

Fundamentally
responsible

Responsible, for the future

In a complex and changing world we believe investing responsibly is fundamental to long term wealth creation.

We've always seen ourselves as fundamentally responsible and as a client centric and investment led global business we know we must be.

Individuals and institutions rely on us to invest prudently for their financial future, and increasingly, some look for us to be proactive in creating a more sustainable one.

We have built a powerful responsible investment capability, with research at its heart, deep expertise in its veins and an active spirit. It's making a difference for clients and we are energised about how we will continue to evolve to meet the global demands of the future.

01 Intense research
to integrate ESG factors into our investment process

02 Connected teams
deliver the best ideas from our investment platform

03 Effective engagement
achieved through knowledge, scale and expertise

04 Range of responsible and sustainable solutions
to meet our clients' needs

05 Shaping the market
through dialogue and action

06 Culture of continuous improvement
with a long heritage in responsible investment

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01 Intense research



Trays of herbs growing under UV lighting in a vertical hydroponic farm

We believe that in today's world, good financial outcomes are more likely to be achieved if we fully understand the risks and opportunities that relate to the markets in which we invest. More than ever, ESG is a critical component of this understanding.



ESG integration enhances the intensity of our research

We believe the consideration of financially material ESG factors provides an important perspective to our research. These factors could affect an investment's valuation by helping assess future investment risk, unlocking potential new investment opportunities and fulfilling our clients' long-term financial objectives.



Sophisticated tools power ESG integration

We scientifically mine, process and analyse data from many sources to create powerful analytical tools, designed to enhance and inform the integration of ESG considerations into investment research, portfolio construction and risk monitoring. Our investment teams can use these tools as they see fit to gain a clear picture of the ESG considerations that are financially relevant to different investment opportunities.



Engagement is additive to our research

Engaging in collaborative dialogue with companies, corporate issuers and real asset occupiers can supplement gaps in our data and help us gain a better understanding of how ESG risks and opportunities are managed. We seek information and improvement around ESG practices that we believe generate and sustain long-term investor value.



A large capacity cargo vessel crosses the Sart Canal Bridge in Belgium, transporting the equivalent load of hundreds of trucks with significantly reduced emissions.

We have an extensive range of powerful tools and frameworks that sit at the heart of our investment engine.

The extent to which these tools are used will vary according to the client mandate and the strategy objectives.



“ This strong research intense approach ensures we have a deep understanding of the wide range of risks and opportunities across the complex intertwined global landscape and drives how we invest smarter for our clients ”

Kirk Moore Head of Global Research

02 Connected teams



Electric cars charging at electricity filling station in the fast expanding car charging network in the Netherlands

Global centre of excellence

We have a wealth of ESG resource across the firm, including a dedicated responsible investment team, positioned within the investment department, who act as a global centre of excellence on ESG insights.

Our team of 40+ responsible investment experts supports our clients, investment professionals, and our overall business, with expertise across thematic research, engagement, voting, data, reporting, product development, and screening for specialist ESG portfolios.

Portfolio managers and ESG analysts work collaboratively to provide a critical link into the responsible investment team, and conducting asset-class specific research and engagement.

