

Threadneedle (Lux)
Société d'Investissement à Capital Variable
Registered Office: 31, Z.A. Bourmicht, L-8070 Bertrange
Grand Duchy of Luxembourg
R.C.S. Luxembourg B 50 216
(the “**SICAV**”)

NOTICE TO THE SHAREHOLDERS OF

THREADNEEDLE (LUX) – PAN EUROPEAN ESG EQUITIES
THREADNEEDLE (LUX) – EMERGING MARKET ESG EQUITIES
THREADNEEDLE (LUX) – EUROPEAN SOCIAL BOND

(THE “PORTFOLIOS”)

IMPORTANT

19 March 2021

Dear Shareholder,

Important information: Clarification relating to the application of non-financial selection criteria

As you are an investor in one or more of the Portfolios listed above, we are writing to inform you that we are clarifying the extent to which the investment manager of the Portfolios (the “Sub-Adviser”) applies non-financial selection criteria to investments in the Portfolios, by making an additional disclosure in the Investment Objectives and Policies section of the Prospectus.

The additional disclosures provide further information on the investment guidelines that currently apply to the Portfolios. The way in which the Portfolios are managed will not change. These additional disclosures are intended to meet the minimum standards introduced by the financial regulator in France, the Autorité des Marchés Financiers (“**AMF**”) where the Portfolios are marketed. Compliance with these standards ensures that the Portfolios can be or continue to be marketed to investors in France.

For any capitalised terms below that we do not specifically define, please refer to the definition in the Prospectus.

What is changing?

Additional wording has been added to the Investment Objective and Policy of each Portfolio stating that the non-financial selection criteria employed by the Sub-Advisor applies to at least 90% of the total net assets of the Portfolio excluding ancillary liquid assets. The relevant extracts from the Prospectus are set out in the table below, with the changes highlighted in bold italics.

Portfolio	Current (extract)	Revised (extract)
Pan European ESG Equities	ESG Investment Guidelines	ESG Investment Guidelines
Emerging Market ESG Equities	The Sub-Advisor’s environmental, social and governance (“ESG”) investment criteria for the Portfolio are set out in its ESG Investment Guidelines, which may be amended from time-to-time. These are specific to the Portfolio and are over and above the Sub-Advisor’s own normal ethical practices.	The Sub-Advisor’s environmental, social and governance (“ESG”) investment criteria for the Portfolio are set out in its ESG Investment Guidelines, which may be amended from time-to-time. These are specific to the Portfolio and are over and above the Sub-Advisor’s own normal ethical practices.

