



LEA 02	Disclosures: Mandatory	Reason for Interaction	Principle: PRI 1, 2, 3
Individual/ internal staff engagements	<p><input checked="" type="checkbox"/> To support investment decision-making in & company's material ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transparency on ability to meet its environmental or social obligations</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via internal staff</p>		
Collaborative engagements	<p><input type="checkbox"/> To support investment decision-making in & company's material ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency on ability to meet its environmental or social obligations</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via collaborative engagements</p>		
Service provider engagements	<p><input type="checkbox"/> To support investment decision-making in & company's material ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency on ability to meet its environmental or social obligations</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via service providers</p>		

RI TRANSPARENCY REPORT

2019

AllianceBernstein

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2019 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		✓	-							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Public							✓
OO 08	Segregated mandates or pooled funds	✓	Public							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	✓	Public							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown of listed equity investments by passive and active strategies	✓	Public							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown of fixed income investments by passive and active strategies	✓	Public							✓
OO FI 02	Reporting on strategies that are <10% of actively managed fixed income	🔒	n/a							✓
OO FI 03	Fixed income breakdown by market and credit quality	✓	Public							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	✓	Public							✓
OO PE 01	Breakdown of private equity investments by strategy	✓	Public							✓
OO PE 02	Typical level of ownership in private equity investments	✓	Public							✓
OO PR 01	Breakdown of property investments	✓	Public							✓
OO PR 02	Breakdown of property assets by management	✓	Public							✓
OO PR 03	Largest property types	✓	Public							✓
OO INF 01	Breakdown of infrastructure investments	🔒	n/a							✓
OO INF 02	Breakdown of infrastructure assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure sectors	🔒	n/a							✓
OO HF 01	Breakdown of hedge funds investments by strategies	✓	Public							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 01 CC	Climate risk	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Public							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Public							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Public							✓
SG 08	RI in performance management, reward and/or personal development	✓	Public							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	✓	Public	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13 CC		⚠	n/a							✓
SG 14	Long term investment risks and opportunity	✓	Public	✓						
SG 14 CC		✓	Public							✓
SG 15	Allocation of assets to environmental and social themed areas	✓	Public	✓						
SG 16	ESG issues for internally managed assets not reported in framework	✓	Public							✓
SG 17	ESG issues for externally managed assets not reported in framework	✓	Public							✓
SG 18	Innovative features of approach to RI	✓	Public							✓
SG 19	Communication	✓	Public		✓				✓	
SG End	Module confirmation page	✓	-							

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Percentage of each incorporation strategy	✓	Public	✓						
LEI 02	Type of ESG information used in investment decision	✓	Public	✓						
LEI 03	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
LEI 04	Types of screening applied	✓	Public	✓						
LEI 05	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 06	Processes to ensure fund criteria are not breached	✓	Public	✓						
LEI 07	Types of sustainability thematic funds/mandates	✓	Public	✓						
LEI 08	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 09	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 10	Aspects of analysis ESG information is integrated into	✓	Public	✓						
LEI 11	ESG issues in index construction	✓	Public	✓						
LEI 12	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
LEI 13	Examples of ESG issues that affected your investment view / performance	✓	Public	✓						
LEI End	Module confirmation page	✓	-							

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	✓	Public		✓					
LEA 06	Role in engagement process	✓	Public		✓		✓			
LEA 07	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 08	Tracking number of engagements	✓	Public		✓					
LEA 09	Number of companies engaged with, intensity of engagement and effort	✓	Public		✓					
LEA 10	Engagement methods	✓	Public		✓					
LEA 11	Examples of ESG engagements	✓	Public		✓					
LEA 12	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 13	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 14	Securities lending programme	✓	Public		✓					
LEA 15	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 16	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 17	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 18	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 19	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 20	Shareholder resolutions	✓	Public		✓					
LEA 21	Examples of (proxy) voting activities	✓	Public		✓					
LEA End	Module confirmation page	✓	-							

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Incorporation strategies applied	✓	Public	✓						
FI 02	ESG issues and issuer research	✓	Public	✓						
FI 03	Processes to ensure analysis is robust	✓	Public	✓						
FI 04	Types of screening applied	✓	Public	✓						
FI 05	Examples of ESG factors in screening process	✓	Public	✓						
FI 06	Screening - ensuring criteria are met	✓	Public	✓						
FI 07	Thematic investing - overview	🔒	n/a	✓						
FI 08	Thematic investing - themed bond processes	🔒	n/a	✓						
FI 09	Thematic investing - assessing impact	🔒	n/a	✓						
FI 10	Integration overview	✓	Public	✓						
FI 11	Integration - ESG information in investment processes	✓	Public	✓						
FI 12	Integration - E,S and G issues reviewed	✓	Public	✓						
FI 13	ESG incorporation in passive funds	-	n/a	✓						
FI 14	Engagement overview and coverage	✓	Public		✓					
FI 15	Engagement method	✓	Public	✓	✓					
FI 16	Engagement policy disclosure	✓	Public	✓	✓					
FI 17	Financial/ESG performance	✓	Public							✓
FI 18	Examples - ESG incorporation or engagement	✓	Public	✓	✓					
FI End	Module confirmation page	✓	-							

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Reported Information

Public version

Organisational Overview

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Basic information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services and funds you offer

Select the services and funds you offer	% of asset under management (AUM) in ranges
Fund management	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Fund of funds, manager of managers, sub-advised products	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Other	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Total 100%	

Further options (may be selected in addition to the above)

- Hedge funds
- Fund of hedge funds

OO 02

Mandatory

Public

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

United States

OO 02.2

Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

3641

OO 03 **Mandatory** **Public** **Descriptive** **General**

OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04 **Mandatory** **Public** **Gateway/Peering** **General**

OO 04.1 Indicate the year end date for your reporting year.

31/12/2018

OO 04.2 Indicate your total AUM at the end of your reporting year.

Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

	trillions	billions	millions	thousands	hundreds
Total AUM		516	000	000	000
Currency	USD				
Assets in USD		516	000	000	000

Not applicable as we are in the fund-raising process

OO 04.4 Indicate the total assets at the end of your reporting year subject to an execution and/or advisory approach.

Not applicable as we do not have any assets under execution and/or advisory approach

OO 06 **Mandatory** **Public** **Descriptive** **General**

OO 06.1 Select how you would like to disclose your asset class mix.

- as percentage breakdown
- as broad ranges

	Internally managed (%)	Externally managed (%)

Listed equity	10-50%	<10%
Fixed income	>50%	0
Private equity	<10%	0
Property	<10%	0
Infrastructure	0	0
Commodities	<10%	0
Hedge funds	<10%	0
Fund of hedge funds	0	<10%
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Money market instruments	<10%	0
Other (1), specify	<10%	<10%
Other (2), specify	0	0

'Other (1)' specified

Multi-Asset (Standard and Customized) Retirement Strategies

OO 06.2

Publish asset class mix as per attached image [Optional].

OO 06.3

Indicate whether your organisation has any off-balance sheet assets [Optional].

Yes

No

OO 06.5 Indicate whether your organisation uses fiduciary managers.

- Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.
- No, we do not use fiduciary managers.

OO 07	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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OO 07.1 Provide to the nearest 5% the percentage breakdown of your Fixed Income AUM at the end of your reporting year, using the following categories.

Internally managed	SSA	40
	Corporate (financial)	15
	Corporate (non-financial)	35
	Securitised	10
	Total	100%

OO 08	Mandatory to Report Voluntary to Disclose	Public	Peering	General
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

OO 08.1 Provide a breakdown of your organisation's externally managed assets between segregated mandates and pooled funds or investments.

Asset class breakdown	Segregated mandate(s)	Pooled fund(s) or pooled investment(s)	Total of the asset class (each row adds up to 100%)
[a] Listed equity	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	100%
[j] Fund of hedge funds	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	100%
[p] Other (1), specify	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	100%

OO 09	Mandatory	Public	Peering	General
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OO 09.1 Indicate the breakdown of your organisation's AUM by market.

90	Developed Markets
9.5	Emerging Markets
0.5	Frontier Markets
0	Other Markets
100%	Total 100%

Asset class implementation gateway indicators

OO 10	Mandatory	Public	Gateway	General
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OO 10.1	Select the active ownership activities your organisation implemented in the reporting year.
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	Listed equity – engagement
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- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We require our external managers to engage with companies on ESG factors on our behalf.
- We do not engage directly and do not require external managers to engage with companies on ESG factors.

	Listed equity – voting
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- We cast our (proxy) votes directly or via dedicated voting providers
- We require our external managers to vote on our behalf.
- We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

	Fixed income SSA – engagement
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- We engage with SSA bond issuers on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with SSA bond issuers on ESG factors. Please explain why you do not.

	Fixed income Corporate (financial) – engagement
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- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

	Fixed income Corporate (non-financial) – engagement
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- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

	Fixed income Corporate (securitised) – engagement
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- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

OO 11	Mandatory	Public	Gateway	General
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OO 11.1	Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).
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Listed equity

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - SSA

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - corporate (financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - corporate (non-financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - securitised

- We address ESG incorporation.
- We do not do ESG incorporation.

Private equity

- We address ESG incorporation.
- We do not do ESG incorporation.

Property

- We address ESG incorporation.
- We do not do ESG incorporation.

Commodities

- We address ESG incorporation.
- We do not do ESG incorporation.

Hedge funds

- We address ESG incorporation.
- We do not do ESG incorporation.

Money market instruments

- We address ESG incorporation.
- We do not do ESG incorporation.

Other (1)

- We address ESG incorporation.
- We do not do ESG incorporation.

'Other (1)' [as defined in OO 05]

Multi-Asset (Standard and Customized) Retirement Strategies

OO 11.2 Select the externally managed assets classes in which you and/or your investment consultants address ESG incorporation in your external manager selection, appointment and/or monitoring processes.

Asset class	ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes
Listed equity	<p data-bbox="435 1003 1471 1081">Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <ul style="list-style-type: none"> <input type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We invest only in pooled funds and external manager appointment is not applicable <input type="checkbox"/> We incorporate ESG into our external manager monitoring process <input checked="" type="checkbox"/> We do not do ESG incorporation
Fund of hedge funds	<p data-bbox="435 1361 1471 1440">Fund of hedge funds - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <ul style="list-style-type: none"> <input type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We invest only in pooled funds and external manager appointment is not applicable <input type="checkbox"/> We incorporate ESG into our external manager monitoring process <input checked="" type="checkbox"/> We do not do ESG incorporation
Other (1)	<p data-bbox="435 1720 1471 1798">Other (1) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation

OO 11.3b

If your organisation does not integrate ESG factors into investment decisions on your externally managed assets, explain why not.

The only externally managed equities we invest in are ETFs, which we use for efficient portfolio management purposes.

AB's approach to ESG integration has been to focus our efforts on our largest asset classes which are equities and fixed income. We plan to address smaller asset classes in the future.

OO 11.4

Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

When selecting and appointing external investment managers within our UK retirement strategies, we review shortlisted managers' PRI signatory status, ESG and ownership/stewardship policies, and proxy voting history to ensure that any appointed manager is closely aligned to the policies of AB.

In monitoring external investment managers, we perform regular ongoing due diligence requesting information and materials on a number of policies - including those on ESG and responsible investment. This process entails reviewing policies and monitoring changes to ensure that the appointment remains in the best interests of AB and our clients.

OO 12

Mandatory

Public

Gateway

General

OO 12.1

Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Listed Equity incorporation

- Listed Equity incorporation

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

Direct - Fixed Income

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised

Direct - Other asset classes with dedicated modules

Property

RI implementation via external managers

Closing module

Closing module

Peering questions

OO LE 01 **Mandatory** **Public** **Gateway** **General**

OO LE 01.1 Provide a breakdown of your internally managed listed equities by passive, active - quantitative (quant), active - fundamental and active - other strategies.

Update: this indicator has changed from "Mandatory to report, voluntary to disclose" to "Mandatory". **Your response to this indicator will be published in the Public Transparency Report.** This change is to enable improved analysis and peering.

