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# SOCIAL INVESTMENT GUIDELINES THREADNEEDLE (LUX) EUROPEAN SOCIAL BOND



# EXECUTIVE SUMMARY

## FUND SUMMARY

The European Social Bond Fund is a Fund domiciled in Luxembourg where the Funds underlying assets are bonds issued by companies, governments, voluntary organisations and/or charities that engage in socially beneficial activities and development.

## SOCIAL INVESTMENT THESIS

Our Fund unlocks the full potential of bonds to deliver both financial returns and positive social outcomes. As such, the Columbia Threadneedle (Lux) European Social Bond Fund has sustainable investments as its objective. Sustainable investments mean economic activities that contribute to an environmental or social objective. The investments must not significantly harm those objectives and follow good governance practices.

As public and private sectors look to improve social issues through financial markets, we see financial and social benefit as increasingly interlinked. This is particularly evident in Europe – our target area. Europe faces many social challenges – from persistent pockets of deprivation, to ageing populations, to the need to transition to a greener and more prosperous economic system. For instance:

- In recent years, we have seen poverty *increase* for those on lowest incomes in Europe.<sup>1</sup>
- By 2050 the number of people aged 85 or older will more than double, reaching an estimated 40 million.<sup>2</sup>
- Air pollution is estimated to cause around 450,000 deaths per year.<sup>3</sup>

But there are catalysts, and opportunities, for change. European institutions are, in fact, increasingly using the bond market to help implement such change – examples being the specific Social, Sustainability and Green<sup>4</sup> Bonds issued by the Council of Europe, the governments of France, Luxembourg, Italy, Spain and Belgium, and the City of Madrid. Business solutions are also critical to social innovation, whether in increasing the provision of affordable housing and healthcare or contributing to greener economic growth – and many of them turn to the bond market to help scale up such innovation.

This provides opportunities for investors to participate in, and benefit from, the targeting of social outcomes. Through our deep understanding of the European fixed income market, and our proven experience in investing for positive outcomes, we can enable clients to capture the twin reward of social and financial benefit to capture the twin reward of social and financial benefit.

## CLIMATE CHANGE CONSIDERATIONS

It is our belief that the pursuit of a net zero world is not exclusively an environmental concern but social too. If we fail on climate change, we will be faced with a significant social event. In the spirit of this belief, we favour and support issuers which are pursuing net zero targets and in keeping with a below two-degree trajectory.

In addition, the change of the scale and nature needed to achieve net zero brings social consequences. We are keen to ensure the negative impacts of this transition such as loss of high carbon jobs, impacts on household energy bills is minimised in the most deprived communities across Europe. Our fund aims to confront these challenges by investing in issuers which promote a just transition strategy and actively engage with issuers on this topic.

<sup>1</sup> Inequality in Europe, European Investment Bank, 2018.

<sup>2</sup> World Health Organisation: Demographic trends, statistics, and data on ageing, 2021.

<sup>3</sup> Our World in Data, Air Pollution, 2019.

<sup>4</sup> See the ICMA website for definitions principles.

## SOCIAL INVESTMENT GUIDELINES IN OUTLINE

How we action our social investment thesis throughout our investment process is highlighted below:

### TOP DOWN: SOCIAL UNIVERSE CREATION

How we shape a Social Universe of potential bonds and exclude those with negative social characteristics.

### MINIMUM STANDARDS

How we systematically ensure no bond entering the Fund violates our standards.

### BOTTOM UP: POSITIVE INCLUSION

How we target, assess, and scrutinise bonds contributing to positive social outcomes.

### ONGOING: GOVERNANCE, MONITORING, ENGAGEMENT & REPORTING

How our governance, monitoring, engagement, and reporting enhance and evidence our social focus. The decision to invest in the promoted fund should also consider all the characteristics or objectives of the promoted fund as described in its prospectus. The fund's sustainability related disclosures can be found on our website [columbiathreadneedle.com](http://columbiathreadneedle.com).