	<p>The Portfolio's ESG Investment Guidelines are available on request.</p> <p>The key components to the ESG Investment Guidelines are as follows:</p> <ol style="list-style-type: none"> 1. ESG exclusion screening, which aims to exclude companies that are unable to satisfy the ESG Investment Guidelines from time to time. By way of example, it may seek to exclude companies where a significant element of the business revenue is derived from activities such as the manufacture of controversial weapons, tobacco, gambling services, or companies that breach accepted international standards and principles; 2. Companies that do not satisfy this exclusion screening may be assessed as suitable for investment by the Portfolio, if in the opinion of the Sub-Advisor, they are clearly demonstrating improving ESG characteristics. By way of example, this may include companies that are actively reducing their share of business revenue derived from the type of activities described above. 	<p>The Portfolio's ESG Investment Guidelines are available on request.</p> <p>The key components to the ESG Investment Guidelines are as follows:</p> <ol style="list-style-type: none"> 1. ESG exclusion screening, which aims to exclude companies that are unable to satisfy the ESG Investment Guidelines from time to time. By way of example, it may seek to exclude companies where a significant element of the business revenue is derived from activities such as the manufacture of controversial weapons, tobacco, gambling services, or companies that breach accepted international standards and principles; 2. Companies that do not satisfy this exclusion screening may be assessed as suitable for investment by the Portfolio, if in the opinion of the Sub-Advisor, they are clearly demonstrating improving ESG characteristics. By way of example, this may include companies that are actively reducing their share of business revenue derived from the type of activities described above. <p><i>The Sub-Advisor will apply these non-financial selection criteria to at least 90% of the total net assets of the Portfolio excluding ancillary liquid assets, and will use measurement methods such as responsible investment rating and exclusion screening to ensure that the Portfolio's ESG profile exceeds that of the index.</i></p> <p><i>The Portfolio is categorised as one that promotes environmental or social characteristics under EU Regulation 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR), and does not have a "sustainable investment" objective as defined by SFDR.</i></p>
European Social Bond	<p>Overview of the investment and assessment processes</p> <p><u>Investment process</u></p> <p>The Sub-Advisor will select the debt securities based on credit analysis and the social rating and categorisation produced under the Social Rating Methodology. The Social Rating Methodology is a proprietary categorisation and rating model developed by the Sub-Advisor, which analyses the social characteristics of each potential investment. Under the methodology, each investment will be analyzed under a two-stream process that:</p> <ol style="list-style-type: none"> (i) assesses the broad social intensity and intentionality associated with the use of a bond's proceeds, to categorize it as either an impact investment, an investment with impact, as development finance or as being general financing; (ii) applies a three stage assessment model that examines and scores nine aspects of the focus and social outcomes attributable to a bond, across fields of social development such as 	<p>Overview of the investment and assessment processes</p> <p><u>Investment process</u></p> <p>The Sub-Advisor will select the debt securities based on credit analysis and the social rating and categorisation produced under the Social Rating Methodology. The Social Rating Methodology is a proprietary categorisation and rating model developed by the Sub-Advisor, which analyses the social characteristics of each potential investment. Under the methodology, each investment will be analyzed under a two-stream process that:</p> <ol style="list-style-type: none"> (i) assesses the broad social intensity and intentionality associated with the use of a bond's proceeds, to categorize it as either an impact investment, an investment with impact, as development finance or as being general financing; (ii) applies a three stage assessment model that examines and scores nine aspects of the focus and social outcomes attributable to a bond, across fields of social development such as

	<p>affordable housing, health and welfare, education, employment, access to services and economic regeneration and development, to derive a numerical score that, subject to a de-minimis threshold, produces a social rating of minor, moderate, good or strong. A bond rated as, or whose rating falls, below the de-minimis threshold is subject to review and re-categorization as general financing.</p> <p>The categorization and ratings are then used by the Sub-Advisor in constructing the Portfolio.</p>	<p>affordable housing, health and welfare, education, employment, access to services and economic regeneration and development, to derive a numerical score that, subject to a de-minimis threshold, produces a social rating of minor, moderate, good or strong. A bond rated as, or whose rating falls, below the de-minimis threshold is subject to review and re-categorization as general financing.</p> <p>The categorization and ratings are then used by the Sub-Advisor in constructing the Portfolio.</p> <p><i>The Sub-Advisor will apply these non-financial selection criteria to at least 90% of the total net assets of the Portfolio excluding ancillary liquid assets, and will use measurement methods such as responsible investment rating and social outcome-based exclusion screening to ensure that the Portfolio's ESG profile and exposure to social outcome themes exceeds that of the index.</i></p> <p><i>The Portfolio is categorised as one that promotes environmental or social characteristics under EU Regulation 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR), and does not have a "sustainable investment" objective as defined by SFDR.</i></p>
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What do I need to do?

You don't need to do anything as a result of this change, which does not result in a change to the way in which the Portfolios are managed.

What can I do if I disagree with the change?

Shareholders are free to redeem their shares in the Portfolios, or switch their shares into shares of an alternative Portfolio of the SICAV, by submitting a written request to the Registrar and Transfer Agent: International Financial Data Services (Luxembourg) S.A.. Such redemption or exchange requests will be processed in the normal manner in accordance with the "Redemption of Shares" section of the Prospectus. Contact details for International Financial Data Services are available on our website **columbiathreadneedle.com**.

We are unable to provide financial or tax advice and we therefore suggest that you seek professional advice about potential tax implications.

Additional information

If you have any other questions regarding this notice, please speak to your financial adviser.

Yours faithfully,

The Board