

ANNEX RTS

CT (Lux) Sustainable Outcomes Global Equity

Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: CT (Lux) Sustainable Outcomes Global Equity **Legal entity identifier:** 549300DTLIZQ4OSUD158

Sustainable investment objective

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

● ● ☒ Yes

☒ It will make a minimum of **sustainable investments with an environmental objective: 10%**

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ It will make a minimum of **sustainable investments with a social objective: 10%**

● ● ☐ No

☐ It promotes **Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___ % of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What is the sustainable investment objective of this financial product?







The sustainable investment objective of the fund is to provide positive sustainable outcomes for the environment and/or society by investing in companies whose activities are aligned with one of the eight environmental or social themes of the fund, which are in turn directly linked to the Sustainable Development Goals (“SDGs”), and display strong environmental, social and governance (“ESG”) practices.

To achieve the sustainable investment objective, the fund expects to invest at least 90% of its total assets in sustainable investments within the meaning of Article 2(17) of the Sustainable Finance Disclosure Regulation (EU) 2019/2088 (“SFDR”)². Sustainable investments are considered for this fund to be the equity securities of companies globally that are delivering positive sustainable outcomes through their products and/or services in line with one or more of the fund’s eight environmental or social themes, as set out below. The investment manager only considers companies that generate sales from products and/or services that are net positively aligned (i.e., sales that have a positive sustainable contribution are offset by any sales that have a negative sustainable contribution).

Social Sustainable Themes

	 Health, Wellbeing & Food Security	 Financial & Technological Inclusion	 Inclusive Work & Economic Development	 Community Formation & Support	 Education & Training
Primary UN SDG alignment					
What we look for	Solutions advancing human health, wellbeing, nutrition and food security	Solutions that promote financial and technological inclusion supporting broad economic participation	Solutions that support more productive and inclusive work, economic resilience, and global opportunities	Solutions supporting modern communities - both physical and virtual	Delivery of education and transference of key skills

Environmental Sustainable Themes

	 Energy & Climate Transition	 Regeneration & Infrastructure	 Sustainable Resource Management & Transformation
Primary UN SDG alignment			
What we look for	Solutions supporting a transition to a low carbon, climate resilient economy	Solutions that help create and maintain accessible, resilient and sustainable infrastructure	Solutions that promote sustainable and efficient resource use, consumption and production

² Even though the fund is expected to invest at least 90% of its assets in sustainable investments, the minimum proportion of sustainable investments held by the fund is 80% to cover the fact that ancillary liquid assets may be held by the fund under unfavourable market conditions, as described below in the asset allocation section.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

	<p>In addition, the investment manager applies a set of sustainable outcome-based exclusions to all equity investments. As such, investment in companies involved in controversial weapons or that derive revenue (above certain percentage revenues as described below) from industries or activities that are contrary to the goals of making positive contributions to society and/or the environment (such as thermal coal extraction) are excluded from the fund.</p> <p>The investment manager also excludes companies that breach accepted international standards and principles of governance as determined by the investment manager such as, but not limited to, the United Nations Global Compact, the International Labour Organization Labour Standards, and the United Nations Guiding Principles on Business and Human Rights.</p> <p>The fund does not use a reference benchmark for the purpose of attaining the sustainable investment objective.</p>
	<ul style="list-style-type: none"> • <i>What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?</i>
	<p>The investment manager uses the following indicators to measure the attainment of the sustainable objective of the fund:</p> <ol style="list-style-type: none"> 1. Exposure to companies with sales from products and/or services net positively aligned to the fund's sustainable outcome themes (i.e. sales that have a positive sustainable contribution are offset by any sales that have a negative sustainable contribution). 2. Exclusion of exposure to companies determined to be in breach of the fund's sustainable outcome-based exclusions and/or international standards and principles.
	<ul style="list-style-type: none"> • <i>How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?</i>
	<p>The fund screens out investments that are contrary to the goals of making positive contributions to the environment and/or society. It uses sustainable outcome-based criteria to assess whether a company is harming environmental and/or social themes such as climate transition, controversial weapons, and breaches of the United Nations Global Compact.</p> <p>Principal adverse impacts are also considered as part of the do not significant harm test (as described below in the relevant section) and the investment manager will further disclose the principal adverse sustainability indicators in Annex I (table 1, table 2 for the indicator on deforestation, and table 3 for the indicator on incidents of discrimination) of the RTS of the SFDR.</p>

