



Sustainable investment guidelines for

CT Sustainable Universal MAP Range

Last review: March 2025

Contents

1. Philosophy..... 3

2. Instruments..... 6

3. Regulatory information..... 6

4. Annual policy review..... 7

5. Addendum..... 7

6. Sustainable Bonds exclusion criteria..... 8

1 Philosophy

Our Responsible Investment philosophy is framed by several policy statements, including: Corporate Governance Guidelines, Engagement Policy, as well as our Social and Environmental Expectations statements. These policy documents are available on our [website](#).

The CT Sustainable Universal MAP range includes the following funds:

CT Sustainable Universal MAP Defensive – The Fund seeks to provide growth, combining capital and income, over the long term (at least 5 years) consistent with a defensive risk profile over the same time period.

CT Sustainable Universal MAP Cautious – The Fund seeks to provide growth, combining capital and income, over the long term (at least 5 years) consistent with a cautious risk profile over the same time period.

CT MAP Sustainable Universal MAP Balanced – The Fund seeks to provide growth, combining capital and income, over the long term (at least 5 years) consistent with a balanced risk profile over the same time period.

CT Sustainable Universal MAP Growth – The Fund seeks to provide growth, combining capital and income, over the long term (at least 5 years) consistent with a growth risk profile over the same time period.

CT Sustainable Universal MAP Adventurous – The Fund seeks to provide growth, combining capital and income, over the long term (at least 5 years) consistent with an adventurous risk profile over the same time period.

The identification of financially material environmental, social, and governance (ESG) issues forms part of our routine investment analysis ("ESG integration"), helping us to manage risk and support long-term returns. In addition to this, we will also seek to make a positive contribution to society and the environment while at least meeting the criteria specified below.

The overarching sustainability philosophy of the fund is to "Avoid; Invest; Improve":

- **Avoid** – We have a set of exclusion criteria setting threshold standards to avoid investment in issuers with socially or environmentally damaging products or unsustainable business practices.

- **Invest** – We invest in issuers that make a positive contribution to society and/or the environment.
- **Improve** – We engage with companies with a view to helping them to enhance their performance, viability, and sustainability to create long-term economic value for our clients.

Avoid (exclusions policy)

Consistent with the goal to seek to make a positive contribution to society and the environment, we have developed an exclusion policy to set threshold standards, which applies to the entirety of each fund in the range. We monitor the universe of holdings on an ongoing basis, and any position held by the funds that no longer qualifies must be sold as soon as reasonably possible within the next six months.

Product-based exclusions

- **Weapons**¹ – Exclude issuers that derive:
 - >0% of their revenue from the manufacture or sale of weapons.
 - >0% of their revenue from the manufacture of controversial and/or nuclear weapons components*.
 - >5% of their revenue from the manufacture of other weapons components and/or goods and services which are customised for strategic military use.
- **Tobacco** – Exclude issuers that derive:
 - >0% of their revenue from the manufacture of tobacco products.
 - >5% of their revenue from the manufacture of Next Generation products (including e-cigarettes) and their components.
 - >5% of their revenue from the wholesale trading of tobacco products.
 - >10% of their revenue from the sale of tobacco products.
 - >10% of their revenue from the supply of products which are essential to the tobacco industry, e.g. machinery and packaging materials.

¹ Conventional, unconventional and civilian weapons are in-scope.

* Our definition of controversial weapons encompasses the following types of weapons: biological; blinding lasers; chemical; cluster munitions; depleted uranium (incl. armour); incendiary; land mines; non-detectable fragments.

- **Fossil fuels** – Exclude issuers with ownership of geological reserves of coal/oil/gas and exclude issuers that derive:
 - >0% of their revenue from the mining of thermal coal and its sale to external parties.
 - >0% of their revenue from the extraction and production of oil/gas.
 - >5% of their revenue from the distribution and retailing of oil/gas and related products².
 - >5% of their revenue from coal/oil/gas transportation and/or oil/gas pipelines³.
 - >5% of their revenue from refining coal/oil/gas.
 - >50% of their revenue from equipment and services for coal/oil-/gas-related activities⁴.
- **Electricity generation** – Exclude electricity utilities:
 - That derive >10% of their revenue from coal-based power production⁵.
 - That derive >10% of their revenue from oil & gas-based power production⁶.

