



# **Sustainability Accounting Standards Board (SASB) Disclosures**

# Asset Management & Custody Activities

Accounting Metric	Code	Disclosure/Source
<b>Transparent Information &amp; Fair Advice for Customers</b>		
<b>(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings<sup>1</sup></b>	(FN-AC-270a.1)	Of the 1,269 registered employees at AllianceBernstein (AB), two employees, or less than 1% of the total registered, had a disclosure event in 2022. Per SASB guidance, disclosures include investment-related investigations, consumer-initiated complaints, private civil litigations or other regulatory proceedings.
<b>Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers<sup>2</sup></b>	(FN-AC-270a.2)	AB has not had any monetary losses as a result of legal proceedings associated with the marketing and communication of financial product-related information to new and returning customers.
<b>Description of approach to informing customers about products and services</b>	(FN-AC-270a.3)	Informing customers about products and services is of the utmost importance to AB in building customer relationships based on trust. Please see Appendix A for more details on our approach.
<b>Employee Diversity &amp; Inclusion</b>		
<b>Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees<sup>3</sup></b>	(FN-AC-330a.1)	<p>AB strives to create an environment in which every person has the opportunity to succeed based on merit, regardless of race, color, religion, creed, ancestry, national origin, sex, age, disability, marital status, citizenship status, sexual orientation, gender identity expression, military or veteran status, or any other criterion. In our view, inclusive teams generate better ideas, reach more balanced decisions, and are better able to engage our communities and help clients achieve better results. To that end, AB has taken concrete steps to ensure that the firm meets its diversity and inclusion goals, with ongoing efforts including:</p> <ul style="list-style-type: none"> <li>• Hiring leaders who focus exclusively on our diversity and inclusion efforts</li> <li>• Working to recruit diverse talent at both the university and professional levels</li> <li>• Creating and fostering employee resource groups</li> <li>• Providing firmwide diversity training</li> <li>• Linking diversity, equity and inclusion results with performance</li> <li>• Collecting and analyzing data on diversity and inclusion</li> <li>• Strengthening our relationships with diverse communities</li> </ul>

<sup>1</sup> Note to FN-AC-270a.1—The entity shall describe how it ensures that covered employees file and update FINRA and SEC forms in a timely manner.

<sup>2</sup> Note to FN-AC-270a.2—The entity shall briefly describe the nature, context, and any corrective actions taken as a result of the monetary losses.

<sup>3</sup> Note to FN-AC-330a.1—The entity shall describe its policies and programs for fostering equitable employee representation across its global operations.

Accounting Metric	Code	Disclosure/Source
Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	(FN-AC-330a.1)	<p>AB also recognizes the importance of carving and strengthening pathways for diverse talent within the firm, so we've implemented a series of initiatives aimed at providing both our individual talent and managers with the tools they need to effectively manage their career development.</p> <p>Diversity, equity and inclusion (DEI) is a strategic priority for AB, and we strive to embed it in all facets of the firm. We continuously measure and monitor our progress and hold ourselves accountable to ensure that we're driving toward sustainable change. We seek out opportunities to enable a broader, collective industry impact, establish accountability metrics, develop new ways to recruit and develop talent, and position AB as a forward-thinking company—all aimed at competing in an increasingly interconnected world.</p> <p>Visit our <a href="#">Diversity, Equity &amp; Inclusion website</a> for additional details on DEI at AB.</p> <p>Our EEO-1 Data can be found <a href="#">here</a>.</p>

#### Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory

Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	(FN-AC-410a.1)	<p>When AB became a Principles for Responsible Investment (PRI) signatory in 2011, we began formalizing the integration of material ESG factors into the investment processes for most of our actively managed strategies, a practice that continues today. Because we're an active manager, integrating material ESG factors is fundamental to our responsible research and investment processes for most of our actively managed strategies, representing 68.9% % of our AUM as of 12/31/22. For clients wishing to go beyond ESG integration to seek explicit ESG-related objectives, we've developed a platform, Portfolios with Purpose, which includes our sustainable, Responsible+ and impact strategies and totals \$23.8 billion in AUM as of 12/31/22.</p> <p>AUM that integrate ESG considerations as of 12/31/22:</p> <table border="1"> <tbody> <tr> <td>Actively Managed Equity:</td> <td>\$212.4 billion</td> </tr> <tr> <td>Actively Managed Fixed Income:</td> <td>\$224.5 billion</td> </tr> <tr> <td>Multi-Asset and Alternative:</td> <td>\$8.3 billion</td> </tr> <tr> <td><b>Total:</b></td> <td><b>\$445.2 billion</b></td> </tr> </tbody> </table> <p>Portfolios with Purpose as of 12/31/22:</p> <table border="1"> <tbody> <tr> <td>Actively Managed Equity:</td> <td>\$20.9 billion</td> </tr> <tr> <td>Actively Managed Fixed Income:</td> <td>\$2.12 billion</td> </tr> <tr> <td>Multi-Asset and Alternative:</td> <td>\$0.8 billion</td> </tr> <tr> <td><b>Total:</b></td> <td><b>\$23.8 billion</b></td> </tr> </tbody> </table> <p>Strategies, funds and accounts with explicit ESG screens as of 12/31/22</p> <table border="1"> <tbody> <tr> <td>Equity:</td> <td>\$88.6 billion</td> </tr> <tr> <td>Fixed Income:</td> <td>\$124.8 billion</td> </tr> <tr> <td>Multi-Asset and Alternative:</td> <td>\$4.0 billion</td> </tr> <tr> <td><b>Total:</b></td> <td><b>\$217.4 billion</b></td> </tr> </tbody> </table>	Actively Managed Equity:	\$212.4 billion	Actively Managed Fixed Income:	\$224.5 billion	Multi-Asset and Alternative:	\$8.3 billion	<b>Total:</b>	<b>\$445.2 billion</b>	Actively Managed Equity:	\$20.9 billion	Actively Managed Fixed Income:	\$2.12 billion	Multi-Asset and Alternative:	\$0.8 billion	<b>Total:</b>	<b>\$23.8 billion</b>	Equity:	\$88.6 billion	Fixed Income:	\$124.8 billion	Multi-Asset and Alternative:	\$4.0 billion	<b>Total:</b>	<b>\$217.4 billion</b>
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Accounting Metric	Code	Disclosure/Source
<b>Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies</b>	(FN-AC-410a.2)	<p>When AB became a PRI signatory in 2011, we began formalizing the integration of material ESG factors into our investment processes for most of our actively managed strategies, a practice that continues today. Integration begins with understanding our clients' needs—engaging with them and their advisors to better understand how we might align with their responsible investing principles and help them meet their governance and regulatory obligations. We equip our investment teams with education, tools and processes to understand, research and integrate material ESG and climate issues. Our investment teams generally have access to a range of resources, including proprietary platforms, third-party data and research, strategic partnerships, and extensive training programs, which investment teams can use to identify and assess material ESG and climate risks and opportunities. Our investment teams also engage with issuers on ESG and climate risks and opportunities to learn more and encourage positive change, documenting and incorporating their insights and conclusions. By sharing research insights across investment teams, we seek to leverage our ESG expertise firmwide. Armed with this knowledge, investment teams integrate material ESG and climate factors into their decision-making processes.</p> <p>Ultimately, putting AB investment teams at the heart of our stewardship activity enables us to integrate material ESG factors into each applicable step of our research process, leading to a more complete consideration of these issues in investment decisions. For a detailed overview of AB's ESG integration policies and implementation, please see our annual <a href="#">Global Stewardship Statement and Report</a>.</p>
<b>Description of proxy voting and investee engagement policies and procedures</b>	(FN-AC-410a.3)	<p><b>Proxy Voting</b></p> <p>We actively exercise our right to vote, maintaining a robust in-house Proxy Voting and Governance Policy and process that are both rules-based and principles-based, and applying them globally to all our voting activities, regardless of region. We're strong shareholder advocates and make investment and proxy-voting decisions in our clients' best interests. We support strong corporate governance structures, shareholder rights and transparency. We also believe that it is in our clients' best interests to incorporate a more comprehensive set of risks and opportunities, such as ESG-related issues, from a long-term shareholder value perspective, and we consider these factors when voting. The policy covers all our internally managed equity assets where we have vote authority on behalf of our clients; we vote proxies in all active and passive equity funds and accounts that we manage, and have the discretion to do so. We vote proxies in a timely manner, for the full number of shares and for all securities held in client accounts for which we have proxy-voting authority—whenever it's administratively and logistically possible to do so. Our policy details how we vote on specific items as well as the processes for managing conflicts of interest, ensuring voting transparency, keeping records and executing votes. Our proxy voting results can be found in Section 7 of our <a href="#">Stewardship Statement</a>.</p> <p><b>Engagement</b></p> <p>We're an active investment manager, so engaging stock and bond issuers on strategic and financial issues—including ESG and climate change—is critical to our research and investment processes for most of our actively managed strategies. To engage effectively, we must have an ongoing, open dialogue with stakeholders. Engagement helps us better understand issuers, protect shareholders' and bondholders' interests and encourage management teams to deploy strategies and take actions that we believe can drive better financial outcomes for our clients. Depending on its nature and influence, our engagement may generate positive outcomes for other stakeholders, including employees, suppliers, clients and communities, and the environment. Because engagement is so important to ESG integration and asset stewardship, we do not outsource it: AB investment professionals engage directly with companies or issuers, often collaborating with our responsible investing team. In our view, hands-on engagement can drive better access, research, client service and outcomes. Engagement, simply put, helps create long-term, sustainable value for stakeholders. Our complete engagement policy and an overview of our annual engagements can be found in Section 6 of our <a href="#">Stewardship Statement</a>.</p>

