Zuger KB

Q3 2026

The purpose of the ***reo***® (responsible engagement overlay) service is to engage with companies held in portfolios with a view to promoting the adoption of better environmental, social and governance (ESG) practices. The ***reo***® approach focuses on enhancing long-term investment performance by encouraging commercial success at companies through safer, cleaner, and more accountable operations that are better positioned to deal with ESG risks and opportunities.

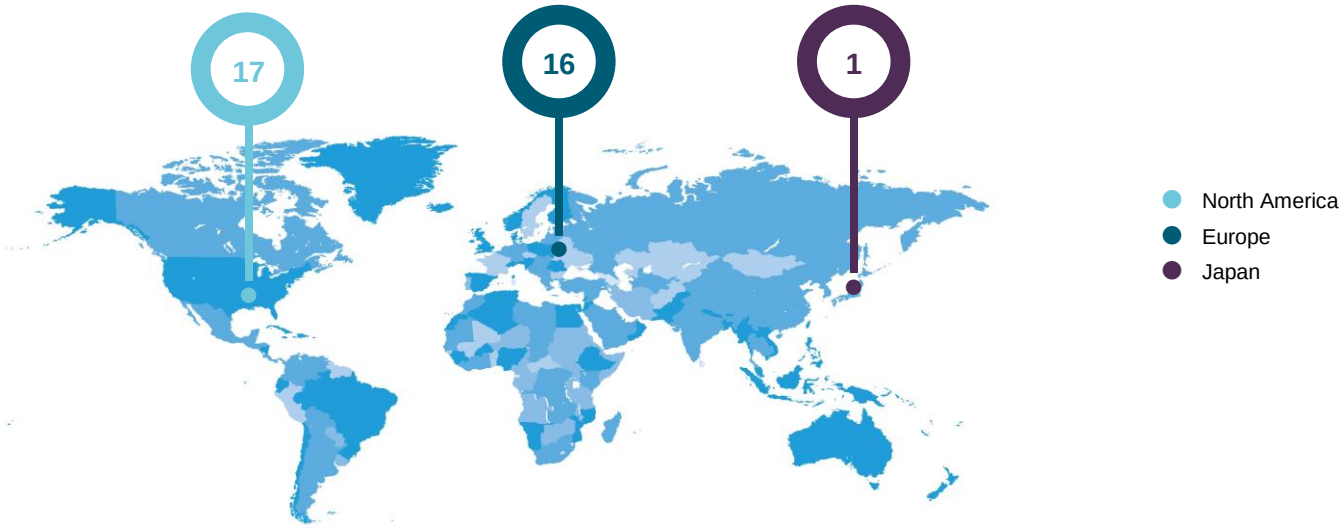
Engagements

Interactions	Companies	Countries covered
34	26	9

Milestones

★	★★	★★★
5	2	0

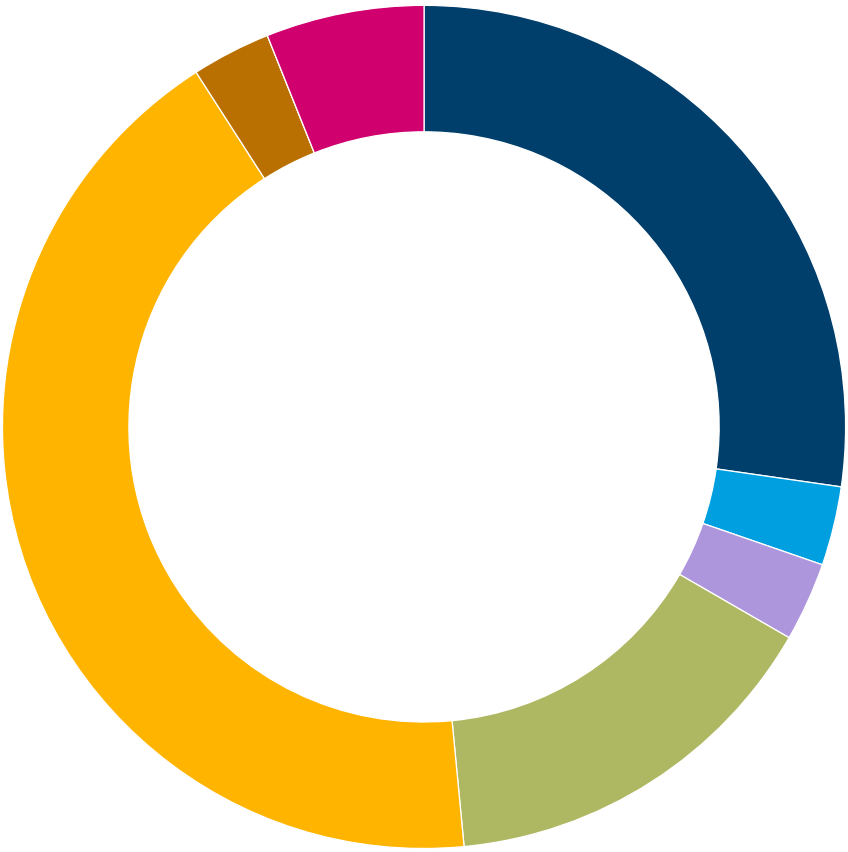
Companies engaged by region



Source: Columbia Threadneedle Investments

Engagements by theme

Your engagements by theme



Climate and Energy Transition	27%
Natural Capital	3%
Sustainable Infrastructure	3%
Health	15%
Human Capital & Demographics	42%
Human Rights	3%
Corporate Governance	6%

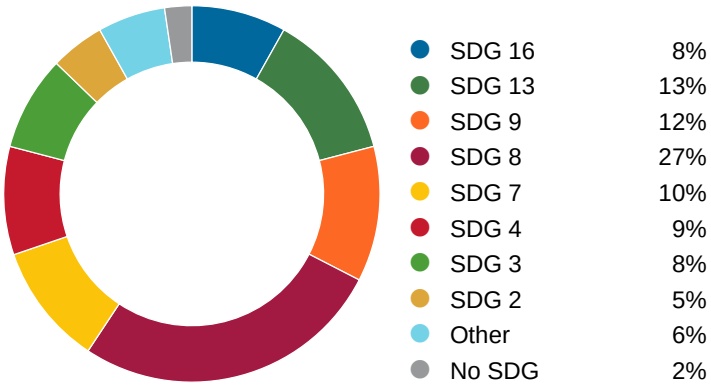
Source: Columbia Threadneedle Investments

Engagements and Sustainable Development Goals (SDGs)

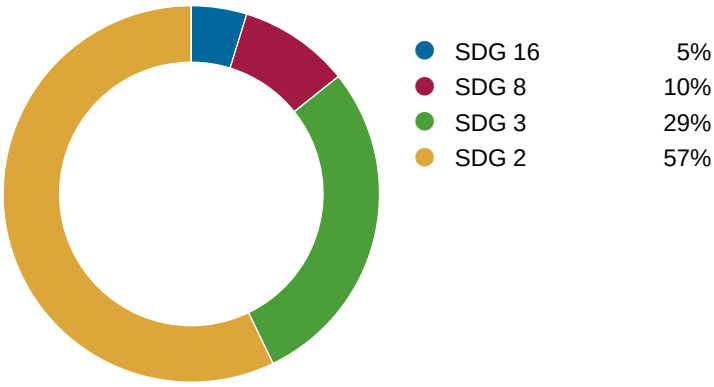
The 17 Sustainable Development Goals (SDGs) were developed by the UN and cross-industry stakeholders with a view to providing a roadmap towards a more sustainable world.

We use the detailed SDG goals to report company engagement objectives, where relevant, as well as to articulate the positive societal and environmental impacts of engagement.

Engagement: SDG level



Milestone: SDG level





Source: Columbia Threadneedle Investments

Engagement case studies

Climate and Energy Transition

Eaton Corp PLC

Country: Ireland
Sector: Industrials
Objective group: Grid