	<i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i>
	<p>Investments which are reported as sustainable 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.</p> <p>The model identifies harm by using a quantitative threshold against a selection of principal adverse impact indicators. Companies 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.</p> <p>In addition, all holdings must comply with a set of environmental and social exclusions which seek to avoid harming sustainability factors as detailed below.</p>
	<i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?</i>
	<p>The sustainable investments 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.</p> <p>The fund excludes companies which breach UN Global Compact (UNGC) principles and further considers good conduct when making investments. In addition, the DNSH checks also assess companies for explicit harm against the underlying principles of the UNGC and OECD Guidelines.</p>
	Does this financial product consider principal adverse impacts on sustainability factors?
	<input checked="" type="checkbox"/> Yes
	<p>The investment manager proactively considers the principal adverse impact ("PAIs") of the investment decisions it makes for the fund that may negatively harm sustainability factors through a combination of exclusions, investment research and monitoring and engaging with investee companies.</p> <p>As part of portfolio construction and stock selection, the fund has in place exclusions that correspond to sustainability indicators, and investments that breach these exclusions cannot be held by the fund. The exclusions applied by the fund relate to fossil fuel exposure, non-renewable energy production, global norms, and controversial weapons. In addition, the investment manager considers PAIs as part of research into, and engagement with, investee companies on environmental sustainability indicators relating to decarbonisation and biodiversity, and social factors such as discrimination.</p> <p>More information on how the fund considers the PAIs of its investment decisions on sustainability factors will be made available in the Annual Reports. Please see below for</p>



the full list of principal adverse indicators – detail on how these are taken into account can be found above under the section “How have the indicators for adverse impacts on sustainability factors been taken into account?”.

	Exclusions	Stewardship ³
1.1. GHG emissions		✓
1.2. Carbon footprint		✓
1.3. GHG intensity of investee companies		✓
1.4. Exposure to companies active in the fossil fuel sector	✓	✓
1.5. Share of non-renewable energy consumption and production	✓	✓
1.6. Energy consumption intensity per high impact climate sector		✓
1.7. Activities negatively affecting biodiversity sensitive areas		✓
1.8. Emissions to water		✓
1.9. Hazardous waste and radioactive waste ratio		✓
1.10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	✓	✓
1.11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises		✓
1.12. Unadjusted gender pay gap		✓
1.13. Board gender diversity		✓
1.14. Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)	✓	
2.15. Deforestation		✓
3.7. Incidents of discrimination		✓

☐ No

³ Where certain harmful practices are identified, and engagement is unsuccessful, this may, in certain instances, lead to divestment.

The **investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.



What investment strategy does this financial product follow?

The fund is an actively managed global equities portfolio. It invests at least 90% of its total net assets in the equity securities of companies located anywhere in the world, including through depositary receipts, subject to the fund's sustainable outcomes criteria. This includes companies located in emerging market countries which may represent a core part of the fund's investments.

For the purposes of managing liquidity, the fund may hold ancillary liquid assets (i.e., bank deposits at sight), and may also hold bank deposits, money market instruments or money market funds for treasury purposes. In normal market conditions, investment in these assets or instruments will not exceed 10% of the fund's net asset value.

Sustainable Outcomes Criteria

The investment manager only invests in companies that meet the following sustainable outcomes criteria:

Impact: the companies must generate sales from products/services that are positively aligned with one or more of the fund's eight environmental or social themes, linked to the SDGs as set out above. Companies are assessed on a net sales basis.

The fund prioritises investment in Sustainable Leaders (companies with a minimum of 50% net positively aligned revenues). The investment manager also will consider investment in a company categorised as a Sustainable Contributor (a company with net positively aligned revenues of up to 50%) if it demonstrates strong sustainable intent, i.e. the company directs investments towards growing the sales contribution to sustainable outcomes over the medium term.

