

CT Sustainable Opportunities Global Equity Strategy

2023

Sustainability Profile



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The CT Sustainable Opportunities Global Equity Strategy is part of a wider range of sustainability-focused global equity products that follow our Avoid, Invest, Improve framework.

Investment philosophy

 **Avoid**

We have a set of exclusion criteria setting threshold standards to avoid investment in socially or environmentally damaging products or unsustainable business practices.

 **Invest**

We invest in companies providing sustainable solutions and/or companies making a positive contribution to society and/or the environment.

 **Improve**

We engage with investee companies on significant ESG issues with most relevance to their business, to reduce risk, improve performance, encourage the adoption of best practices and underpin long-term investor value. We believe that this active ownership is part of our duty as an investor acting in the best interests of our clients, and as a participant in the global financial system.

Key Facts

- Committed to achieve net zero emissions by 2050 or sooner.
- The benchmark is the MSCI World Index.

Key risks

- The value of investments and any income from them can go down as well as up and investors may not get back the original amount invested.
- Screening out sectors or companies may result in less diversification and hence more volatility in investment values.

2023

in focus

2023 was certainly a year of change: as ever, global equity markets exhibited their ability to turn on a dime. This year, with astonishing rapidity, investors shrugged off the gloom of 2022 and embraced risk, confident that radical central bank action has tamed inflation, and that at some point central bank rates will fall. That confidence drove the MSCI World Index up almost 20%.

Equally, we saw change within our sustainable investing line-up, complementing our long-standing CT Sustainable Opportunities Global Equity Strategy with a more defensive sister strategy, the CT Sustainable Global Equity Income Strategy, in order to provide clients with greater diversification across their sustainable investment allocations. If you would like further information on this new Strategy, please get in touch or [visit our website](#).

Another tough year for the world

Sustained high rates of inflation, particularly in the prices of key items crucial for survival – food, energy, and shelter costs – have hit those in the lowest income demographics hard by what has been termed a “cost of living” crisis. Meanwhile, rising global conflict, including a new war in the Middle East, contributed to a sharp rise in the number of people displaced.

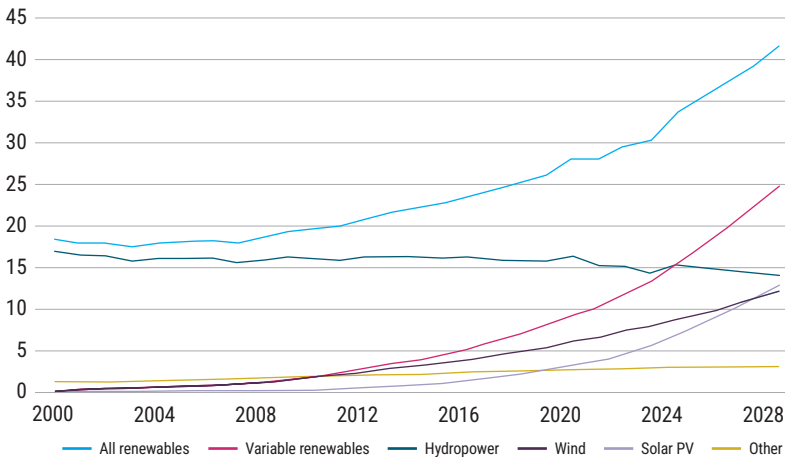
The environment didn’t fare much better. Global temperatures hit new highs, leading to record-breaking heat waves, drought, and an unusually strong cyclone season around the world. And instead of cutting our fossil fuel consumption, and in turn carbon emissions, both reached new highs driven by the world’s insatiable demand for energy.

But there were also reasons to be optimistic. Per a recent IEA report¹, although global emissions rose in 2023, led by emerging economies such as China and India, advanced economies hit a tipping point in their energy transition. This has been driven by dual targets of decarbonisation and energy security and supported by government policies such as the Inflation Reduction Act (IRA) in the US. For the first time, emissions in developed economies decoupled from their economic growth, with 2023 GDP up 1.7%, whilst carbon emissions dropped 4.5%, the key driver being shifts in power supply with more than 50% of energy production in this region now from renewables and nuclear.

¹ CO₂ Emissions in 2023, International Energy Agency, 2024

In addition, the 28th United Nations Conference of the Parties (COP) climate summit held at the end of the year was the first COP to agree on transitioning away from fossil fuels in energy systems. We expect the demand for power to grow strongly over the next decade, something we delve into more deeply later in this report, which makes the shift towards clean energy even more imperative if we are to limit our future environmental impact.

Solar and Wind forecast to account for 25% of global electricity generation by 2028 vs 13% in 2023



Source: IEA, 2024



25%
of global electricity
generation forecasted
to be solar and wind
sources by 2028.

Sustainable innovation prevailed

Sustainable innovation was also on clear display over the year, including from many of our holdings, supporting a return of secular growth themes driving market performance.

Obesity treatments from one of our significant Strategy holdings, **Eli Lilly**, has delivered stronger and broader health outcomes than initially expected, helping to deliver strong health outcomes and financial returns for these companies. Robotic surgeries meanwhile continue to take share from traditional methods of surgical procedures, helping drive improved healthcare outcomes for patients – and to the benefit of surgical robotics market leader and portfolio holding **Intuitive Surgical**.

Generative AI has proven transformative for the technology sector, spurring huge investment into the accelerated compute solutions and infrastructure necessary to support generative AI applications. While we are excited for the developments made possible by portfolio holdings such as **Nvidia** and **Taiwan Semiconductor Manufacturing Co (TSMC)**, we are perhaps more excited about the real-world applications of AI. Like the advent of computing or the invention of electricity before it, AI has the potential to dramatically transform the way we work and in turn deliver a much-needed boost to labour productivity (increased economic output per hour worked) at a time when much of the world is facing chronic labour shortages and ageing populations.

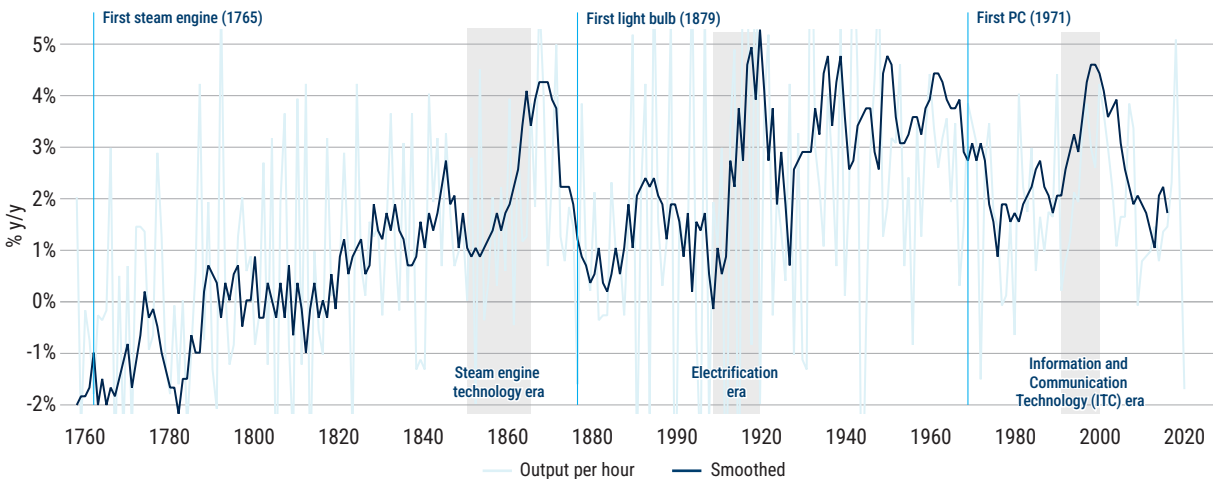
AI is also showing promise in supporting greater and more rapid innovation across many sectors, particularly in healthcare where it’s already being used to accelerate drug discovery, helping to drive costs down and deliver better patient outcomes. And although there are concerns around the environmental impact of generative AI, given how power-hungry the technology is, we are already seeing positive environmental innovation enabled by this new technology – whether that be in agriculture to improve crop yields or the optimising of energy generation for solar and wind farms. This supports our view that AI will ultimately be a net positive for the environment.

