Zuger KB

Q2 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.

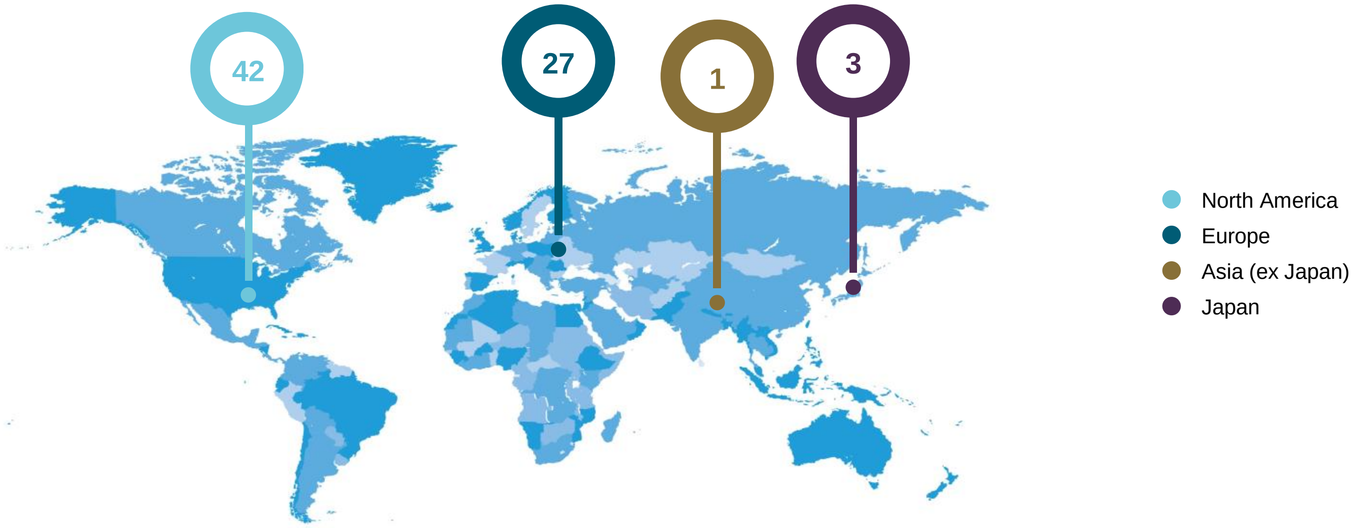
Engagements

Interactions	Companies	Countries covered
73	41	11

Milestones

★	★★	★★★
9	3	1

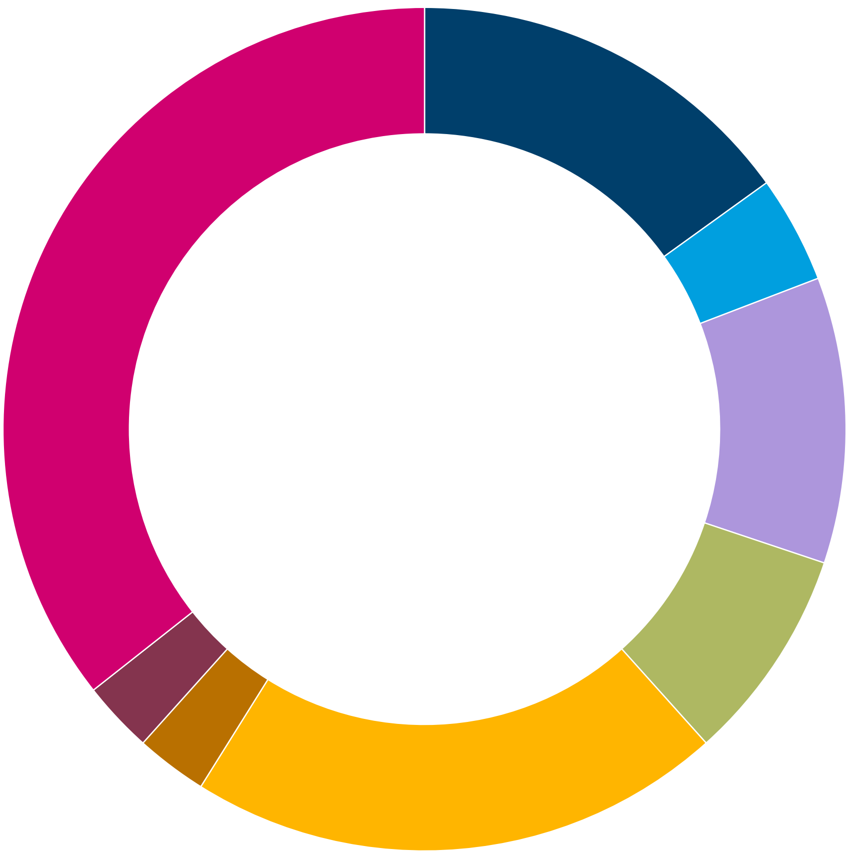
Companies engaged by region



Source: Columbia Threadneedle Investments

Engagements by theme

Your engagements by theme



Climate and Energy Transition	15%
Natural Capital	4%
Sustainable Infrastructure	11%
Health	8%
Human Capital & Demographics	21%
Human Rights	3%
Sustainable Finance	3%
Corporate Governance	36%

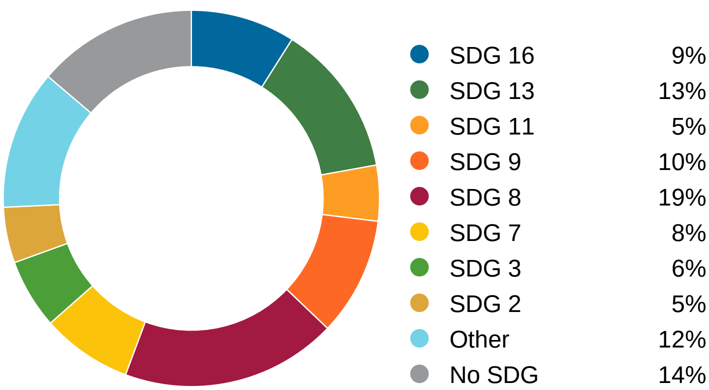
Source: Columbia Threadneedle Investments

Engagements and Sustainable Development Goals (SDGs)

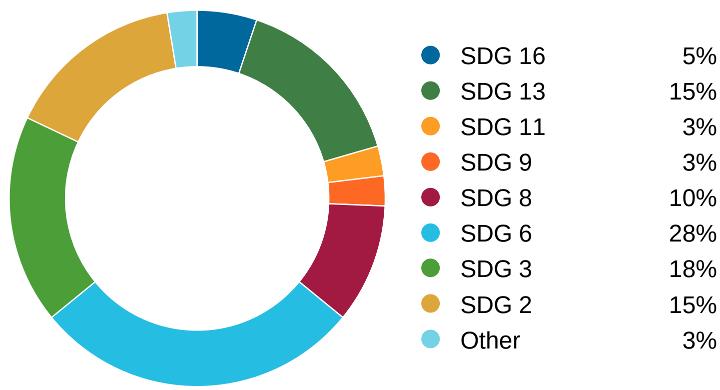
The 17 Sustainable Development Goals (SDGs) were developed by the UN and cross-industry stakeholders with a view to providing a roadmap towards a more sustainable world.

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

Prysmian SpA

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

Strong demand for electrification supports grid leadership

Why we engaged

Prysmian is the world's leaders manufactures of cables and systems for power transmission and distribution as well as medium and low voltage cables for the construction and infrastructure sectors. They also produce a comprehensive range of optical fibres, copper cables and connectivity systems. We engaged to assess the order backlog and revenue expansion in light of increasing demand for fiber and cables for grid investments and data centers.

How we engaged

Group meeting with Head of Investor Relations

What we learned

Prysmian confirmed it sees strong thematic tailwinds for its main divisions across Renewables Transmission (Grid Interconnectivity), Power Grid (tariff winner), Industrial and Construction (DC build out). The company shared that demand from data centers is increasing, currently it represents 25% of their business and $1bn revenue. They shared they have an investment with a hyperscaler for a long-term contract to provide fiber inside a data center which could represent a significant opportunity. The backlog for high voltage for power grid/transmission continues to be strong as well as low voltage for electrification coming mostly from construction business. The company believes the transition to 800Voltage for Data centers design will have a net positive effect on them because despite the fact it will require less cables the power will be higher. They expect in 3-4 years they will have 20% of the market.

Outcome and next steps

Prysmian has high opportunity to electrification and grid infrastructure themes with attractive revenue visibility from the strong order backlog. Next Steps: We expect Prysmian to continue to show strong orders backlog and gaining market share. To move to MS-2 we would need to see the materialization of the business growth to data centers and market share of 20% as indicated by the company.