In addition, exclude issuers that derive >5% of their revenue from uranium mining.

Forward contracts on agricultural commodities

We do not consider these in scope for investment.

Conduct-based exclusions

- UNGC breaches – We exclude issuers with breaches of the UN Global Compact principles⁷.
- We use qualitative analysis and a variety of ESG data tools to assess and monitor issuers' management of key ESG risks and their approach to addressing sustainability issues. We seek to exclude companies with particularly poor ESG risk management and weak strategies to advance sustainable objectives.

Sustainability in sovereign bonds

We will exclude states:

- Which have not ratified or have not implemented in equivalent national legislation:
 - The eight fundamental conventions identified in the International Labour Organisation's declaration on Fundamental Rights and Principles at Work.
 - At least half of the 18 core International Human Rights Treaties.
- Which are not party to:
 - The Paris Agreement.
 - The Nuclear Non-Proliferation Treaty.
- Considered "Jurisdictions with strategic AML/CFT deficiencies" by the FATF.
- With <40/100 on the Transparency International Corruption Perceptions Index.
- Qualified as "Not Free" by the Freedom House "Freedom in the World" survey.

Further aspects considered:

- **Biodiversity:** We expect issuers to minimise their negative impact on biodiversity.
- **Water Use:** We expect issuers to comply with national regulations and international agreements regarding managing water consumption.
- **Taxation:** We expect issuers to pay fair and appropriate taxes, and transparently report their taxes.
- **Oppressive regimes (government and issuer level):** We use our country scoring approach, which incorporates political and civil rights, to assess whether a holding is connected to an oppressive regime. See also "Sustainability in sovereign bonds" above.
- **Governments allowing the death penalty:** No specific policy considered.

² The Sustainable Funds are permitted to hold issuers that exceed the 5% revenue threshold if they have robust net zero transition plans which cover their product emissions, and/or are substantially benefitting customers in remote/rural areas.

³ The Sustainable Funds are permitted to hold issuers that exceed the 5% revenue threshold for gas transportation/pipelines if they have robust net zero transition plans which cover their product emissions, and/or are substantially benefitting customers in remote/rural areas.

⁴ Issuers deriving >5% of their revenue from the use and/or production of hydraulic fracking technologies are excluded.

⁵ Electricity utilities with coal-based power production must have a Science Based Targets initiative (SBTi) target set at 1.5 degrees Celsius/well-below 2 degrees Celsius. NB. This criteria point may include issuers in other sectors which have power generation activities. Overall, we expect issuers to be structurally decreasing their coal-based power generation.

⁶ Unless they have robust net zero transition plans in place.

⁷ The UN Global Compact are 10 principles businesses should follow and incorporate in order to meet their basic responsibilities to people and planet, which fall under 4 broad headings (Human Rights, Labour, Environment and Anti-Corruption). See here for full details.

⁸ The 17 SDGs were developed in 2015 by the UN and cross-industry stakeholders and endorsed by all 193 member states. The SDGs set out a roadmap towards a more sustainable global economy and society by 2030. See here for full details.

Animal testing

The funds may have exposure to companies conducting/ commissioning animal testing. This could be either due to the medical/pharmaceutical nature of their products or because some companies we deem sustainable require animal testing on certain non-medical product segments. We expect companies conducting or commissioning animal testing to adopt and apply the three Rs – that is, they should replace, reduce and refine animal testing where possible.

Currency exposures

- Currency exposures may arise from securities held within the portfolio if they are not hedged.
- Additional currency exposures can be added but must be consistent with the sovereign bond criteria, with the exception of the reserve currencies (Euro, US Dollar, GB Pound, Japanese Yen). This exception will be capped at 30% of the portfolio under normal market conditions, however, this may be temporarily exceeded under extraordinary market conditions.
- Currency exposures may be taken via currency derivatives (forwards, futures and options) or cash or public debt instruments.

Ongoing monitoring

To ensure issuers held in the Sustainable strategies continue to meet our criteria, we conduct ongoing monitoring of all held issuers. Each quarter the Responsible Investment team reviews whether issuers continue to meet the criteria, alongside any involvement in recent controversies that might indicate poor ESG practices. All breaches are assessed by the Responsible Investment team. If a breach is assessed as genuine, then the issuer is divested.