Percentage of internally managed listed equities

Strategies	Percentage of internally managed listed equities
Passive	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Active - quantitative (quant)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Active - fundamental and active - other	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Total 100%	

OO FI 01 **Mandatory** **Public** **Gateway** **General**

Update: this indicator has changed from "Mandatory to report, voluntary to disclose" to "Mandatory". **Your response to this indicator will be published in the Public Transparency Report.** This change is to enable improved analysis and peering.

OO FI 01.1 Provide a breakdown of your internally managed fixed income securities by active and passive strategies

Type	Passive	Active - quantitative	Active - fundamental & others	Total internally managed fixed income security
SSA	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	100%
Corporate (financial)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	100%
Corporate (non-financial)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	100%
Securitised	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	100%

OO FI 03 **Mandatory** **Public** **Descriptive** **General**

Update: this indicator has changed from "Mandatory to report, voluntary to disclose" to "Mandatory". **Your response to this indicator will be published in the Public Transparency Report.** This change is to enable improved analysis and peering.

OO FI 03.1 Indicate the approximate (+/- 5%) breakdown of your SSA investments, by developed markets and emerging markets.

SSA	Developed markets	85
	Emerging markets	15
	Total	100%

OO FI 03.2 Indicate the approximate (+/- 5%) breakdown of your corporate and securitised investments by investment grade or high-yield securities.

Type	Investment grade (+/- 5%)	High-yield (+/- 5%)	Total internally managed
Corporate (financial)	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	100%
Corporate (non-financial)	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	100%
Securitised	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	100%

OO SAM 01	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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OO SAM 01.1 Provide a breakdown of your externally managed listed equities and fixed income by passive, active quant and, active fundamental and other active strategies.

Listed equity (LE)	Passive	100
	Active - quantitative (quant)	0
	Active - fundamental and active - other	0
		100%

OO PE 01	Mandatory	Public	Descriptive	General
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OO PE 01.1	Provide a breakdown of your organisation's internally managed private equity investments by investment strategy.
------------	--

Investment strategy	Percentage of your internally managed private equity holdings (in terms of AUM)
Venture capital	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Growth capital	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
(Leveraged) buy-out	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Distressed/Turnaround/Special Situations	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Secondaries	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Other investment strategy, specify (1)	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Other investment strategy, specify (2)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Total 100%	

Other investment strategy, specify (1)

The strategy is a blend of investments across the capital structure including various types of debt and equity.

OO PE 02	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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OO PE 02.1 Indicate the level of ownership you typically hold in your private equity investments.

- a majority stake (>50%)
- 50% stake
- a significant minority stake (between 10-50%)
- a minority stake (<10%)
- a mix of ownership stakes

OO PR 01	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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OO PR 01.1 Indicate the level of ownership you typically hold in your property investments.

- a majority stake (>50%)
- a 50% stake
- a significant minority stake (between 10-50%)
- a limited minority stake (<10%)
- a mix of ownership stakes
- N/A, we manage properties, new constructions and/or refurbishments on behalf of our clients, but do not hold equity in property on their behalf

OO PR 01.2 Provide a breakdown of your organisations allocation to Real Estate Investment Trusts (REITs) or similar

- >50%
- 10 – 50%
- <10%
- 0%

OO PR 02	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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OO PR 02.1 Provide a breakdown of your organisation’s property assets based on who manages the assets.

Property assets managed by	Breakdown of your property assets (by number)
Managed directly by your organisation	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Managed via third-party property managers appointed by you	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Managed by other investors or their property managers	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Managed by tenant(s) with operational control	<input type="radio"/> > 50% <input type="radio"/> 10-50% <input type="radio"/> < 10% <input checked="" type="radio"/> 0%
Total 100%	

OO PR 03	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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OO PR 03.1	Indicate up to three of your largest property types by AUM.
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Types	Main property types (by AUM)
Largest property type	<input type="radio"/> Industrial <input type="radio"/> Retail <input type="radio"/> Office <input checked="" type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify
Second largest property type	<input type="radio"/> Industrial <input type="radio"/> Retail <input type="radio"/> Office <input type="radio"/> Residential <input checked="" type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify
Third largest property type	<input type="radio"/> Industrial <input type="radio"/> Retail <input checked="" type="radio"/> Office <input type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify

OO HF 01	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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OO HF 01.1	Please describe your hedge fund strategies and classification
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Options presented for hedge funds

Main strategy	Strategy as % of hedge fund AUM	Sub-strategy
Equity Hedge	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input checked="" type="checkbox"/> Equity Market Neutral <input checked="" type="checkbox"/> Fundamental Growth <input checked="" type="checkbox"/> Fundamental Value <input checked="" type="checkbox"/> Quantitative Directional <input type="checkbox"/> Sector: Energy/Basic Materials <input type="checkbox"/> Sector: Healthcare <input type="checkbox"/> Sector: Technology <input checked="" type="checkbox"/> Short Bias <input checked="" type="checkbox"/> Multi-Strategy
Event Driven	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%	<input checked="" type="checkbox"/> Activist <input type="checkbox"/> Credit Arbitrage <input type="checkbox"/> Distressed / Restructuring <input checked="" type="checkbox"/> Merger Arbitrage <input type="checkbox"/> Private Issue / Regulation D <input type="checkbox"/> Special Situations <input type="checkbox"/> Multi-Strategy
Global Macro	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%	<input type="checkbox"/> Active Trading <input type="checkbox"/> Commodity: Agriculture <input type="checkbox"/> Commodity: Energy <input type="checkbox"/> Commodity: Metals <input checked="" type="checkbox"/> Commodity: Multi <input type="checkbox"/> Currency: Discretionary <input checked="" type="checkbox"/> Currency: Systematic <input type="checkbox"/> Discretionary Thematic <input type="checkbox"/> Systematic Diversified <input checked="" type="checkbox"/> Multi-Strategy
Relative Value	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input checked="" type="checkbox"/> Fixed Income - Asset Backed <input type="checkbox"/> Fixed Income - Convertible Arbitrage <input type="checkbox"/> Fixed Income - Corporate <input type="checkbox"/> Fixed Income - Sovereign <input checked="" type="checkbox"/> Volatility <input type="checkbox"/> Yield Alternatives: Energy Infrastructure <input type="checkbox"/> Yield Alternatives: Real Estate <input type="checkbox"/> Multi-Strategy

Risk Parity	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input checked="" type="checkbox"/> Volatility Target: 10% <input type="checkbox"/> Volatility Target: 12% <input checked="" type="checkbox"/> Volatility Target: 15%
Blockchain	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	
Total 100% (of internal Hedge Fund AUM)		

Alliance Bernstein

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input type="checkbox"/> Formalised guidelines on environmental factors <input type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input type="radio"/> Applicable policies cover all AUM <input checked="" type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

AB provides diversified investment management services to institutional, high-net-worth and retail investors around the world. Our mission is to bring together a wide range of insights, expertise and innovations to advance the interests of our clients. We put our insights to work in a broad range of solutions-equity, fixed income, alternatives and multi-asset - and seek to apply our collective insights to help keep AB clients at the forefront of change and ahead of tomorrow. AB is singularly focused on asset management and research, which we believe helps us maintain a highly effective investment organization with a culture that exists solely to benefit our asset management clients. We evaluate ESG issues and the impact they can have on our clients' financial interests. AB is committed to responsible investment and believe that evaluating all factors that can impact an investment including ESG is part of our fiduciary obligation.

SG 01.5

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

AB as a firm embraces a clear responsible investment philosophy and approach. Each of our various portfolio management teams implements that philosophy and approach slightly differently across asset classes and strategies. We believe that each team is best equipped to implement ESG considerations in a manner that reflects their differences across asset classes, market sectors and approaches.

In addition to ESG integration, we manage portfolios where we apply negative and positive screens based on client request, and have launched several products that have specific responsible investment objectives. For example, in 2014 we introduced the Next 50 Frontier Markets Fund which strives to adhere to the IFC Performance Standards by deploying intensive fundamental research with a sharp focus on ESG issues to build a diversified stock portfolio with high growth potential and attractive valuations. In 2016, we introduced the AB Municipal Impact strategy, which builds on AB's municipal credit expertise to invest in bonds in underserved communities and whose proceeds have a positive social and/or environmental impact, and a Responsible Global Factor Fund that invests in global equity securities that meet certain ESG criteria. In November 2016, our AB Global Thematic Growth Fund (US Mutual Fund) evolved from a global thematic growth strategy to the AB Sustainable Global 25 Thematic Fund. We also have other equity and fixed income responsible investment strategies in various stages of product development. In 2018, we launched *Portfolios with Purpose* for our private client business and a Green Alpha strategy. We expect some to be released in 2019, including a Sustainable Global Thematic Credit Strategy that will invest in a combination of green bonds and other bonds (primarily non-government) that our researchers consider to be sustainable.

AB also manages a number of strategies where ESG integration is not applicable due to the nature of the investment. For example, ESG factors are generally not integrated in our quant driven products, passively managed accounts, fund-of-fund products, and strategies with high portfolio turnover.

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

SG 01 CC	Voluntary	Public	Descriptive	General
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SG 01.6 CC	Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon.
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Our approach is to integrate the assessment of climate change risks into our fundamental investment research process.

Our fundamental analysts evaluate climate-related risks by focusing on reported climate strategy, the political and regulatory backdrop, potential environmental liabilities and greenhouse gas emissions. Our analysts then determine short-, medium- and long-term risks and opportunities. Climate-related disclosures are essential in this evaluation. However, it can be challenging to assess carbon risk, given the general lack of reporting standards and transparency. In an effort to gain insight, we regularly engage with issuers on these issues, in addition to reviewing related reporting.

Our CIOs and portfolio managers are ultimately responsible for ensuring that climate-related issues are addressed by analysts. Several of our CIOs seek investment opportunities in issuers that are focusing on addressing climate issues, including investing in renewable energy and projects that support a transition to a low-carbon economy. We subscribe to MSCI's Carbon Metrics data tool, which helps us evaluate the issuers in our portfolios and measure the carbon footprint. We address issuers' carbon footprint in two ways: (1) engaging with issuers to understand their strategy for moving to a low carbon economy and; (2) when working with clients to develop solutions for their specific requirements. Unless directed by clients or investment strategies that have specific climate-related objectives, portfolios are generally not managed with the objective of reducing the carbon metric.

AB manages some strategies for which ESG integration, including climate change analysis, is not applicable due to the nature of the investment. For example, ESG factors are generally not integrated in our quantitative-driven products, passively managed accounts, fund-of-funds products or strategies with high portfolio turnover.

SG 01.7 CC	Indicate whether the organisation has assessed the likelihood and impact of these climate risks?
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Yes

SG 01.8 CC	Indicate the associated timescales linked to these risks and opportunities.
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The time horizon of climate risk varies by investment and will depend on a variety of factors.

No

SG 01.9 CC	Indicate whether the organisation publicly supports the TCFD?
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Yes

No

SG 01.10 CC	Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.
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- Yes
- No

SG 01.11 CC	Describe how and over what time frame the organisation will implement an organisation-wide strategy that manages climate-related risks and opportunities.
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In 2018, we began discussions with a leading academic institution to develop a climate risk educational curriculum for our investment professionals. In early 2019, we had the first training session and are working on building out that curriculum. In addition, with the launch of our ESG research tools in equities and fixed income, our analysts will have a more standard framework to assess these risks. We expect to have a formal strategy in place over the next 12-18 months.

