# Supplementary Responsible Investment Information

Article 10 – SFDR Website Disclosure

## CT (Lux) Sustainable Outcomes Global Equity

April 2025[1]

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# Summary

The fund is classified as Article 9, and so has a sustainable investment objective. 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. There are two main elements of the investment strategy:

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

**Sustainable outcomes framework**: we focus our research on companies linked to eight investible themes, guided by the UN Sustainable Development Goals (SDGs). We analyse company revenues for alignment with these themes; every holding in the fund aligns with at least one theme. Additionally, we require companies to have:

- **Impact:** sustainable products/services must be a material part of the business
- **Intent:** sustainability must be a genuine management goal
- **Integrity:** the company must meet minimum ESG standards

**Good governance**: all companies in an Article 9 fund must follow good governance practices. We have developed a model which flags poor practices and potential controversies. We also conduct our own assessment before investing and review governance practices continually on all stocks held.

**For further information on these requirements please refer to the SFDR RTS Annex of the fund's prospectus.**

**Monitoring of environmental and social characteristics; Methodologies; Data Sources and processing; Limitations to methodologies and data; Due Diligence**

Monitoring is a crucial part of our investment activities, to ensure that the fund is managed within its stated investment objectives and adheres to any restrictions. It is performed at several stages during the investment process, by the investment teams and by independent oversight groups.

We have developed a number of proprietary methodologies to identify and assess whether investments promote environmental and/or social characteristics or meet the criteria to qualify as a sustainable investment. These methodologies do not apply to all asset classes and the limitations to these methodologies are described in more detail below.

We use a variety of data providers and incorporate this data in our proprietary methodologies. At times we may supplement gaps in external data with our own fundamental research. We perform due diligence on these third-party providers.

# No significant harm to the sustainable investment objective

The fund screens out equities from issuers that derive revenue above specific thresholds from industries or activities that offer minimal environmental or social benefits or have a high risk of negative outcomes on society and/or the environment. The manager assesses companies against the fund's exclusion criteria to determine whether an issuer is harming environmental and/or social themes such as climate transition, controversial weapons, and breaches of the United Nations Global Compact.

Principal adverse impacts are also considered as part of the do not significant harm test and the we will further disclose the principal adverse sustainability indicators in Annex I (table 1 and table 3 for the indicators on incidents of discrimination, average freedom of expression score and average corruption score) of the RTS of the SFDR.

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.

The model identifies harm by using a quantitative threshold against a selection of principal adverse impact indicators. Issuers 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.

The sustainable investments the fund makes 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.

# Sustainable investment objective

The sustainable investment objective of the fund is to provide positive sustainable outcomes for the environment and/or society.

We focus on eight investible themes, linked to the UN Sustainable Development Goals (SDGs), to help us identify the environmental or social characteristics being promoted by the fund. These are:

**Environmental:**

- Sustainable resource management
- Energy and climate transition
- Regeneration and infrastructure

**Social:**

- Health, wellbeing, and food security
- Financial and technological inclusion
- Education and training
- Inclusive work and economic development
- Community formation and support

# Investment strategy

The investment strategy uses the following binding elements to support the sustainable investment objective:

**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. 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 certain thresholds from industries or activities that the investment manager considers are contrary to the goals of making positive contributions to society and/or the environment. Further information is included in the SFDR RTS Annex of the prospectus.

**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, but not limited to, the United Nations Global Compact, the International Labour Organization Labour Standards, the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.

The Fund complies with the Paris-aligned Benchmark exclusions contained in Article 12 (1) (a)-(g) of Article 12(1)(a)-(g) of Commission Delegated Regulation (EU) 2020/1818).

**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 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.

We measure the impact of the whole portfolio and report the results in our annual outcomes report.

# Good governance

We conduct a pre-investment good governance assessment and ongoing post-investment review of governance practices on all investee companies. We use third-party data to assess a company's governance practices and supplement this with our fundamental research.

**Pre-investment**: We assess all companies before investment. We may engage with a company to better understand or to encourage improvements relating to any flagged issues. If, however, we conclude that the company demonstrates poor governance practices, we will not invest in its securities.

**Post-investment:** Companies are monitored on an ongoing basis to confirm that there has been no worsening of their governance practices. If any issues are flagged, we may engage with the company to better understand the issue as part of our good governance assessment. However, where it is considered that the company no longer demonstrates good governance practices, the securities will be divested.

We have developed a data-driven model which flags poor practices and controversies relating to the four pillars of good governance outlined by SFDR to inform our assessment and monitoring of investee companies. The quantitative models to measure governance characteristics cover:

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.

