

CONTROVERSIAL WEAPONS POLICY COLUMBIA THREADNEEDLE INVESTMENTS

July 2022

This policy applies to the group of legal entities whose parent company is TAM UK International Holdings Limited (TAMUK) which is part of Columbia Threadneedle Investments, the asset management business of Ameriprise Financial, Inc.

BACKGROUND

At Columbia Threadneedle Investments we recognise the value in effectively integrating environmental, social and governance factors into our investment processes. Our conviction in this approach was evidenced in Europe by signing up to the Principles for Responsible Investment in 2006, which has since been applied globally. In applying these Principles, we identified the need to enhance our ownership policies to improve stakeholder protections. Our original controversial weapons policy was shaped by legal prohibitions on depleted uranium and cluster munitions enacted in the late 2000s. Over time, the 2011 policy has been updated to respect legal requirements across a broader range of weapons and jurisdictions, governing all active strategies managed by subsidiaries of TAMUK, part of Columbia Threadneedle Investments, EMEA.

POLICY

To protect our clients and broader stakeholders' interests, we have maintained a controversial weapons exclusion policy since 2011. Reflecting both international conventions and the legal requirements in certain jurisdictions, we seek to avoid our active strategies investing in companies involved in the production, sale or distribution of controversial weapons including landmines, cluster munitions, blinding laser, non-detectable fragment and biochemical weapons and depleted uranium ammunition and armour.

Our definition of production extends to manufacturers of controversial weapon systems, munitions, exclusive delivery platforms and key components. This includes companies that own 50% or more in another firm engaged in such activities. Dual use platforms or components and past involvement in these weapons are not included in scope.

If an investment becomes exposed to excluded activities, we seek to sell this within six months unless there are tangible mitigating factors justifying investment. Where an issuer is involved in excluded activities, we reserve the right to take short positions in such securities.

BASIS

Exclusions under the core controversial weapons policy will be applied in line with the following international conventions and national law which prohibit the production, sale, distribution and use of the following weapons:

Weapon	Basis	Effective
Biological	UN Biological Weapons Convention	1975
Blinding Lasers	UN Convention on Certain Conventional Weapons, Protocol IV	1998
Chemical	UN Chemical Weapons Convention	1997
Cluster Munitions	UN Convention on Cluster Munitions	2010
Depleted Uranium (incl. armour)	Belgian Law on Weapons (Loi sur les Armes)	2009
Land Mines	UN Anti-Personnel Landmines Convention	1999
Non-Detectable Fragments	UN Convention on Certain Conventional Weapons, Protocol I	1983

Additional exclusions for white phosphorus and nuclear weapons are integrated into our general exclusions framework for developing fund strategies, for example, those funds which promote environmental and/or social characteristics or have a sustainable investment objective. These exclusions refer to the following international conventions:

Weapon	Basis	Effective
White Phosphorus	UN Convention on Certain Conventional Weapons, Protocol III	1983
Nuclear	UN Treaty on the Non-Proliferation of Nuclear Weapons	1970
	UN Treaty on the Prohibition of Nuclear Weapons	2021

It was recognised that white phosphorous may be deemed controversial only in specific applications and its use is regulated *without* total prohibition. Where we seek to avoid investment in nuclear weapons, we respect the principle of disarmament underpinning the Non-Proliferation Treaty, and more stringent requirements under the Treaty on the Prohibition of Nuclear Weapons.

IMPLEMENTATION

In implementing our policy, we engage a third-party research provider to help identify companies involved in the production, sale or distribution of controversial weapons. No such issuers are currently identified in relation to blinding laser, non-detectable fragment or white phosphorus weapons. The exclusion of identified securities follows a defined process incorporating Compliance, Research and Responsible Investment, increasing collaboration and research intensity. Our procedures and exclusion list are reviewed and updated on an annual basis.

To find out more, visit columbiathreadneedle.com

Published as at 24/08/22 and subject to change without notice.
columbiathreadneedle.com



Issued 06.22 | Valid to 06.23 | J32159 | 4890942