SG 1.12 CC	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.
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- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

SG 02	Mandatory	Public	Core Assessed	PRI 6
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
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- Policy setting out your overall approach

	URL/Attachment
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- URL

	URL
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https://www.alliancebernstein.com/corporate/our-firm/content/Statement_of_Policy_Regarding_Responsible_Investment.pdf

- Attachment (will be made public)
- Formalised guidelines on corporate governance factors

	URL/Attachment
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- URL

URL

<https://www.alliancebernstein.com/corporate/management/corporate-governance.htm?locale=us>

Attachment (will be made public)

Fiduciary (or equivalent) duties

URL/Attachment

URL

URL

https://www.alliancebernstein.com/abcom/Our_Firm/Content/CGDocs/ABGlobalStewardship.pdf

Attachment (will be made public)

Screening / exclusions policy

URL/Attachment

URL

URL

https://www.alliancebernstein.com/abcom/our_firm/content/cgdocs/statement_on_controversial_weapons.pdf?uuid=387b50ea-ccea-11e4-98e2-1c10539321b1

Attachment (will be made public)

Engagement policy

URL/Attachment

URL

URL

https://www.alliancebernstein.com/abcom/Our_Firm/Content/CGDocs/2017-AB-engagement-policy-FINAL.pdf

Attachment (will be made public)

(Proxy) voting policy

URL/Attachment

URL

URL

https://www.alliancebernstein.com/abcom/Our_Firm/Content/CGDocs/AB-Proxy-Voting-and-Governance-Policy.pdf

- Attachment (will be made public)
- We do not publicly disclose our investment policy documents

SG 02.2

Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

- URL

URL

https://www.alliancebernstein.com/corporate/our-firm/content/Statement_of_Policy_Regarding_Responsible_Investment.pdf

- Attachment
- Governance structure of organisational ESG responsibilities

URL/Attachment

- URL

URL

https://www.alliancebernstein.com/corporate/our-firm/content/Statement_of_Policy_Regarding_Responsible_Investment.pdf

- Attachment
- ESG incorporation approaches

URL/Attachment

- URL

URL

https://www.alliancebernstein.com/corporate/our-firm/content/Statement_of_Policy_Regarding_Responsible_Investment.pdf

- Attachment
- Active ownership approaches

URL/Attachment

URL

URL

https://www.alliancebernstein.com/abcom/Our_Firm/Content/CGDocs/2017-AB-engagement-policy-FINAL.pdf

Attachment

We do not publicly disclose any investment policy components

SG 03	Mandatory	Public	Core Assessed	General
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SG 03.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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Yes

SG 03.2	Describe your policy on managing potential conflicts of interest in the investment process.
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As a fiduciary, we owe our clients an undivided duty of care. We strive to avoid even the appearance of a conflict that may compromise the trust our clients have placed in us, and we insist on strict adherence to fiduciary standards and compliance with all applicable federal and state securities laws. We place the interests of our clients first and attempt to avoid any actual or potential conflicts of interest. It is the responsibility of every employee to be sensitive to situations and relationships which may create conflicts of interest and bring any related questions or concerns to the Chief Compliance Officer or Conflicts Officer. AB maintains a Code of Business Conduct and Ethics (the "Code") that 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, principles, and business practices that guide our business conduct. It establishes a set of basic principles to guide all employees, including directors and consultants, where applicable.

No

SG 03.3	Additional information. [Optional]
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The sections in Our Code of Business Conduct and Ethics that relate to conflicts of interest include: • Conflicts of interest • Personal trading • Gifts, entertainment and inducements • Political contributions/activities

Summaries of Key Policies: Conflicts of Interest: AB has taken several steps to reduce or eliminate potential conflicts of interest that may arise, including: 1) We do not trade securities on a proprietary basis or act as an underwriter, and do not trade fixed income securities through affiliated brokers. Permanent information barriers separate the activities of AllianceBernstein from Sanford C. Bernstein. 2) We impose trading restrictions on our employees, including requiring them to maintain personal brokerage accounts with one of five designated brokerage firms, to pre-clear all personal securities transactions, and to report each transaction to Compliance personnel. All employees are forbidden to trade, either personally or on behalf of others, on material non-public information or communicating material non-public information to others in violation of the law. 3) We maintain a Code of Ethics, distributed and acknowledged by employees at least annually, that includes provisions concerning personal trading, gifts and entertainment. 4) We have a Conflicts Officer who chairs our Conflicts Committee, comprised of senior members of the Legal and Compliance Department.

Personal Trading Policy: Some (but not all) of the restrictions that apply to personal trading by AB employees, their immediate family members and other financial dependents include: 1) Employees must disclose all of their securities accounts to the Legal and Compliance department; 2) Absent an exception, employees may maintain securities accounts only at specified designated broker-dealers; 3) Employees must pre-clear all securities trades with the Legal and Compliance department prior to placing trades with their broker-dealer (prior supervisory approval is required for portfolio managers, research analysts, traders, persons with access to AB research, and others designated by the Legal and Compliance department); 4) Employees are limited to twenty trades in individual

securities during any rolling thirty calendar-day period; 5) Employee purchases of individual securities, ETFs and closed-end mutual funds are subject to a 60-day holding period; and 6) Employees must submit initial and annual holding reports, disclosing all securities and holdings in mutual funds managed by AB held in personal accounts, and must, on a quarterly basis, submit or confirm reports identifying all transactions in securities (and mutual funds managed by AB) in personal accounts.

Gifts and Entertainment: Our Gifts and Entertainment policy for all AB employees sets out clear standards of conduct expected of employees. It stresses the importance of mitigating even the potential perception that their acts may be in violation of not only our Gifts and Entertainment Policy but domestic and international laws as well. Among other stipulations, under our Gifts and Entertainment Policy our employees are prohibited from: 1) accepting, for themselves or their family/friends, cash, cash equivalents (e.g., gift cards, gift certificates, etc.), or preferential discounts from current or potential vendors or service providers. Similarly, they may not give such items to clients, and 2) accepting (or giving to clients) noncash business gifts from any one vendor or service provider that exceeds \$100 USD in value during a calendar year. All gifts received exceeding \$50 USD in value must be reported to our Compliance Department.

Political Contributions and Activities: AB has developed policies that prohibit our employees from making, either directly or indirectly, any political contributions to candidates or organizations recommended by clients. The policies also include a requirement under which all employees must pre-clear with the Compliance Department, all personal political contributions (including those of their spouses and dependent children) made to, or solicited on behalf of, any state or local candidate or political party. We also have in place a separate Pay-to-Play policy specifically relating to SEC Rule 206(4)-5, which we can provide upon request.

Employees must confirm annually that they have disclosed any potential conflicts of interest and that they are in compliance with the requirements associated with the firm's Policy and Procedures for Giving and Receiving Gifts and Entertainment (including its requirement to pre-clear certain political contributions); and the requirements associated with the firm's Anti-Corruption Policy.

Compliance Manual: AB maintains a Compliance Manual for all employees that also provides policies on handling potential conflicts of interest. The key components included in our Compliance Manual that cover potential conflicts of interest in our investment process are: • Investment Guidelines for Services & Clients • Fair allocation of investment opportunities • Research activities • Best execution and brokerage allocation • Cross trades in discretionary accounts • Security transactions with AB affiliates • Proxy voting • Portfolio, market & performance manipulation • Beneficial ownership reporting • Daily restricted list preclearance

SG 04	Voluntary	Public	Descriptive	General
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SG 04.1	Indicate if your organisation has a process for identifying and managing incidents that occur within portfolio companies.
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- Yes
- No

SG 04.2	Describe your process on managing incidents
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It is the primary responsibility of our analysts to monitor issuers. If an ESG issue arises, the analyst will determine the potential magnitude and engage with the issuer and/or other stakeholders to determine the impact on the investment thesis. Based on that analysis, the CIO/PM will determine whether to hold or sell. If the position is continued to be held, the analyst will regularly monitor the situation, and how management has addressed it.

Objectives and strategies

SG 05	Mandatory	Public	Gateway/Core Assessed	General
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SG 05.1

Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

SG 05.2

Additional information. [Optional]

The Responsible Investment Committee sets out the goals for the responsible investment activities at AB at least annually. The committee meets several times a year to review progress and respond to market developments.

SG 06	Voluntary	Public	Descriptive	General
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SG 06.1

List the main responsible investment objectives that your organisation set for the reporting year.

Responsible investment processes

- Provide training on ESG incorporation

Key performance indicator

Conduct training sessions; leverage existing internal processes.

Progress achieved

Training occurs both formally and informally, in one-on-one discussions and in group meetings. For instance, we held an educational session on cyber security which was presented by external industry experts, one of AB's board of directors, and our head of Data Security.

- Provide training on ESG engagement

Key performance indicator

More effective company/issuer engagements.

Progress achieved

Our responsible investment staff meet with analysts to prepare for company meetings on ESG-related topics, and have a structured process for engagement. This includes a template that is used to conduct research; the responsible investment staff generally has a preparatory meeting with the analyst if they participate, and uses a tool to track our engagements.

- Improved communication of ESG activities within the organisation

Key performance indicator

More frequent discussions with personnel at all levels and in a variety of roles, including partners, investment teams, and client-facing staff.

Progress achieved

The CEO, partners and other senior personnel in investments and client-facing teams are updated on market developments, our approach, policies and new responsible-investment focused services. In addition, the responsible investment team, members of the Responsible Investment Committee, and increasingly, other individuals within the firm are well versed on our ESG activities and communicate with their colleagues around the world. The communications take place in formal and informal settings.

- Improved engagement to encourage change with regards to management of ESG issues

Key performance indicator

Develop engagement framework and log examples.

Progress achieved

Most of our engagements are focused on influencing some type of change or improvement at a company. The topics are company-specific on a wide range of ESG issues such as improving executive compensation targets, disclosing more information on environmental risks and workforce data.

In 2018, we worked to enhance our tools for tracking and following up on our engagements. The tool was released to a small group of individuals in mid-December and will roll out to all of Equities at the end of February 2019.

- Improved ESG incorporation into investment decision making processes

Key performance indicator

Continue to enhance ESG integration.

Progress achieved

In our Fixed Income team, they have had in place for several years, an ESG scoring tool which is integrated into the analysts' proprietary credit assessment. In 2018, Fixed Income formalized its platform to evaluate ESG risks in sovereigns. Our equity team has built out a proprietary ESG tool which provides a standard framework to evaluate ESG issues by industry, a central place to store ESG-related data, and company engagements. The tool will be accessible to the fixed income analysts as well.

- Other, specify (1)

Thought leadership

Key performance indicator

Host / participate in events and write blogs

Progress achieved

AB hosted several impact investing symposia for clients and prospects. We wrote several ESG-related blogs, and our staff continues to participate in a variety of industry events as speakers, moderators, panellists, and/or participants.

Other, specify (2)

other description (2)

Commercialize our RI platform

Key performance indicator

New product launches and attract AUM

Progress achieved

We launched a new platform for our private client channel which provides a suite of "responsible" strategies as a core solution. Part of that platform consists of a new equity strategy - Responsible US Equities "RE-USE" which has specific ESG criteria. As well we developed two additional strategies - a carbon neutral equity strategy and a strategy that focuses on companies with improving ESG characteristics.

Other, specify (3)

None of the above

Financial performance of investments

- Increase portfolio performance by consideration of ESG factors
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

ESG characteristics of investments

- Over or underweight companies based on ESG characteristics
- Improve ESG ratings of portfolio
- Setting carbon reduction targets for portfolio
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

Other activities

- Joining and/or participation in RI initiatives

Key performance indicator

Participation on panels and event attendance

Progress achieved

We are actively engaged in industry events, both as participants and as panellists. Responsible Investment personnel and others involved in ESG-focused strategies participate in a variety of industry events as participants, panellists, moderators, and/or speakers. We joined a new initiative, the Climate Action 100+, where we will collaborate with other investors to engage high-carbon emitting companies.

- Encouraging others to join a RI initiative
- Documentation of best practice case studies
- Using case studies to demonstrate engagement and ESG incorporation to clients

Key performance indicator

Documentation of engagement examples

Progress achieved

We maintain a database where our fundamental analysts and the RI team populate with material ESG engagements. We provide customized ESG engagement reports to several clients; as well we contributed to the UK Pension Fund Service ESG Factor publication in December 2018, and one of our case studies was published in the PRI and CFA "Guidance and Case Studies for ESG Integration: Equities and Fixed Income in 2018.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

Governance and human resources

SG 07	Mandatory	Public	Core Assessed	General
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SG 07.1	Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.
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Roles

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Internal Roles (triggers other options)

Select from the below internal roles

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
 - Chief Corporate Responsibility Officer**
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
- Other role, specify (1)
- Other role, specify (2)
- External managers or service providers

SG 07.2

For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

Our CEO is briefed on our responsible investment activities through one-on-one discussions and at partner meetings. In addition to one of our partners having firm-wide responsibility for oversight, our Heads of Fixed Income and Equities are also briefed and are key in driving our efforts within their respective business units. Our fundamental research analysts have primary responsibility for incorporating ESG factors into the research process. We believe bottom-up ESG integration in fundamental company research analysis is an important part of identifying investment risks, as well as opportunities. As such, within our separate asset-class-specific investment teams, CIOs/portfolio managers are responsible for overseeing the integration of ESG factors into our investment processes, and ensuring that potential ESG issues are appropriately identified, raised, researched, and addressed. Our responsible investment staff help to drive the implementation of our RI strategy.