Thoughts for the future

It is tricky to predict with any certainty the path for global markets going forward as the world faces mounting geopolitical risks and a murky economic outlook. With more than 50% of the world’s population voting in elections in 2024, there are also risks of shifts in government environmental policies particularly regarding the climate transition. The US election poses the greatest risk to environmental policy as a Republican win under Trump could see a rolling back of Biden’s IRA and an exit from the Paris climate accord.

² Renewables 2023, International Energy Agency, 2024

The effect of technological advances on labour productivity (output per hour worked)



Source: Barclays and Institute for Business Value, January 2024

But the economics of renewable energy are increasingly attractive - for 75% of the world now, new wind and solar plants offer cheaper power than existing fossil fuel facilities². It now makes financial as well as environmental sense to diversify away from fossil fuels in our energy supply, something which politics cannot derail. And with US power demand on the rise, we’re seeing an acceleration in renewable investment in traditional “Red” states, such as Texas and Florida. This investment brings with it social and economic benefits which a Republican government will not want to derail.

We fundamentally believe that our sustainable themes are not just positive for the people and planet, but also incorporate some of the biggest secular growth investment themes in the market today, including two tectonic, multi-decade transitions in both our technology and global energy systems. We are excited for what our investments can deliver for the world going forward.



Nick Henderson

Director, Portfolio Manager, Global Equities




Portfolio changes during 2023

Discover the companies bought and sold during 2023, and our reasoning.


Q1

Buys



Advanced Drainage Systems


Theme: Resource efficiency
Helping to address the urgent need for water infrastructure rebuild, directly addressing water resource management.



Zoetis


Theme: Health & Wellbeing
Leading player in the global animal health market, with vaccines, medications and diagnostics improving the lives of companion animals and livestock, whilst also making food supply chains more resilient.

Sells



Crown Castle

Theme: Connect & Protect
Higher interest rate environment and operational challenges pose headwinds for this US towers business.



International Flavors & Fragrances

Theme: Health & Wellbeing:
Investment thesis drift and a lack of conviction in management's ability to execute on its strategy.


svb

SVB Financial

Theme: Sustainable Finance
Bank collapsed after duration mis-matching helped cause a run on the bank.


Q2

Buys



Mercado Libre

Theme: Digital empowerment
Providing online shopping and payments services in Latin America, aiming to improve access to commerce and financial inclusion for its customers and sellers..



CrowdStrike Holdings

Theme: Connect & Protect
Global leader in cloud-native cybersecurity, leveraging artificial intelligence to protect vital systems and data online.


ASML

ASML Holdings

Theme: Digital Empowerment
Netherlands semi-conductor manufacturer, enabling Moore's Law – describing the continual shrinkage in microchip size with minimal cost rise. Key to the production

of more powerful, energy-efficient microelectronics on which we are reliant and for data storage and processing.

Sells




PayPal Holdings

Theme: Sustainable Finance
Weaker moat in the face of intensifying competition in the online payments space.

Gen

Gen Digital

Theme: Connect & protect
More attractive stocks in the cybersecurity space with better long-term fundamentals and competitive moat.




Wolters Kluwer

Theme: Digital empowerment
Valuation less attractive and potential risk from AI disruption.

Q3

Buys




Zebra Technologies

Theme: Connect & protect
Provides digital solutions, hardware and software – at the heart of innovation trends in robotics, machine vision and automation – allowing companies to operate more efficiently.


11 buys

14 sells




Dexcom

Theme: Health & Wellbeing
Provides glucose monitoring systems, enabling diabetic patients to manage their condition more easily. Operates in a huge addressable market, with over 400m people worldwide living with diabetes.




Trane Technologies

Theme: Sustainable cities
US multi-industry company who are leaders in energy-efficient HVAC systems, improving efficiency in buildings, industrial processes and transportation.




Microsoft Corp

Theme: Digital empowerment
Leading technology company focused on business productivity, personal computing and cloud solutions.



Ecolab Inc


Theme: Health & well-being
Market leader in water and hygiene solutions - ensuring safe food, clean water, abundant energy and healthy environments.



Equinix


Theme: Connect & Protect
Operates one of the world's largest networks of data centres, facilitating smooth, safe and fast data storage and connectivity across a vast range of industries.

Sells




Intercontinental Exchange

Theme: Sustainable Finance
Outperformance reduced the valuation appeal and the sustainability credentials were assessed to be weaker.




Mettler-Toledo International

Theme: Health & well-being
Ongoing inventory adjustment and operational challenges, including in China.




Orsted

Theme: Energy transition
Waning conviction in management and additional US offshore impairments undertaken represent a break in our investment thesis.




Prudential

Theme: Sustainable Finance
Lack of momentum and weakness in its China exposed business lines.




Murata Manufacturing

Theme: Connect & protect
Low-priced Chinese competition beginning to undermine market share and pricing power for electronics into the Chinese auto and smartphone markets.




Shimano

Theme: Sustainable Cities
Higher conviction in other names, some ongoing inventory management and unconvinced of ebikes line on growth/ margin profile.



NetApp

Theme: Digital empowerment
Low growth and more compelling long term opportunities in peers with a clearer play on AI.



Americold Realty Trust

Theme: Resource efficiency
Concerns around slower food distribution velocity and better opportunities in the data centre REIT space.

9

10

Our climate commitment

During 2023, we continued to implement our net zero by 2050 commitment for the Strategy. The **methodology** we use to implement our net zero commitment is based on the Net Zero Investment Framework, developed by the Paris Aligned Investment Initiative.

The focus of our approach is on real-world change, using stewardship to encourage issuers to improve their own alignment to a net zero emissions future.

We compare the Strategy's overall carbon footprint³ (Scope 1 & 2 emissions) with a net zero aligned trajectory, based on taking the benchmark's end-2019 carbon footprint, and applying a 50% reduction by end-2029. Due to the limitations of looking at Scope 1 & 2 emissions in isolation, we view this data as a way to track progress rather than as a target,

and hope to see these measures reflect real-economy emissions cuts as our issuers take action.

As the chart demonstrates, the Strategy has already met that of the end-2029 trajectory. The figure has risen slightly from end-2022, which typically can be explained by market fluctuation and inflation, as this measure is expressed on a per- \$m invested basis. The materials sector is the largest contribution to the Strategy's carbon footprint, and chemicals company Linde and packaging company

Smurfit Kappa remain the largest contributors at the stock level.

Companies' net zero alignment

We use a selection of data sources to rate companies on their alignment to a net zero pathway including their targets, strategy, governance, and disclosure around net zero. This enables us to analyse portfolios and identify issuers in need of engagement.

Alignment status of portfolio companies by percentage weight of portfolio

18%

Aligned

Companies that have specific commitments, targets, and a clear strategy in place to meet net zero objectives by 2050 or sooner.

Examples: Microsoft, Schneider Electric and AstraZeneca

48%

Aligning

Companies that are progressing towards implementing sufficient commitments and targets to progress toward a net zero future.

Examples: Linde, Smurfit Kappa and TSMC

11%

Committed

Companies that have committed to net zero by 2050 or sooner but have not yet set a pathway or strategy to achieve their goals.

Examples: DSM-Firmenich, Advanced Drainage Systems and Hoya

15%

Not aligned

Companies that do not meet minimum expectations on climate strategy.

Examples: Bright Horizons, Cooper Companies and Zoetis. We note that these companies have a very limited contribution to the Strategy's carbon footprint.

7%

Not assessed

Companies that are not rated in the model. This includes financials and companies that are small and/or in sectors where climate change is less material.

Examples: HDFC Bank and MasterCard

Source: Columbia Threadneedle Investments, as at 31 December 2023

Engaging on net zero

During 2023, we engaged 14 companies on climate change, where specific dialogue on companies' net zero strategies featured often.