Intent: the companies must have a strong strategic focus on sustainable investment and innovation. This ensures that the sales that contribute to sustainable outcomes will grow over time. With respect to the fund's social themes, the companies must also demonstrate that they support improved access to their sustainable products and/or promote social equality.

Integrity: the companies must meet minimum ESG standards and follow good governance practices.

Sustainable Outcome-based exclusions

The investment manager applies sustainable outcome-based exclusion screening to all of the fund's investments, excluding ancillary liquid assets, bank deposits, money market instruments or money market funds. The fund excludes companies that invest in controversial or nuclear weapons or companies where their business revenue (above certain percentages revenues as described below) is mis-aligned with the fund's sustainable outcome themes, for example from the production of alcohol or tobacco. The fund also excludes companies that breach the United Nations Global Compact, the International Labour Organization Labour Standards, and the United Nations Guiding Principles on Business and Human Rights, as determined by the investment manager.

Engagement

The investment manager may also engage in dialogue with management to, for example, encourage the strategic focus of the company on positive sustainable outcomes.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

The following binding elements of the investment strategy are used to meet the sustainable investment objective of the fund:

1. Sustainable Investment framework

To be eligible for inclusion in the fund, a company must be delivering a positive sustainable outcome through its products and/or services in line with one or more of the fund's eight environmental or social themes, which are in turn linked to the SDGs (as set out above). The investment manager analyses company revenues for alignment with the sustainable themes and each company is assigned with a sustainable outcome rating of Sustainable Leader or Sustainable Contributor, depending on the extent of its revenue alignment, assessed on a net sales basis. A company with at least 50% net positively aligned revenues is categorised as a Sustainable Leader whilst a company with net positively aligned revenues of up to 50% is categorised as a Sustainable Contributor. The fund prioritises investment in Sustainable Leaders. The investment manager also will consider investment in a company categorised as a Sustainable Contributor if it demonstrates strong sustainable intent, i.e. the company directs investment towards growing the sales contribution to the sustainable outcomes over the medium term.

The investment manager uses a data-driven model that provides the revenue streams of the different products and/or services of a company. These revenue streams are aggregated, with positively aligned sales offset by any negatively aligned sales to determine a net positive, neutral or negative sustainable sales contribution.

2. Exclusions: revenue thresholds

The fund does not invest in companies which derive revenue above the thresholds set out below from industries or activities that the investment manager considers are contrary to the goals of making positive contributions to society and/or the environment.

Exclusion	Factor	Revenue Threshold
Tobacco	Cultivation and Production	0%
	Distribution	15%
Alcohol	Production	5%
	Distribution	15%
Oil & Gas*	Unconventional Exploration and Production (including Arctic)	5%
	Conventional Exploration and Production	5%
	Exploration, mining, extraction, distribution or refining of oil fuels	10%
	Exploration, mining, extraction, distribution or refining of gaseous fuels	50%

Thermal Coal*	Power generation	10%
	Extraction	5%
	Exploration, mining, extraction, distribution or refining of hard coal and lignite	1%
	Development of new power generation or extraction facilities	0%
Electricity Generation	Electricity generation with a GHG intensity of more than 100g CO ₂ e/kWh	50%
Nuclear Power*	Related products or nuclear energy production	25%
Gambling	Related Activity	5%
Adult Entertainment	Production, distribution and retail	5%
Conventional Weapons	Military	5%
	Civilian firearms	5%
Nuclear Weapons	Indirect involvement: weapons systems, support services, exclusive delivery platforms, exclusive delivery platform components	5%

* The investment manager may invest in a company that does not satisfy these criteria if it can evidence that the company, for example, is phasing out its fossil fuel exposure and has strong climate transition plans underpinned by robust emissions reduction targets (tangible mitigating factors or (TMF)).

Oil (Unconventional Exploration and Production (including Arctic) and Conventional Exploration and Production) and Thermal Coal (Power Generation and Extraction), however, are subject to a hard limit of a 10% revenue threshold, above which TMF would not apply.

