

Supplementary Responsible Investment Information

Article 10 – SFDR Website Disclosure

CT (Lux) Global Social Bond

April 2025¹

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Summary

The fund is classified as Article 9, and so has a sustainable investment objective. It specifically promotes positive social outcomes by investing in bonds that are considered to support or fund socially beneficial activities and development.

The fund invests in bonds that positively contribute to one or more of the areas of social outcome set out in this document. These are based on the social hierarchy of needs approach, whereby “primary” social needs such as housing are foundational and supersede more general social needs. The social outcomes are also aligned to the UN Sustainable Development Goals (SDGs), as the core global set of priorities for social and sustainable development

We use a proprietary categorisation and rating model (the “Social Rating Methodology”) to carry out a detailed assessment of the bond’s contribution to the social objective pursued by the fund. We only selects bonds that are rated as social investments for inclusion in the fund’s portfolio.

Exclusion of companies that do not align with the social outcomes promoted by the fund: We exclude controversial weapons firmwide and companies that derive revenue above set thresholds from industries such as tobacco and thermal coal and companies that we determine to be in breach of accepted international standards and principles.

We then select bonds based on credit analysis, and our analysis of the social characteristics of each potential investment. The social assessment process is undertaken by the social bond team but is also reviewed by our independent social partner The Good Economy, an organisation specialising in impact investment. The Good Economy provide assistance in assessing and reporting on the social outcomes of the fund and providing research on trends and practices relating to impact investment.

Sustainable investment: we commit to investing only in bonds that are socially sustainable and are considered to support socially beneficial activities and development.

Principal Adverse Impacts: we proactively consider the principal adverse impacts of investment decisions we make for the fund. We demonstrate this through our research on and engagement with companies on environmental sustainability indicators relating to decarbonisation and biodiversity, and social factors such as board gender diversity and discrimination. The fund also applies exclusions that correspond to sustainability indicators relating to fossil fuel exposure, global norms and controversial weapons.

Net Zero alignment: we are signatories to the Net Zero Asset Managers Initiative (NZAMI) and have committed to an ambition, in partnership with our clients, to reach net zero emissions by 2050 or sooner for a range of assets, including this fund. To progress this, we prioritise certain companies held in the fund for active engagement to improve their net zero alignment status as well as applying a coal exclusion policy.

Engagement: we engage with management, aiming to influence companies’ approach to ESG risks and practices, in areas such as carbon emissions, board independence and diversity in line with our Responsible Investment Engagement Policy.

Good governance: all companies in an Article 9 fund must follow good governance practices. We have developed a model which flags poor practices and potential controversies. We also conduct our own assessment before investing and review governance practices continually on all stocks held.

Other investments may include cash and cash equivalent assets, and derivatives for hedging purposes, and these investments are not counted when assessing the socially sustainable profile of the fund.

For further information on these requirements please refer to the SFDR RTS Annex of the fund's prospectus.

Monitoring of socially sustainable characteristics; Methodologies; Data Sources and processing; Limitations to methodologies and data; Due Diligence

Monitoring is a crucial part of our investment activities, performed at several stages during the investment process, by the investment teams and by independent oversight groups. All investment team members have continual access to portfolio data for their own monitoring and the Investment Consultancy & Oversight Group ensure managers adhere to their stated philosophy and process, including ESG elements. The mandate compliance team ensures the fund is managed within its investment objectives and restrictions. A Social Advisory Panel (SAP) has been set up to advise on and monitor the application of the fund's social criteria. The SAP review, discuss, and challenge the social bond assessments to ensure the social intensity and intentionality is maintained.

Transparency of outcomes and impact is a core part of our commitment. As well as quarterly client reporting, we report on the impact of our fund annually through a report undertaken by our social partner, The Good Economy.

We use MSCI data to help us identify controversies and data from the Climate Bonds Initiative to assist with our analysis of the use of proceeds of the bonds. While there may be errors or gaps in ESG data, we have stringent data quality control checks in place to minimise them, and supplement data with our own research and analysis.

As part of that research, we seek to engage with issuers to gather information and encourage best practice. We engage to better understand and positively influence their social value. We actively encourage issuance of Green, Social and Sustainability bonds.