Exposure rating: High Opportunity
Milestone:







Rising power and data-centre demand drives grid investment

Why we engaged

To understand how Eaton is translating unprecedented data-centre and electrification demand into capacity, sales and margins; test the durability of the US data-centre pipeline; and assess technology shifts and development constraints that could change the long-term revenue opportunity.

How we engaged

We met virtually in a 1:1 with Investor Relations and industrials fundamental analyst.

What we learned

Capacity and demand: The full capacity ramp is now reflected in sales. Demand remains ahead of supply and Americas organic growth reached 65% in the quarter; strength included data centres but was broad based. As the comparison base rises, Eaton expects the growth curve to moderate. US data-centre pipeline: Announced capacity increased by 16 GW in the quarter, taking the ~15-year pipeline to ~200 GW. Installed capacity is expected to rise from ~38 GW in 2025 to 54 GW, reach the high-70 GW range in 2027 and 100–110 GW in 2028. The build-out is running slightly ahead of prior expectations. Revenue and backlog: Eaton is repricing the backlog and sees upside to its target of ~US$11bn of incremental Electrical segment revenue by 2030, supported by stronger data-centre and wider power-infrastructure demand. Constraints and technology: Moratoriums remain a watch item and Eaton has already haircut its five-year data-centre growth assumptions. Developers and suppliers are strengthening their sustainability message, including water. Eaton is investing in 800V transformers, targeting commercialization in 2H next year across three facilities;800V does not imply all UPS equipment disappears.