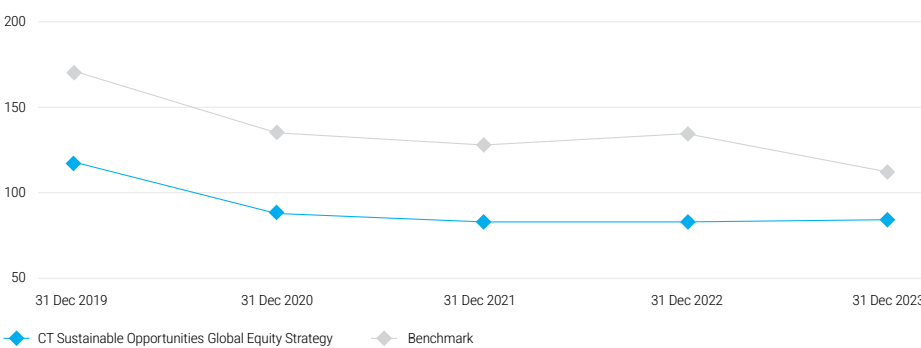
For example, we praised **Smurfit Kappa** for the step forward in its net zero transition disclosures, and highlighted a couple of areas for improvement, in particular around the process to identify strategic decarbonisation projects and the evaluation of the impact of physical risks on Smurfit's suppliers. During an engagement with **Zebra Technologies**, the company provided further insight into its decarbonisation strategy to meet its science-based target, which includes working with the Department of Energy to lower its energy use, and focusing on supplier engagement and production innovation to reduce energy use in the customer use phase, given that 85% of its emissions come from Scope 3. We are encouraged the company is planning to expand its climate engagement strategies beyond its tier 1 suppliers. Its supplier selection process has expectations regarding renewable energy, which it tracks progress against on a quarterly basis.

We recorded two Milestones related to climate change:

- **Hoya** improved its emissions reduction target, by setting set 2030 and 2040 goals in terms of absolute reduction. After its initial target was announced in 2021, we continued engaging Hoya because we found its target unambitious, and consider the new absolute reduction targets to be a significant improvement.
- **Smurfit Kappa** improved its decarbonisation strategy disclosures. This includes more details on its scenario analysis and improvements in the detail provided on its net zero transition plan. These have been focus areas for our engagement over the past two years, and we will continue to advocate for further improvements moving forward.

We still report the Strategy's carbon intensity in terms of its weighted average carbon intensity (WACI) as a reference – see the chart below:

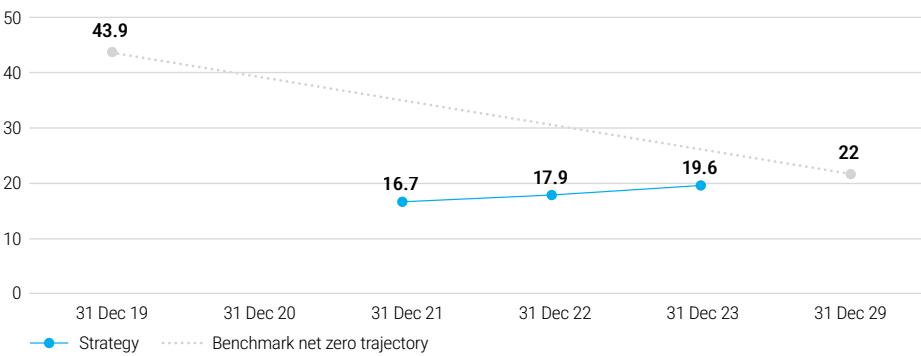
Scope 1 + 2 Intensity (tCO₂e/USD million sales)



Source: Columbia Threadneedle Investments and MSCI ESG, as at 31 December 2022. Strategy and benchmark figures for 31/12/2022 are based on our companywide Task Force on Climate-related Financial (TCFD) disclosures, which we transitioned to during 2023. All previous figures are derived from our previous Responsible Investment impact reporting system.

The Strategy's net zero trajectory

CO₂e/\$m invested



Source: Columbia Threadneedle Investments and MSCI ESG, 31-12-23. Data for the Strategy dates back to when we began reporting. Strategy figures for 31-Dec-22 and 31-Dec-23 uses our company-wide Task Force on Climate-related Financial Disclosures (TCFD) system data. All previous figures are derived from our previous Responsible Investment impact reporting system.

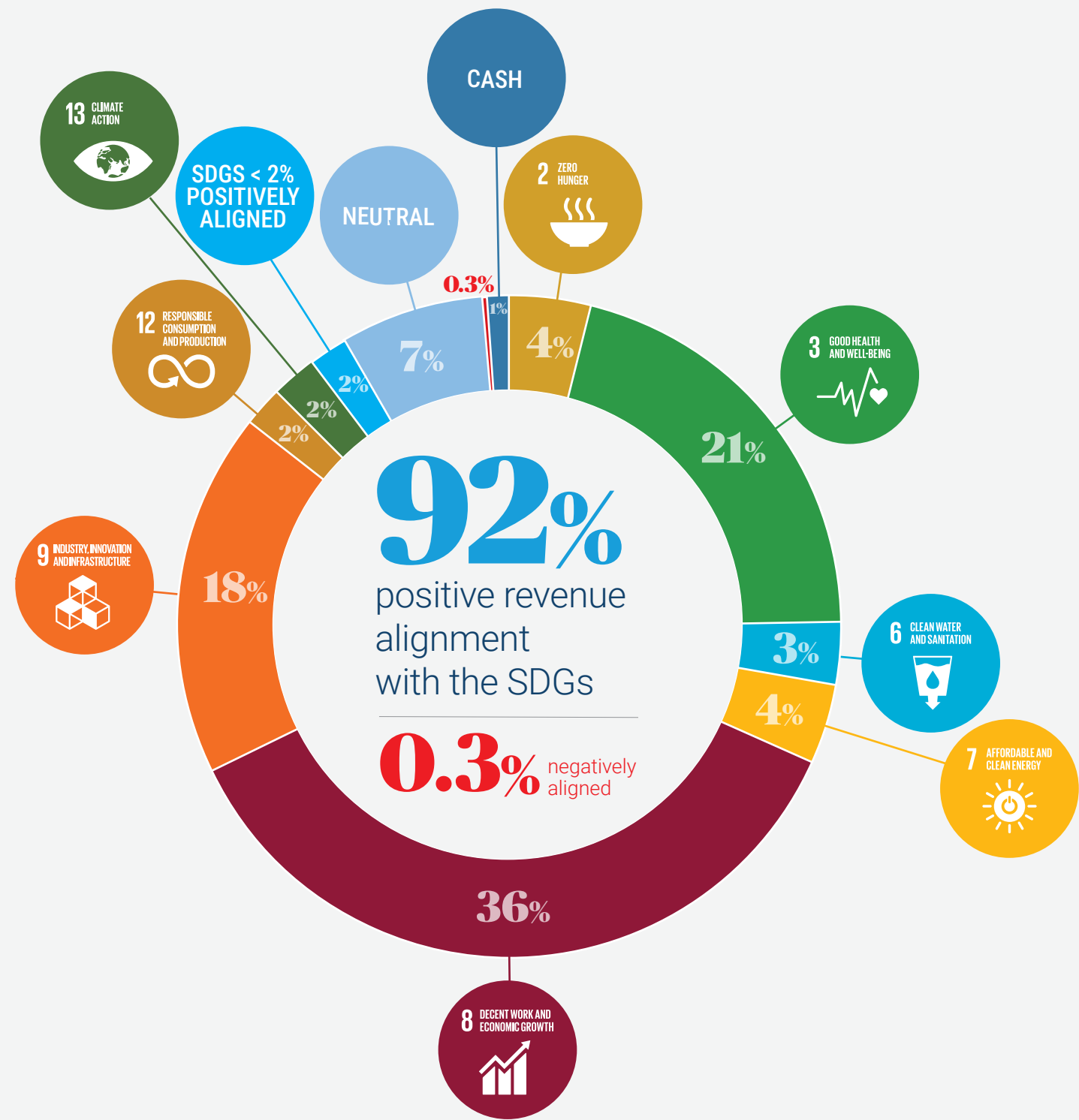
³ Financed emissions intensity, expressed as tonnes of CO₂ emitted per \$m invested.

Strategy alignment with the SDGs

The UN Sustainable Development Goals (SDGs) are 17 goals and 169 underlying targets that set out a roadmap for a more sustainable world by 2030, covering issues such as poverty, climate change and health and well-being.