No significant harm to the sustainable investment objective

The fund screens out bonds from issuers that derive revenue above specific thresholds from industries or activities that offer minimal social benefits or have a high risk of negative outcomes on society and/or the environment. The manager assesses bonds against the fund's exclusion criteria to determine whether an issuer is harming environmental and/or social themes such as climate transition, controversial weapons, and breaches of the United Nations Global Compact.

Principal adverse impacts are also considered as part of the do not significant harm test and we will further disclose the principal adverse sustainability indicators in Annex I (table 1 and table 3 for the indicators on incidents of discrimination, average freedom of expression score and average corruption score) of the RTS of the SFDR.

Investments which are reported as social investments have been assessed to ensure they do not significantly harm (DNSH) sustainability objectives using an in-house data driven model and investment team due diligence.

The model identifies harm by using a quantitative threshold against a selection of principal adverse impact indicators. Issuers which fall below these thresholds are flagged as potentially harmful. This is then considered taking account of the materiality of the harm, whether harm has or is occurring, and whether mitigating activities are underway to address harm. Where data is not available, investment teams endeavour to satisfy that no significant harm has taken place by deploying their best efforts to obtain the information by carrying out additional research or making reasonable assumptions through desk-based research or engagement with the management team of the company.

The sustainable investments the fund makes are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.



Sustainable investment objective

The sustainable investment objective of the Portfolio is to provide positive social outcomes by investing in bonds that are considered to support or fund socially beneficial activities and development.

The fund invests in bonds that positively contribute to one or more of the areas of social outcome below. These are based on the social hierarchy of needs approach, whereby “primary” social needs such as housing are foundational and supersede more general social needs. The social outcomes are also aligned to the UN Sustainable Development Goals (SDGs), as the core global set of priorities for social and sustainable development

We use a proprietary categorisation and rating model (the “Social Rating Methodology”) to carry out a detailed assessment of the bond’s contribution to the social objective pursued by the fund. We only select bonds that are rated as social investments for inclusion in the fund’s portfolio.

Social Outcome Category	Primary SDG	Areas of Social Outcome
Primary Social Needs	Sustainable Cities and Communities	Affordable Housing e.g. Social bonds (housing focus)
Basic Social Needs	Good Health and Well Being	Health and Welfare e.g. Health services
Social Enabling	Quality Education	Education and Training e.g. Printing and publishing
Social Empowerment	Decent Work and Economic Growth	Employment e.g. Retail
Social Enhancement	Sustainable Cities and Communities	Community e.g. Social bonds (community focus)
Social Facilitation	Reduced Inequalities	Access to Services e.g. Financial services (socially focused)
Societal Developments	Industry, Innovation and Infrastructure	Economic Regeneration and Development e.g. Green bonds

We exclude bonds from issuers that derive revenue above specific thresholds from industries or activities that it considers offer minimal social benefits or have a high risk of negative outcomes on society and/or the environment. We also exclude bonds that breach accepted international standards and principles of governance as we determine such as, but not limited to, the United Nations Global Compact, the International Labour Organization Labour Standards, the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, and the United Nations Guiding Principles on Business and Human Rights.

We engage with issuers to enhance the fund's social focus and standards. As bondholders, we actively seek opportunities to engage with issuers to better understand and positively influence their social value.



Investment strategy

The fund is actively managed and seeks to achieve a total return from income and capital appreciation by investing in bonds that are considered to provide positive social outcomes by supporting or funding socially beneficial activities and development, as assessed by the Social Rating Methodology

We action our social investment thesis throughout our investment process with the following steps:

1. Social Rating Methodology

To be eligible for investment, each bond must positively contribute to one or more of the 7 areas of social outcome (set out above). Under the methodology, the social characteristics of each bond are assessed and each investment is categorised according to its level of impact and given a social rating.

- (i) We identify the social intentionality and purpose of the use of a bond's proceeds and the bond is categorised according to its level of impact as:
 - an impact investment where a bond's use of proceeds has a clear social objective

- an investment with impact, where a bond's use of proceeds does not have a clear social objective, but where positive social benefit is nonetheless identifiable
- development finance where a bond's use of proceeds supports investments in infrastructure and economic development for positive social contribution

otherwise the investment is considered general financing and is not eligible for investment by the fund; and

- (ii) we assesses the intensity of a bond's social focus by scoring each bond against 9 indicators (such as the bond's ability to tackle deprivation by assessing the target population and region) to produce an overall rating of minor, moderate, good or strong. Any bond rated, or whose rating falls below, minor is subject to review and may be re-categorised as general financing and therefore no longer eligible to be held by the fund.