SG 07.3

Indicate the number of dedicated responsible investment staff your organisation has.

Number

When AllianceBernstein became a PRI signatory in November 2011, we created a formal management infrastructure for responsible investment (RI) leadership to drive our RI strategy and ensure commitment to, and a coordinated, consistent approach to, these issues across the firm. Since 2011, we have steadily increased our firm's resource commitment in this important area. At the start of 2019, AllianceBernstein has the equivalent of approximately 15 full-time professionals focused on various aspects of ESG. These include:

Chief Corporate Responsibility Officer: Paul DeNoon, a Senior Vice President, is our firm's Chief Corporate Responsibility Officer. In this role, Mr. DeNoon coordinates across AllianceBernstein to define and coordinate all of our Corporate Responsibility efforts as they relate to our clients, shareholders, employees, and communities. In this role, Mr. DeNoon also oversees our firm's responsible investing platform, charged with driving and implementing AB's responsible investment strategy and best-in-class approach to responsible investing across our firm. Mr. DeNoon works closely with both our Head of Responsible Investment (see below) and our fixed income and equity investment organizations to ensure best-in-class approaches and methodologies are being implemented consistently firm-wide.

Head of Responsible Investment: Linda Giuliano, Senior Vice President, is our Head of Responsible Investment. She is also Chair of our Proxy Voting and Governance Committee and our Responsible Investment Committee. She dedicates all of her time to responsible investment-related activities, including working with Mr. DeNoon to continue to refine the firm's responsible investment strategy, enhancing AB's processes on ESG integration, and organizing the efforts, and leading both, of our Responsible Investment Committee and Proxy Voting and Governance Committee. She also organizes and administers ESG integration training, seminars and events at the firm. For example, we organized and co-hosted an event at AB called "ESG in Real Assets". Ms. Giuliano is involved in RI-related industry organizations and keeps abreast of responsible investment-related best practices and relevant industry trends. She is currently a member of ICGN's Board Governance Committee and the PRI's Global Policy Reference Group. She was formerly a member of the PRI's Reporting and Assessment Committee and their Equity Working group, and CII's Corporate Governance Advisory Council.

Head of Corporate Governance and Proxy Voting Associates: We have a Global Head of Corporate Governance and Proxy Voting Associates who are responsible for our firm's proxy voting. Under the guidance of our Head of Responsible Investment and the Proxy and Governance Committee, our Global Head of Corporate Governance and Associates vote our proxies globally based on our in-house policy, implement other elements of our firm's proxy voting, maintain and update our firm's proxy policies and procedures, and provides input to the portfolio teams on a variety of Governance-related issues.

Senior Investment Strategist, Responsible Investment: We have a client-facing Senior Investment Strategist who focuses on responsible investing. She regularly meets with AllianceBernstein's clients, as well as prospects and consultants, to provide insight on AllianceBernstein's responsible investing initiatives and approach. She is also an expert on our value equity portfolios and research approaches. She works closely with our Head of Responsible Investment on product development and thought leadership.

Dedicated ESG Analysts: We maintain dedicated ESG Analysts to work with our equity investment teams to identify trends, themes and case studies and to assist with all aspects of ESG integration and monitoring. They provide input to the portfolio teams on a variety of ESG-related issues, and design and implement ongoing RI training programs for AllianceBernstein employees. These analysts also handle a range of other RI projects, including coordinating AllianceBernstein's PRI Report each year. One of the analysts is a member of both our Responsible Investment Committee and our Proxy Voting and Governance Committee.

Summary of Dedicated Resources: In addition to their specific functions outlined above, our Responsible Investing team also maintains our firm's ESG engagement framework. Collectively, they speak regularly with AllianceBernstein's clients, prospects, and consultants regarding Responsible Investing. They also conduct numerous training sessions for AllianceBernstein staff on a variety of RI/ESG topics. While these dedicated resources provide valuable guidance to our investment teams, we note again that ESG integration in client portfolios remains the primary responsibility of all portfolio managers and analysts at AllianceBernstein.

Some portfolio managers/analysts are ESG-Focused: we have certain portfolio managers and analysts within our investment organizations who, given their research and management roles on certain ESG-focused strategies and funds, can be considered ESG-focused resources as well. These include:

- The portfolio manager and analysts who work on AllianceBernstein's Next 50 Frontier Markets Strategy/Fund can be considered the equivalent of four full-time employees (FTEs) to ESG.
- The portfolio manager and analysts who work on AllianceBernstein's Sustainable Global Thematic Strategy/Fund can be considered the equivalent of two full-time employees (FTEs) to ESG.
- We have an ESG Analyst on our Large Cap Growth Team.
- The portfolio manager who manages our Municipal Impact Strategy can be considered the equivalent of one full-time employee (FTE) to ESG.

- The CIO, senior portfolio manager and associate who work on AllianceBernstein's RE-USE Strategy/Fund can be considered the equivalent of two full-time employees (FTEs) to ESG.
- The CIO, portfolio managers and analysts who work on AllianceBernstein's Global Improvers and Green Alpha Strategies/Funds can be considered the equivalent of three full-time employees (FTEs) to ESG.
- Additionally, we have other portfolio managers, research analysts, and risk managers within our fixed income organization who work together to support ESG integration across all fixed income portfolios. Taken together, we consider this the equivalent of one full-time employee (FTE) to ESG.

I confirm I have read and understood the Accountability tab for SG 07

I confirm I have read and understood the Accountability tab for SG 07

SG 07 CC	Voluntary	Public	Descriptive	General
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SG 07.5 CC	Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	Other Chief-level staff or head of department
--	---

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	Portfolio managers
--	--------------------

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	Investment analysts
--	---------------------

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	Dedicated responsible investment staff
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

SG 07.7 CC	For the management-level roles that assess and manage climate-related issues, provide further information on the structure and process involved.
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Our CIOs and portfolio managers are ultimately responsible for ensuring that climate-related issues are addressed by the analysts. Our analysts evaluate climate-related issues as part of their research assessment, focusing on each company's climate strategy, the political and regulatory backdrop, potential environmental liabilities and greenhouse gas emissions. Several of our CIOs seek investment opportunities in companies that are focusing on addressing climate issues, including investing in renewable energy and projects to support a low carbon economy.

SG 07.8 CC	Explain how the organisation engages external investment managers on the TCFD recommendations and its implementation.
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- Incorporation of TCFD in Annual Report
- Incorporation of TCFD in regular client reporting
- Request that investment managers complete PRI Climate indicators
- Request responses to TCFD Fund Manager questions in the PRI Asset Owner guide

SG 08	Voluntary	Public	Additional Assessed	General
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SG 08.1	Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.
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SG 08.1b	RI in personal development and/or training plan
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- Responsible investment included in personal development and/or training plan
- None of the above

	Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
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SG 08.1a	RI in objectives, appraisal and/or reward
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- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b	RI in personal development and/or training plan
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- Responsible investment included in personal development and/or training plan
- None of the above

Other C-level staff or head of department

Chief Corporate Responsibility Officer

SG 08.1a RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Portfolio managers

SG 08.1a RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Investment analysts

SG 08.1a RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Dedicated responsible investment staff

SG 08.1a RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

SG 08.3

Provide any additional information on your organisation's performance management, reward and/or personal development processes in relation to responsible investment.

At AB, all of our analysts - both equity and fixed income -- are evaluated based on a variety of factors. Investment performance in client portfolios is the primary factor, along with other qualitative factors. As discussed in more detail elsewhere in this document, all AB analysts include ESG factors in their research processes. Thus, by the nature of their inclusion, ESG factors are reflected in our firm's performance management process.

In addition to that, the extent to which performance management, reward and/or personal development processes have a responsible investment element may vary per investment strategy. For our investment strategies that go beyond ESG integration, the element may be larger.

Promoting responsible investment

SG 09

Mandatory

Public

Core Assessed

PRI 4,5

SG 09.1

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Our Head of Responsible Investment was on the PRI's Reporting and Assessment Advisory Committee until November 2017, when she became a member of the Regulatory and Policy Committee. One of our fixed income portfolio managers was on the Fixed Income Integration committee. We attended a variety of PRI-sponsored events throughout the year, including our Head of Responsible Investment attending the PRI annual conference.

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AFIC – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

We became an investor signatory in 2015 and participate in thought leadership events.

- CDP Forests

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

- CDP Water

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Code for Responsible Finance in the 21st Century
- Council of Institutional Investors (CII)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

We are an Educational Sustainer member of the CII. We attend their meetings and participate in teleconferences on proxy-related issues and share our insights. We have had representation on the Corporate Governance Advisory Council for the past four years, and a member of our governance team will continue to participate. The Head of Responsible Investment has been a panelist.

- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- Invest Europe Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

AB was a sponsor and the CIO of our sustainable thematic strategies was a featured panelist at their October 2018 conference.

- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

We are a member of ICGN and attend their conferences. In October 2017, our Head of Responsible Investment was appointed to ICGN's Board Governance Committee and moderated a panel at their annual conference in 2018.

- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

US SIF

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

US SIF: We attend the US SIF Conferences and we review the reports from the various SIF organizations.

- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify

SASB

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Our Head of Responsible Investment passed the FSA Level 1 exam administered by SASB. We reference the work done by SASB in building out our own reference documents for our analysts. We maintain an open dialogue with SASB regarding the evolution of its disclosure standards.

- Other collaborative organisation/initiative, specify
Japan "PRI" (Principles for Financial Action for the 21st Century)

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

We are a member of the working group on Asset Management, Securities, and Investment Banks.

- Other collaborative organisation/initiative, specify

Climate Bond Initiative

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

AB is a partner of the Climate Bond Initiative (CBI). Early in 2018, AB hosted the first in a series of four global CBI-sponsored Green Bond Boot Camps in our New York office. AB was the only U- based host in the series (other location events were scheduled in Sydney, Copenhagen and Paris). The CBI's Green Bond Boot Camp was an immersive learning experience for finance sector professionals who wished to be part of the growing green bond market. The two-day event encompassed five learning modules as well as green bond case studies and stories from market professionals to provide a valuable starting point for new market participants. The objective of the Camp was to help prepare the growing number of new and ambitious green bond market participants to play a role in scaling up financing of low carbon, climate resilient assets and infrastructure. In addition to AB hosting the event, members of AB's Responsible Investment Committee, portfolio managers and analysts provided perspective on managing and trading green bonds during training sessions. AB also supports the CBI via our annual fees.

- Other collaborative organisation/initiative, specify

Catalytic Financing Initiative

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

AB is a partner of the Catalytic Finance Initiative (CFI). The CFI is a group of leading global financial institutions-investment banks, asset managers, multilateral banks, and other organizations-that have committed to deploy \$8 billion to high-impact sustainable investments over the coming years.

SG 09.2	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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Indicate approximately what percentage (+/- 5%) of your externally managed assets under management are managed by PRI signatories.

%

95

SG 10	Mandatory	Public	Core Assessed	PRI 4
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SG 10.1 Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

SG 10.2 Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

Description

We hosted more than 10 educational events in 2018, on topics such as: ESG investing, green bonds, sustainability, climate-related investment risks and opioid abuse.

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Provided financial support for academic or industry research on responsible investment

Provided input and/or collaborated with academia on RI related work

Description

We have been in discussions with a leading academic institution for (1) developing climate education and (2) conducting research on social impacts in emerging markets.

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Encouraged better transparency and disclosure of responsible investment practices across the investment industry

Description

We encourage better transparency through our company engagement and proxy voting activities.