We map the Strategy against the SDGs, based on an analysis of the main sources of revenue for each of the investee companies.

Specifically, we measure how the individual sources of revenue for each company correspond to the 169 targets that underlie the goals – so that one company, depending on its mix of goods and services, may have links to more than one goal. The results of this analysis are summarised here, with a full breakdown of each company and its relevant SDG links provided later in this report.



Source: Columbia Threadneedle Investments, as at 31st December 2023, designed for illustrative purposes, subject to change.





Assessing our alignment at 31 March 2024 (fiscal year end)

36%

positive alignment with SDG 8 – Decent Work and Economic Growth.



Examples that align with target 8.2 – Achieve greater productivity through innovation:

Microsoft provides IT infrastructure and office software for businesses.

Keyence provides sensors and instruments for monitoring and controlling various industrial process variables.

Nvidia provides accelerated computing systems that provide the infrastructure to power applications such as data analytics for better business forecasting, AI for autonomous vehicles, and advanced visualization for medical diagnosis.

21%

positive alignment with SDG 3 – Good Health and Well-being.



Examples that align with target 3.8 – access to medicines and healthcare:

AstraZeneca Dexcom supports the treatment of diabetes through the provision of home testing blood glucose meters.

Intuitive Surgical develops and manufactures robotic products to assist with minimally invasive surgeries.

US health insurer Humana provides senior citizens with quality medical coverage.

7%

neutral alignment with the SDGs.

Our SDG mapping methodology still has some limitations that can prevent us from recognising all the ways in which companies contribute to the SDGs. Examples where we have assigned neutral mappings to the SDGs include:

Microsoft’s LinkedIn and gaming provisions.

Most business segments of veterinary care provider Zoetis, as our SDG methodology does not capture animal health.

0.3%

negative alignment with the SDGs.

Our analysis also identifies companies’ negative contributions to the SDGs. That is, those products or services that companies in our Strategy offer which might hinder the achievement of some of the SDGs. Whilst the Strategy screens remove many such companies, we did still identify one remaining negative link:

Linde’s construction of chemical and industrial plants negatively aligns with SDG target 9.1 – develop resilient and sustainable infrastructure.

Overall, however, we remain compelled by the company’s exposure to the hydrogen opportunity.

Discover the Strategy’s full revenue breakdown by SDG target:

Positive alignment:		92%	SDG 7: Affordable and Clean Energy		4%	SDG 13: Climate Action		2%
SDG 2: Zero Hunger		4%	7.2 Substantially increase the global share of renewable energy		1.9%	13.1 Strengthen adaptive capacity to climate-related events		1.9%
2.1	End hunger and ensure access to safe and nutritious food	3.4%	7.3 Double the global rate of improvement in energy efficiency		2.3%	Other (SDGs less than 2.0%)		2%
2.4	Implement climate-resilient and sustainable food production	0.5%	SDG 8: Decent Work and Economic Growth		36%	Total positive		92%
SDG 3: Good Health and Well-Being		21%	8.2 Achieve greater productivity through innovation		29.2%	Neutral		7%
3.3	End AIDS, TB, malaria and other water-borne and communicable diseases	1.2%	8.10 Increase access to finance		6.5%	Negative 0.3%		
3.4	Reduce mortality from non-communicable diseases and promote mental health	3.3%	SDG 9: Industry, Innovation and Infrastructure		18%	Cash		1%
3.6	Halve deaths and injuries from road traffic accidents	0.9%	9.1 Develop resilient and sustainable infrastructure		5.5%			
3.8	Access to medicines and health-care	14.8%	9.3 Increase access to finance for SME's		0.9%			
3.9	Reduce deaths and illnesses from pollution and contamination	1.1%	9.4 Upgrade and retrofit industries to increase sustainability		10.4%			
SDG 6: Clean Water & Sanitation		3%	9.c Ensure universal and affordable access to ICT		0.9%			
6.3	Improve water quality by reducing pollution	0.6%	SDG 12: Responsible Consumption and Production		2%			
6.4	Increase water-use efficiency to address water scarcity	2.4%	12.5 Reduce waste through prevention, reduction, recycling and reuse		2.0%			

Source: Columbia Threadneedle Investments, as at 31st December 2023, designed for illustrative purposes, subject to change. Only SDG targets that are more than 0.5% aligned are shown on the table.

Sustainability metrics

Over the following pages we show how the Strategy ranks versus its benchmark and the previous year relative to various sustainability-oriented metrics related to environmental stewardship, fairness and equality.



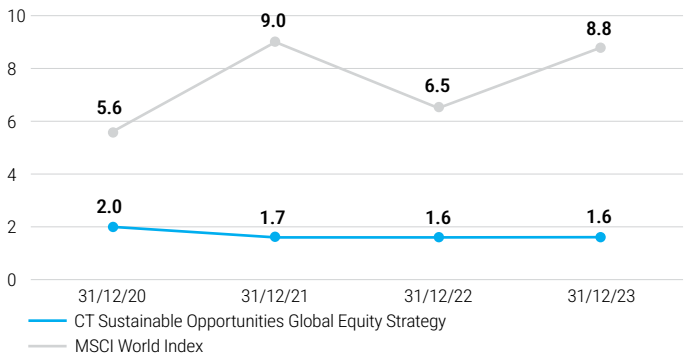
Environmental stewardship

We consider the Strategy's environmental performance versus its benchmark, by focusing on water and waste intensity metrics.



Water intensity

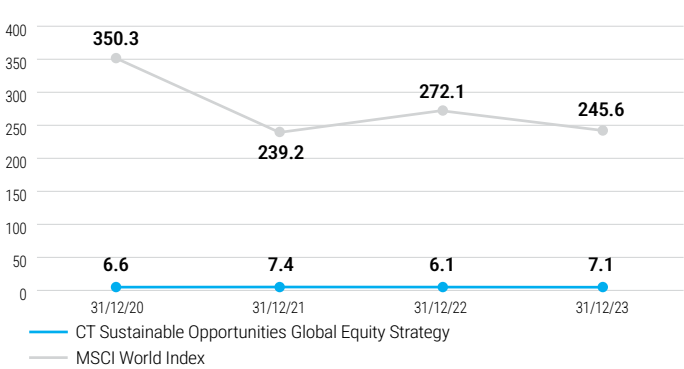
Thousands of cubic metres of fresh water used per \$1m revenue



Source: Impact Cubed, as at 31-12-2023

Waste intensity

Tonnes of solid waste generated to create \$1m revenue



Source: Impact Cubed, as at 31-12-2023

The water and waste profile of the Strategy remains low compared with the benchmark. This is largely due to the sector composition, which itself is a product both of the exclusion of resource-intensive sectors such as oil & gas, as well as the focus on sustainability solution providers. Chemicals companies **Linde** and **DSM-Firmenich**, as well as and packaging company **Smurfit Kappa** are the largest contributors to the Strategy's overall water intensity. The latter is also one of the largest contributors to the Strategy's waste intensity. We highlight again that while the company's packaging solutions help prevent waste generation, its involvement in paper recycling impacts its overall waste metrics. Encouragingly, during 2023 **Smurfit Kappa** reduced its waste sent to landfill from its mill system by 35.8% from 2013 levels, ahead of its target to decrease this by 30% by 2025.

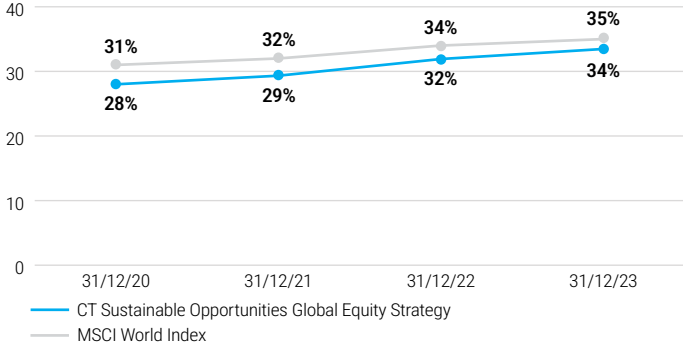
Fairness and equality

Here we provide two metrics to give an indication of the Strategy's performance in relation to aspects of fairness and equality in the workplace versus its benchmark: gender equality and the board level, and the ratio of executive to average employee pay.



