

Conflicts of Interest Addendum Proxy Voting

January 2023



Introduction

At Columbia Threadneedle Investments, we seek to act in the best interests of our clients in our investment management business. We recognise conflicts of interest may arise in our investment activities and any services we provide. We seek to identify, and then prevent and/or manage conflicts to serve our clients' best interests.

This is an addendum to our Responsible Investment Proxy Voting Policy, outlining our approach to and implementation of proxy voting. It outlines how we deal with certain potential conflicts between our interests and those of our clients, or between the interests of two or more clients, and across all asset classes between teams who are involved in proxy voting (being our Active Ownership (AO) team, who implement our proxy voting process and the execution of votes, and other teams within Columbia Threadneedle Investment (Research, Portfolio Management) who are also involved in this activity.

This addendum does not represent a complete list of all potential conflicts relevant to our proxy voting activity; rather it sits alongside our wider conflicts of interest policies referenced below under which all potential and actual conflicts of interest identified are monitored, managed and/or mitigated across the organisation. From time to time, we may need to adjust our approach to dealing with conflicts from that outlined below to deal with the issues raised by a particular set of circumstances.

Voting the meeting of an issuer who is also a client

We could vote at the shareholder meeting, whether it be in person or electronically, of an investee issuer where the issuer (or a related party such as a sponsored pension scheme) is also a client. Potential conflicts of interest arise if the voting direction, pursuant to our Corporate Governance Guidelines, is contrary to the recommendations put forward by the issuer.

We treat all our clients equally in our proxy voting activities. We do not alter our position due to a business relationship that an issuer may have with us or any other part of the wider Ameriprise Financial, Inc. group although we may collaborate with other business areas within Columbia Threadneedle Investments or the wider Ameriprise Financial, Inc. as part of the effective management of any potential conflict arising because of such a business relationship. Unless an institutional client instructs us otherwise, we apply our Corporate Governance Guidelines¹ to all client portfolios in a manner that considers our clients' respective investment objectives and best interests (including best long-term economic interest).

Columbia Threadneedle Investment's Responsible Investment (RI) Corporate Governance and Proxy Voting frameworks are developed and executed by the Active Ownership (AO) team with input from internal Fundamental Research Analysts and portfolio managers, who maintain the ability to request overrides over the standard votes cast in relation to their fund holdings through our Proxy Voting Working Group. Our Corporate Governance Guidelines are available on our website and provide further detail on our stance around corporate governance best practice. They are further supplemented by our Proxy Voting Policy, which provides additional detail on the operation of the Proxy Voting framework.

Proxy Voting of an issuer involving an Officer, Director or Employee of Ameriprise Financial, Inc or any of its subsidiaries ("Officer, Director, or Employee")

We could maintain a proxy voting position in an issuer where an Officer, Director or Employee serves on the board of that issuer. Potential conflicts of interest arise if the voting direction, pursuant to our Corporate Governance Guidelines, is contrary to the recommendations put forward by the issuer, or the issuer's interests differ from those of Columbia Threadneedle Investment.

We manage this conflict by ensuring that all such votes are always instructed automatically utilising the recommendations of the proxy voting service provider rather than being voted in line with our own Corporate Governance Guidelines.

Additionally, we apply this and other Columbia Threadneedle Investment policies specifically relating to Officers, Directors, or Employees with relationships with investee companies. For example, Columbia Threadneedle Investment's Global Policy – Outside Activities and Family Relationships requires our employees to declare and disclose their outside business interests. In cases where there is a significant conflict, we may determine that it is inappropriate for such employees, who may also determine the same given their own personal position, to direct proxy voting with certain investee companies.

¹ Including: applicable RI investment policies, Engagement Policy, Proxy Voting Policy, Environmental and Social Practices Statements

Proxy Voting to favour one client over another:

Potential conflicts of interest could arise where we vote at an issuer on a matter with a potential outcome that favours one client over another; for example, because they are larger in terms of their AuM that we manage or service as part of **reo**[®].

We manage this conflict by treating all clients equally in our Active Ownership activities. In particular:

- Unless an institutional client instructs us otherwise, we apply our Corporate Governance Guidelines to all client portfolios in a manner that considers our clients' respective investment objectives and best interests. This could result in our acting on a matter in the same or a different way for various clients.
- Clients also can provide us with written instruction on how to vote specific meetings.

Proxy Voting to favour one Active Ownership Analyst or Portfolio Manager or Fundamental Research Analyst over Another:

Potential conflicts of interest could arise within or between teams of AO analysts, portfolio managers or Fundamental Research analysts, where there is a lack of consensus on how to vote specific proposals at a shareholder meeting.


We manage this potential conflict through our Proxy Voting framework, whereby conflicts may be escalated to the Proxy Working Group, for resolution and, if necessary, ultimately to the relevant regional internal investment committee. More detail on this is provided in the Proxy Voting Policy. The AO Team also notifies all portfolio managers, fundamental research analysts of upcoming meetings that require a vote, in accordance with our prioritisation process, whereby concerns over specific vote directions can be raised to the AO team for further analysis. Regular exchanges between Fundamental Research analysts, Portfolio Managers and the AO team take place to understand and align on respective proxy voting efforts.


The internal consultation process allows divergent views to be considered but does not occur at the expense of the best interest of our clients. We seek to treat all clients equally in our proxy voting activities.

Other conflict management tools in Active Ownership – Proxy Voting:

- **Our AO Team:** We have a team of ESG experts who work alongside, but independently from, the fundamental research and portfolio management teams. The AO team leads the development of our Corporate Governance Guidelines with input from portfolio managers and research analysts and undertakes proxy voting activities as well as research and analysis.
- **Oversight:** The relevant internal regional investment committees oversee this policy to ensure Columbia Threadneedle Investments effectively addresses conflicts of interests connected with proxy voting. Our Compliance department may also periodically review our compliance with this policy.
- **Our Compliance and Data Protection Systems:** We have strict firewalls to keep client holdings data confidential and always protected, separating holdings of clients with managed portfolios from those of clients who subscribe only to our **reo**[®] services.
- **Transparency and Disclosure:** We seek to uphold high standards in transparency and disclosure to enable clients and broader stakeholders to review our effectiveness in managing conflicts. Our regular reporting to clients includes both our public vote record and our annual Stewardship Code report on Columbia Threadneedle Investment's Active Ownership activities with issuers and public policy makers.
- **Conflicts of Interest Policy:** Columbia Threadneedle Investments maintains wider conflicts of interest policies under which all potential and actual conflicts of interest identified are monitored, managed and/or mitigated.

Contact us

 columbiathreadneedle.com

 Follow us on LinkedIn

To find out more visit columbiathreadneedle.com

© 2023 Columbia Threadneedle Investments is the global brand name of the Columbia and Threadneedle group of companies.

Important Information: This communication is valid at the date of publication and may be subject to change without notice. WF285967 (01/23)