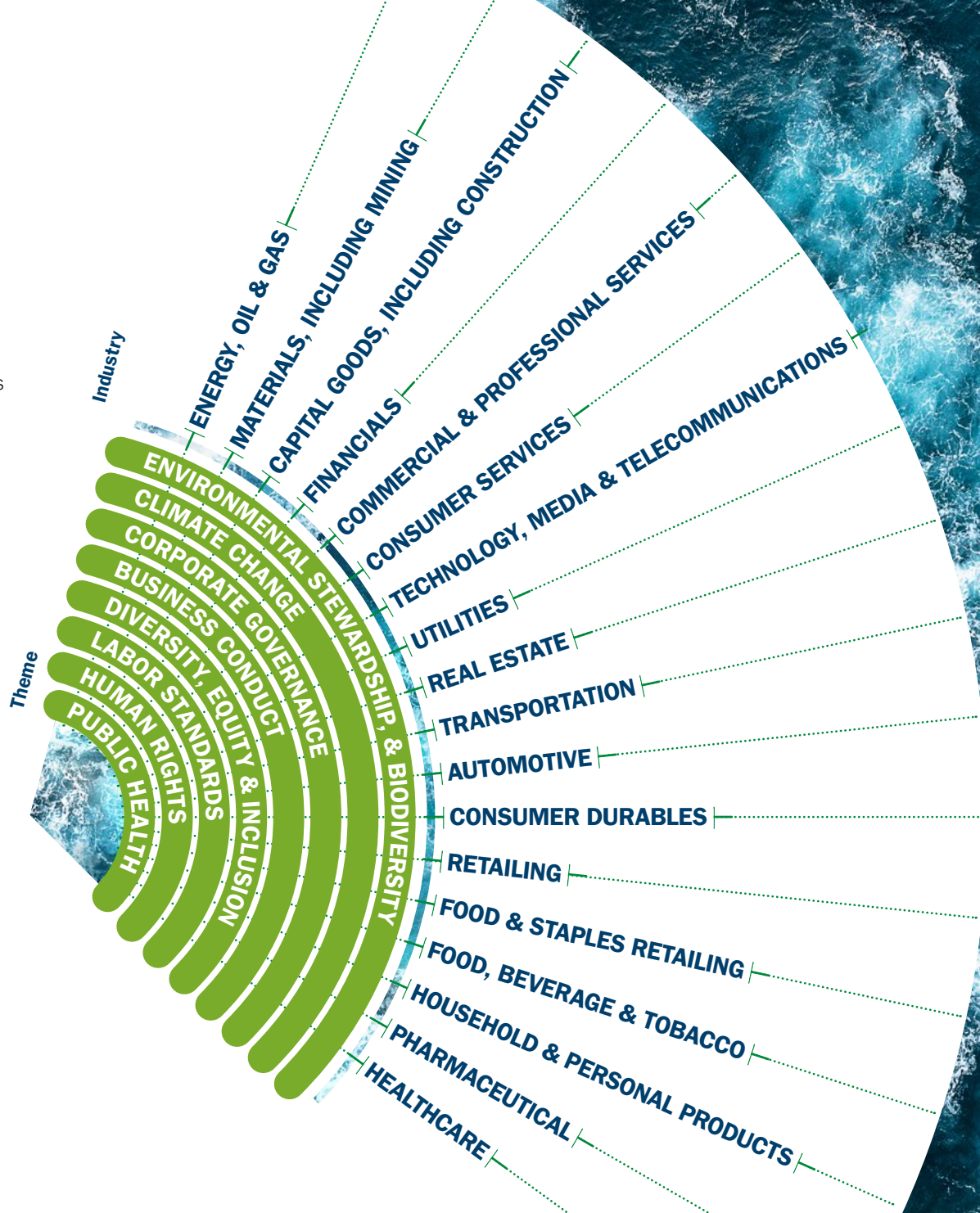


Sector and industry breadth

Our responsible investment specialists have a wide range of sector and thematic expertise enabling them to support our broad investment proposition and range.

40+
RESPONSIBLE INVESTMENT SPECIALISTS

250
GLOBAL RESEARCH ANALYSTS



03 Effective engagement



Engagement and proxy voting - powerful levers to help us create investor value

Proactive engagement on behalf of our clients is an integral part of our approach.

Our engagement analysts research issues anticipated to be drivers of long-term operating and financial performance of investments. They collaborate with research analysts and portfolio managers to conduct engagements, seeking to understand how ESG risks and opportunities are being managed.

Constructive dialogue and trust

Our primary approach to engagement is constructive, confidential dialogue, typically interacting on our own with key decision-makers. As long-term investors we value relationships built on trust. We also engage with other investors, non-governmental organisations (NGOs) or industry groups where doing so is deemed to be in the best long-term economic interest of our clients.