The categorisation and ratings are then used to construct the portfolio.

2. Exclusions: revenue thresholds

We do not invest in issuers which derive revenue from industries or activities above specific thresholds where we consider that those industries or activities offer minimal social benefits or which represent a high risk of negative outcomes on society and/or the environment, such as those set out in the table below.

In addition, we will not invest in bonds from issuers which are funding new thermal coal mining or power generation facilities.

However, an investment may be made in bonds that have ring fenced or specific use of proceeds, such as Green, Social or Sustainability bonds, from an issuer that would otherwise be excluded under the revenue threshold exclusions above. Investment in bonds issued by governments is only permitted via Green, Social or Sustainability Bonds.

Activity	Revenue threshold
Fossil fuels	>5% revenue from coal (including sales and transportation), nuclear, oil & gas (conventional and unconventional) and power generation. >10% CapEx dedicated to excluded activity >15% dedicated to contributing activities
Adult Entertainment and Gambling	>5% of sales
Alcohol	No producers; >5% of sales
Tobacco	No producers; >1% of sales
Weapons	Zero tolerance for controversial weapons

3. Exclusions: breach of international standards

We exclude issuers that breach accepted international standards and principles as determined by the Sub-Advisor, such as, but not limited to, the United Nations Global Compact, the UN International Labour Organization Labour Standards, the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights.

The fund complies with the Paris-aligned Benchmark exclusions contained in Article 12 (1) (a)-(c) of Article 12(1)(a)-(g) of Commission Delegated Regulation (EU) 2020/1818), otherwise referred to as the Climate Transition Benchmark exclusions.

4. Engagement

We are keen to ensure that the negative social impacts of the net zero transition are minimised, and aim to confront these challenges by actively engaging with issuers on this topic to promote inclusive growth. After a period of engagement, we will review the bonds issued by companies with a material climate change impact which have a poor low-carbon transition strategy or which are not sufficiently addressing the social consequences of transition (unless these bonds are specifically funding sustainable or social projects).

Columbia Threadneedle Investments is a signatory to the Net Zero Asset Managers Initiative (NZAMI) and has committed to an ambition to reach net zero emissions by 2050 or sooner for a range of assets, including the fund as part of its social objective.



Good governance

We conduct a pre-investment good governance assessment and ongoing post-investment review of governance practices on all investee companies. We use third-party data to assess a company's governance practices and supplement this with our fundamental research.

Pre-investment: We assess all issuers before investment. We may engage with a company to better understand or to encourage improvements relating to any flagged issues. If, however, we conclude that the issuer demonstrates poor governance practices, we will not invest in its securities.

Post-investment: Issuers are monitored on an ongoing basis to confirm that there has been no worsening of their governance practices. If any issues are flagged, we may engage with the company to better understand the issue as part of our good governance assessment. However, where it is considered that the company no longer demonstrates good governance practices, the securities will be sold as soon as practicable.

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

1. **Board structure:** including board and key committee composition, diversity and inclusion, and commitments and policies.
2. **Compensation:** including pay-for-performance, use of equity, non-executive pay, and termination practices.
3. **Employee relations:** including compliance with labour standards, such as child labour, discrimination, and health and safety.
4. **Tax quality:** including tax reporting and corporate tax gap.

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.



Proportion of investments

All debt securities are subject to the application of the Social Rating Methodology and are therefore considered to be socially sustainable investments. They are also subject to the exclusion policy, ensuring minimum environmental and social safeguards are in place for all debt securities held by the fund.

Other investments may include cash and cash equivalent assets, and derivatives for hedging purposes (complex instruments for reducing risk), and are not counted when calculating the social profile of the fund or considered to be sustainable investments. In normal market conditions investment in liquid assets will not exceed 10% of the fund's net asset value.



Monitoring of the sustainable investment objective

Governance structures, monitoring mechanisms and reporting commitments are in place to evidence and ensure our ongoing social focus. 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 social bond investment teams. Additionally, the Investment Consultancy & Oversight Group ensure managers adhere to their stated philosophy and process, including ESG elements.