## KEY RISKS

The value of investments can fall as well as rise and investors might not get back the sum originally invested. Where investments are in assets that are denominated in multiple currencies, or currencies other than your own, changes in exchange rates may affect the value of the investments. The Fund invests in securities whose value would be significantly affected if the issuer refused, was unable to or was perceived to be unable to pay. The Fund holds assets which could prove difficult to sell. The Fund may have to lower the selling price, sell other investments, or forego more appealing investment opportunities. Most bond and cash funds offer limited capital growth potential and an income that is not linked to inflation. Inflation is likely to affect the value of capital and income over time. Changes in interest rates are likely to affect the Fund's value. In general, as interest rates rise, the price of a fixed rate bond will fall, and vice versa. The Fund's assets may sometimes be difficult to value objectively, and the actual value may not be recognised until assets are sold. The investment policy of the fund allows it to invest in derivatives for the purposes of reducing risk or minimising the cost of transactions. The fund may exhibit significant price volatility.

# TOP DOWN: SOCIAL UNIVERSE CREATION

## SHAPING A SOCIAL UNIVERSE

We start by shaping a Social Universe. This focuses on identifying categories of bonds with higher potential for delivering social outcomes, in line with our seven areas of social outcome. These draw on the social hierarchy of needs approach, whereby “primary” social needs such as housing are foundational and supersede more general social needs (see Appendix for further details). Alignment of related outcomes to the UN Sustainable Development Goals (SDGs), as the core global set of priorities for social and sustainable development, is also noted.

Some additional screening is also applied in certain categories. One example is in our Social Facilitation category. The additional screen ensures that only those financial services companies with higher social focus (eg, explicitly serving an important social group or run in the interest of their members as a “mutual”) are included in the universe.

**Table 1: Universe Construction by Social Hierarchy of Needs & SDGs<sup>5</sup>**

Social Outcome Category	Primary SDG	Opportunity & Mapped Bond	Specific Additional Screen
Primary Social Needs		<b>Affordable Housing</b> eg, Social bonds (housing focus)	
Basic Social Needs		<b>Health &amp; Welfare</b> eg, Health Services	Lowest opportunities in health & nutrition & access to healthcare eliminated
Social Enabling		<b>Education &amp; Training</b> eg, Printing & Publishing	
Social Empowerment		<b>Employment</b> eg, Retail	Enhanced labour standards screen conducted
Social Enhancement		<b>Community</b> eg, Social bonds (community focus)	
Social Facilitation		<b>Access to services</b> eg, Financial services (socially focused)	Lowest opportunities in access to communications and non-mutual or socially focused banks eliminated
Societal Developments		<b>Economic Regeneration &amp; Development</b> eg, Green Bonds	Heightened ESG controversy screen implemented Coal and nuclear power exposure (over 10% by revenue) eliminated

<sup>5</sup>These apply to all bonds, unless specific exceptions apply eg, for Green, Social or Sustainability bonds.

## UNIVERSE EXCLUSIONS

The consequence of our positive social focus is that some categories of bond are excluded, such as those originating from industries or issuers which we consider offer minimal social or sustainability benefits, or which represent a high risk of adverse impacts. Where possible we go down to the bond level. For instance, whilst sovereign bonds are excluded, equivalent labelled Green, Social or Sustainability bonds would remain eligible.

**Table 2: Sectors excluded from Universe Creation**

Minimal or unusual social benefit <sup>6</sup>	High risk of adverse social and sustainability impacts
Advertising	Aerospace/Defence
Beverage	Air Transportation
Brokerage	Auto Loans
Cable & Satellite TV	Auto Parts & Equipment
Insurance Brokerage	Automakers
Investments & Misc. Financial	Energy – Exploration & Production
Services Packaging	Foreign Sovereign (if general use of proceeds for central gov)
Media Content	Gaming
Media – Diversified	Government Guaranteed (if general use of proceeds for central gov)
Machinery	Integrated Energy
Monoline Insurance	Metals/Mining Excluding Steel
Multi-Line Insurance	Oil Refining & Marketing
Recreation & Travel	Oil Field Equipment & Services
Reinsurance	Steel Producers/Products
Software/Services	Tobacco
Sovereign	
Tech Hardware & Equipment	
Non-European issuers (excluding international or social bonds)	

In addition, we conduct a number of exclusions in line with our minimum standards (see overleaf).