Accounting Metric	Code	Disclosure/Source
Business Ethics		
<b>Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations<sup>4</sup></b>	(FN-AC-510a.1)	AB has not had any monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations.
<b>Description of whistleblower policies and procedures</b>	(FN-AC-510a.2)	<p>AB is committed to an environment in which open and honest communications are the expectation—not the exception. AB employees have several pathways for securely reporting and escalating ethical, compliance or other concerns, including:</p> <ul style="list-style-type: none"> <li>• Formal reporting channels (a supervisor or manager) or the AB Compliance Department, General Counsel's Office or Head of Audit</li> <li>• The AB Ombuds Office—a confidential channel to get help on ethics-related issues or questionable practices</li> <li>• EthicsPoint, a third-party service, which gives our employees, customers, suppliers and other stakeholders a secure online way to report potential ethics and compliance issues quickly, easily and anonymously (if desired).</li> </ul>

Activity Metric	Code	Disclosure/Source						
Business Ethics								
<b>(1) Total registered and (2) total unregistered assets under management (AUM)<sup>5</sup></b>	FN-AC-000.A	<p>AB's AUM comprises registered and unregistered AUM. Registered AUM include those subject to the regulations of the Investment Company Act of 1940 (1940 Act), such as mutual funds, managed under the Employee Retirement Income Security Act of 1974 (ERISA), subject to the Undertakings for Collective Investment in Transferable Securities (UCITS) Directive, or managed under the Commodity Futures Trading Commission's (CFTC's) Commodity Pool Operator (CPO) regulations. Unregistered AUM are those that do not fall under the definition of the registered AUM.</p> <p>Assets Under Management as of 12/31/22:</p> <table border="0"> <tr> <td>Registered:</td> <td>\$251.9 billion</td> </tr> <tr> <td>Unregistered:</td> <td>\$394.5 billion</td> </tr> <tr> <td>Total:</td> <td>\$646.4 billion</td> </tr> </table>	Registered:	\$251.9 billion	Unregistered:	\$394.5 billion	Total:	\$646.4 billion
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<b>Total assets under custody and supervision</b>	FN-AC-000.B	<p>AB has some assets under custody, which include all securities and cash associated with securities transactions that are held on behalf of the private-client accounts for which we act as a custodian.</p> <p>Assets under Custody as of 12/31/22: \$97.1 billion Assets under Supervision: N/A</p>						