Gender

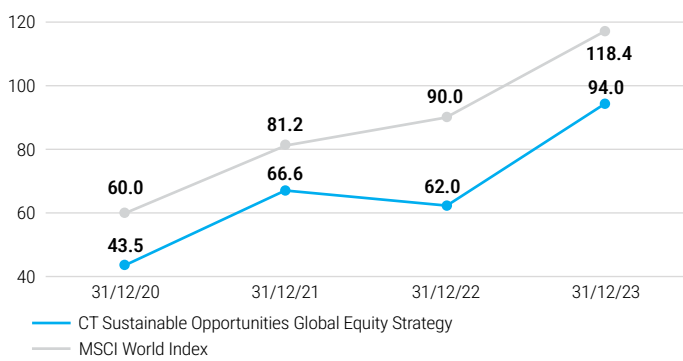
% female directors on company board



Source: MSCI ESG, as at 31-12-2023

Executive pay

Ratio of CEO to average employee pay



Source: Impact Cubed, as at 31-12-2023

The Strategy continues to outperform the benchmark for the executive pay ratio, and minorly underperforms the benchmark in terms of the percentage of female directors on the board. Overall, we are pleased to see that the percentage of female directors on the board has risen since we began reporting this metric. A large proportion of companies within the Strategy now have at least one-third female representation on their boards. **CSL**, **DSM-Firmenich** and **Schneider Electric** all have boards with equal numbers of male and female directors, while **AstraZeneca** and **Smurfit Kappa** are among several companies with around 45% female representation on the board. **TSMC** and **Keyence** are among the main laggards. Unfortunately, the change of the representative from the National Development Fund on TSMC's board led to the decrease in the number of female directors in 2020. The company stated during an engagement in 2023 that board diversity is a key consideration when evaluating director candidates, and its importance will increase as the company continues to expand its global footprint. The ratio of CEO to average employee pay has increased significantly over the past few years. **Microsoft** exhibits the largest difference in CEO to average employee pay. **Trane Technologies**, **AstraZeneca** and **Linde** are among other companies with relatively high pay ratios within the Strategy.

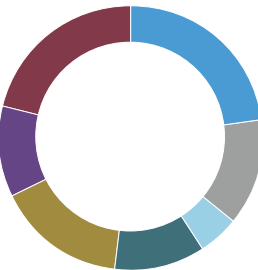
Engagement in 2023

We have constructive dialogue with companies on a range of risks and opportunities, including those linked to ESG factors, that could have a material impact on their businesses and, where necessary, encourage improvement in management practices that we believe could help drive financial returns.

We measure and report on the success of our engagement through the assignment of Milestones.

23
companies engaged

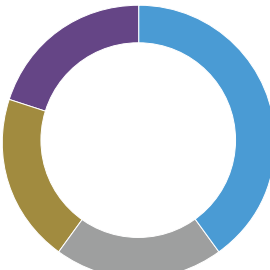
Engagements by theme



Climate change	23%
Environmental stewardship	13%
Business conduct	5%
Human rights	11%
Labour standards	16%
Public health	11%
Corporate governance	21%

5
Milestones achieved

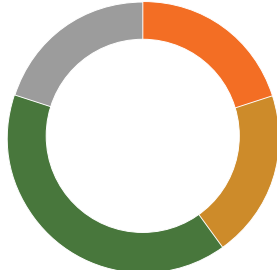
Milestones achieved by theme



Climate change	40%
Environmental stewardship	20%
Business conduct	0%
Human rights	0%
Labour standards	20%
Public health	20%
Corporate governance	0%

80%
Milestones aligned to SDGs

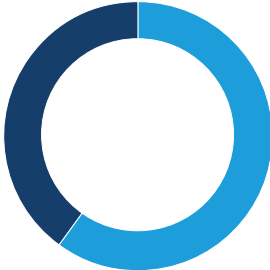
Milestones by SDG



9	Decent Work and Economic Growth	20%
12	Responsible Consumption and Production	20%
13	Climate Action	40%
	No SDG	20%

Milestones are ascribed using a three-star rating system, with three stars indicating the most significant impact of change and one star reflecting smaller, incremental change along a pathway for the issuer, or across a broader context, for the relevant industry as a whole.

Milestones achieved by rating



1 star	60%
2 stars	40%

How we voted for the Strategy in 2023

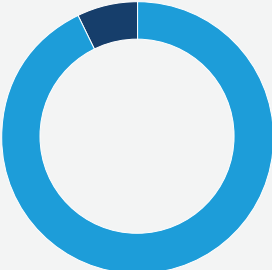
Good corporate governance is at the heart of any successful business, instrumental in supporting the delivery of strategic objectives and in driving

sustainable performance, as well as maintaining legal requirements and ethical standing.

Our **Corporate Governance Guidelines** set out our expectations of investee companies in terms of good governance and guide how we vote. These address matters related to topics such as shareholder rights, boards of directors, corporate governance, compensation, capital management, environmental, social and governance practices and certain other matters.

We believe that voting is an important tool for driving improvement in company practices and market standards, and re-enforcing objectives set in engagement.

Voting in 2023



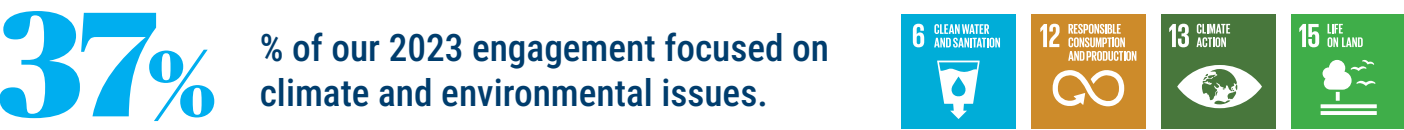
With management	94%
Against management	6%

Votes against management most commonly related to compensation and director elections.

Source for all charts: Columbia Threadneedle Investments, as at 31-12-2023. All figures subject to rounding.

Engagement case studies

Engaging on the ‘E’ in ESG



As reflected in the stat above, climate and environmental issues form a key part of our engagement with investee companies. These are material issues that can impact a company's risk profile, regulatory compliance, operational costs and long-term sustainability. As highlighted on p12, we engaged 14 companies on climate change during the year, on topics such as emissions management, net zero strategy and energy transition.

Beyond purely climate issues, we spoke with **Kerry Group** about its progress on environmental issues in raw material supply chains and plastics targets. Kerry relies on certification for environmental standards of raw materials, but where those are not in place is also exploring local initiatives with suppliers and NGOs. The company is progressing towards making all plastic packaging reusable, recyclable, or compostable by 2025; it is currently at 70%. While there is no explicit target to increase recycled materials, Kerry is committed to reducing virgin plastic by 25% by 2025. We will continue to monitor and engage the company on its environmental progress.

We also recently engaged **Smurfit Kappa** on setting biodiversity targets. We have engaged Smurfit on broad-reaching climate issues - including CO2 emissions - and see great progress, but we remain hyper-conscious of wider industry impacts through-out the value chain. From a biodiversity perspective, while most of Smurfit's wood fibre supply is FSC chain of custody certified, which is market leading, it has not set wider biodiversity targets for suppliers or any operational targets. We flagged that several of its industry peers have set targets covering suppliers and operations, and that there are an increasing number of ways to collect data and have suppliers certified to improved standards. We also discussed the impact of the EU Deforestation Regulation. Smurfit Kappa has evolved its due diligence practices to meet the requirements, but still has a considerable way to go to meet the geolocation requirement.

Shortly after the engagement meeting, we followed up via email to encourage the company to set top-level biodiversity targets for its Colombian and European operations that cover both set-aside areas for conservation and plantations, and provided examples of targets the company could look to emulate. We also encouraged the company to explore setting biodiversity targets to cover the suppliers it procures from. Later in the year, we engaged again on nature and biodiversity. We were pleased to hear the company is starting to progress on our objectives – it will begin disclosing against the Taskforce on Nature-related Financial Disclosures (TNFD) next year, which has been one of our key asks. Smurfit Kappa is also beginning to trial more evolved biodiversity data collection metrics, including eDNA, which we had been encouraging them to trial in their Colombian assets for some time. We also spoke with the company in November to discuss the Westrock merger. In particular we shared our research on the emissions profile of Westrock's assets, and where we believed the combined entity should focus its efforts to drive down its emissions. We remain convinced of the greater potential for the new combined entity to contribute to a faster climate transition. Engagement with Smurfit Kappa has continued into 2024 at the time of writing.