Whilst some of these can be implemented as part of Universe creation, others are affected through the enhanced research we undertake upon consideration of specific bonds for the Fund.

<sup>6</sup> From time to time, particular issuers in these categories may be eligible for inclusion – for instance a media company focused on educational content.

# MINIMUM STANDARDS

- 1. Norm Adherence:** we exclude on evidence of violation of key norms and international standards such as the UN Global Compact, UN ILO Labour Standards and UN Guiding Principles on Business and Human Rights.<sup>7</sup>
- 2. Sustainable Energy Focus:** we avoid those with material revenue (>5%) and focused CapEx (>10%) from nuclear energy and coal generation or mining for thermal coal, as well as oil and gas (conventional and unconventional<sup>8</sup>) extraction and generation. This includes companies demonstrating forward momentum and no more than 15% of CapEx from contributing activities to these excluded areas.<sup>9</sup>

Mining of thermal coal includes sales & transportation of thermal coal. Sales relates to businesses which derive >5% of revenue related to sales from mining related activities. Transportation relates to businesses which derive >5% revenue from the transportation of mining related activities. For example, a railway operation where >5% of revenue is generated from the transportation of thermal coal. This is monitored by the Fund on a best-efforts basis.

Unconventional Oil and Gas is not chemically different from “conventional” oil and gas. The distinction stems from their position underground or from the unusual nature of their reservoirs. These conditions require the use of complex extraction methods which can be geologically disruptive to communities. One such method is arctic drilling as we believe oil exploration poses a tremendous risk to vulnerable arctic ecosystems and communities. Oil and gas development could also damage fisheries, tourism and other, more sustainable economic activities. *We would define areas in accordance with the Arctic Monitoring and Assessment Programme (AMAP) that are sensitive in this way as the ecosystems around the polar ice caps both north (Arctic) and south (Antarctic).*

On a best effort basis, the transportation and refining for conventional oil and gas will be considered within our screening process.

In the case of a Green, Social or Sustainability Bond from a utilities issuer usually excluded for the reasons stated above, we may invest where we see efforts to support the transition to a low carbon economy.

In any case we will ensure that we will not be funding (through use of proceeds) the increase of any absolute production of or capacity for thermal coal, oil and gas-related products/services

All utilities will be subject to our Climate & Energy Transition Engagement process (see Engagement section) to ensure we will invest in utilities whose emissions pathways comply, based on credible analysis, with science-based targets (2 °C).

- 3. Health Enhancement:** we have minimal tolerance for tobacco or alcohol production. Specifically, tobacco production over 1% sales; alcohol production over 5% sales. Our Universe creation also excludes those classified as tobacco or alcohol producers.<sup>10</sup>

<sup>7</sup>The UN Global Compact; ILO Core Conventions; Child Labour; Bribery and Fraud; Severe Environmental Controversies (see also Severe Environmental Impact Avoidance below). Assessment informed by MSCI ESG Research: their assessment of a ‘Fail’ or worst score results in exclusion.

<sup>8</sup>Unconventional oil and gas relates to tar/oil sands, shale oil, shales gas and arctic drilling.

<sup>9</sup>Where possible we use the Transition Pathway Initiative, Gaps may be supplemented with MSCI data (CO2 per electricity generation output). These are both tested against International Energy Agency (2017) below two-degree scenario (see ‘Energy Technology Perspectives 2017’, OECD/IEA, Paris, Figure 6.7).

<sup>10</sup>Tobacco production over 1% sales; alcohol production over 5% sales. Our Universe creation also excludes those classified as tobacco or alcohol producers. Assessment informed by MSCI ESG Research.