<sup>4</sup> Note to FN-AC-510a.1—The entity shall briefly describe the nature, context, and any corrective actions taken as a result of the monetary losses.

<sup>5</sup> Note to FN-AC-000.A—Registered AUM include those subject to the regulations of the Investment Company Act of 1940 (1940 Act), such as mutual funds, managed under the Employee Retirement Income Security Act of 1974 (ERISA), subject to the Undertakings for Collective Investment in Transferable Securities (UCITS) Directive, or managed under the Commodity Futures Trading Commission's (CFTC's) Commodity Pool Operator (CPO) regulations. Unregistered AUM are those that do not fall under the definition of the registered AUM.

# Appendix A

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## **FN-AC-270a.3**

### **Description of approach to informing customers about products and services**

AB provides diversified investment management and related services globally to a broad range of clients through four businesses: Institutional, Retail (US and non-US), Private Client/High Net Worth, and Sell-Side Research and Brokerage. Across these four businesses, clients include private and public pension plans, foundations and endowments, insurance companies, central banks and governments worldwide, and our affiliates (Institutional); banks, brokerage platforms, Registered Investment Advisors and other financial intermediaries (Retail); high-net-worth individuals and families, trusts and estates, charitable foundations, partnerships, private and family corporations, and other entities, including smaller institutions (Private Wealth); and pension funds, hedge fund and mutual fund managers, and other institutional investors (Bernstein Sell Side).

**General Approach:** AB communicates with our clients using various communication methods and processes, depending on the business, information being communicated, type of client, client domicile, type of account, investment strategy being used and investment vehicle, all of which can vary according to the prevailing regulatory framework.

**Type and Frequency of Communications:** Depending on their preference, clients serviced through our Institutional business and/or Bernstein Private Wealth business receive, monthly or quarterly, portfolio appraisal reports and summaries, purchase and sales reports, performance reviews, and transactions summaries. Upon request, confirmations of trades can be sent to clients or their custodian banks on a trade-by-trade, monthly, quarterly or semiannual basis. Additionally, AB produces custom reports tailored to meet specific client requirements. AB encourages our Relationship Managers and Advisors to engage in frequent reviews with their clients, particularly early in the relationship. Formal performance reviews are generally held or offered quarterly. We also respond to special requests by our clients for ad hoc reports related to activity in their account.

**Value-Added Communications:** AB seeks to add additional value-added insights, perspectives and services for our clients. *Context*, our blog on investing, offers our firm's current research insights in a concise format across various multimedia formats, customized regionally. *AB IQ* is our digital newsletter for our clients that explores an overarching theme or trend, sometimes in tandem

with other institutional investors we have invited as co-authors to provide our clients with a range of diverse perspectives. We publish longer-form thought leadership via white papers, research articles and economic perspectives on topics of interest to our clients. We collaborate with our clients on workshops to share best practices and provide opportunities for networking with like-minded partners in the industry. Our Climate Change and Investment Academy, which we co-developed with Columbia University's Earth Institute, has provided training to a global cohort of more than 1,000 clients, other asset owners and intermediaries on a series of key climate finance issues and research. AB looks forward to continuing to use our platform to add value for our clients and the asset management industry more broadly, while creating a more sustainable world for everyone.