Qualitative reviews assessing the practices of a company will take place when a governance issue is flagged by the data-driven model. These reviews will also take place when data is limited.

# Proportion of investments

All equity securities are subject to the application of the sustainable outcomes criteria as described above and are therefore considered to be sustainable investments. They are also subject to the exclusion policy, ensuring minimum environmental and social safeguards are in place for all equity securities held by the fund.

Cash and cash-equivalent assets and derivatives used for hedging are not counted when calculating the sustainability profile of the fund. In normal market conditions investment in liquid assets will not exceed 10% of the fund's net asset value.

# Monitoring of the sustainable investment objective

Monitoring of our funds is a crucial part of our investment activities. It is performed at several stages during the investment process, by the investment teams and by independent oversight groups:

- Where we deviate from the outcome of our data-driven models, the fundamental research analysis that is used in such cases will be independently reviewed and overseen by senior members of our

Investments, Research and Active Ownership Teams to ensure that any deviation is well documented and explained. These sample reviews focus on the completeness of the research undertaken and only apply to certain of our proprietary models such as our ESG Materiality Rating model, good governance and sustainable investments.

- The Investment Consultancy & Oversight Group periodically reviews the fund's strategy to identify areas of improvement, with the aim of improving outcomes for clients and one aspect of their analysis is to ensure that the portfolio managers adhere to the fund's stated philosophy and process, including ESG measures.

- The Mandate Compliance Team are responsible for independently monitoring whether a fund adheres to certain sustainability indicators. Blackrock Solutions Aladdin order management system is the dedicated application for all monitoring requirements, providing both a pre- and post-trade compliance functionality throughout the lifecycle of the fund.

- **Net Zero alignment**. The fund-level engagement target and non-binding 2030 carbon footprint objective is monitored by the Responsible Investment team on a quarterly basis. A separate monitoring process is conducted by the Investment Risk team on a quarterly basis, and funds which are designated as off track are flagged to the portfolio manager and the Responsible Investment team.

# Methodologies

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| **Sustainable Investments** | To assess whether a company qualifies as an investment in an economic activity that contributes to an environmental or social objective and can be considered a sustainable investment, we either evaluate or undertake:<br><br>• The contribution of a company to one or more of the 17 Sustainable Development Goals (SDGs) that have a social or environmental objective. This is measured using the proportion of a company's revenue streams that contribute positively to the targets of the SDGs. Where a company's revenues are at least 50% positively aligned, this indicates it generates the majority of its revenue from sustainable solutions.<br>• A qualitative assessment that a company offers sustainable solutions, where our due diligence concludes and evidences that the contribution of a company's revenues aligned to the SDGs will increase over the medium term.<br>• A qualitative assessment and documented evidence that sustainability is a material business driver within a company's operations or business approach, which contributes to positive environmental or social outcomes.<br><br>The percentage of revenue that is not linked to a contribution to SDGs will also need to meet the "do no significant harm test" in order to for the entire investment to be considered a sustainable investment. |
| **Do no significant harm (DNSH)** | To ensure that a company does not significantly harm (DNSH) an environmental or social objective, we assess and monitor investee companies against all the mandatory Principal Adverse Impact (PAI) indicators and certain voluntary PAIs. Using an in-house data driven model we have set quantitative thresholds against a selection of PAI indicators to flag certain harms caused by a company. These thresholds take into account the materiality of an indicator for a given industry or sector and what may constitute poor practices in relation to the indicator. Companies falling below the set thresholds are then subject to a qualitative assessment to determine whether they have caused "significant harm". This review is undertaken by the Investment Team or Responsible Investments Team and considers the materiality of the harm and whether mitigating activities are underway to address the issues. Companies that are not covered by the in-house model owing to data gaps are also subject to a qualitative assessment where either the Investment Team or Responsible Investments Team evaluate whether significant |

