage. Our assessments and monitoring of governance practices are conducted at the aggregate level, taking into account multiple inputs and are not reliant on a single specific practice of the investee company.

We have developed a data-driven model which flags poor practices and controversies relating to the four pillars of good governance as outlined by SFDR to inform the assessment and monitoring of investee companies. The model covers:

1. Board structure
2. Compensation
3. Employee relations
4. Tax quality

Qualitative reviews assessing the practices of a company will take place when a governance issue is flagged by the data-driven model. These reviews will also take place when data is limited.

An internal good governance procedure document details pre-investment assessments and post-investment monitoring.

## Data

Pre-investment assessments and post-investment monitoring are based on qualitative and quantitative data obtained from external sources and third-party vendors and may be supplemented with information from additional sources deemed material to the assessment of governance practices of an investee company. Due to data quality, or availability for investee companies in certain regions or asset classes (e.g., high yield credit, etc.), variations in the pre-investment assessment and post-assessment monitoring processes or the addition of supplemental data may be necessary to determine whether an investee company practices good governance.

## Oversight

Oversight of this Policy is the responsibility of the relevant investment committees which oversee the financial products the policy applies to. This policy will be reviewed annually.

<sup>1</sup> The meaning of good governance practices as provided in Article 2(17) is not further specified in SFDR or any laws or rules promulgated thereunder.

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