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Spoke publicly at events and conferences to promote responsible investment

Description

We often speak at industry events. In 2018, portfolio managers and other AB representatives participated on panels or as speakers at more than 20 industry events. Below is a selection of events where we were panelists or speakers:

- October 2018: BNP Paribas Sustainable Future Forum
- October 2018: Global Fund Forum - "Doing Good & Doing Well with Responsible Investing"
- July 2018: Societe Generale Asian Sustainable & Positive Impact Finance Conference
- June 2018: Citi SMA Conference on Sustainable Investing
- May 2018: BNY Mellon's Signature Leadership Forum
- April 2018: IMN Green Bond Investor Conference
- March 2018: Howard University Seminar – Impact Investing
- February 2018: CFA Society - Sustainable Investing Committee

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Wrote and published in-house research papers on responsible investment

Description

We have published a number of blogs related to responsible investment. Some examples of these blogs are listed below and can be found on our company website:

- September 2018: Responsible Investors Should Focus on ESG “Offenders”
- March 2018: Active Managers Engagement
- February 2018: Setting the Standard: Managers Lift their Game

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Encouraged the adoption of the PRI
- Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)

Description

We are active members on the ICI Global ESG Task Force. We have engaged with local stock exchanges on a variety of governance-related issues. We have provided feedback to the FRC on the UK Stewardship Code.

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Wrote and published articles on responsible investment in the media
- A member of PRI advisory committees/ working groups, specify

Description

PRI Policy and Regulatory Committee

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other
- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
- Other, specify
- No

SG 11	Voluntary	Public	Additional Assessed	PRI 4,5,6
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SG 11.1 Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or regulators in support of responsible investment in the reporting year.

- Yes

If yes

- Yes, individually
- Yes, in collaboration with others

SG 11.2 Select the methods you have used.

- Endorsed written submissions to governments, regulators or public policy-makers developed by others
- Drafted your own written submissions to governments, regulators or public-policy markers
- Participated in face-to-face meetings with government members or officials to discuss policy
- Other, specify

SG 11.3 Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.

- Yes, publicly available
- No
- No

SG 11.4 Provide a brief description of the main topics your organisation has engaged with public policy-makers or regulators on.

We have engaged with public policy makers or regulators on a variety of issues:

- November 2018: Head of Responsible Investment participated in the FRC Financial Reporting Lab project on workforce disclosure issues
- September 2018: analyst met with World Bank on Mexico City water challenges
- April 2018: analyst met with US regulators (white house representatives, FTC, FCC) on internet company data privacy and potential regulatory framework

- January 2018: analyst met with Chinese regulators at Deutsche Bank Investor Summit to understand China's environmental policies and goals

Outsourcing to fiduciary managers and investment consultants

SG 12	Mandatory	Public	Core Assessed	PRI 4
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 12.1	Indicate whether your organisation uses investment consultants.
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- Yes, we use investment consultants
- No, we do not use investment consultants.

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1	Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
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- Yes, to assess future ESG factors
- Yes, to assess future climate-related risks and opportunities
- No, not to assess future ESG/climate-related issues

SG 13.3	Additional information. [OPTIONAL]
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SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1	Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.
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- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

SG 14.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM		3	587	000	000
Currency	USD				
Assets in USD		3	587	000	000

Specify the framework or taxonomy used.

For certain clients, we exclude coal/high emission companies. We have a carbon neutral strategy, and others that exclude coal or are low carbon by design.

- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 14.3

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

SG 14.4

If you selected disclosure on emissions risks, list any specific climate related disclosure tools or frameworks that you used.

We subscribe to MSCI's Carbon Metrics data tool to assist us in evaluating the companies in our portfolio and to measure the carbon footprint. AB became an Investor Signatory of the CDP (formerly the Carbon Disclosure Project) in May 2015.

SG 14 CC	Voluntary	Public		General
SG 14.6 CC	Please provide further details on these key metric(s) used to assess climate related risks and opportunities.			

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Weighted average carbon intensity	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	We address the strategy's carbon footprint in two ways: (1) when analyzing the companies in which we invest. We often engage with companies to understand their strategy with regard to moving to a low carbon economy; (2) we work with our clients to develop solutions for their specific requirements.	tons CO2e / \$M sales tons CO2e / \$M invested	We use MSCI's Carbon Metrics data
Carbon footprint (scope 1 and 2)	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	We address the strategy's carbon footprint in two ways: (1) when analyzing the companies in which we invest. We often engage with companies to understand their strategy with regard to moving to a low carbon economy; (2) we work with our clients to develop solutions for their specific requirements.	metric tons	We use MSCI's Carbon Metrics data
Portfolio carbon footprint	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	We address the strategy's carbon footprint in two ways: (1) when analyzing the companies in which we invest. We often engage with companies to understand their strategy with regard to moving to a low carbon economy; (2) we work with our clients to develop solutions for their specific requirements.	MSCI ESG Carbon Footprint Calculator which we use for portfolio carbon footprinting includes Carbon Emissions, Total Carbon Emissions, Carbon Intensity and Weighted Average Carbon Intensity.	We use MSCI's Carbon Metrics data
Total carbon emissions	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets			
Carbon intensity	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	We address the strategy's carbon footprint in two ways: (1) when analyzing the companies in which we invest. We often engage with companies to understand their strategy with regard to moving to a low carbon economy; (2) we work with our clients to develop solutions for their specific requirements.	tons CO2e / \$M sales tons CO2e / \$M invested	We use MSCI's Carbon Metrics data
Exposure to carbon-related assets	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Our analysts evaluate investments on many factors, including their exposure to carbon-related assets, how the company is managing them, and they incorporate their assessment into their research.		

SG 14.8 CC	Indicate whether climate-related risks are integrated into overall risk management and explain the risks management processes for identifying, assessing, and managing climate-related risks.
-----------------------	---

- Process for climate-related risks is integrated into overall risk management
- Process for climate-related risks is not integrated into our overall risk management

Please describe

We started monitoring climate-related metrics in 2017 and are currently evaluating how to this can be integrated into our overall risk management strategy.

SG 14.9 CC	Indicate whether the organisation undertakes active ownership activities to encourage TCFD adoption.
-----------------------	--

- Yes

Please describe

We often engage with companies to encourage better disclosure and practices around climate-related risks. In 2018, we have begun to ask how companies are addressing the TCFD.

Proxy voting is an integral part of encouraging better disclosure. We generally support shareholder proposals calling for climate-related reports and disclosure while taking into account existing policies and procedures of the company and whether the proposed information is of added benefit to shareholders.

- No, we do not engage

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
----------------	---

- Yes

SG 15.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.
----------------	--

%	
---	--

.87

SG 15.3	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.
----------------	--

Area	
------	--

- Energy efficiency / Clean technology

Asset class invested

Listed equity

% of AUM

.34

Fixed income - SSA

% of AUM

.11

- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Commodities
- Hedge funds

Brief description and measures of investment

- Low Carbon Energy Generation& Infrastructure
- Energy Efficiency
- Clean Transportation
- Sanitation& Recycling
- Sustainable Production

Renewable energy

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)

% of AUM

.55

- Fixed income - Securitised
- Private equity
- Property
- Commodities
- Hedge funds

Brief description and measures of investment

Our total AUM in Green Bonds is around \$760MM. Although it is still small, it is growing. We have participated in Green Bonds where the use of the proceeds included renewable energy.

- Green buildings

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)

% of AUM

.03

- Fixed income - Securitised
- Private equity
- Property
- Commodities
- Hedge funds

Brief description and measures of investment

Our total AUM in Green Bonds is around \$760MM. Although it is still small, it is growing. We have participated in Green Bonds where the proceeds are used for green buildings.

- Sustainable forestry

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)

% of AUM

.02

- Fixed income - Securitised
- Private equity
- Property
- Commodities
- Hedge funds

Brief description and measures of investment

Our total AUM in Green Bonds is around \$760MM. Although it is still small, it is growing. We have participated in Green Bonds where the use of the proceeds included sustainable forestry.

- Sustainable agriculture

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)

% of AUM

.02

- Fixed income - Securitised
- Private equity
- Property
- Commodities
- Hedge funds

Brief description and measures of investment

- Food Security
- Adapting Agriculture to be less Vulnerable to Climate Change

Our total AUM in Green Bonds is around \$760MM. Although it is still small, it is growing. We have participated in Green Bonds where the use of the proceeds included sustainable agriculture.

- Microfinance
- SME financing
- Social enterprise / community investing

Asset class invested

- Listed equity

% of AUM

.70

Fixed income - SSA

% of AUM

.04

- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Commodities
- Hedge funds

Brief description and measures of investment

- Economic Infrastructure
- Enabling Technologies
- Gender Equality
- Financial Inclusion
- Physical Safety
- Municipal bonds with social impact
- Sustainability bonds

Affordable housing

Asset class invested

- Listed equity
- Fixed income - SSA

% of AUM

.02

- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Commodities
- Hedge funds

Brief description and measures of investment

- Financial Inclusion
- Housing bonds in the US municipal market

Education

Asset class invested

- Listed equity
- Fixed income - SSA

% of AUM

.11

- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Commodities
- Hedge funds

Brief description and measures of investment

As a significant part of the Municipal Impact Portfolio, we invest in primary, secondary and adult education systems/facilities in areas with large underserved or low socio-economic status populations.

Global health

Asset class invested

- Listed equity

% of AUM

.51

- Fixed income - SSA

% of AUM

.06

- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Commodities
- Hedge funds

Brief description and measures of investment

- Medical Innovation
- Access to Affordable Medical Care
- Healthy Lifestyles
- Closing Gaps in Life Expectancy

Water

Asset class invested

Listed equity

% of AUM

.15

Fixed income - SSA

% of AUM

.08

- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)

% of AUM

.04

- Fixed income - Securitised
- Private equity
- Property
- Commodities
- Hedge funds

Brief description and measures of investment

- Water Infrastructure, Conservation, Treatment& Management

Other area, specify

No

Asset class implementation not reported in other modules

SG 16	Mandatory	Public	Descriptive	General
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SG 16.1

Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Property	For our property funds, we recognize that there are considerations that go beyond merely achieving a target investment return, which may include certain non-financial objectives such as promoting the use of responsible contractors. Our ability to address those non-financial considerations is limited to circumstances where such actions are within the fund's power and authority and are consistent with our fiduciary duties to the investment fund we manage, applicable laws, and any contractual limitations imposed by agreements with third parties.
Commodities	In allocating to commodities within our multi-asset strategies, we actively consider ESG issues and the effects these can have on a portfolio. Our ability to address non-financial ESG considerations within commodities is limited due to the nature of investing in this asset via derivative contracts.
Money market instruments	We have long recognized that ESG issues can impact the performance of investment portfolios, and we have long believed that the integration of ESG factors is critical to the success of a fundamental research process. As such, our analysts have carefully assessed ESG factors in their analysis if they believe those factors have, or could have, a material impact on our forecasts and investment decisions.
Other (1) [as defined in Organisational Overview module]	<p>We actively consider ESG issues within our multi-asset portfolio construction. When asset allocations are implemented passively, our ability to address these issues directly is limited.</p> <p>Where these allocations are implemented actively, we integrate ESG considerations into the research process and engage with target companies. We also make use of firm-level active ownership to add value through proxy voting.</p> <p>Where clients invest in customised solutions or segregated mandates, we seek to align the ESG investment policies with those of the client.</p>

SG 16.2

Additional information [Optional].

Our focus has been to enhance our equities and fixed income ESG integration processes as they represent the largest component of our assets under management. Over time, we will work with other investment teams to develop processes for other asset classes, where appropriate.

SG 17

Mandatory

Public

Descriptive

General

SG 17.1

Describe how you address ESG issues for externally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Listed equities - engagement	Engagement is executed by the asset manager for the underlying fund(s).
Listed equities - (proxy) voting	Proxy voting is executed by the asset manager for the underlying fund(s).
Other (1) [as defined in Organisational Overview module]	Where our multi-asset solutions make use of external investment managers, proxy voting and engagement is executed by the external investment manager. To best align the actions of external managers with the best interests of AB and its clients, external managers' resources, policies and stewardship records are considered during the selection and appointment process. Consideration is also taken with regard to the external managers' exclusion policies.

Innovation

SG 18	Voluntary	Public	Descriptive	General
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SG 18.1 Indicate whether any specific features of your approach to responsible investment are particularly innovative.