Full Exclusions
Controversial Weapons
Nuclear Weapons - Direct involvement: companies involved in warheads and missiles, fissile material, exclusive-use components

3. Exclusions: breach of international standards

The fund excludes companies that breach accepted international standards and principles as determined by the investment manager, such as, the United Nations Global Compact, the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, the International Labour Organization Labour Standards, and the United Nations Guiding Principles on Business and Human Rights.

4. Engagement

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. Accordingly, the investment

	<p>manager will use proactive engagement with companies to assist with progressing this ambition. If after an appropriate period of engagement, a high emitting company held in the fund does not show progress in meeting minimum standards considered necessary for continued investment, then the fund will disinvest from the company.</p>
	<ul style="list-style-type: none"> • What is the policy to assess good governance practices of the investee companies?
	<p>All companies in which investments are made are subject to a pre-investment good governance assessment and ongoing post-investment review of governance practices. The investment manager uses third-party data to assess a company's governance practices and supplements this with its fundamental research.</p> <p>Pre-investment: The investment manager assesses all companies before investment. It may engage with a company to better understand or to encourage improvements relating to any flagged issues. If, however, it is concluded from the assessment that the company demonstrates poor governance practices, the investment manager will not invest in this company.</p> <p>Post-investment: companies are monitored on an ongoing basis to confirm that there has been no material diminution in governance practices. If any issues are flagged, the investment manager may engage with the company to better understand these as part of its review. However, where it is considered that the company no longer demonstrates good governance practices, the equity securities will be divested from the fund as soon as reasonably practicable.</p> <p>The investment manager has developed a data-driven model which flags poor practices and controversies relating to the four pillars of good governance as outlined by SFDR to inform its assessment and monitoring of companies. The model covers:</p> <ol style="list-style-type: none"> 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.
	<p>What is the asset allocation and the minimum share of sustainable investments?</p>
	<p>Concerning the planned proportion of investments used to meet the sustainable investment objective of the the Sub-Fund (#1 Sustainable):</p> <p>The fund invests at least 90% of its total net assets in the equity securities of companies located anywhere in the world, including through depositary receipts, subject to the fund's sustainable outcomes criteria.</p> <p>Even though the fund is expected to invest at least 90% of its assets in sustainable investments, the minimum proportion of sustainable investments held by the fund is 80%</p>



Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

to cover the fact that ancillary liquid assets may be held by the fund under unfavourable market conditions, as described below.

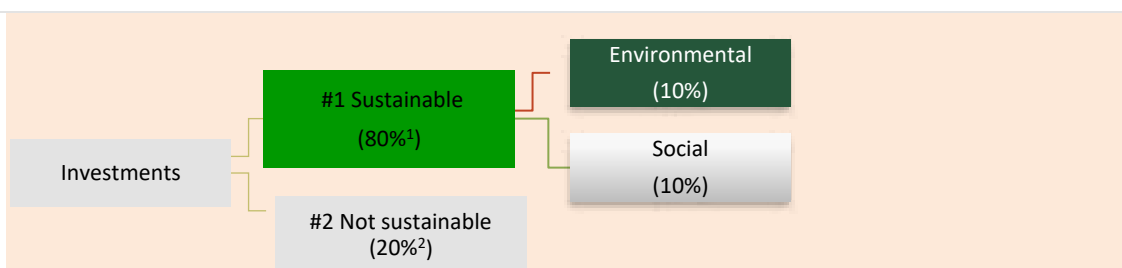
The investment manager applies threshold criteria to calculate the proportion of sustainable investments in the fund (i.e., a pass-fail approach). Companies for which eligible revenue exceeds the thresholds referred to above (cf. the “Impact” section regarding the Sustainable Outcomes Criteria) count fully towards portfolio alignment with sustainable investments, after the DNSH test is applied. In addition, companies’ remaining business activities must not be deemed significantly harmful as described above (cf. “Intent” and “Integrity” sections under the Sustainable Outcomes Criteria, the Sustainable Outcome-based exclusions, and Engagement).