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| | harm has been caused using fundamental research. |
| **Net Zero alignment** | Our NZAMI commitment and the implementation of our net zero methodology may have the following impacts on the fund:<br><br>An immediate coal divestment and exclusion policy, covering companies that derive over 30% of their revenue from coal or that develop new coal mines/power;<br><br>Divestment of the highest-emitting companies that may be held in the fund, if these have been subject to a prolonged period of engagement and still fail to meet our minimum standards and expectations.<br><br>We aim for at least 70% of the carbon footprint of the fund in any given year to be either classed as “aligned” in our proprietary net zero tool, or be engaged on climate change. We count companies as engaged if they have been engaged on climate change in the last two years by our internal teams, or if they are engaged by the Climate Action 100+ collaborative engagement initiative that we are members of (even if we do not engage them directly ourselves).<br><br>Our detailed methodology for this tool is available on our website, and the tool follows the Net Zero Investment Framework. |
| **Exclusions** | The fund excludes companies that breach certain international standards or derive revenue above set thresholds from industries that are not considered to promote environmental or social characteristics. These exclusions are coded into our portfolio order management systems and are monitored on a pre-trade and post-trade basis.<br><br>The Fund complies with the Paris-aligned Benchmark exclusions contained in Article 12 (1) (a)-(g) of Article 12(1)(a)-(g) of Commission Delegated Regulation (EU) 2020/1818). |

# Data sources and processing

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| **Sustainable investments** | We use a range of data sources to assess whether a company makes a positive contribution to an environmental or social objective and can therefore be considered a sustainable investment.<br><br>These include, but are not limited to, CDP, Climate Bonds Initiative, Factset Revere, ISS, and MSCI. We undertake due diligence on the proprietary models used by our third-party data providers for producing data and periodically perform data checks to ensure data quality. We may also supplement external data with our own research where we disagree with external data or there are data gaps. These qualitative assessments are incorporated into our internal models and refreshed annually.<br><br>The data we receive is processed internally where it is transformed and curated in accordance with the specification of our proprietary methodologies. The third-party data providers use estimated company data at levels that are not disclosed to data users. |
| **Do no significant harm (DNSH)** | We use a range of data sources to ensure that a company does not significantly harm an environmental or social objective. These include, but are not limited to CDP, Climate Bonds Initiative and MSCI. We undertake due diligence on the proprietary models used by our third-party data providers for producing data and periodically perform data checks to ensure data quality. We may also supplement external data with our own research where we disagree with external data or there are data gaps. These qualitative assessments are incorporated into our internal models and refreshed annually.<br><br>The data we receive is processed internally where it is transformed and curated in accordance with the specification of our proprietary methodologies. The third-party data providers use estimated company data at levels that are not disclosed to data users. |
| **Net Zero alignment** | The primary data sources that we use to determine the net zero alignment status of a company include: CDP, Science-based Targets Initiative (SBTi), Climate Action 100 (CA100+), Transition Pathway Initiative (TPI), MSCI, Climate Bonds Initiative (CBI) Green Bonds Database. We also use Urgewald GCEL and MSCI data for the minimum coal exclusion threshold that applies to net zero aligned funds.<br><br>We use the following approaches to ensure data quality:<br><br>• We use a data hierarchy, whereby we preferentially use data from sources that are externally verified (e.g. SBTi, CA100+, TPI) over data that is self-reported by a company (e.g. CDP).<br><br>• We run regular checks on our internally developed net zero tools to verify that data is kept up-to-date.<br><br>• We undertake due diligence on the framework methodologies and coverage levels of our third-party data providers.<br><br>The data is processed using a Python script that follows our internally developed proprietary net zero alignment methodology.<br><br>The data that we take into account when assessing an investee company's alignment to net zero is not estimated; however, approximately 20% of the Scope 1, 2 and 3 carbon data that we use as part of our methodologies is estimated by our third-party data providers. |

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| **Exclusions** | We use MSCI data to monitor whether an investee company breaches certain international standards or derives revenue above set thresholds from industries that are considered contrary to the promotion of environmental or social characteristics.<br><br>Due diligence is performed on MSCI and we may depart from its data when we disagree with it or consider it to not be up to date. The external data that we receive is configured in our portfolio order management systems. MSCI uses estimated company data at levels that are not disclosed to data users. |