'Invest' (targeted investment in sustainability leadership)

Core to all of our sustainable strategies is the proactive allocation to investments whose activities are oriented to providing sustainability solutions, i.e. with those making a positive contribution to societies and the environment.

Holdings will be selected on the basis of having strong association with the Funds' sustainability themes, in particular issuers which:

Energy transition – provide affordable and clean energy or improve energy efficiency.

Resource efficiency – promote more sustainable resource use, consumption, and production.

Sustainable infrastructure – enable less damaging construction processes to maintain sustainable networks.

Health and wellbeing – advance global health, wellbeing, nutrition and food security.

Sustainable finance – support both financial inclusion for underserved communities and businesses addressing sustainability challenges.

Societal development – support education and training and improve social mobility for underrepresented groups.

Technological innovation & inclusion – provide innovative hardware or software solutions to a range of global sustainability challenges.

We also make reference to the framework of the Sustainable Development Goals (SDGs) in identifying investments making a positive contribution to society and the environment⁸.

Our 'Invest' approach applies to all assets (e.g. equity and debt securities). Sovereign bonds, including green gilts, can be mapped to the SDGs.

'Improve' (encouraging positive change by active ownership)

We engage with issuers with a view to helping them to enhance their performance, viability, and sustainability to create long-term economic value for our clients. We believe that engagement on ESG issues in certain cases can have a positive impact on corporate performance and investment returns.

Our key expectations on good practice are outlined in our corporate governance guidelines, and environmental and social practices statement⁹.

We support our engagement approach by the thoughtful use of our voting rights, where relevant. All proxy voting results are made public.

Further details can be found in our RI Engagement Policy¹⁰, which defines our group-wide engagement activities.

Engagements are documented in an internal data base, and regular reporting to clients on engagement and ESG metrics are made available.

⁹ [Our Corporate Governance Guidelines](#) and our [Environmental and social practices statement](#)

¹⁰ [Our Engagement Policy](#)

2 Instruments

Securities

All UCITS-eligible securities are allowed, as long as they meet minimum regulatory and ESG standards, as determined above.

Sustainable Bonds (Green and Social)

We can invest in 'Sustainable' bonds, as long as they have been approved by the Responsible Investment team.

Before we invest, we conduct in-depth due diligence to identify whether the issuer and its green/social bond framework meet our exclusion criteria specifically for the issuers of Sustainable Bonds (please refer to 'Sustainable Bonds exclusion criteria' on p9). These criteria differ from the product-based criteria above because we recognise that Green Bonds facilitate issuers' net zero transition and their proceeds are exclusively allocated to projects which deliver environmental benefits. The proceeds of social bonds are exclusively allocated to projects delivering social benefits.

Derivatives

Derivatives are permitted within the funds in order to assist with efficient management of overall asset class positions, such as mitigating interest rate fluctuations, hedging against price falls in equity markets or managing currency exposure. Derivatives will not be used to take the funds to a net short equity exposure on a delta-adjusted basis.

Positive net exposure to indices is only permitted through ESG-based index derivatives or ETFs that comply with the exclusion criteria described above. Derivatives will not be used to take indirect long positions in excluded securities.

Counterparties

Our counterparty approval process includes input from our credit analysts, who produce ESG scores for all of the entities they research. In addition, our Responsible Investment team additionally engages with our trading counterparties and clearing members on ESG topics to assess their ESG credentials and to encourage improvement where shortcomings have been identified.

Short selling

Use of short positions in broad index derivatives to manage overall exposure may result in a short position in excluded securities. The funds do not take direct short positions in securities. Use of index derivatives to manage overall exposure may result in indirect short exposures in excluded securities.

External funds / alternative strategies

External funds / alternative strategies need to meet the following minimum criteria:

- Exclusion of weapons, tobacco and fossil fuels / power generation as defined above
- Commitment to ESG integration
- Commitment to positive sustainable investment trends

This is assessed via an initial in-depth due diligence process and subsequently on an ongoing basis.

3 Regulatory information

These funds have a "Sustainability Focus" label: they invest mainly in assets that focus on sustainability for people or the planet.

The UK Sustainability Disclosure Requirements and investment labels (SDR) require a fund with a Sustainability label to invest at least 70% of its assets in accordance with its sustainability objective.