In November, we met with **TSMC** in Taiwan. The company provided a written response to a series of questions we had sent ahead of the meeting, including on PFAs and water. Overall, unfortunately, we have to recognise that this was a slightly disappointing meeting. Whilst we fully recognise that not all engagement activity will be success stories, the written response to our questions comprised mostly extracts from existing disclosure, and company did not want to go through the questions we asked. Nevertheless, we will continue to engage TSMC on sharing its pathway to achieve 100% renewable energy by 2040 and 60% replacement water rate by 2030, as well as finding an alternative substance of PFAs.

Progress on our ‘E’ engagement

In addition to the two climate-related Milestones we recorded for **Hoya** and **Smurfit Kappa** referenced on p12, we also recorded an environmental stewardship Milestone for **Zebra Technologies**. The company has set circular economy targets, committing itself to

achieving one million circular economy devices by end-2024 through various initiatives including buyback, certified refurbished sales/ rentals and recycling. We had previously spoken to the company to encourage the company to set targets for its circular economy initiatives to get a better understanding of its e-waste management and how it measures the success of its circular economy strategy.

Engaging on Diversity, Equity and Inclusion (DEI)



We believe that a company's approach to DEI can create risks or opportunities related to innovation, talent acquisition and brand reputation.

During 2023, our engagement around DEI focused on encouraging companies to improve their female representation at board and senior management levels. As part of our response to **HDFC Bank's** ESG materiality assessment, we encouraged additional disclosure on human capital management, including in relation to diversity and inclusion. We stated that while it is positive to see HDFC's existing efforts in this area, such as its target of 25% women employees by 2025, progress towards achieving this target appears to be slow. We therefore encouraged further disclosure on how the company reviews its D&I strategy and policies, in order to understand what is working and how they seek to meet this target. We also highlighted that HDFC Bank's gender diversity is slightly below some of its peers in the Indian financial sector, which is something we had also discussed with the company during an engagement call the previous year.

During an engagement early in the year with **Shimadzu**, we discussed the company's challenge in building up its female talent pipeline with STEM expertise. To tackle this, the company has

partnerships with universities and high schools to bridge the STEM knowledge gap. In an engagement call later in the year, we discussed the company's efforts to increase gender diversity within senior management specifically. Shimadzu acknowledged that progress on increasing the number of female managers has been slow. The company does not have many female employees, which affects their source of female candidates for senior management. They informed us that recruiting female employees at junior and mid-career levels is therefore the focus of their DEI strategy now. We engaged **Humana** on board diversity, noting it currently is below our threshold of 27%. Humana informed is that they are focusing on including diverse backgrounds in the board and that they have had a lot of refreshment over the past years. We encouraged them to add clarifications about this in the next proxy season, and will most likely follow up on this closer to the AGM. Meanwhile, we reached out to **Infineon Technologies** with a letter to the board as part of the 30% Club Germany Investor Group, aiming at engaging with DAX 40 and MDAX companies on the way they promote gender diversity across their organisation, with a specific focus on the management board. The initiative encourages companies to have an action plan in place to ensure their management teams comprise at least 30% women by 2030.

Our Strategy in detail

Discover how the companies held in the Strategy correspond to our seven sustainability themes, as well as details such as SDG alignment, any engagement conducted during the year and any positive outcomes (Milestones) achieved.

Connect & Protect

Technological advances create huge opportunities to accelerate our collective connectivity, as well as bringing in a swathe of technologies to progress social well-being, supply chain efficiencies and sustainable cities. We look for those companies that are promoting public ‘good’ and doing so in a safe, secure, and customer-centric way.

Company	Company description	SDG alignment	Number and subject of engagement(s) in 2023	2023 milestones
CrowdStrike Holdings Information Technology United States	1.7% weighting Global cybersecurity company that provides cloud-delivered protection of endpoints, cloud workloads, identity and data.	<div><div>+</div><div>94% – 16.10 – Provision of network security to protect against unauthorised use or harmful elements helps to promote ongoing public access to information</div></div> <div><div>+</div><div>6% – 8.2 – Helps promote productivity through the provision of security and management consulting services</div></div>	1: Corporate governance	0
Descartes Systems Group Information technology Canada	1.9% weighting Provider of logistics technologies to enable routing efficiencies, including reducing emissions, as well as customs and regulatory compliance.	<div><div>+</div><div>100% – 8.2 – Backbone IT infrastructure for the logistics industry, enabling routing efficiencies and carbon reduction capabilities</div></div>		0
Equinix Real estate United States	1.7% weighting Global data centre and colocation provider for enterprise network and cloud computing.	<div><div>+</div><div>100% – 8.2 – Promotes productivity through the provision of internet colocation and data centers that safeguard data through security and operational reliability</div></div>	2: Climate change	0
Keyence Corp Information technology Japan	2.4% weighting With a proven ability to remain highly profitable even in a downturn, Keyence fits into our Connect & protect theme in making production lines safer, and more efficient.	<div><div>+</div><div>100% – 8.2 – Supports economic efficiency by producing sensors, lasers and measuring equipment to make manufacturing and research processes more effective</div></div>	2: Climate change, human rights, labour standards, corporate governance	0
Motorola Solutions Information technology United States	2.8% weighting Provider of mission-critical telecommunication software and hardware including allowing first responders more reliable and higher performing connectivity	<div><div>+</div><div>63% – 9.1 – Improving communication in first responder network through the provision of two-way radios</div></div> <div><div>+</div><div>25% – 8.2 – Providing emergency response teams and wider industry with robust reliable communication hardware</div></div> <div><div>+</div><div>5% – 16.3 – Providing police, fire, and healthcare oversight advances software to improve efficiency of first responder network</div></div> <div><div>-</div><div>7% – Neutral</div></div>	1: Human rights	
Roper Technologies Industrials United States	2.6% weighting Diversified technology business providing innovative engineering solutions ranging from industrial (water efficiency) to healthcare (diagnostics) end markets.	<div><div>+</div><div>100% – 8.2 – Enables greater economic productivity by providing communications and software solutions</div></div>		0
Zebra Technologies Information technology United States	1.1% weighting Zebra Technologies is a global leader in design and manufacture of enterprise mobile computers, advanced data capture systems and specialty printers. Its products enable businesses in ecommerce /retail, logistics, manufacturing and health care to achieve greater accuracy and efficiency of both human capital and natural resource usage. The increasing shift to digitise the global economy plays right into Zebra Technologies’ strengths.	<div><div>+</div><div>100% – 8.2 – Enables gains in economic productivity through automating and protecting supply chains and logistics</div></div>	1: Climate change, environmental stewardship, labour standards, corporate governance	Set circular economy targets

Digital Empowerment

The explosion of data in recent years has been nothing short of mind-blowing, especially when we consider that data interactions went up by 5000% between 2010 and 2020. There is a huge opportunity for this data to be harnessed for good; better informing our climate change efforts, enabling better healthcare, and empowering smaller businesses, leading to broader competition and employment opportunities.