# Limitations to methodologies and data

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| **Sustainable investments** | Where there are gaps in the external data we receive from third-party data providers or where we disagree with such data, we will use our own research to make a qualitative assessment and ensure that there are sufficient holdings in the portfolio contributing towards the minimum proportion of sustainable investments that the fund has committed to. |
| **Do no significant harm (DNSH)** | While there may be gaps in the external data we receive from third-party data providers, we will use our own research to make a qualitative assessment and ensure that there are sufficient holdings in the portfolio meeting the DNSH principle and contributing towards the minimum proportion of sustainable investments that the fund has committed to. Certain PAIs that are considered as part of the DNSH test currently have very limited data coverage levels. We will not rely on third-party data that we disagree with and use our own research instead. |
| **Net Zero alignment** | There are two data limitations. External data sources are not updated in real time, which can result in the reported progress of an investee company towards net zero alignment being delayed when used as part of our methodologies. There is also limited data for smaller companies, especially those that are not required to disclose under self-reporting standards.<br><br>Our net zero alignment methodology does not currently assess non-corporate fixed income issuers, such as sovereign debt and municipal bonds. Moreover, it does not apply to financial institutions. We plan to develop new methodologies to cover these asset classes and sectors in due course.<br><br>Notwithstanding the above-mentioned limitations to methodologies and data, we have set minimum coverage data thresholds that our funds need to meet if they are to align to net zero using our internally developed frameworks. More specifically, we may override certain data points given by our third-party provider where we believe them to be outdated or inaccurate. |
| **Exclusions** | We apply our exclusion policy to all investee companies, including those that are not covered by the external data we receive from third-party data providers. In instances where we disagree with third-party data or consider it to not be up to date, we may depart from it and make a qualitative assessment on whether the company may be held in the fund. |

# Due diligence

As a research-focused asset manager, we conduct in depth due diligence on potential investments.

The portfolio manager seeks the best ideas from three main sources: global equity team, regional equity teams and our global research team. The investment manager only invests in companies that meet the following sustainable outcomes criteria:

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

2. **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.

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

Several tools are available to enable this security due diligence:

- ESG Materiality Ratings: The model uses public company data and leverages the SASB materiality framework to assess how effectively material environmental, social and governance (ESG) risks and opportunities are being managed. The resulting ratings – updated daily - indicate how well a company is managing those material risks and opportunities relative to its industry peers. The fund and benchmark level scores are a weighted average of all securities with sufficient data coverage. This model provides a strong foundation for our ESG research process.

- We utilise external research to test our consensus on market or company specific projections. This is a useful tool since it enables us to test the relative value of our internal research (i.e. are our findings already reflected in the price of the stock?).

We believe investment risk is best managed by investing in quality companies and having detailed knowledge of the risks to each position. However, our independent risk team provides important oversight through daily monitoring and in-depth quarterly meetings. Risk management is embedded throughout our process and constantly monitored at a stock, sector and fund level.

# Engagement policies

Our Responsible Investment Engagement Policy outlines our approach to engagement, themes covered, and how we prioritise and escalate. Our engagement programme is executed through close collaboration by our active ownership analysts with fundamental research analysts and portfolio managers. Among other factors, we identify and prioritise issuers for engagement based on factors such as: the significance, probability of occurrence, and severity of adverse sustainability impacts; the assessment of impact of ESG risk and opportunity factors now and in the future; investment teams' and fundamental analysts' judgement and expertise; and the assessment of likelihood of engagement success. The engagement prioritisation process incorporates issuers flagging against Principal Adverse Impact indicators, and companies with a low score under our ESG Materiality Rating model. We may not necessarily engage with all issuers that have been flagged across the various factors.

We aim for constructive dialogue to support long-term returns by mitigating risk, capitalising on opportunities linked to ESG factors, and reducing material negative impacts of our investment decisions. We aim to play a part in a more sustainable and resilient global economy, by encouraging improved ESG practices. This can drive positive impacts for the environment and society, in line with the United Nations Sustainable Development Goals (SDGs).

When we engage, we focus on financial performance, sustainability risks and opportunities, operational excellence, capital allocation policies and managerial incentives. Collaboration across asset classes, and thematic and sectoral disciplines ensures an informed approach.

We will agree and set engagement objectives and timelines and use escalation strategies where appropriate, if companies do not demonstrate progress on matters that we believe are in our clients' best long-term economic interests. In considering engagement escalation strategies, we will make a case-by-case assessment of progress against our objectives and how companies respond to our engagement. We have at our disposal several different options for escalation, which include collaborative engagement, public statements and partial or complete divestment.

Engagement activity may also occur in response to unscheduled and controversial events, such as scandals or major environmental disasters linked to corporate operations. Our event-driven engagement also occurs in reaction to potential issuer breaches of global standards, such as the OECD guidelines for multinational enterprises or the UN Global Compact.

Stewardship lies at the heart of our approach to net zero and we actively engage with certain companies within the fund to influence change and help to achieve improved net zero alignment status. We also conduct both company and portfolio level alignment analysis to assist with our investment decision-making process. Our aim is for the fund to hold at least 70% of its portfolio emissions in net zero aligned or engaged companies.

## Attainment of the sustainable investment objective

The fund neither has a designated reference benchmark that is used to align with its sustainable investment objective, nor an objective to reduce carbon emissions.