Key issues and assessments are discussed, on a quarterly basis at the Social Advisory Panel, chaired by a member of The Good Economy and comprised of 3 members nominated by The Good Economy, 2 members nominated by Columbia Threadneedle Investments, and at least 2 independent appointees.

In advance of each Social Advisory Panel, the social bond 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, we 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 social bond 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.

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Sovereigns & Supranationals 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 select government funding or national importance (e.g. charities and universities).

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, The Good Economy. In addition, we undertake quarterly reporting on the fund, including updates on the social rationale for new purchase and core ESG and/or engagement issues.



Methodologies

Sustainable Investments	<p>To be eligible for investment, each bond must positively contribute to one or more of the 7 areas of social outcome (set out above). Under the methodology, the social characteristics of each bond are assessed and each investment is categorised according to its level of impact and given a social rating.</p> <p>(i) We identify the social intentionality and purpose of the use of a bond’s proceeds and the bond is categorised according to its level of impact as:</p> <ul style="list-style-type: none">• an impact investment where a bond’s use of proceeds has a clear social objective• an investment with impact, where a bond’s use of proceeds does not have a clear social objective, but where positive social benefit is nonetheless identifiable
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	<ul style="list-style-type: none"> • development finance where a bond's use of proceeds supports investments in infrastructure and economic development for positive social contribution <p>otherwise the investment is considered general financing and is not eligible for investment by the fund; and</p> <p>(ii) we assesses the intensity of a bond's social focus by scoring each bond against 9 indicators (such as the bond's ability to tackle deprivation by assessing the target population and region) to produce an overall rating of minor, moderate, good or strong. Any bond rated, or whose rating falls below, minor is subject to review and may be re-categorised as general financing and therefore no longer eligible to be held by the fund.</p> <p>The categorisation and ratings are then used to construct the portfolio.</p>
Do no significant harm (DNSH)	<p>To ensure that a company does not significantly harm (DNSH) an environmental or social objective, we assess and monitor investee companies against all the mandatory Principal Adverse Impact (PAI) indicators and certain voluntary PAIs. Using an in-house data driven model we have set quantitative thresholds against a selection of PAI indicators to flag certain harms caused by a company. These thresholds take into account the materiality of an indicator for a given industry or sector and what may constitute poor practices in relation to the indicator. Companies falling below the set thresholds are then subject to a qualitative assessment to determine whether they have caused "significant harm". This review is undertaken by the Investment Team or Responsible Investments Team and considers the materiality of the harm and whether mitigating activities are underway to address the issues. Companies that are not covered by the in-house model owing to data gaps are also subject to a qualitative assessment where either the Investment Team or Responsible Investments Team evaluate whether significant harm has been caused using fundamental research.</p>
Net Zero alignment	<p>Our NZAMI commitment and the implementation of our net zero methodology may have the following impacts on the fund:</p> <p>(i) An immediate coal divestment and exclusion policy, covering companies that derive over 30% of their revenue from coal or that develop new coal mines/power;</p> <p>(ii) Divestment of the highest-emitting companies that may be held in the fund, if these have been subject to a prolonged period of engagement and still fail to meet our minimum standards and expectations.</p> <p>We aim for at least 70% of the carbon footprint of the fund in any given year to be either classed as "aligned" in our proprietary net zero tool, or be engaged on climate change. We count issuers as engaged if they have been engaged on climate change in the last two years by our internal teams, or if they are engaged by the Climate Action 100+ collaborative engagement initiative that we are members of (even if we do not engage them directly ourselves).</p>

	Our detailed methodology for this tool is available on our website, and the tool follows the Net Zero Investment Framework.
Exclusions	<p>The fund excludes companies that breach certain international standards or derive revenue above set thresholds from industries that are not aligned with the fund's sustainable investment objective. These exclusions are coded into our portfolio order management systems and are monitored on a pre-trade and post-trade basis.</p> <p>The fund complies with the Paris-aligned Benchmark exclusions contained in Article 12 (1) (a)-(c) of Article 12(1)(a)-(g) of Commission Delegated Regulation (EU) 2020/1818), otherwise referred to as the Climate Transition Benchmark exclusions.</p>



Data sources and processing

To identify the sustainable characteristics of the fund we use external data sources and supplement this with our internal engagement research and engagement. We use MSCI data to help us identify controversies and data from the Climate Bonds Initiative to assist with our analysis of the use of proceeds of the bonds. We use an evidence-based approach so use varied data and information when assessing each bond.

