Ageas Portugal

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.

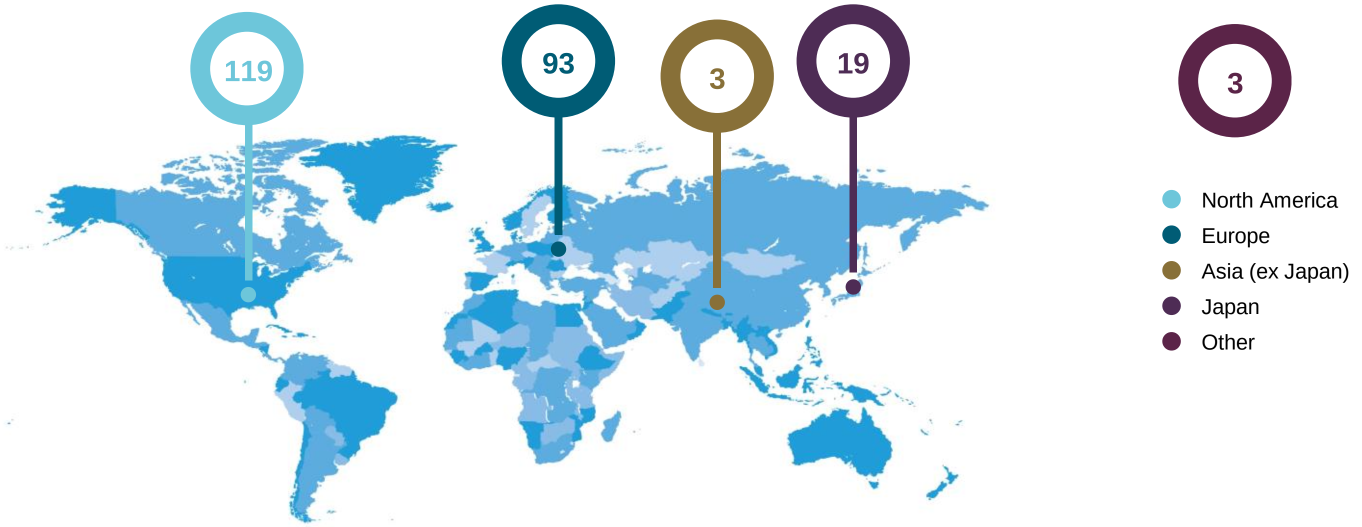
Engagements

Interactions	Companies	Countries covered
237	163	21

Milestones

★	★★	★★★
26	11	3

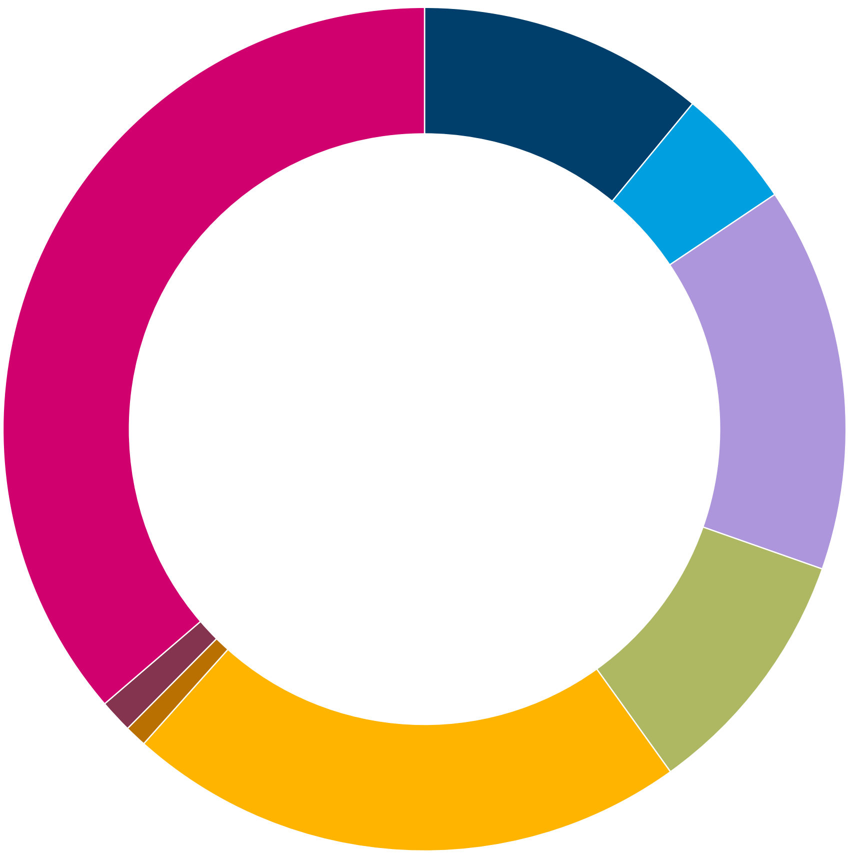
Companies engaged by region



Source: Columbia Threadneedle Investments

Engagements by theme

Your engagements by theme



Climate and Energy Transition	11%
Natural Capital	5%
Sustainable Infrastructure	15%
Health	10%
Human Capital & Demographics	22%
Human Rights	1%
Sustainable Finance	1%
Corporate Governance	36%

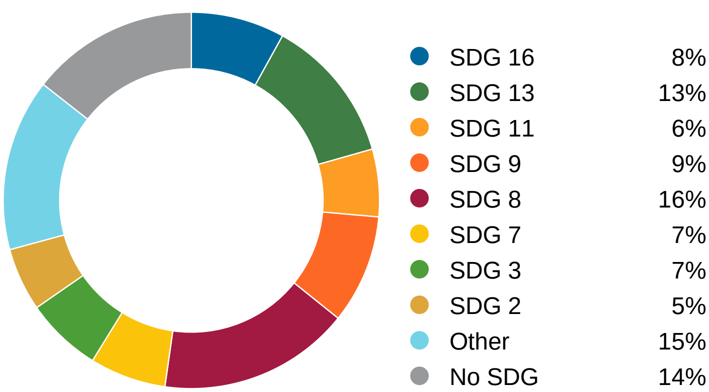
Source: Columbia Threadneedle Investments

Engagements and Sustainable Development Goals (SDGs)

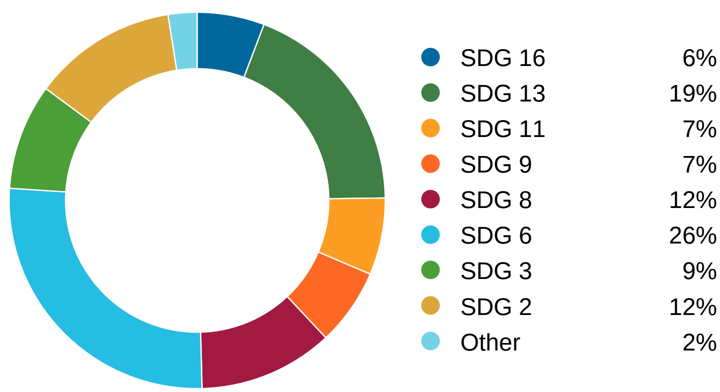
The 17 Sustainable Development Goals (SDGs) were developed by the UN and cross-industry stakeholders with a view to providing a roadmap towards a more sustainable world.

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

Sustainable Infrastructure

BYD Co Ltd

Country: China
Sector: Consumer Discretionary
Objective group: EV Transition
Exposure rating: Opportunity - High
Milestone: ★★

Concerns on social and environmental management of EU manufacturing expansion

Why we engaged

To assess the viability of BYD’s strategy to grow electric vehicle sales in Europe. To appraise the environmental and social management of BYD’s localisation production in Europe.

How we engaged

In June we travelled to Hungary and were the first investors to visit BYD’s first European production facility.

What we learned

We visited BYD’s Hungary facility which will have an initial 150k unit capacity, with plans to expand to 300k. Officially, production starts in Q3 2026, although the plant looked materially behind that timeline. BYD initially sent us to the wrong entrance to their factory. There were hundreds of Chinese construction workers living in containers in pretty poor conditions. BYD has already fallen foul of labour issues for its Brazilian site, and the Hungary site has had labour and environmental allegations levelled against it. From our experience we think it is likely that BYD brand will take a hit from failing to meet European standards as it looks to scale in Europe. BYD is going to push its premium EV brand Denza harder it Europe than we realised, in direct competition with BMW and Mercedes. BYD is deploying 3,200 1 MW flash charging stations across Europe by end of next year, the network will be open to other OEMs. The 1,000-volt architecture underpinning BYD's next-generation BEV and PHEV platforms enables a full charge in approximately seven minutes.