Concerning the other investments which are not sustainable investments category (#2 Not sustainable):

Other investments which are not sustainable investments within the meaning of Article 2(17) are: (i) ancillary liquid assets (i.e., bank deposits at sight) which are held for the purposes of liquidity management; (ii) bank deposits, money market instruments or money market funds held for treasury purposes; and (iii) derivatives for hedging purposes.

These other investments are not used to meet the sustainable investment objective of the fund. However, the fund will apply minimum environmental or social safeguards to ensure that such investments which are not sustainable investments will not affect the delivery of the fund’s overarching sustainable investment objective on a continuous basis (see details below).

The maximum proportion of investments that may be held by the fund in this category is 20% to take into account ancillary liquid assets that may be held under unfavourable market conditions. Nevertheless, the expected proportion is 10% and this limit shall only be temporarily breached for a period of time strictly necessary when, because of exceptionally unfavourable market conditions, circumstances so require and where such breach is justified having regard to the interests of the investors.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.


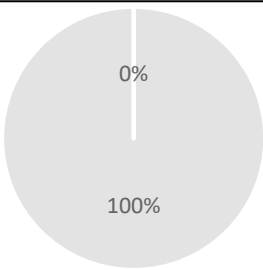
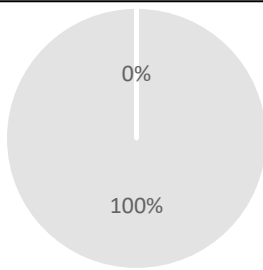
¹ Nevertheless, the expected proportion of investments that are sustainable is 90% as the minimum proportion of 80% is to cover the fact that ancillary liquid assets may be held under unfavourable market conditions (as described above).

² Nevertheless, the expected proportion of investments that are not sustainable is 10% as the maximum proportion of 20% is to cover the fact that ancillary liquid assets may be held under unfavourable market conditions (as described above).

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

	<ul style="list-style-type: none"> How does the use of derivatives attain the sustainable investment objective?
	The fund does not use derivatives for the purposes of attaining the sustainable objective
	To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?
	The fund does not commit to holding a minimum proportion in sustainable investments with an environmental objective aligned with the EU Taxonomy.
	<ul style="list-style-type: none"> Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy⁴?
	<input type="checkbox"/> Yes:
	<ul style="list-style-type: none"> <input type="checkbox"/> In fossil gas <input type="checkbox"/> In nuclear energy
	<input checked="" type="checkbox"/> No
<p>The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.</p> <div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 5px; width: 45%;"> <p>1. Taxonomy-alignment of investments including sovereign bonds*</p>  </div> <div style="border: 1px solid black; padding: 5px; width: 45%;"> <p>2. Taxonomy-alignment of investments excluding sovereign bonds*</p>  </div> </div> <p>*For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures.</p>	
	<ul style="list-style-type: none"> What is the minimum share of investments in transitional and enabling activities?
	N/A

⁴ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



are sustainable investments with an environmental objective **that do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 10%. The actual percentage may be higher as it may vary depending on investment opportunities and the proportion of sustainable investments with a social objective. The fund will hold a minimum proportion of 80% of sustainable investments with an environmental or social objective as described above.



What is the minimum share of sustainable investments with a social objective??

The minimum share of sustainable investments with a social objective is 10%. The actual percentage may be higher as it may vary depending on investment opportunities and the proportion of sustainable investments with an environmental objective. The fund will hold a minimum proportion of 80% of sustainable investments with an environmental or social objective as described above.



What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

For the purposes of managing liquidity, the fund may hold ancillary liquid assets (i.e. bank deposits at sight), and may also hold bank deposits, money market instruments or money market funds for treasury purposes.

Minimum environmental or social safeguards are applied to ancillary liquid assets, bank deposits and derivatives used for hedging purposes, through the integration of ESG considerations into the investment manager’s counterparty risk assessment.



Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

The MSCI ACWI Index is not designated as a reference benchmark to meet the sustainable investment objective of the fund.

- ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

N/A

- ***How does the designated index differ from a relevant broad market index?***

N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A



Where can I find more product specific information online?

More product-specific information can be found on the website:

<https://www.columbiathreadneedle.lu/en/retl/our-funds/find-your-fund/>