Our data quality framework includes validation checks and governance checks on models.

Data is processed through our operational framework. If the data is not available, we use our qualitative and quantitative assessment.

We have access to thousands of distinct datapoints, so cannot define the proportion of estimated data we use in our research.



Limitations to methodologies and data

We use external and internal research and data to support the strategy.

We assess data providers based on coverage, quality of their methodology, and we spot-check data quality. Errors may occur, so suppliers aim to address this via:

- Validation quality assurance
- Disclosure detection checks
- Checks for large variations or anomalies
- Data validation and constraints implemented on data input

The sustainable characteristics are not limited by data limitations as we supplement data through additional data providers and internal research.



Due diligence

Prior to any investment, the social bond investment team considers all bonds to give 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. Where possible we seek to engage with issuers at this stage to gather information and encourage best practice. The social assessment also highlights ESG or reputational risks which might impact the social credentials of the investment. In our assessment we draw on data provided by MSCI ESG Research, as well as the materiality framework of the Sustainability Accounting Standards Board (SASB).

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.

We also assess whether Green, Social or Sustainability bonds are subject to a Second Party Opinion, Climate Bond Certification, audit or similar.

The SAP will review, discuss and challenge the social bond assessments to ensure the social intensity and intentionality is maintained.



Engagement policies

Our Responsible Investment Engagement Policy outlines our approach to engagement, themes covered, and how we prioritise and escalate. Our engagement programme is executed through close collaboration by our active ownership analysts with fundamental research analysts and portfolio managers. Among other factors, we identify and prioritise issuers for engagement based on factors such as: the significance, probability of occurrence, and severity of adverse sustainability impacts; the assessment of impact of ESG risk and opportunity factors now and in the future; investment teams' and fundamental analysts' judgement and expertise; and the assessment of likelihood of engagement success. The engagement prioritisation process incorporates issuers flagged against Principal Adverse Impact indicators, and companies with a low score under our ESG Materiality Rating model. We may not necessarily engage with all issuers that have been flagged across the various factors.

We aim for constructive dialogue to support long-term returns by mitigating risk, capitalising on opportunities linked to ESG factors, and reducing material negative impacts of our investment decisions. We aim to play a part in a more sustainable and resilient global economy, by encouraging improved ESG practices. This can drive positive impacts for the environment and society, in line with the United Nations Sustainable Development Goals (SDGs).

When we engage, we focus on financial performance, sustainability risks and opportunities, operational excellence, capital allocation policies and managerial incentives. Collaboration across asset classes, and thematic and sectoral disciplines ensures an informed approach.

We will agree and set engagement objectives and timelines and use escalation strategies where appropriate, if companies do not demonstrate progress on matters that we believe are in our clients' best long-term economic interests. In considering engagement escalation strategies, we will make a case-by-case assessment of progress against our objectives and how companies respond to our engagement. We have at our disposal several different options for escalation, which include collaborative engagement, public statements and partial or complete divestment.

Engagement activity may also occur in response to unscheduled and controversial events, such as scandals or major environmental disasters linked to corporate operations. Our event-driven engagement also occurs in reaction to potential issuer breaches of global standards, such as the OECD guidelines for multinational enterprises or the UN Global Compact.

Stewardship lies at the heart of our approach to net zero and we actively engage with certain companies within the fund to influence change and help to achieve improved net zero alignment status. We also conduct both company and portfolio level alignment analysis to assist with our investment decision-making process. Our aim is for the fund to hold at least 70% of its portfolio emissions in net zero aligned or engaged companies.



Attainment of the sustainable investment objective

The fund neither has a designated reference benchmark that is used to align with its sustainable investment objective, nor an objective to reduce carbon emissions.



Important Information. Information is provided in reference to Sustainable Finance Disclosure Regulation (Regulation (EU) 2019/2088) and may be subject to change, following new or updated Regulatory guidance or other changes. Please refer to the current fund prospectus or Investment management agreement for further details and all risks applicable to investing. The information provided in this document may not be reproduced in any form or passed on to any third party without the express written permission of Columbia Threadneedle Investments. This material should not be considered as an offer, solicitation, advice or an investment recommendation. This communication is valid at the date of publication and may be subject to change without notice.

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