Company	Company description	SDG alignment	Number and subject of engagement(s) in 2023	2023 milestones
ASML Holding Information technology The Netherlands	1.9% weighting ASML is a global leader in the semi-conductor supply chain, with a dominant global market share of EUV machines used to pattern leading edge chips, which are used everywhere from phones to medical equipment, as well as in emergent technologies like AI, robotics, and electrified cars.	<div><div>+</div><div>100% – 8.2 – Enables gains in economic and technological productivity by enabling the manufacture of high-end chips and pushing electrification</div></div>		0
Infineon Technologies Information technology Germany	2.0% weighting Designer, developer and manufacturer of semiconductors and related system solutions.	<div><div>+</div><div>70% – 8.2 – Promotes productivity through the manufacture of semiconductors used for a variety of applications such as communications, security and robotics</div></div> <div><div>+</div><div>17% – 3.6 – Can help prevent road traffic accidents through the provision of specialty technology to increase safety in passenger cars</div></div> <div><div>+</div><div>13% – 9.1 – Supports the development of resilient and sustainable infrastructure through the provision of microcontroller units, which enable reduced power consumption, as well as safety and security</div></div>	2: Human rights, labour standards, corporate governance	0
Mastercard Information technology United States	4.1% weighting Strong market position and brand strength; growth underpinned by accelerating cashless and mobile transactions. Provides access to finance for under-developed markets and communities whilst also providing education to boost financial literacy.	<div><div>+</div><div>100% – 8.10 – Improving access to banking and financial services through the provision of payment services</div></div>		0
MercadoLibre Consumer discretionary Uruguay	2.3% weighting Online e-commerce and financial technology company in Latin America.	<div><div>+</div><div>45% – 8.10 – Increases access to finance through the provision of electronic payment processing</div></div> <div><div>-</div><div>55% – Neutral</div></div>	1: Climate change, business conduct, corporate governance	0
Microsoft Information technology United States	7.3% weighting Technology company that develops and supports software, services, devices, and solutions.	<div><div>+</div><div>77% – 8.2 – Provides IT infrastructure and office software for businesses</div></div> <div><div>-</div><div>55% – Neutral</div></div>	1: Business conduct, human rights	0
Nvidia Information technology United States	4.8% weighting Fabless semiconductor chip designer, at the forefront of accelerated computing and AI.	<div><div>+</div><div>100% – 8.2 – Accelerated computing speeds up demanding computer applications such as gaming, data and AI, allowing for greater innovation and efficiency</div></div>		0
TSMC Information technology Taiwan	2.4% weighting TSMC is the world's leading semiconductor manufacturer. Its leading edge technology enables their clients to create innovative products using more powerful processors that consume less energy.	<div><div>+</div><div>56% – 8.2 – Supports greater energy efficiency in a wide range of technologies through the production of semiconductors</div></div> <div><div>+</div><div>39% – 9.c – Increasing access to information and communications technology through it smartphone platform</div></div> <div><div>+</div><div>5% – 3.6 – Reducing death and injury from road traffic accidents via automotive technology</div></div>	2: Climate change, environmental stewardship, labour standards, corporate governance	0
Verisk Analytis Information technology United States	2.0% weighting Provider of data and consultancy services, providing P&C insurers with the analytics to better insure against climate related risks, allowing greater insurance coverage. Energy consultancy incrementally renewable focused.	<div><div>+</div><div>97% – 13.1 – Providing resilient infrastructure through the provision of analytical data sets allowing P&C insurers cover previously uninsurable areas on account of climate risk</div></div> <div><div>+</div><div>2% – 17.1 – Provides data sets to Financial services industry to meet regulatory requirements</div></div> <div><div>-</div><div>1% – Neutral</div></div>		0

Energy Transition

The energy transition is the pathway towards transforming the global energy sector from one dominated by fossil fuel-based systems of energy production and consumption – including oil, natural gas, and coal – to a system of zero-carbon and renewable energy sources, such as solar, wind and hydropower.

Company	Company description	SDG alignment	Number and subject of engagement(s) in 2023	2023 milestones
Aptiv Consumer discretionary United States	2.0% weighting With a mission of Safe, Green and Connected, Aptiv provide sustainable mobility solutions globally including automated driving hardware and software, as well as EV architecture.	<div><div>+</div><div>79% – 9.4 – Manufactures a range of vehicle powertrain solutions which can help improve transport energy efficiency</div></div> <div><div>+</div><div>21% – 3.6 – Reducing death and injury from road traffic accidents via autonomous driving technology</div></div>	1: Climate change	0
Linde Materials United States	4.2% weighting High-quality industrial gases business operating in consolidated sector with strong moat. Provides gases allowing customers to reduce carbon emissions and has boosted hydrogen investments as part of its decarbonisation focus.	<div><div>+</div><div>86% – 9.4 – OProduces a range of industrial gases which are used to make industrial processes more efficient</div></div> <div><div>-</div><div>8% – 9.1 – Provides solutions to nuclear and fossil energy and process plant construction</div></div> <div><div>-</div><div>6% – Neutral</div></div>		0
Schneider Electric Industrials France	3.2% weighting Schneider Electric is a global leader in energy management and automation solution, selling into end markets like Buildings, Industrials, and Data Centers. They are at the heart of the transition to a more energy efficient world.	<div><div>+</div><div>77% – 9.4 – Provides energy management products and services that enable companies to improve their energy efficiency</div></div> <div><div>+</div><div>23% – 8.2 – Supports economic productivity through the provision of industrial automation and software solutions</div></div>		0
Vestas Wind Systems Industrials Denmark	1.9% weighting Danish wind turbine manufacturer and service company, focused on the provision of sustainable energy solutions to address climate change.	<div><div>+</div><div>100% – 7.2 – Contributing to substantially increase the share of renewable energy in the global energy mix through their turbine products and servicing</div></div>		0



Health & Well-being

Robust and efficient healthcare systems around the world are essential. The demand for health and healthcare access equality is rising – and opportunities created from the change must not be ignored.

Company	Company description	SDG alignment	Number and subject of engagement(s) in 2023	2023 milestones
AstraZeneca Healthcare United Kingdom	2.2% weighting One of the world's major pharmaceutical firms, researching, manufacturing and selling pharmaceutical and medical products, improving the health of its consumers.	⊕ 53% – 3.4 – Produces a range of biopharmaceuticals aimed at the treatment of noncommunicable diseases	3: Labour standards, public health, corporate governance	Participation in the Workforce Disclosure Initiative's 2022 survey
		⊕ 45% – 3.8 – Provides access to healthcare through the production of essential medicines		
		⊕ 2% – 3.3 – Prevention and treatment of non-communicable diseases through vaccines and antivirals		
CSL Healthcare Australia	2.4% weighting The science of CSL saves lives. They develop and deliver innovative medicines that help people with serious and life-threatening conditions live full lives, and protect communities around the world.	⊕ 71% – 3.8 – Supports the treatment of non-communicable diseases through the development of a range of innovative biotherapy treatments	1: Public health	0
		⊕ 15% – 3.4 – Provides access to healthcare through its treatments for serious medical conditions		
		⊕ 13% – 3.3 – Produces vaccines for influenza and other communicable diseases		
		⦿ 21% – Neutral		
CVS Health Healthcare United States	1.5% weighting An integrated health insurer, pharmacy benefit manager and retail pharmacy, providing services which are core to day-to-day life for millions of Americans.	⊕ 99% - 3.8 – Provides access to healthcare through its retail pharmacy stores and clinics	2: Climate change, labour standards, public health, corporate governance	0
Dexcom Healthcare United States	1.7% weighting Medical device company focused on diabetes care technology through glucose monitoring systems.	⊕ 100% - 3.8 – Helps enable access to healthcare and medicine through the provision of home glucose testing and diabetes monitoring products		0
DSM-Firmenich (previously Royal DSM) Materials Netherlands	1.6% weighting A Dutch-based chemicals company that is active across the human nutrition, animal nutrition, health care, food & beverage and materials markets. The company aims to apply science to improve the health of people, animals and the planet.	⊕ 84% – 2.1 – Provides a variety of human nutrition solutions, as well as feed additives and vitamins for the global feed industry		0
		⊕ 14% – 12.2 – Produces speciality and high-performance plastics for use in a wide variety of industries, designed to create sustainable solutions		
		⊕ 1% – 3.8 – Produces centrifuges, which are devices used to process samples in biological laboratories		
		⦿ 1% – Neutral		
Ecolab Materials United States	1.3% weighting Provides water, hygiene and infection prevention solutions and services that protect people and the resources vital to life.	⊕ 51% – 3.3 – Produces soaps, detergents and biocides, and also provides pest control services, that can all help prevent communicable diseases	2: Climate change, environmental stewardship, public health, corporate governance	0
		⊕ 48% – 6.3 – Manufactures water treatment agents used to sanitise and purify contaminated water		
		⦿ 1% – Neutral		
Eli Lilly and Company Healthcare United States	2.6% weighting One of the world's largest pharmaceutical companies, researching, developing and manufacturing pharmaceutical products to improve customers' health.	⊕ 67% – 3.4 – Develops and produces a range of biopharmaceuticals aimed at the treatment of a range of medical conditions including cancer, diabetes and psychiatric disorders	2: Business conduct, public health, corporate governance	0
		⊕ 26% – 3.8 – Promotes access to healthcare through its production of treatments for serious medical conditions		
		⊕ 7% – 3.3 – Develops novel antibodies to help protect against Covid-19		