Engaging for effective outcomes

We set clear, actionable engagement objectives to help us demonstrate investor value. Our active ownership encompasses a broad spectrum of environmental, social and governance risks, covering issuers across extensive sectors and geographies.

Engagement is orientated around seven high-level themes

- 1 **Climate Change**
- 2 **Labor standards**
- 3 **Human rights**
- 4 **Environmental Stewardship, including biodiversity**
- 5 **Public health**
- 6 **Business Conduct**
- 7 **Corporate governance**

Aligned to 17 SDGs and underlying 169 targets



“ Our knowledge, scale and expertise give us access to key decision-makers ”

Nina Roth Head of Active Ownership



Proactive proxy voting for positive change

We use proxy voting to help improve investment outcomes by stimulating good corporate governance practices and positive change in how firms do business and mitigate risk.

Voting can be a meaningful tool for driving improvement in company practices and market standards, as well as for reinforcing objectives set in engagement on ESG topics.

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

Where appropriate, we exercise voting rights on our clients' behalf at shareholder meetings, acting in their best long-term economic interests. It's an opportunity to demonstrate preferences on relevant aspects of an issuer's business and promote industry best practices, or express concerns identified through our research and engagement.

“ We use voting to drive change that's in our clients best long-term economic interests. ”

Cassandra Traeger Governance Lead for EMEA and APAC

04 Range of responsible and sustainable solutions



Photovoltaic panels and wind turbines

Our funds, strategies, and solutions

We manage investments for a range of client types and together, they entrust us with more than US\$34bn (as at 30 June 2023) invested in responsible investment strategies.

We have a long and rich history providing responsible investment solutions, launching the first ethical fund in Europe in the 1980's. We launched the first daily liquid Social Bond Fund back in 2014 and the Sustainable Development Goal Engagement fund in 2019, and have continued to innovate.

Responsible and sustainable outcomes strategies

We offer a wide range of pooled ESG funds covering all the major asset classes, including multi-asset and alternatives. We are also able to tailor our expertise and tools to offer flexible fund design options with bespoke ESG criteria, tailored to suit a client's preferences.

US\$34BN

INVESTED IN RESPONSIBLE INVESTMENT STRATEGIES

We offer a range of responsible and sustainable funds to meet our clients needs. Flagship strategies include:

Fixed Income

GLOBAL, EUROPEAN
AND UK SOCIAL BONDS
RESPONSIBLE
CORPORATE BOND
SUSTAINABILITY BONDS
GREEN BONDS

Equity

SDG ENGAGEMENT
GLOBAL EQUITY
RESPONSIBLE
UK EQUITY
RESPONSIBLE
GLOBAL EQUITY
SUSTAINABLE GLOBAL
EQUITY INCOME AND
ENHANCED INCOME

Multi-Asset

SUSTAINABLE MULTI-ASSET
SUSTAINABLE MULTI-ASSET
INCOME

Alternatives

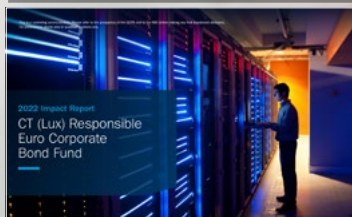
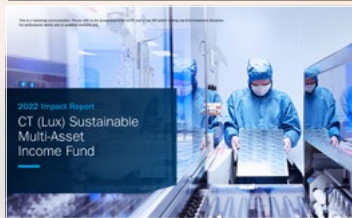
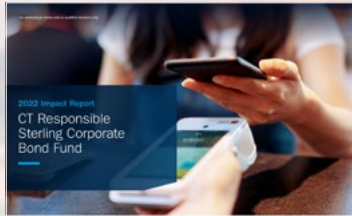
SUSTAINABLE
INFRASTRUCTURE
PRIVATE EQUITY IMPACT
THREADNEEDLE PROPERTY

Our responsible and sustainable pooled funds are EMEA focused and are not currently available in all jurisdictions.

Transparent client reporting

An important aspect of our responsible investment capability is the transparency and diligence of our client reporting. We produce detailed annual impact reports across multiple ESG strategies and are building out our standard reports with additional ESG metrics for clients who request them.