Yes

SG 18.2 Describe any specific features of your approach to responsible investment that you believe are particularly innovative.

In addition to ESG integration, we have been developing innovative, highly differentiated responsible investment strategies for several years. Our platform consists of strategies that invest for impact through intentional and measurable investments in municipal bonds; sustainable thematic strategies aligned with the UN Sustainable Development Goals; a carbon neutral strategy and others.

No

Communication

SG 19	Mandatory	Public	Core Assessed	PRI 2, 6
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SG 19.1 Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

Caution! The order in which asset classes are presented below has been updated in the online tool to match the Reporting Framework overview.

If you are transferring data from an offline document, please check your response carefully.

Listed equity - Incorporation

Do you disclose?

- We do not proactively disclose it to the public and/or clients/beneficiaries
- We disclose to clients/beneficiaries only.
- We disclose it publicly

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	Disclosure to clients/beneficiaries
<p>Disclosure to public and URL</p> <ul style="list-style-type: none"> <input checked="" type="radio"/> Broad approach to ESG incorporation <input type="radio"/> Detailed explanation of ESG incorporation strategy used 	<p>Disclosure to clients/beneficiaries</p> <ul style="list-style-type: none"> <input type="radio"/> Broad approach to ESG incorporation <input checked="" type="radio"/> Detailed explanation of ESG incorporation strategy used
<p>Frequency</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested 	<p>Frequency</p> <ul style="list-style-type: none"> <input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input checked="" type="checkbox"/> Ad-hoc/when requested
<p>URL</p> <p>https://www.alliancebernstein.com/corporate/our-firm/resources/pdf/embracing_responsible_investing.pdf</p>	

Listed equity - Engagement

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	Disclosure to clients/beneficiaries
<p data-bbox="256 331 1102 394">Disclosure to public and URL</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Details on the overall engagement strategy <input type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals <input type="checkbox"/> Number of engagements undertaken <input type="checkbox"/> Breakdown of engagements by type/topic <input type="checkbox"/> Breakdown of engagements by region <input type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives <input type="checkbox"/> Examples of engagement cases <input checked="" type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.) <input type="checkbox"/> Details on whether the provided information has been externally assured <input type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information 	<p data-bbox="1131 331 1447 416">Disclosure to clients/beneficiaries</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Details on the overall engagement strategy <input type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals <input checked="" type="checkbox"/> Number of engagements undertaken <input checked="" type="checkbox"/> Breakdown of engagements by type/topic <input type="checkbox"/> Breakdown of engagements by region <input type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives <input checked="" type="checkbox"/> Examples of engagement cases <input checked="" type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.) <input type="checkbox"/> Details on whether the provided information has been externally assured <input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information
<p data-bbox="256 1568 1102 1630">Frequency</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested 	<p data-bbox="1131 1568 1447 1630">Frequency</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested
<p data-bbox="256 1939 1102 2002">URL</p>	

https://www.alliancebernstein.com/abcom/Our_Firm/Content/CGDocs/2017-AB-engagement-policy-FINAL.pdf

Listed equity – (Proxy) Voting

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	
Disclosure to public and URL	
<input checked="" type="radio"/> Disclose all voting decisions <input type="radio"/> Disclose some voting decisions <input type="radio"/> Only disclose abstentions and votes against management	
Frequency	
<input checked="" type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc/when requested	
URL	
http://vds.issproxy.com/SearchPage.php?CustomerID=447	

Fixed income

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	Disclosure to clients/beneficiaries
<p>Disclosure to public and URL</p> <ul style="list-style-type: none"> <input checked="" type="radio"/> Broad approach to RI incorporation <input type="radio"/> Detailed explanation of RI incorporation strategy used 	<p>Disclosure to clients/beneficiaries</p> <ul style="list-style-type: none"> <input type="radio"/> Broad approach to RI incorporation <input checked="" type="radio"/> Detailed explanation of RI incorporation strategy used
<p>Frequency</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Quarterly <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc/when requested 	<p>Frequency</p> <ul style="list-style-type: none"> <input type="checkbox"/> Quarterly <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input checked="" type="checkbox"/> Ad hoc/when requested
<p>URL</p> <p>https://www.alliancebernstein.com/corporate/our-firm/resources/pdf/embracing_responsible_investing.pdf</p>	

Hedge Funds

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

Alliance Bernstein

Reported Information

Public version

Direct - Listed Equity Incorporation

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

ESG incorporation in actively managed listed equities

Implementation processes


LEI 01	Mandatory	Public	Gateway	PRI 1
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LEI 01.1


Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies (+/- 5%)

ESG incorporation strategy (select all that apply)


- Screening alone (i.e. not combined with any other strategies)
- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)

Percentage of active listed equity to which the strategy is applied	
	79

- Screening and integration strategies

Percentage of active listed equity to which the strategy is applied	
	19

- Thematic and integration strategies
- Screening and thematic strategies
- All three strategies combined

Percentage of active listed equity to which the strategy is applied	
	2

- We do not apply incorporation strategies

Total actively managed listed equities

100%

LEI 01.2

Describe your organisation's approach to incorporation and the reasons for choosing the particular ESG incorporation strategy/strategies.

AB's Primary Approach: Integration

Our firm's primary approach to ESG incorporation is through "Integration". The bottom-up integration of ESG factors into our research and investment processes is an important part of identifying investment risks and opportunities. Our long-standing disciplined research processes include ESG factors, and all our fundamental analysts assess if ESG factors could have a material impact on our forecasts and investment decisions. If our analysts determine that there are aspects of an issuer's past, current or anticipated ESG-related behaviors that are material to its future expected returns, we address these concerns in our research forecasts, research reviews, and investment decisions.

Active Ownership: Importantly, a key method in which we implement our "Integration" of ESG issues is through proactive ownership. We take a three-pronged approach to active ownership: 1) We directly engage with issuers as part of our research/investment process, 2) we utilize an engagement framework to assist us in identifying companies with whom we should engage on ESG issues, and 3) we selectively engage as part of our proxy voting process. These approaches are often used in a coordinated manner.

Direct Engagement: Direct communication with issuers and stakeholders is an important part of AB's research/investment process. Constructive engagements create a channel to discuss such matters as strategy, business operations, governance and a wide variety of other topics, such as, but not limited to, ESG issues. Over time, we build a forum for open dialogue. In addition, we engage with other stakeholders such as suppliers and customers as part of our process. Engagements take place both before the initial investment is made and as part of our ongoing monitoring of issuers. We vary our level of direct engagement based on several factors such as the size of the investment and potential impacts on the issuer and the AB fund.

ESG Engagement Framework: AB's Responsible Investment (RI) team maintains an engagement universe which helps identify companies within our global holdings where we believe we are most likely to affect positive change, and/or where we have the greatest exposure at issuers with a potential ESG issue. The universe is created based on a number of quantitative factors, such as but not limited to, dollar amount invested and percentage of the issuer owned. A number of qualitative factors are added which identify ESG issues, for example, our historic voting pattern. Based on this universe the RI team developed an engagement strategy which drives our long-term strategic ESG engagements, and serves as a guide when selecting companies for ad hoc and event driven engagement. We also use the framework when evaluating whether or not to accept incoming requests for engagement from issuers.

Proxy Voting: We are shareholder advocates. We thus have a fiduciary duty to make investment decisions that are in our clients' best interests and, in our view, will maximize the value of their shares. Proxy voting is an integral part of this process, and AB supports strong corporate governance structures, shareholder rights, and transparency. We have a well developed in-house proxy policy and process that guides our proxy decisions. We also take ESG factors into consideration when voting. Proxy related meetings are also often a joint effort between the investment professionals, who are best positioned to comment on company specific details, and the proxy manager(s), who offer a more holistic view of governance.

Screening

Negative or Exclusionary Screening: We apply negative or exclusionary screening by product, activity, sector, environmental, social and corporate governance practices and performance. Some clients have provided us with a list of companies to be restricted from their portfolio, while others prefer that we screen on one or more factors using a third-party research provider. Screens can take several forms, including industry screens as well as ESG factor screens. We generally develop these screens in conjunction with our clients, and we update these screens regularly, as our clients or our research providers provide us updated data. Once we identify the names to be screen and our client agrees, we capture those names electronically in our firm's pre-trade and post-trade compliance systems, which will then restrict those securities from that client's Account.

Positive Screening: We can apply positive screening as well if our client so requests. In these cases, we would seek to specifically invest in companies that have demonstrated clear ESG leadership and are widely recognized as exhibiting a "best-in-class" approach to integrating ESG considerations into their businesses. We work with clients to develop screens that meet their requirements and investment objectives.

Restrictions on Controversial Weapons: We recognize that legislation prohibiting investment in companies involved in controversial weapons (anti-personnel landmines, cluster bombs, and/or munitions made with depleted uranium) is growing, and client engagement on this issue is rising. As a result, AB (Luxembourg) S.à r.l., an AB affiliate, now excludes both debt and equity securities issued by companies involved in controversial weapons from the universe of potential investments in publicly-available funds on this platform, for which we are the management company. We have engaged a third-party service (ISS-Ethix) to provide us the list of companies to be excluded. We continue to monitor the evolution of regulation around the world regarding investment in companies involved in controversial weapons and will work with our service provider to ensure the screening for AB funds remains updated.

ESG integration and engagement are the foundation of our actively managed strategies. In addition, we have developed highly differentiated strategies for clients who want to go beyond integration, as noted below.

Thematic

We manage sustainable thematic equity portfolios that utilize the United Nations Sustainable Development Goals as a framework to identify companies who are making products/services designed to address the SDGs.

Opportunistic

In 2018, we launched a Responsible US Equities strategy to provide a core US equity solution for clients who are seeking purpose-driven strategies. It is part of a larger platform "Portfolios with Purpose" that provides an asset allocation alternative to our traditional strategies. We also launched a carbon-neutral low volatility strategy, "Green Alpha".

LEI 01.3

If assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]

As noted above, our active equity strategies integrate ESG research and engagement as part of our bottom-up fundamental research processes. Any strategy that adds an additional element - screening, thematic, opportunistic - has ESG research and engagement as the foundation, and incorporates that strategy's objective as well.

LEI 02

Voluntary

Public

Additional Assessed

PRI 1

LEI 02.1

Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.

Type of ESG information

- Raw ESG company data

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Company-related analysis or ratings

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Sector-related analysis or ratings

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Country-related analysis or ratings

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Screened stock list

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- ESG issue-specific analysis or ratings

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Other, specify

LEI 02.2	Indicate if you incentivise brokers to provide ESG research.
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Yes

LEI 02.3	Describe how you incentivise brokers.
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We do not pay brokers explicitly for ESG research but, where we value their ESG content, we will include it in the payments for bundled research services.

No

LEI 02.4	Additional information.[Optional]
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The payment allocation for proprietary research is determined by the research vote process. On a semi-annual basis, equity analysts and portfolio managers cast votes for research providers to acknowledge them as being helpful in the investment decision-making process. A number of brokers have dedicated ESG teams. Some provide thematic research, whereas others include ESG ratings in their issuer research. As with all research, we review the content for quality and the value it adds, and integrate the information in our analysis. Our analysts acknowledge this information as part of their vote process.

LEI 03	Voluntary	Public	Additional Assessed	PRI 1
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LEI 03.1	Indicate if your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.
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- Engagement
 - We have a systematic process to ensure the information is made available.
 - We occasionally make this information available.
 - We do not make this information available.
- (Proxy) voting
 - We have a systematic process to ensure the information is made available.
 - We occasionally make this information available.
 - We do not make this information available.

LEI 03.2	Additional information. [Optional]
-----------------	------------------------------------

AB's proxy voting activities and investment process implementation is closely aligned and integrated. While we have a separate team that votes our proxies globally, in evaluating proxy issues and determining how to vote a specific item, the team actively seeks and assesses input from the portfolio managers, and/or research analysts who are directly involved in analysing the issuer and determining its applicability to our client portfolios. This ensures consistent application of our Policy while leveraging the company-specific knowledge of the investment teams who can provide an extra level of insight. Externally, we consult company management, company directors, interest groups, shareholder activists and research providers to get additional insight when needed.