Company	Company description	SDG alignment	Number and subject of engagement(s) in 2023	2023 milestones
Hoya Healthcare Japan	1.7% weighting Supporting vision globally through production of eyeglass lenses, contact lenses and intraocular lenses used for cataract operations, combatting the leading cause of blindness worldwide. Leading player in the equipment supply-chain for miniaturising semi-conductors, driving technological innovation.	⊕ 65% – 3.8 – Provides access to healthcare through the production of eyeglass and lens products, and of medical endoscopes	1: Climate change, human rights, labour standards, corporate governance	Improved emissions reduction target
		⊕ 34% – 8.2 – Enables gains in economic productivity through technologies used in a range of digital products such as phones		
		⦿ 1% – Neutral		
Humana Healthcare United States	1.4% weighting A leading US health insurer providing senior citizens with quality medical coverage, as well as various value-based care programmes to support both mental and physical well-being.	⊕ 100% – 3.8 – Provides access to healthcare through its medical insurance products	1: Public health, corporate governance	0
Intuitive Surgical Healthcare United States	2.4% weighting The world number one designer and manufacturer of surgical robots, with an 80% market share in a rapidly growing industry. Intuitive Surgical's robots lead to fewer surgical errors and faster operating times, driving better patient outcomes and protecting healthcare budgets.	⊕ 100% – 3.8 – Protects patient health through through its surgical robots that enable safer, faster more automated surgical procedures		0
Kerry Group Consumer staples Ireland	2.0% weighting Kerry Group is a specialist ingredient provider to the food and beverage markets, where clients depend on their innovative solutions to drive better nutrition, clean up labels and lower their ingredients' environmental footprint.	⊕ 99% – 2.1 – Produces ingredients which contribute to the provision of safe, nutritious food	3: Climate change, environmental stewardship, labour standards, corporate governance	0
		⦿ 1% – Neutral		
Shimadzu Information technology Japan	1.7% weighting Asia's leading scientific instruments player, selling instruments used to test the safety of food, pharmaceutical and consumer staples products, as well as for testing air and water purity and safety.	⊕ 65% – 3.9 – Supports efforts to reduce the number of deaths and illnesses from hazardous chemicals, pollution and contamination through the provision of scientific measuring equipment	3: Climate change, environmental stewardship, business conduct, human rights, labour standards, public health, corporate governance	Improved product quality management system
		⊕ 16% – 3.8 – Healthcare measuring and diagnostics equipment, driving high quality healthcare services		
		⊕ 13% –9.1 – Scientific instruments provided to industrial sectors, enabling industrial efficiency		
		⊖ 5% –13.2 – Produces electrical components that form part of flight control and landing gears systems		
		⦿ 1% – Neutral		
Thermo Fisher Scientific Healthcare United States	2.9% weighting Global provider of high-quality, innovative life sciences equipment and services which enhance accuracy and safety in clinical research, drug development, and diagnostics testing.	⊕ 100% – 3.8 – Supports access to healthcare via its range of analytical and data tools	1: Public health	0
Zoetis Healthcare United States	2.1% weighting Animal health company focused on the discovery, development and manufacture of medicines, vaccines, diagnostics, biodevices, genetic tests and precision animal health.	⊕ 5% – 3.9 – Manufactures feed used livestock farming		0
		⊕ 1% – 3.8 – A small part of the business is focused on contract manufacturing and human health services		
		⦿ 94% – Neutral		

Resource Efficiency

Resource efficiency is the art of using the Earth’s limited resources in a more sustainable way, whilst minimising the impact that we have on the environment – doing more with less. Resource inefficiency, as we are all too aware, is distressingly common.

Company	Company description	SDG alignment	Number and subject of engagement(s) in 2023	2023 milestones
Advanced Drainage Systems Industrials United States	2.2% weighting Manufactures water management solutions for the stormwater and onsite septic wastewater industries, providing superior drainage solutions for use in construction and agriculture.	⊕ 86% – 9.1 – Manufactures pipes and pipe fittings to protect and manage water		0
		⊖ 14% – Neutral		
Smurfit Kappa Group Materials Ireland	2.0% weighting Smurfit is exposed to a number of megatrends, such as eCommerce, and is leading the way in the shift from plastic packaging to paper, with a management that is committed to sustainability.	⊕ 100% – 12.5 – Provides environmentally sustainable paper-based packaging, reducing waste generation	4: Climate change, environmental stewardship, human rights	Improvement in decarbonisation strategy disclosures
Trimble Information technology United States	2.2% weighting Industrial technology company providing hardware, software and services across agriculture, construction, geospatial and transportation industries.	⊕ 61% – 9.1 – Provides project management software to support buildings and infrastructure construction, as well as advanced surveying and mapping solutions to support geospatial analysis		0
		⊕ 22% – 2.4 – Agriculture technologies enable data-driven farming decisions through modern industry solutions.		
		⊖ 17% – Neutral		
Xylem Industrials United States	3.3% weighting Strong and diverse portfolio addressing global water challenges, such as improving water efficiency and accessibility in local communities. Structural growth driven by the need to address scarcity by delivering operational efficiencies.	⊕ 75% – 6.4 – Enables greater water efficiency through its comprehensive range of water solutions		0
		⊕ 25% – 9.4 – Supports greater water resource efficiency by producing measurement and control systems.		



Sustainable Cities

A growing global population coupled with urban migration is putting cities under increasing stress, from social issues such as the provision of reliable healthcare and education, to environmental challenges like global warming. This creates compelling opportunities for companies who can address these challenges head on and create sustainable urban environments for humanity to thrive in.

Company	Company description	SDG alignment	Number and subject of engagement(s) in 2023	2023 milestones
Acuity Brands Industrials United States	2.5% weighting Distributor of energy-efficient indoor and outdoor lighting and control systems delivering energy savings through higher efficiencies, longer source life and smaller form factors.	⊕ 94% – 7.3 – Supports improvements in energy efficiency by providing efficient lighting solutions		0
		⊕ 6% – 8.2 – The Intelligent Spaces Group makes buildings smarter, safer, and greener through software, sensors, and controls		
Autodesk Information technology United States	2.2% weighting Autodesk is a global leader in software to improve efficiency in the Architectural, Engineering, Construction, Manufacturing and Media industries. The growing move to digital solutions should drive demand.	⊕ 94% – 8.2 – Provides architects with the technological tools to improve energy and material efficiency within real estate		0
		⊖ 6% – Neutral		
Trane Technologies Industrials United States	1.9% weighting Through its brands and portfolio of products and services, Trane Technologies brings climate solutions to buildings, homes, and transportation.	⊕ 100% – 9.4 – Manufactures energy-efficient heating and cooling systems across a range of industries, such as healthcare, office buildings and data centres	1: Climate change	0

Sustainable Finance

The financial sector is uniquely positioned to adapt and promote innovation to address global sustainability challenges – including climate change, population growth and resource scarcity. The provision of training to improve financial literacy can not only serve to improve standards of personal finances, but also has an important role in addressing the needs of the most vulnerable in society, including closing the gender gap and lifting people out of the poverty trap.

Company	Company description	SDG alignment	Number and subject of engagement(s) in 2023	2023 milestones
HDFC Bank Financials India	2.9% weighting High-quality Indian bank with strong market position; addressing the almost 190mn unbanked adults in India, providing financial education along the way.	⊕ 46% – 3.10 – Promotes access to financial services for all through its retail banking operations, including a particular focus on rural customers	1: Climate change, corporate governance	0
		⊕ 30% – 9.3 – Promotes socioeconomic growth by enabling access to financial services for small, medium and large enterprises, including affordable credit		
		⊖ 24% – Neutral		

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