**4. Social Cohesion:** we exclude those with material revenue from adult entertainment or gambling. Specifically, adult entertainment or gambling exposure over 5% sales. Our universe creation also excludes those classified as adult entertainment and gambling companies.<sup>11</sup>

In addition, we expect all firms to recognise the importance of tax management, approached prudently and legally, to both societal contribution and responsible management of their affairs. We thus monitor all firms within the Fund for tax-related controversies, with severe issues triggering review of eligibility.<sup>12</sup>

**5. Weapon Avoidance:** we avoid weapons and firearms, with zero tolerance for controversial weapons including white phosphorus.<sup>13</sup>

**6. Severe Environmental Impact Avoidance:** in addition to seeking investment opportunities which enhance natural capital, we avoid companies with severe controversies related to water or biodiversity and land use.<sup>14</sup>

<b>Fossil fuels</b>	>5% revenue from coal (including sales & transportation), nuclear, oil & gas (conventional and unconventional) and power generation >10% CapEx dedicated to excluded activity >15% dedicated to contributing activities
<b>Adult Entertainment &amp; Gambling</b>	>5% of sales
<b>Alcohol</b>	No producers; >5% of sales from selling alcohol
<b>Tobacco</b>	No producers; >1% of sales from selling tobacco
<b>Weapons</b>	Zero tolerance for controversial weapons
<b>Worst in class ESG &amp; severe controversies</b>	MSCI rated CCC and companies with significant controversies that breach the UN Global Compact, the UN International Labour Organisation (core) Labour Standards, and the UN Guiding Principles on Business and Human Rights

**7. Controversial regimes.** We will not invest in countries with the death penalty,<sup>15</sup> subject to EU sanctions,<sup>16</sup> taking minimal collaborative action on Climate Change,<sup>17</sup> or which are oppressing freedoms or taking action which would violate principles of the UN Global Compact.<sup>18</sup> This applies also to wholly state-owned companies. For clarity, where we do invest in government debt this is only via Green, Social or Sustainability bonds.

<sup>11</sup> Adult entertainment or gambling exposure over 5% sales. Assessment informed by MSCI ESG Research.

<sup>12</sup> Our approach in this connection aligns with that in our Responsible Investment Corporate Governance and Proxy Voting Principles, available on our RI website. Assessment of tax related controversies is informed by MSCI ESG research on taxes and subsidies.

<sup>13</sup> Production of conventional weapons or firearms for military or civilian markets over 1% sales; all related sales and services over 5% revenue; any material linkage to controversial or nuclear weapons: landmines; biological, chemical (including phosphorus) & nuclear depleted uranium. This is a more stringent extension our firm-wide Controversial Weapons policy, which can be found in our core Responsible Investment policy. Assessment informed by MSCI ESG Research.

<sup>14</sup> Assessment informed by MSCI ESG research on severe controversies related to Biodiversity & Land Use, and Water.

<sup>15</sup> Sanctions map EU, 2021.

<sup>16</sup> Such as those withdrawing from COP21, not reporting to the United Nations Framework Convention on Climate Change through National Communications and Biennial Reports, 2021

<sup>17</sup> We thus avoid those assessed by Freedom House as 'Unfree' States and those ranking lowest on Transparency International's Corruption Perceptions Index. Other issues informed by MSCI ESG Research. This does not apply to development banks or agencies which are unrelated to controversial activities, and have played a huge role in developing the market for Green, Social and Sustainability Bonds, eg, KfW, EIB.

<sup>18</sup> The SASB materiality map provides useful indicators of topics to consider, 2021.

# BOTTOM UP: POSITIVE INCLUSION

Our bottom-up social assessment process further ensures that our strong positive inclusion focus is maintained.

Prior to any investment, the Responsible Investment team considers the bond in question and gives a preliminary view of eligibility for the Fund. Where there is minimal social or socio-economic benefit or failure to meet the minimum requirements, or where we see material ESG or reputational issues which risk negating positive social outcomes, an indication of ineligibility may be assigned.