In addition, research provided by an external proxy service is available to all analysts through the proxy managers. Meaningful engagements are stored in the engagement database to which all investment professionals have access.

(A) Implementation: Screening

LEI 04	Mandatory	Public	Descriptive	PRI 1
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LEI 04.1	Indicate and describe the type of screening you apply to your internally managed active listed equities.
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Type of screening

- Negative/exclusionary screening

Screened by

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

Description

We employ screening in a variety of ways as noted above.

7. In our equity services that have explicit responsible investment mandates beyond ESG integration, screening is employed through exclusions in different ways.

8. In our other equity services, we apply client-directed negative or positive screening to separately managed accounts if noted in investment guidelines.

9. In our publicly available Luxembourg-Fund platform, we proactively restrict controversial weapons.

Positive/best-in-class screening

Screened by

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

Description

Positive screening is also implemented in a variety of ways, both through AB strategies and client-directed mandates. For example,

4. A client-directed mandate that is managed against the FTSE4GOOD index which includes companies that meet certain thresholds for ESG, in addition to screening out companies that are in certain industries.

5. Other client-directed portfolios that meet the screening criteria of a third-party ESG research provider.

6. A Global Responsible Factor Fund that invests in global equity securities of companies that meet certain ESG criteria. It combines positive and negative screening based on MSCI SRI Benchmark.

7. Sustainable thematic strategies that narrow the investment universe based on whether a company is aligned to the SDGs.

Norms-based screening

Screened by

- UN Global Compact Principles
- The UN Guiding Principles on Business and Human Rights
- International Labour Organization Conventions
- United Nations Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Other, specify

Description

Our Global Sustainable Thematic and Global Core strategies employ norms-based screening. We are working to provide tools to our analysts across equities to screen companies for compliance with the UN Global Compact and other norms.

LEI 04.2

Describe how you notify clients and/or beneficiaries when changes are made to your screening criteria.

When we make any changes to screens, we typically notify our clients around 30 days in advance of the effective date. The change is formally implemented after we have communicated to the client.

LEI 05**Mandatory****Public****Core Assessed****PRI 1****LEI 05.1**

Indicate which processes your organisation uses to ensure screening is based on robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Third-party ESG ratings are updated regularly to ensure that portfolio holdings comply with fund policies.
- Trading platforms blocking / restricting flagged securities on the black list
- A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Review and evaluation of external research providers
- Other, specify
- None of the above

LEI 05.2

Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your ESG screening strategy.

- <10%
- 10-50%
- 51-90%
- >90%

LEI 05.3

Indicate how frequently third party ESG ratings are updated for screening purposes.

- Quarterly or more frequently
- Bi-annually
- Annually
- Less frequently than annually

LEI 05.5

Additional information. [Optional]

The primary way we ensure that the screening we do is based on robust analysis is that we use screens provided, maintained, and updated by the leading ESG research providers in the industry. These providers regularly update their screens and listings of issuers, and these updates are automatically provided to our portfolio implementation team through direct feeds, keeping everyone updated on a real-time basis.

AB's Client Guidelines Management (CGM) team has oversight responsibilities which entail coding, review, and monitoring of the compliance systems. Issuers are restricted in automated testing on a pre-trade basis to prevent initial purchases. If an issuer was purchased it would be captured by post trade monitoring controls and escalated through Portfolio Management Group/Legal. A CGM coder and reviewer checks every routing.

Routings are submitted through our workflow tool and require assistant portfolio manager review after CGM completes our coding process. CGM is a separate entity from the portfolio management groups.

LEI 06	Voluntary	Public	Additional Assessed	PRI 1
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LEI 06.1	Indicate which processes your organisation uses to ensure fund criteria are not breached.
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- Systematic checks are performed to ensure that stocks meet the funds' screening criteria.
- Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria.
- Audits of fund holdings are undertaken regularly by internal audit function
- Periodic auditing/checking of the organisations RI funds by external party
- Other, specify
Internal audit reviews compliance with investment guidelines and restrictions on a risk based approach.
- None of the above

LEI 06.2	If breaches of fund screening criteria are identified - describe the process followed to correct those breaches.
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Despite our best efforts, from time to time inadvertent breaches of guidelines do occur. When guideline deviations arise, we seek to bring the client's account back into compliance as promptly as possible. If the deviation incident is deemed to be an error, we will follow the escalation and correction procedures set forth in our Error Resolution and Reporting Policy. Whenever we become aware of a potential error (whether we or our client are the first to notice it) we will conduct a thorough investigation. Where a guideline error on our part has generated a loss for our client, we shall make our client's account whole, and inform our client in a timely manner. We note that some of our clients have expressly incorporated into their IMA protocols for the timeliness with which they should be notified of any such breach as well as guidance for handling the breach.

It is AB's policy to record all incidents involving the accounts of asset management clients, and to correct any and all errors affecting those accounts in a fair, timely and reasonable manner. When correcting an error, our objective is always to take appropriate actions consistent with our fiduciary duty of care, to put our client in the same or substantially the same position as if we had not made the error. In some cases, that is not possible or practical. Even then, however, if our client has incurred a loss attributable to the actions of AB, that loss is fully reimbursable.

LEI 06.3	Additional information.[Optional]
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Our Operations Group uses a third-party application, Fidessa's Sentinel System, to assist portfolio managers in remaining in compliance with client-specific investment guidelines as well as internal guidelines and risk limits. These client-specific guidelines include ESG-related guidelines and restrictions.

Our Client Guideline Management team independent from our Portfolio Management Group, encodes all client guidelines into Sentinel and monitors them on a daily, post-trade, end of day basis. From an ESG standpoint, examples of client-specific guidelines that can be programmed into Sentinel include restricting a particular issuer, sector or industry from being held.

The encoded guidelines are then reviewed and approved by either portfolio managers or associate portfolio managers to ensure correct interpretation.

In performing the pre-trade function, Sentinel reviews each proposed trade and flags trades within those client accounts where they are prohibited by a client guideline. Post-trade, the Sentinel system generates daily reports that include all applicable restrictions and limitations, based on compliance parameters coded when the account was set up, and includes approved guideline updates provided by the client. The portfolio managers or the associate portfolio managers review daily exception notifications for possible breaches in conjunction with the Client Guidelines Management team. Exceptions are reported to the Compliance Guideline Management Department as well as to the portfolio management team. The portfolio managers are ultimately responsible for ensuring compliance of guidelines.

(B) Implementation: Thematic

LEI 07	Mandatory	Public	Descriptive	PRI 1
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LEI 07.1 Indicate the type of sustainability thematic funds or mandates your organisation manages.

- Environmentally themed funds
- Socially themed funds
- Combination of themes




LEI 07.2 Describe your organisation's processes relating to sustainability themed funds. [Optional]

Our Sustainable Thematic Equities Funds pursue opportunistic growth by investing in a universe of companies that are positively exposed to sustainable investment themes. We define sustainable investment themes to be those that are broadly consistent with achieving the United Nations Sustainable Development Goals. Examples of these themes may include energy transformation, resource preservation, equality and opportunity, improving human health and safeguarding lives. In addition to this "top-down" thematic approach, we also utilize "bottom-up" analysis of individual companies, focusing on prospective earnings growth, valuation, and quality of company management and on evaluating a company's exposure and management of environmental, social and corporate governance ("ESG") factors.

(C) Implementation: Integration of ESG factors

LEI 08	Mandatory	Public	Core Assessed	PRI 1
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LEI 08.1 Indicate the ESG factors you systematically research as part of your investment analysis and the proportion of actively managed listed equity portfolios that is impacted by this analysis.

ESG issues	Proportion impacted by analysis
Environmental	 <ul style="list-style-type: none"> <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%
Social	 <ul style="list-style-type: none"> <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%
Corporate Governance	 <ul style="list-style-type: none"> <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%

LEI 08.2 Additional information. [Optional]

As noted above, AB has long believed that bottom-up ESG integration is important to identify investment risks as well as opportunities. As such, our long-standing disciplined research process has included evaluating material ESG factors. All of our fundamental analysts assess carefully whether ESG factors could have a material impact on our forecasts and investment decisions. They conduct thousands of management and company visits per year and routinely investigate environmental, social and governance issues as an integral part of their fundamental research of a stock.

LEI 09	Mandatory	Public	Core Assessed	PRI 1
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LEI 09.1

Indicate which processes your organisation uses to ensure ESG integration is based on a robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Third-party ESG ratings are updated regularly.
- A periodic review of the internal research is carried out
- Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team
- ESG risk profile of a portfolio against benchmark
- Analysis of the impact of ESG factors on investment risk and return performance
- Other, specify
- None of the above

LEI 09.2

Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your integration strategy.

- <10%
- 10-50%
- 51-90%
- >90%

LEI 09.3

Indicate how frequently third party ESG ratings that inform your ESG integration strategy are updated.

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

LEI 09.4

Indicate how frequently you review internal research that builds your ESG integration strategy.

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

LEI 09.5

Describe how ESG information is held and used by your portfolio managers.

- ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

LEI 09.6

Additional information.[Optional]

Each portfolio team has their own process for ESG research. Every team has access to third-party ESG research which provides a framework for ESG materiality and company-level research. Our analysts conduct their own proprietary research which includes evaluating ESG issues. There is a centralized engagement database to capture ESG-related engagements and ESG integration examples. In December 2018, we launched a centralized ESG research tool that provides a standard ESG materiality framework and is used to capture ESG research and engagements across our Equities business unit globally, with the ability to view our fixed income analysts' input.

LEI 10

Mandatory to Report Voluntary to Disclose

Public

Core Assessed

PRI 1

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEI 10.1

Indicate which aspects of investment analysis you integrate material ESG information into.

Economic analysis

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 10-50%
- 51-90%
- >90%

Industry analysis

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 10-50%
- 51-90%
- >90%

Quality of management

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 10-50%
- 51-90%
- >90%

Analysis of company strategy

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 10-50%
- 51-90%
- >90%

Portfolio weighting

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 10-50%
- 51-90%
- >90%

Sensitivity and/or scenario analysis

Fair value/fundamental analysis

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 10-50%
- 51-90%
- >90%

Other, specify

LEI 10.2

Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis and/or portfolio construction.

- Adjustments to forecasted company financials (sales, operating costs, earnings, cash flows)
- Adjustments to valuation-model variables (discount rates, terminal value, perpetuity growth rates)
- Valuation multiples
- Other adjustments; specify

LEI 10.3

Describe how you integrate ESG information into portfolio weighting.

In our research reviews, our analysts discuss their investment thesis with the portfolio manager, including ESG issues and how they may impact their thesis. The portfolio manager makes the final portfolio decision of whether to buy/sell/hold the company, as well as the weight in the portfolio. The portfolio manager may decide to underweight or overweight a position based on a variety of factors, including ESG risks or opportunities.

LEI 10.4

Describe the methods you have used to adjust the income forecast / valuation tool

Our teams within Equities take a variety of different approaches to adjusting forecasts and/or valuation tools. For example, our Global Core Strategy uses a proprietary quantitative scoring model to compute the discount rate adjustment for Environmental, Social and Governance factors that is an input to the valuation framework. Our Sustainable Thematic strategies systematically include the output of their ESG analysis in the cost of equity. If ESG risks are deemed high, they will increase the cost of capital; if risks are low, they may lower the cost of capital.

ESG incorporation in passively managed listed equities

LEI 11	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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LEI 11.1

Indicate if you manage passive listed equity funds that incorporate ESG issues in the index construction methodology.

- Yes
- No

LEI 11.2

Indicate the percentage of your total passive listed equity funds for which ESG issues are incorporated in the index construction methodology.

(% of total passive listed equity funds)

- <10%
- 10-50%
- 51-90%
- >90%

LEI 11.3

Specify index/fund name, provide a brief description of ESG methodology and indicate which of the following ESG incorporation strategies you apply.

 Index/fund 1

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
FTSE4GOOD (Ethical Retirement Strategies)	<input checked="" type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration of ESG issues <input type="checkbox"/> Other

 Index/fund 2

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
Global Responsible Factor Fund	<input checked="" type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration of ESG issues <input type="checkbox"/> Other

- Index/fund 3
- Index/fund 4
- Index/fund 5

Outputs and outcomes

LEI 12	Voluntary	Public	Descriptive	PRI 1
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LEI 12.1	Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.
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- Screening

Describe any reduction in your starting investment universe or other effects.