Outcome and next steps

Thesis: BYD is one of the best positioned automotive brands for the EV transition – driven by its unencumbered focus on electrified vehicles, high degree of verticalization and strong EV technology. This presents BYD with a cost advantage over peers, which is further augmented by BYD’s diversified brand and model line up which targets all major segments of the passenger vehicle market. The main risk for BYD is managing the complexities of expanding production and sales into multiple different export markets. Next Steps: Monitor strategy to strengthen social and environmental controls associated with new factory development, track outlook for European trade restrictions on Chinese vehicle imports.

Source: Columbia Threadneedle Investments

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Engagement case studies

Sustainable Infrastructure

Bayerische Motoren Werke AG

Country: Germany
Sector: Consumer Discretionary
Objective group: EV Transition
Exposure rating: Opportunity - Medium
Milestone: ★★

Neue Klasse EV platform solidifies the EV transition strategy

Why we engaged

To assess the operational credibility and competitive positioning of BMW's Neue Klasse manufacturing facility. To inform our view on BMW's EV cost trajectory and the competitive threat from Chinese OEMs in Europe.

How we engaged

In June we travelled to Hungary and were the first investors to visit BMW's Debrecen EV production plant

What we learned

BMW's Debrecen facility is operationally impressive and ahead of schedule, having moved to two shifts within six weeks of opening and now evaluating a third, underpinned by a 70,000-unit iX3 order backlog. The EV Neue Klasse platform delivers meaningful structural cost and efficiency improvements - 40-50% battery cost reduction versus the previous generation, 100-200kg weight advantage over competitors, and a fossil-fuel-free manufacturing footprint. BMW has integrated suppliers EVE and CATL which are located next door to this factory, though BMW is less well positioned to integrate low cost LFP cells than we previously thought. Labour costs in Debrecen are described as broadly competitive with China and below Mexico. The total landed cost position for Debrecen-produced vehicles is structurally attractive relative to both Chinese imports and BMW's existing European plants.

Outcome and next steps

Neue Klasse enables BMW to hit EV margin parity with ICE vehicles on a unit-by-unit basis "from the get-go" for new models. R&D and CapEx peaked in 2024, already fell QoQ in 2025. China performance is poor (down 16% in 2025, further 15% in 2026), anti-involution, dealer rationalisation and new models in 2026/7 should help. Best rated European OEM on EV technology, more flexible strategy than peers and well on track to meet EU 2025-27 emission standards and tracking to generate €1.9bn in credits. In my view still the best positioned EU auto on the EV transition. Next Steps: Continue to track Neue Klasse order volumes and progress in China when the iX3 launches there at the end of 2026.

Source: Columbia Threadneedle Investments

Engagement case studies

Sustainable Infrastructure

Cie Generale des Etablissements Michelin SCA

Country: France
Sector: Consumer Discretionary
Objective group: EV Transition
Exposure rating: Opportunity - High
Milestone:

Well positioned to benefit from EV transition through technological edge

Why we engaged

To understand their diversification into high-value specialty products focused on electric vehicles. To evaluate their competitive positiong on tyre abrasion performance and microplastics regulation.

How we engaged

We met with IR on 14th April. We met with the CFO on 5th May.

What we learned

Michelin demonstrates strong competitive positioning in the EV tyre market, holding market share approximately 1.5x higher in EV original equipment versus overall OE share, rising to over 3x in premium BEV segment. EV tyres command a 15% price premium due to technical specifications including lower rolling resistance that extends range by 10-15%. Michelin targets 17.5-22% EV tyre market share, potentially adding $550m-$1.1bn in earnings. The company claims a 20% wear-life advantage over premium competitors on EVs, addressing accelerated wear from instant torque and heavier battery packs. On 6PPD replacement, Michelin is actively seeking alternatives and ranks well on average 6PPD content versus peers, supporting stricter pollution standards. For EUDR compliance, Michelin has geolocated its natural rubber supply chain at farm level, though the regulation's second one-year postponement to 2027 delays implementation.

Outcome and next steps

Michelin is best positioned to grow sales of high margin EV tyres due to its technology edge (R&D spend 50% higher than closest peer). It has the largest exposure to the growing Chinese EV market of any of the international tyre makers, and is best prepared for US/EU regulation on 6PPD, deforestation and tyre wear rates. Next Steps: Our milestone upgrade criteria is for Michelin to grow EV/high value tyre sales from 68% to >70% passenger car tyre revenue. We are also tracking Michelin establishing a target date and R&D requirement to phase out 6PPD with suitable alternatives, and plans to phase out products in the bottom quartile of tyre wear performance.

Source: Columbia Threadneedle Investments

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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

Disclosure

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