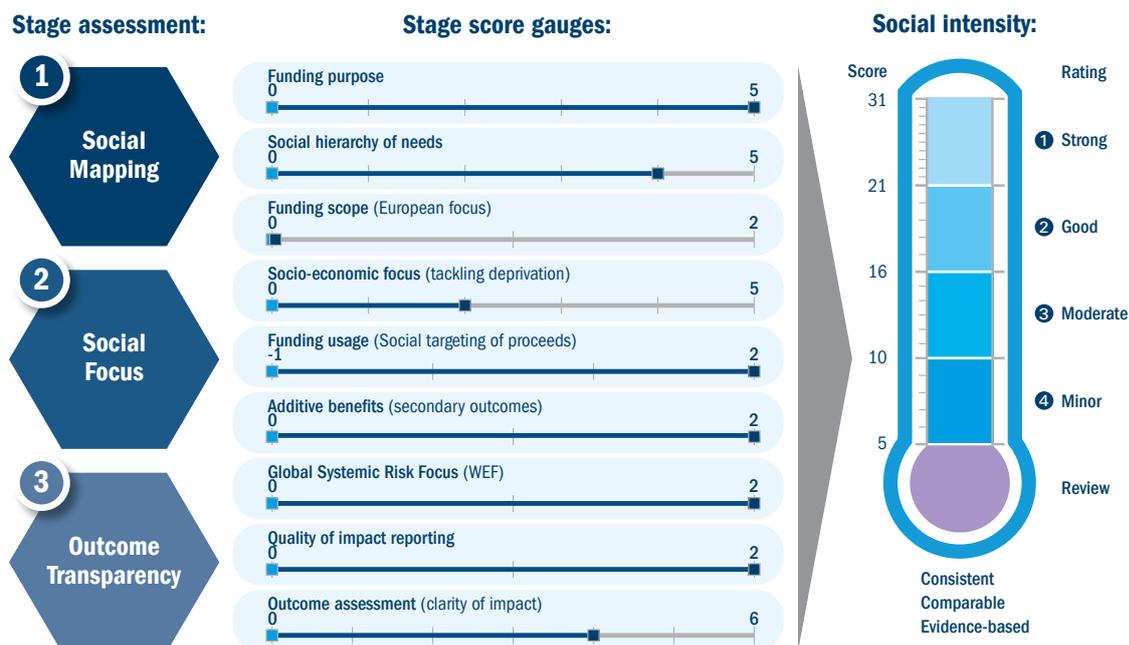
A full social assessment is undertaken post-investment, moving through initial social mapping to the social focus and the outcome. Where possible we seek to engage with issuers at this stage. Although opportunities for engagement in fixed income are rare in comparison with equity, we seek to pursue this as a source of information and encouragement of best practice.

The social assessment also requires analysts to outline any ESG or reputational risks which might impact the social credentials of the investment and to consider whether it merits inclusion in the Fund. In this connection we make our own assessments

but draw on data provided by MSCI ESG Research, as well as the materiality framework of the Sustainability Accounting Standards Board (SASB).<sup>19</sup> The direct activities of the entity in question will be assessed but, in the case of controversies, there may be instances where the broader value chain is material. For example, demonstrable failure of an entity to exercise leverage in reducing human rights abuses committed by a supplier may provide grounds for avoidance.<sup>20</sup> We also assess whether Green, Social or Sustainability bonds are subject to a Second Party Opinion, Climate Bond Certification, audit or similar; this is a requirement for corporates, although we do make exceptions for some issuers such as development banks, given their related experience, standards and internal controls.

The social assessment process is primarily undertaken by the Responsible Investment team but is also reviewed by our social partner INCO. INCO advise on the overall research and have final input into the outcome assessment. Overall, the process generates a discrete social score which can be used to compare bonds addressing different social needs and monitor the degree of the portfolio's social intensity over time.

**Figure 1: Full Social Assessment Process**



<sup>19</sup>The SASB materiality map provides useful indicators of topics to consider. <https://www.sasb.org/standards-overview/materiality-map/>

<sup>20</sup>The UN Guiding Principle on Business and Human Rights specifically outline the importance of this type of leverage.

# ONGOING: GOVERNANCE, MONITORING, ENGAGEMENT & REPORTING

Governance structures, monitoring mechanisms and reporting commitments are in place to evidence and ensure our ongoing social focus.

## GOVERNANCE & MONITORING

The Social Advisory Panel plays a vital role in reviewing, challenging, advising and monitoring the Fund. Ongoing monitoring checks are undertaken by both the Portfolio Compliance and Responsible Investment teams.

Key issues and assessments are discussed, on a quarterly basis at the Social Advisory Panel, comprising members nominated by our social partner, INCO, and the fund manager and chaired by an INCO-nominated member.