Our annual reports demonstrate our progress on our stewardship activities and net-zero alignment. We regularly publish research-based thought leadership content on ESG topics and provide transparency around our related active ownership work.



Water recycling provides a sustainable source of water which is less prone to cyclical shortages such as droughts



Our Responsible Engagement Overlay service

We were pioneers in active ownership with the creation of our Responsible Engagement Overlay (**reo**[®]) service in 2000 through which clients entrust us to engage and vote on their behalf. With over \$1.1trn assets under engagement, **reo**[®] offers clients access to the full suite of our stewardship expertise:

Our engagement on ESG issues and sustainability risks/opportunities related to their investments.

SDG aligned reporting detailing the impact of our engagement.

Global cross-sector coverage across the market cap spectrum.

22 years track record of engagement.

\$1.1 TRN
ASSETS UNDER ENGAGEMENT WITH OUR RESPONSIBLE ENGAGEMENT OVERLAY SERVICE **reo[®]**

05 Shaping the market

Farmed oysters, clams and mussels subsist on a diet of wild algae, and filter and clean the water as they grow



Part of a big conversation

As a large, global asset manager, we take our responsibility seriously to help promote a well-functioning financial system. In the long run, this benefits our clients and society as a whole.

We play a thoughtful and proactive role in public policy development through engagement with governments and regulators on key issues, striving to set standards as a constructive investor voice. We collaborate with other investors through various industry working groups to better understand emerging ESG issues as well as share our learnings with the broader industry.

We strive to be a responsible business

Being responsible is fundamental to our culture. We are long standing signatories of established Responsible Investment standards and codes, and we are committed to advancing our diversity, equity and inclusion agenda in our business. We thoughtfully consider the climate impact of our business and fulfil philanthropic initiatives through our charitable giving and support.

We act with purpose on important corporate commitments including:

Signatory to the **UK, Taiwan, and Japan Stewardship Codes**

Signatory to the **United Nations Principles for Responsible Investment**

Net Zero Asset Managers initiative: working in partnership with our clients we aspire to reach Net Zero by 2050 or sooner across all AUM

Member of **Climate Action 100+**

Membership of the **Investor Alliance** in support of the respect for human rights



Bosco Verticale, a modern residential building covered in vertical gardens, Milan, Italy

06 Culture of continuous improvement

“ A powerful combination that allows us to harness the best thinking from across our investment platform to meet our clients’ needs ”

Claudia Wearmouth Global Head of Responsible Investment

Always looking to improve

Across fixed income, equities and multi-asset our independent Investment Consultancy & Oversight Team ensures the integrity of investment strategies. They engage with our portfolio managers – to review their performance, discuss their decision-making, and analysing their processes, all to ensure we remain faithful to our clients’ objectives and identify opportunities to continually improve.

This independent oversight for fixed income and equities is also enhanced by our RI Advisory Council and independent Social Advisory Committee that provide challenge and validation across several of our focused responsible investment strategies.

Innovative thinking as standard

For over four decades we - through our predecessor companies - have been at the forefront of responsible investing. Our heritage in responsible investment spans back to Europe’s first Ethical Fund over 35 years ago, we started engaging on climate change via our **reo**® service back in 2000 and were a founding member of the Principles of Responsible Investment in 2006.

Continually evolving

In a complex world, responsible investment is continually evolving – so are we. For investors, finding long-term value while mitigating risk in a world of accelerating industrial, environmental, and societal change can be challenging.

At Columbia Threadneedle, we believe it’s also an opportunity. As new trends and possibilities emerge, they call for new and innovative approaches – something our culture of continuous improvement embraces.



A sustainable parking lot with solar power generation and electric vehicle charging, California, United States

To find out more visit columbiathreadneedle.com



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Please note that although RI research is made available to all portfolio managers, each portfolio management team within our firm makes its own investment decisions and certain teams may place more, less or no emphasis on ESG factors in any given investment decision.

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