**Communications Principles and Protocols:** AB follows strict protocols regarding the development and dissemination of marketing materials related to AB funds and services. Our various policies and procedures reflect the regulatory requirements imposed on the creation and dissemination of those materials as well as our firm's standards for such materials. In addition to defining many of the general principles, including both prohibited and permissible information/data, our policies and procedures also require that most materials be reviewed by our Legal and Compliance Department prior to use. Marketing materials concerning AB's various funds, as well as our institutional services, are reviewed by our Legal and Compliance staff located in regions around the world. One reason for locating our Legal and Compliance Department in various regions is to help ensure that our staff are well-versed with local regulatory requirements. In addition, all performance-related information is provided by our independent Performance Measurement Group and may not be modified by investment or marketing personnel without the written approval of the Legal and Compliance Department. Furthermore, our policies and processes regarding the preparation and review of our marketing materials and performance analytics are included within the scope of the periodic internal audits our firm's Internal Audit Department performs. Additionally, AB maintains a separate ESG Compliance Program to help ensure that we are accurately disclosing our ESG investing philosophy and approaches, and that our firm's policies, procedures and practices are in alignment with the ESG-related disclosures we make in marketing materials and other documents. Our ESG Compliance Program applies to both our firm's ESG-focused strategies and funds ("Portfolios with Purpose") as well as to our actively managed equity, fixed-income and multi-asset strategies that integrate material ESG factors into their investment processes. AB's ESG Compliance Program is intended to ensure

that we maintain our vigorous fiduciary culture by always placing the interests of our clients first and treating all our clients fairly and equitably. AB developed this program in response to the increased focus of clients and regulators in this area.

#### **Client Information Available on Our Website:**

AB provides a wide range of information to clients via our public website, [AllianceBernstein.com](https://AllianceBernstein.com). Our website is customized for both region and client type, with protocols for the type and delivery of content managed accordingly. AB maintains a wide range of ESG-related documents for our clients on our website, including our [Global Stewardship Statement and Report](#), a comprehensive overview of our activities in corporate responsibility, responsible investing and stewardship, which we produce to comply with various Stewardship Codes globally. We publish an annual [Responsibility Report](#) that outlines how we as a firm are addressing both corporate responsibility and responsible investing in our day-to-day business. We post our entire annual [PRI Transparency Report](#) on our website as well as our annual [PRI Assessment Report](#), including our company scores and ratings. Annually, we publish a report summarizing our [ESG Engagement Campaign](#) and its outcomes. We publish proxy voting records on our [website](#) for issuers held across accounts where we have vote authority on behalf of our clients.

#### **Additional Information Provided to Clients:**

**Form ADV:** AllianceBernstein L.P., along with its affiliated investment advisers, files an annual amendment to our Form ADV Part 1 and Part 2A (Brochure) each year. All scheduled annual Form ADV updates, along with interim updated ADV filings, are posted on our public website and are also made available to our Client Reporting staff, who include them in the appropriate client statement mailings.

**Code of Ethics Disclosure:** AB maintains a Code of Business Conduct and Ethics (the “Code”), which complies with Rule 17j-1 under the Investment Company Act of 1940, as amended, and Rule 204A-1 under the Investment Advisers Act of 1940. The Code summarizes our firm’s values and principles and the business practices that guide our business conduct.

**Conflicts Disclosure:** AB has an “Approach to Potential Conflicts” disclosure, which summarizes the firm’s conflict management plan. It is meant to provide our employees, clients and prospective clients with a summary description of the conflicts and potential conflicts we may encounter, and outlines the policies and procedures AB maintains for managing those conflicts. Clients can access a detailed account of our approach in AllianceBernstein Form ADV Part 2.

Our ADV, which includes our Conflicts Disclosure, and our Code of Ethics are available at [AllianceBernstein.com](https://AllianceBernstein.com).

AllianceBernstein Investments, Inc. (ABI) is the distributor of the AB family of mutual funds. ABI is a member of FINRA and is an affiliate of AllianceBernstein L.P., the manager of the funds.

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