Source: Columbia Threadneedle Investments

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

Engagement case studies

Health

Mondelez International Inc

Country: United States
Sector: Consumer Staples
Objective group: Food and Nutrition
Exposure rating: Risk - High
Milestone: ★

Structural exposure to less healthy products limits health-aligned growth

Why we engaged

To assess whether changes in consumer demand toward protein, functional nutrition and cleaner labels, alongside a shift in regulatory focus from just reducing high fat, sugar & salt (HFSS) content toward ultra processed food (UPF) and food ingredient scrutiny, are likely to reshape core snacking categories. To evaluate whether Mondelez’s portfolio can adapt at scale, or remains structurally reliant on HFSS and UPF

How we engaged

Met with the CEO and Chairman, as part of a meeting hosted by UBS

What we learned

Portfolio is structurally HFSS / UPF-led (~90% of revs) with only ~8% health-aligned exposure, indicates limited mix shift. Growth is diverging. Select health-aligned SKUs (e.g. protein bars) growing ~20%+; core categories slowing, with growth increasingly price-led (~+3–5%) and volumes declining (e.g. biscuits ~–4% US) However, health aligned revenues remains subscale (~5–10%) and cannot offset core category pressure. Further, much of the health-focused portfolio still uses ingredients facing increasing scrutiny, limiting the benefit of current mix shift Regulatory and consumer attention is expanding beyond sugar and salt towards ingredients, additives and food processing, increasing risk for core categories. GLP-1 / weight-loss drug adoption is an additional headwind, with lower calorie intake and reduced snacking potentially affecting key profit pools. Management acknowledged growing consumer focus on ingredients, with ingredient-list simplification now a strategic priority and artificial colours set to be removed from the US portfolio by 2027, with artificial flavours thereafter.

Outcome and next steps

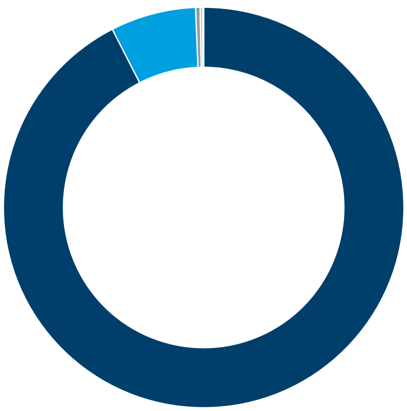
Thesis: Mondelez is structurally exposed to tightening health and regulatory constraints, with ~90% of revenue in HFSS categories facing both regulatory pressure (UPF, ingredients) and structural demand headwinds (health trends, GLP-1). While ‘better-for-you’ categories are growing quickly, they are too small and not sufficiently differentiated, to offset core decline—leaving risk to volume, mix, and margin durability. Next Steps: Monitor whether health-aligned revenue scales toward >20%; track evidence of portfolio-wide reformulation (ingredient simplification, not just nutrients); assess whether health-aligned growth becomes core and structurally embedded (vs adjunct); watch regulatory developments (UPF definitions, additive policy) and GLP-1 adoption trends as accelerants of core volume pressure

Source: Columbia Threadneedle Investments

Proxy voting

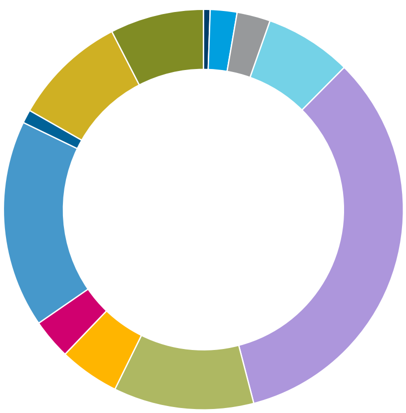
Total meetings voted[1]	Total proposals voted	Percentage of all proposals where we voted against management
138	2,494	7.42%

Items voted



For	92.5%
Against	6.9%
Abstain	0.4%
Withhold	0.2%
Other	0.1%

Votes against management by category



Takeover related	0.5%	Other business	3.2%
Audit related	2.2%	Remuneration	16.8%
Capitalisation	2.7%	Reorganisations and mergers	1.1%
Company articles & corporate governance	7.0%	Routine business	9.2%
Director election	33.5%	Social	7.6%
Director related	11.4%		
Environmental	4.9%		

[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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