In advance of each Social Advisory Panel, the Responsible Investment team undertake portfolio screening to ensure that minimum requirements continue to be met. Any non-compliance or high risk of non-compliance is highlighted to the Panel.

The Panel has right of referral on the final assessment. Should a bond be considered ineligible or no longer eligible for the Fund, the fund manager will draw up and implement an action plan comprising an exit strategy in the best interest of the underlying investors.

The Mandate Monitoring team also have a role in safeguarding the social monitoring of the Fund. Pre-investment, the Responsible Investment team gives a preliminary opinion to the Mandate Monitoring team, outlining the social credentials at a high level. On the request of the Mandate Monitoring team, we also provide regular overviews of all our holdings and their social ratings. The team is particularly focused on whether there are any holdings no longer aligned with the Fund's social objective.

Governance at the issuer level is focused on the corporates where relevant data is available and this forms part of the overall social bond assessment and informs subsequent engagement activity.

Sovereigns & supnationals are assessed using the following factors:

- Corruption (i.e., the degree to which public sector corruption is perceived to exist, based on the Transparency International framework)
- Money-laundering (i.e. whether a country has a high prevalence of money laundering as identified by the Basel Institute on Governance's annual Basel Anti-Money Laundering (AML) Index)

Agencies and other government funded entities are monitored separately to ensure appropriate governance structures are in place to reflect the nature of the issuer.

Specifically, we seek appropriate audit or regulatory policies in place to reflect government funding or national importance (e.g., charities and universities)

## ENGAGEMENT

We seek opportunities to engage with issuers to better understand and positively influence their social value. We actively encourage issuance of Green, Social and Sustainability bonds both individually and collectively eg, as members of the International Capital Markets Association (ICMA) Social Bond Working Group.

Another specific example of our engagement approach relates to the issue of Climate & Energy Transition. For utility issuers we systematically seek engagement on an annual basis covering the following:

1. Transparent and informative reporting (e.g., regarding disclosure to CDP, aligned with TCFD)<sup>21</sup>
2. Assessment of scenarios, including alignment with a below two-degree scenario
3. Concrete targets to prepare for and facilitate Transition
4. Carbon intensity per unit of electricity generation and plans to reduce this<sup>22</sup>

<sup>21</sup> We are a signatory to CDP programmes. TCFD refers to the Task Force on Climate-related Financial Disclosures.

<sup>22</sup> Items 4 and 5 apply only to those with generation capabilities.

5. Plans for expansion/reduction of potentially unsustainable vs sustainable energy generation (thermal coal, conventional and unconventional oil & gas, extent of sales and transportation with regard to mining, nuclear energy vs renewable energy)

Where we consider a firm is not making effective plans to support transition to a low carbon economy, we will review the eligibility of related bonds for the Fund.

Should a firm whose bonds are held in the Fund indicate that it is planning to build new coal or nuclear plants, the fund manager will draw up and implement an action plan comprising an exit strategy in the best interest of the underlying investors. Exceptions can be made for Green, Social or Sustainability Bonds where there is a second-or third-party assessment. Along with clarity that, in conformity with the Green Bond Principles, these will in no way facilitate development of nuclear or coal-related energy.

## RI DERIVATIVES & CASH POLICY

Our social focus also applies to our consideration of the small proportion of our Fund which is not invested in bonds, namely derivatives and cash.

We maintain a list containing financially approved counterparties, with the ESG credentials of the counterparty reviewed every six months. We exclude those deemed to violate the UN Global Compact and related core standards; in addition, we monitor factors such as recent accounting investigations and qualified audit opinions.<sup>23</sup>

Consistent with the Fund's social focus, we do not take any derivative position where the underlying security would be ineligible for investment – eg, no tobacco, weapons or coal position, whether long or short. The one exception is for government instruments, where we only buy Green, Social or Sustainability bonds from eligible governments, but we can short general government securities to manage the duration of the Fund. All derivatives are used with regard to the daily liquidity requirements of the Fund, and for efficient portfolio management only: these are not used for speculation. We are not involved in any commodities derivatives of any sort. Moreover, we do not assign any positive social impact to cash or derivatives.

