

This product has some sustainability characteristics, which are explained below. It does not pursue a sustainability objective and does not meet the criteria for a sustainable investment label. As such, this product does not have a UK sustainable investment label. Sustainable investment labels help investors find products that have a specific sustainability goal.



Product identifier: 636758
2 December 2024

Threadneedle Investment Services Limited

CT Global Equity Income Fund

Sustainability approach



Investing in companies with good environmental, social and governance (ESG) practices

We use our research and engagement to identify and focus our investment in companies that have good ESG practices. Our ESG materiality (ESGM) rating model analyses company data and gives companies a rating of 1-5: companies that are rated 1-3 (high ratings) have less exposure to the most material ESG risks in their industry i.e. risks that are likely to have a significant effect on a company's value, such as human rights violations or physical impacts of climate change. Companies that have more exposure to these risks are rated 4 or 5.

■ **At least 50% of the Fund will be invested in companies with higher ESG materiality ratings.**

The other portion of the portfolio may be invested in companies rated 4 or 5 and we seek to engage with these companies to encourage better management of key ESG factors relevant to their business. However, we will not invest in these companies if they breach the exclusion criteria below, to ensure that the companies we invest in meet minimum ESG standards. Where data is unavailable, we may rate companies based on our own research.

■ **The Fund also aims to invest in more companies that have higher ratings, using our ESGM model, than its benchmark, the MSCI ACWI index, on a rolling 12-month basis.**



Avoiding investment in companies involved in activities that are harmful to the environment or society

The Fund does not invest in companies generating revenue from the following activities (above set thresholds)

- **tobacco production** (5%); **nuclear weapons** – indirect involvement (5%); **conventional weapons** – military, or civilian firearms (10%); **thermal coal** – extraction or power generation (30%), direct involvement in nuclear or **controversial weapons** or companies that engage in new **coal projects** (0%). All exclusion criteria are monitored daily by our compliance team.

The Fund does not invest in companies with poor governance practices or conduct

- Governance practices covering four areas, board structure, employee relations, remuneration or tax management, are assessed before investing and reviewed continually for all companies held, using data from external data providers to complement our own research.
- Companies that we determine have breached international standards of conduct including the United Nations (UN) **Global Compact, the International Labour Organisation on Labour Standards, UN Guiding Principles on Business & Human Rights.**



Engaging with companies to improve their ESG practices

To support and enhance the sustainability characteristics of the Fund, we seek to engage with companies on financially material ESG factors (i.e. factors that are likely to have a significant effect

on a company's value) most relevant to their business, such as human rights violations or physical impacts of climate change, as part of our firm-wide engagement programme.

Net Zero Approach

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

- We rate companies in their alignment to a net zero pathway, using an internal tool.
- We aim for companies representing >70% of portfolio emissions to be either rated as “aligned” to net zero, or under engagement.



Portfolio assessment

- We compare the fund’s carbon emissions with net zero-aligned trajectory.
- We use the benchmark emissions in 2019 and apply a 50% reduction by 2030.
- This is a reference pathway to track progress, not a binding target.



Net zero stewardship

- We engage with laggard or high-impact companies on climate objectives, seeking to encourage improvement.
- We sell when minimum expectations are not met.



Coal exclusions

- Companies with >30% revenues from coal or investing in new coal infrastructure.

Sustainability metrics

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

ESGM Rating

(1 is highest quality, 5 is lowest quality)

Portfolio	2.37
Benchmark	2.45
Relative	+0.08
Portfolio coverage	93.12%
Benchmark coverage	96.62%

Allocation by ESGM rating

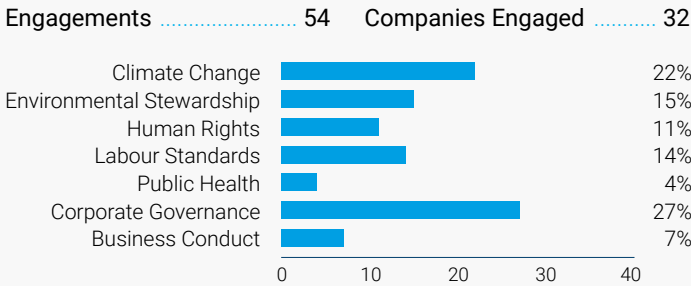
78.38% of the portfolio is invested in companies with an ESGM rating of 1-3.

Net zero

In our next report, we will publish relevant metrics showing progress towards the Fund’s net zero ambition.

Produced by Columbia Threadneedle Investments as at 30 September 2024. The information in this document is provided to you for information purposes, is subject to change without notice and is not indicative of future portfolio characteristics. Third party data may be subject to limitations in respect of its accuracy and / or completeness.

Annual engagement summary



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

To find out more visit columbiathreadneedle.com

