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Threadneedle Investment Services Limited

CT Global Social Bond Fund

Sustainability approach

Supporting positive social outcomes globally

- **This Fund has a non-financial goal (social objective) to provide positive social outcomes** for people worldwide through investment in bonds funding projects and activities that support the following core areas of social need: ***Affordable Housing • Health & Welfare services • Education & Training • Employment opportunities • Access to communication & financial services • Community services • Economic Regeneration & Development.***
- **The Good Economy, the Fund's independent social partner**, plays a vital role in assessing the Fund's progress towards its social objective. A Social Advisory Committee meets every quarter, comprised of experts in impact investment, that reviews the Social Rating Methodology, offers guidance, scrutinises our decisions and produces an annual report which measures the Fund's progress against its social objective.

Social Investment Criteria

The Fund invests 90% of its assets in bonds that meet the Social Investment Criteria (what the fund invests in and its exclusions).

What the Fund invests in – The Social Rating Methodology

- We assess bonds considered for investment using our Social Rating Methodology. Each bond is assessed for its potential to deliver a positive social outcome in one of the target areas above, for example by funding the development of social housing or care homes to create affordable housing.
- Factors considered in the rating assessment include: how the proceeds from a bond are used (if the proceeds are ringfenced for social projects the social impact is higher); who or what benefits from the bonds proceeds (if the proceeds support the provision of essential energy access benefiting the general population, rather than targeted to vulnerable groups, the social impact is lower).
- Overall, this process generates an individual rating from **A1 (highest social impact) to C4 (lowest social impact)** for every bond. Any bond that does not achieve a rating, or whose rating falls below C4, will not be held in the Fund and will be sold in line with the manager's escalation plan.

What the Fund will not invest in – Exclusion Criteria

- The Fund excludes bonds issued by companies involved in certain activities that conflict with the social objective of the Fund, **including tobacco, alcohol, weapons, gambling, adult entertainment, fossil fuels, and issuers that breach international standards of conduct**, including the United Nations Global Compact. Some exceptions apply to issuers where the use of proceeds are ringfenced for social or sustainable projects (Green, Social or Sustainability bonds).





Full details of the Funds exclusion policy, including any thresholds or permitted exceptions, are set out in full on our [website](#).

Engagement

- We seek opportunities to engage with issuers to better understand, educate and positively influence their social impact, for example, by issuing bonds that target specific social outcomes and underserved populations and report on their outcomes. We actively encourage the issuance of Green, Social and Sustainability bonds both individually and collectively.

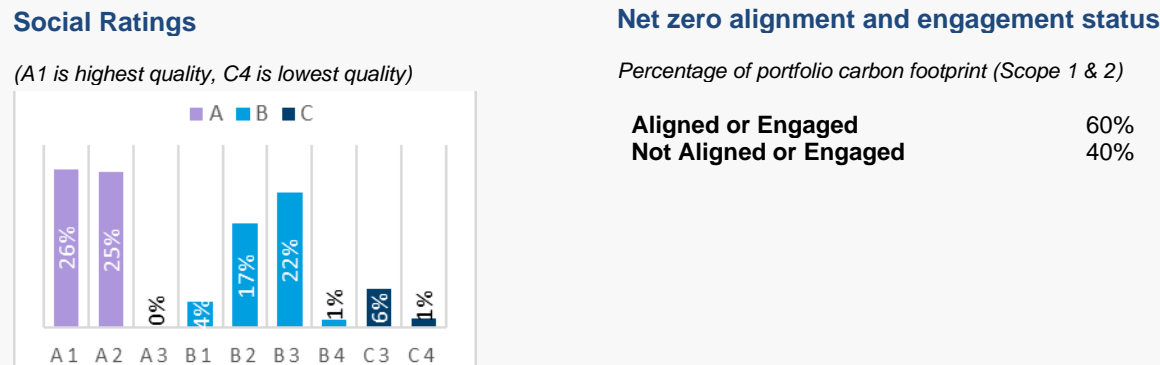
Net Zero Asset Managers Initiative (NZAMI)

As a member of the Net Zero Asset Managers Initiative, the Fund has committed to an ambition to reach net zero emissions by 2050 or sooner. Our focus is on real-world decarbonisation, using stewardship to encourage companies to align to a net zero future.

			
Company assessment	Net zero stewardship	Portfolio assessment	Coal exclusions
<div>> We rate companies in their alignment to a net zero pathway, using an internal tool.</div> <div>> We aim for companies representing >70% of portfolio emissions to be either rated as “aligned” to net zero, or under engagement.</div>	<div>> We engage with laggard or high-impact companies on climate objectives, seeking to encourage improvement.</div> <div>> We sell when minimum expectations are not met.</div>	<div>> We compare the fund’s carbon emissions with net zero-aligned trajectory.</div> <div>> We use the benchmark emissions in 2019 and apply a 50% reduction by 2030.</div> <div>> This is a reference pathway to track progress, not a binding target.</div>	<div>> Companies with >30% revenues from coal or investing in new coal infrastructure.</div>

Sustainability metrics

Below is a summary of the metrics we use to measure the sustainability characteristics of the fund:



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More information:

The Prospectus (which contains more information about this Fund), together with the Key Investor Information Document (KIID) can be found on our website: [Link](#)

Other information about the Fund, including information about available share classes and the fees and charges associated with investing can be found here: [Link](#)