Outcome and next steps

Thesis: Eaton has a high opportunity exposure to grid/power infrastructure theme which is likely to increase as a global leader in electrical equipment for power infrastructure. Capacity additions are converting into sales while demand remains ahead of supply. Growth should moderate from exceptional current rates, but broad electrification and accelerating data-centre activity support potential. Next Steps: To support a milestone upgrade, we would expect Eaton to demonstrate that the ~US$11bn incremental Electrical revenue opportunity by 2030 is materialising through sustained backlog conversion and profitable growth; show that the ~200 GW US data-centre pipeline is translating into committed projects without material delays; and successfully execute the commercial rollout of its 800V transformer offering in 2027 2H as guided.

Source: Columbia Threadneedle Investments

For illustrative purposes only. The mention of any stocks or securities is not a recommendation to deal.

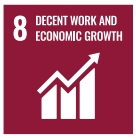
Engagement case studies

Human Capital & Demographics

JPMorgan Chase & Co

Country: United States
Sector: Financials
Objective group: Substitution
Exposure rating: N/A
Milestone:





AI adoption tested against workforce impact and reskilling

Why we engaged

Test whether JPMorgan can convert artificial intelligence (AI) investment into measurable productivity, workforce adaptability and durable value. Assess whether culture, talent and execution provide an advantage when the underlying technology is increasingly available to peers.

How we engaged

Across three engagements we met the CFO, the Global Head of Diversity, Opportunity & Inclusion and Head of HR Governance, then held a dedicated investor relations discussion on their use of AI on their employees, challenging them on productivity measurement, reskilling, redeployment and who captures the value created.

What we learned

AI is embedded across fraud detection, Know Your Customer, research support and internal workflows; ~200,000 employees use the internal LLM Suite monthly, with hundreds of use cases prioritised on savings, scale, customer impact and feasibility. Workforce effects are uneven - routine customer-service roles may contract, while hiring accelerates for developers, designers and AI governance specialists. Substitution is gradual rather than wholesale: slower net hiring and redeployment within a long-standing mobility culture, supported by extensive internal training. Management treats AI as "table stakes," benefits are expected to be competed away or passed to customers, leaving culture, talent and execution as the durable differentiator. Governance sits at full board level alongside cyber risk, with management describing cyber as the sector's greatest existential threat.

Outcome and next steps

Thesis: JPMorgan's scale, AI investment and large workforce make it a key test of how firms align skills and workforce strategy with technological change. Its ability to develop, attract and redeploy talent while embedding AI into business processes may support productivity, execution and competitiveness. Next steps: press management to quantify productivity gains in workforce terms and evidence that reskilling and mobility keep pace with changing roles; we will benchmark JPM's workforce transformation against banking peers. MS-3 requires sustained productivity gains, demonstrable workforce transition and evidence that value created is retained rather than competed away.

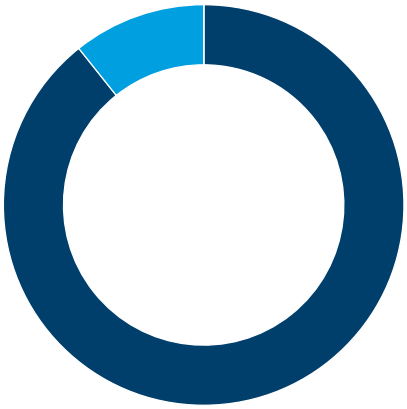
Source: Columbia Threadneedle Investments

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Proxy voting

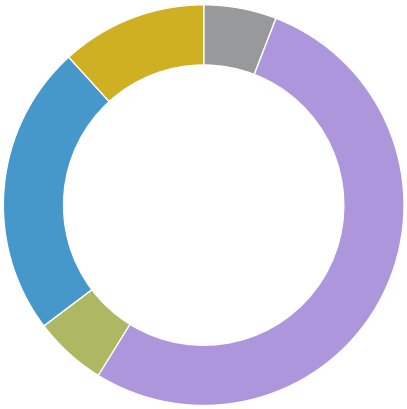
Total meetings voted[1]	Total proposals voted	Percentage of all proposals where we voted against management
13	168	10.12%

Items voted



For	89.3%
Against	10.7%

Votes against management by category



Capitalisation	5.9%	Remuneration	23.5%
Director election	52.9%	Routine business	11.8%
Director related	5.9%		

[1]This report has been compiled using data supplied by a third-party electronic voting platform provider. The statistics exclude ballots with zero shares and re-registration meetings. Meetings/ballots/proposals are not considered voted if: ballots have been rejected by voting intermediaries (e.g. where necessary documentation (such as Powers of Attorney, beneficial owner confirmation, etc.) was not in place); instructed as “Do not vote” (e.g. in share-blocking markets); or left uninstructed.

Source: Columbia Threadneedle Investments

Disclosure

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