## REPORTING

Finally, transparency of outcomes and impact is a core part of our commitment.

We commit to reporting on the impact of our Fund on an annual basis through an independent report undertaken by our social partner, INCO.

In addition, we undertake quarterly reporting on the Fund, including updates on the social rationale for new purchases and core ESG and/or engagement issues. We produce regular content related to the Fund on our website, through our Responsible Investment Quarterly Reports, Thought Leadership and through third-party sources.

At an organisational level we are committed signatories to the UN Principles for Responsible Investment (PRI) and are annually assessed by them on our approach to Responsible Investment.

# APPENDIX: FULL SOCIAL HIERARCHY OF NEEDS & SDG ALIGNMENT

Additive/contextual SDGs are often relevant across outcomes, eg, the link of an outcome's intensity in addressing social exclusion and deprivation and the Poverty SDG. The Fund's strategy itself, as well as work around it, links to SDG 17: Partnership for the Goals.

Social Outcome Category	Outcome Matrix	Primary SDG Alignment	Additive/Contextual SDGs
Primary Social Needs	<b>Affordable Housing</b> <ul style="list-style-type: none"> <li>■ Social housing</li> <li>■ Key worker housing</li> <li>■ Independent living housing</li> <li>■ Care homes</li> </ul>		
Basic Social Needs	<b>Health &amp; Welfare</b> <ul style="list-style-type: none"> <li>■ Physical Health</li> <li>■ Mental Health</li> <li>■ Healthy Living</li> <li>■ Rehabilitation &amp; support</li> </ul>		
Social Enabling	<b>Education &amp; Training</b> <ul style="list-style-type: none"> <li>■ Primary &amp; Secondary</li> <li>■ Vocational training &amp; apprenticeships</li> <li>■ Further &amp; Adult education</li> </ul>		 
Social Empowerment	<b>Employment</b> <ul style="list-style-type: none"> <li>■ Creation of jobs in deprived areas</li> <li>■ Good employment standards</li> </ul>		 
Social Enhancement	<b>Community</b> <ul style="list-style-type: none"> <li>■ Local amenities, services &amp; environment</li> <li>■ Care services</li> <li>■ Personal (eg, elderly)</li> <li>■ Other community services</li> </ul>		  
Social Facilitation	<b>Access to Services</b> <ul style="list-style-type: none"> <li>■ Affordable financial products</li> <li>■ First time mortgages</li> <li>■ Professional services</li> <li>■ Communication &amp; broadcast services</li> </ul>		
Societal Developments	<b>Regeneration &amp; Development</b> <ul style="list-style-type: none"> <li>■ Sustainable development</li> <li>■ Public &amp; community transport</li> <li>■ Urban &amp; community regeneration</li> <li>■ Infrastructure &amp; utility development</li> <li>■ Environment &amp; agriculture</li> </ul>		  

Source: Columbia Threadneedle Investments, 2019.

# DEFINITIONS

**General Corporate Purpose bonds that deliver general social benefits:** General corporate purpose bonds with social benefits is typically a corporate bond with no specific use proceeds element however, the issuer implicitly generates positive social outcomes. For example, a social housing entity issuing a general corporate purpose bond.

**Green Bonds with Social Benefits:** Green Bonds with Social benefits are ICMA and Climate Bonds Initiative (CBI)<sup>24</sup> compliant use of proceeds bonds that primarily raise funds for new and existing projects with positive environmental outcomes. However, within the use of proceeds, positive social co-benefits are generated.

**Social Bonds:** Social Bonds are ICMA compliant use of proceeds bonds that raise funds for new and existing projects with positive social outcomes

**Specific use of proceeds bonds:** Specific use of proceeds bonds are ICMA compliant direct financing exclusively to pre-identified projects where the outcome will be green, social or sustainable.

**Sustainability Bonds:** Sustainability Bonds are ICMA compliant use of proceeds bonds that raise funds for new and existing projects with positive social and environmental outcomes.



To find out more, visit [columbiathreadneedle.com](http://columbiathreadneedle.com)  
or call 0800 953 0134\*



\*Please note we record calls for your protection and to improve our standards.

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