Those assets must, to varying degrees, be selected by reference to a 'robust, evidence-based standard which is an absolute measure of environmental and/or social sustainability'. This standard of sustainability helps determine the ability of each asset to contribute to positive environmental or social outcomes.

4 Annual policy review

We will review the fund assessment criteria periodically to ensure we keep abreast of evolving best practice. This review will be conducted jointly by the fund’s investment team and the Responsible Investment team, having considered the views of our investment teams and our external Responsible Investment Advisory Council.

5 Addendum

Criteria updates since August 2024:

Previous criteria	New criteria
Weapons⁹	
Exclude issuers that derive: <ul style="list-style-type: none">>0% of their revenue from the manufacture or sale of weapons.>0% of their revenue from the manufacture of controversial weapons components.	Exclude issuers that derive: <ul style="list-style-type: none">>0% of their revenue from the manufacture or sale of weapons.>0% of their revenue from the manufacture of controversial and/or nuclear weapons components*.>5% of their revenue from the manufacture of other weapons components and/or goods and services which are customised for strategic military use.
Tobacco	
Exclude issuers that derive: <ul style="list-style-type: none">>0% of their revenue from the manufacture of tobacco products.>5% of their revenue from the wholesale trading of tobacco products.>10% of their revenue from the sale of tobacco products.>10% of their revenue from the supply of products which are essential to the tobacco industry, e.g. machinery and packaging materials.	Exclude issuers that derive: <ul style="list-style-type: none">>0% of their revenue from the manufacture of tobacco products.>5% of their revenue from the manufacture of Next Generation products (including e-cigarettes) and their components.>5% of their revenue from the wholesale trading of tobacco products.>10% of their revenue from the sale of tobacco products.>10% of their revenue from the supply of products which are essential to the tobacco industry, e.g. machinery and packaging materials.

11 Conventional, unconventional and civilian weapons are in-scope.
* Our definition of controversial weapons encompasses the following types of weapons: biological; blinding lasers; chemical; cluster munitions; depleted uranium (incl. armour); incendiary; land mines; non-detectable fragments.

6 Sustainable Bonds exclusion criteria

Please note that the criteria below only apply to sustainable bonds approved by the Responsible Investment team for Responsible and Sustainable funds. Please refer to p6 for our process.

Alcohol

- Exclude issuers that derive >0% of their revenue from the production of alcohol.

Electricity generation

- Exclude electricity utilities that derive >10% of their revenue from coal-based power production.¹⁰

Fossil fuels – Activities related to the exploration/extraction of conventional oil & gas

- Exclude issuers that derive >5% of their revenue from activities related to the exploration/extraction of conventional oil & gas.

Fossil fuels – Activities related to the exploration/extraction of unconventional oil & gas

- Exclude issuers that derive >5% of their revenue from activities related to the exploration/extraction of unconventional oil & gas.

Fossil fuels – Thermal Coal

- Exclude issuers that derive >5% of their revenue from the mining of thermal coal (including lignite, bituminous, anthracite and steam coal) and its sale to external parties.

Gambling

- Exclude issuers whose core business is gambling, e.g. casinos and betting shops.

Norm adherence

- Exclude issuers with severe breaches of the UN Global Compact Principles.

Pornography, harmful and violent materials

- Exclude issuers involved in the production or distribution of pornographic, harmful or violent materials.¹¹

Tobacco

- Exclude issuers that derive >0% of their revenue from the manufacture of tobacco products.

Weapons

- Exclude issuers that derive >0% of their revenue from the manufacture or sale of weapons.

¹⁰ Electricity utilities with coal-based power production must have a Science Based Targets initiative (SBTi) target set at 1.5°C/well-below 2°C.

¹¹ Retailers and telecom companies may derive up to 5% of revenue from the sale of pornographic or violent material.

Contact us

✉ clientsupport@columbiathreadneedle.com

💻 columbiathreadneedle.com

To find out more visit columbiathreadneedle.com



Important information: This material should not be considered as an offer, solicitation, advice or an investment recommendation. This communication is valid at the date of publication and may be subject to change without notice. Information from external sources is considered reliable but there is no guarantee as to its accuracy or completeness. Please read in conjunction with the Fund's prospectus and KIID document before investing. Columbia Threadneedle Investments is the global brand name of the Columbia and Threadneedle group of companies. columbiathreadneedle.com
WF2706198 (03/25)