Several responsible investment specific strategies have sector or industry restrictions based on the objectives of the strategy. In addition, we narrow down the investment universe in accounts with client-directed or other third-party screening. We have a controversial weapons policy for our Luxembourg domiciled funds which limits the investment universe.

The percent reduction below is based on our RE-USE strategy.

Specify the percentage reduction (+/- 5%)

%

19

- Thematic

Describe any alteration to your investment universe or other effects.

Our Sustainable Thematic strategies pursue opportunistic growth by investing in a global universe of companies that are positively exposed to sustainable investment themes. We define sustainable investment themes to be those that are broadly consistent with achieving the United Nations Sustainable Development Goals (SDGs). Our portfolio holdings must fit within themes that are directly aligned with one or more SDGs. We believe that such alignment implicitly excludes several product categories from ownership consideration. We also monitor companies for conduct-based violations, as generally defined by the UN Global Compact.

- Integration of ESG factors

Select which of these effects followed your ESG integration:

- Reduce or prioritise the investment universe
 - Overweight/underweight at sector level
 - Overweight/underweight at stock level
 - Buy/sell decisions
 - Engagement / Voting
 - Other, specify
 - None of the above
- Index incorporating ESG issues (for passively managed funds)

Describe the influence on composition or other effects

We use an MSCI SRI Index for our Global Responsible Factor Fund and we use FTSE4Good Indices for our Ethical Target Date Funds. Both indices have a reduced investment universe due to a best-in-class approach as well as a restriction list.

LEI 13	Voluntary	Public	Descriptive	PRI 1
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LEI 13.1	Provide examples of ESG issues that affected your investment view and/or performance during the reporting year.
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- ESG factor 1

	ESG factor and explanation
	<p>In 2014, we made an investment in a leading Chinese TV manufacturer. Our investment was based on our favorable view of demand growth, as we believed that Chinese TV demand growth would be sustained by the large replacement demand associated with monitor upgrades from cathode ray tube to liquid-crystal display over the next five years. The company also had an attractive valuation, with support provided by its liquidation value; its real estate assets alone were worth US\$500 million more than the company's market capitalization, and the stock was trading at six times earnings. Finally, we believed that the corporate governance risk was being overstated by the market, as the company's corporate governance had been improving over time. However, given that corporate governance was one of the reasons for the lower share price valuation, we conducted extensive due diligence and became comfortable with the steps that the company's new CEO had taken to strengthen internal controls and processes since joining in 2012.</p>
	ESG incorporation strategy applied
<p>Integration</p> <ul style="list-style-type: none"> <input type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Index incorporating ESG issues 	
	Impact on investment decision or performance
	<p>In 2018, several events indicated that corporate governance risk at the company was increasing. In November 2017, the company's founder suggested that they should purchase an electrical vehicle bus company that he owned. Due to the size of this related-party transaction, this would have required a majority of the minority investors to vote for the deal. As there were limited synergies with the company's core business, investor feedback and reaction was very negative, and they withdrew the transaction. In February 2018, the company's CEO sold most of his shares and announced that he would resign in March, without any explanation. Finally, for its annual results posted in June 2018, the company did not hold an annual shareholder results presentation as it had consistently done in the past. The company did not even host an earnings call with analysts and shareholders. We interpreted these events to mean that management had shifted to having very little concern for minority shareholders' interests. Thus, the risk in our investment had risen substantially.</p> <p>Due to these signals and events showing deteriorating corporate governance, we started reducing our position in the first half of 2018 and sold out during the third quarter.</p>

ESG factor 2

	ESG factor and explanation
	<p>This oil refining company is well-positioned for increasingly tighter environmental standards. The International Maritime Organization (IMO) is introducing a more stringent set of environmental standards for cargo ships, called IMO 2020. Currently, marine bunker fuel represents about 5% of global oil consumption and is among the dirtiest and most polluting uses for oil. By 2020, the IMO is calling for a reduction of sulfur content in marine fuels from the current 3.5% to 0.5%. The cargo fleet is equipped with scrubbers to manage the sulfur requirements, so this will result in greater demand for low-sulfur fuels and lighter, low-sulfur crude feedstocks and less demand for fuel oil and heavier, more sulfuric crude feedstock. Correspondingly, we will see crude and fuel prices move to motivate refiners to upgrade their refineries to produce more low-sulfur fuels. Low-sulfur marine fuels, diesels and crudes will trade at a premium, and high-sulfur fuel oils and crudes will trade at a substantial discount to today's and historical prices.</p>
	ESG incorporation strategy applied
	<p>Integration</p> <ul style="list-style-type: none"> <input type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Index incorporating ESG issues
	Impact on investment decision or performance
	<p>The company has made upgrades to its refineries to position itself as perhaps the best refiner in the world to accommodate the upcoming IMO measures. In 2015, it invested US\$3 billion to modernize its facilities, increase its proportion of low-sulfur products from 65% to 80% and reduce its high-sulfur fuel oil output from 20% to 5% of production. In addition, the upgrade allows the company to utilize the widest range of crude feedstock in the world. It is able to take in heavy, highly sulfuric crude oil and refine it into cleaner low-sulfur products such as gasoline, diesel or jet fuel. Most refiners taking in heavy oil are only able to refine it into heavy products, which are typically highly sulfuric and hence polluting. As such, the company is helping to provide cleaner fuel and reduce sulfur emissions. The company also stands to benefit from strategic foresight, attention to the environment and the multibillion-dollar investment it made in its facilities.</p>

ESG factor 3

	ESG factor and explanation
	<p>We engaged with this bank, following a money laundering scandal at a competitor's Estonian operation, to gain information on the bank's Gibraltar operations. We wanted updates following their mention in the "Panama Papers" and the FSA's criticism of their IT systems.</p> <p>When questioning the company about their Gibraltar operations we wanted to establish if this part of the business is susceptible to fraudulent activity. The company only has around 2 BDKK in loans and 5 BDKK in deposits. This is now a fraction of their income and we do not see why they need this department due to the increased risk/reward from this non-core operation. We don't think the risk of this operation is worth the reward and have therefore asked for further documentation on historical loans/deposits from Gibraltar.</p> <p>We also asked about the company's mention in the Panama Papers scandal. This was due to 6 clients which were bought in through another transaction. We are not overly concerned that this represents a major governance risk.</p>
	ESG incorporation strategy applied
	<p>Integration</p> <ul style="list-style-type: none"> <input type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Index incorporating ESG issues
	Impact on investment decision or performance
	<p>Finally, as the company was criticized for failure to comply with statutory IT requirement from the FSA in 2016 (2017 report), we wanted to know what progress was being made in this area. The company confirmed that they have since upgraded their IT following the demands of the FSA, but MSCI has not updated their report yet. Therefore they (and we) expect them to score better in the next review.</p> <p>We have asked management to accelerate their downscaling of operations in Gibraltar and are adding a 'Governance' premium while these operations persist. We continue to monitor the FSA's evaluation of the company's IT systems and will increase our 'Social' premium if inadequately addressed. As a result of this engagement we chose to increase the risk premium we ascribe to the stock, but this did not necessitate a change in the position size.</p>

ESG factor 4

	ESG factor and explanation				
	<p>In 2018, we met with the management of a food and beverage company in the Philippines. The company is in the process of relisting, taking its public float from 4% to 20%, making it one of the largest deals in the Philippines in years.</p> <p>Although the company is a market leader in beer and food, its parent company has a history of poor corporate governance. In the past, the parent company has used funds raised by its subsidiaries to buy unrelated business assets from the parent company at questionable valuations. For example, in 2011, the food business bought shares of a power distribution company from the parent company after the food company raised cash from investors. The assets were bought at a substantial premium to what the parent company paid for them a year earlier. In a second situation, the brewery business raised funds then bought the branding rights for beer from the parent company. This raised questions about why the brewery business did not own the key assets from the onset.</p>				
	<table border="1"> <thead> <tr> <th data-bbox="256 696 405 757"></th> <th data-bbox="405 696 1447 757">ESG incorporation strategy applied</th> </tr> </thead> <tbody> <tr> <td data-bbox="256 757 405 987"> Integration <input type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Index incorporating ESG issues </td> <td data-bbox="405 757 1447 987"></td> </tr> </tbody> </table>		ESG incorporation strategy applied	Integration <input type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Index incorporating ESG issues	
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	<table border="1"> <thead> <tr> <th data-bbox="256 1016 405 1077"></th> <th data-bbox="405 1016 1447 1077">Impact on investment decision or performance</th> </tr> </thead> <tbody> <tr> <td data-bbox="256 1077 405 1429"></td> <td data-bbox="405 1077 1447 1429"> <p>We discussed this history with management and asked what steps would be taken to improve governance and investor confidence going forward. We were disappointed in management's response. The company emphasized that it provides ethics training to its employees and that roughly one-third of its directors will be independent. However, we get little comfort from this, as the company is still controlled by the parent company, which has a poor history of protecting minority shareholder rights. At the time of our meeting, management did not share intentions to take any additional steps toward protecting investors.</p> <p>Steps that we would like to see the company take toward addressing corporate governance include requiring that all major related-party transactions be approved by minority shareholders and requiring that the board of directors be dominated by truly independent directors. We would like to see the company create a more credible process to protect shareholders before we invest.</p> </td> </tr> </tbody> </table>		Impact on investment decision or performance		<p>We discussed this history with management and asked what steps would be taken to improve governance and investor confidence going forward. We were disappointed in management's response. The company emphasized that it provides ethics training to its employees and that roughly one-third of its directors will be independent. However, we get little comfort from this, as the company is still controlled by the parent company, which has a poor history of protecting minority shareholder rights. At the time of our meeting, management did not share intentions to take any additional steps toward protecting investors.</p> <p>Steps that we would like to see the company take toward addressing corporate governance include requiring that all major related-party transactions be approved by minority shareholders and requiring that the board of directors be dominated by truly independent directors. We would like to see the company create a more credible process to protect shareholders before we invest.</p>
	Impact on investment decision or performance				
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ESG factor 5

	ESG factor and explanation
	<p>We wanted to understand the drivers of a company's low ESG score on Financial Product Safety, Insuring Health & Demographic Risk and Human Capital Deployment; and determine whether the scores were warranted.</p> <p>This company operated insurance joint ventures (JVs) with global insurance companies in Brazil. The structure of the JVs were set up so that this company would provide access to distribution in Brazil through its partnership with a major bank and the JV partners would provide the business operating expertise. While this company had a majority economic stake in the JVs, they had a minority of the voting rights - effectively their JV partners controlled the insurance operating companies. It was therefore surprising to see that a major international rating agency awarded low ESG scores to this company for Financial Product Safety, Insuring Health & Demographic Risk and Human Capital Deployment, while it awarded much higher ratings to their JV partners.</p>
	ESG incorporation strategy applied
	<p>Integration</p> <ul style="list-style-type: none"> <input type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Index incorporating ESG issues
	Impact on investment decision or performance
	<p>We engaged with the company on several occasions, holding discussions with the CFO and Investor Relations. During our discussion it became apparent that the rating agency had misunderstood this company's business model. The rating agency scored this company poorly on Financial Product Safety but a significant portion of their insurance products are plain vanilla bancassurance products directly linked to a loan meant to insure the debtor in adverse conditions. The rest of their business is mostly savings products invested in more conservative fixed income securities. Regarding their Insuring Health & Demographics risk we learned that their JV partners use the same underwriting processes that they use in their home countries to run the business in Brazil - the same processes that receive high scores by the same rating agency.</p> <p>As a result of our engagement the company proactively reached out to the rating agency to better understand their rating. We later learned that the rating agency had been looking at outdated websites for the company that did not contain the detailed disclosure that would have helped them better assess these risks. Based on our engagement, we remained confident in the company and maintained our position in our portfolios.</p>

Alliance Bernstein

Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

LEA 01

Mandatory

Public

Core Assessed

PRI 2

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 01.1

Indicate whether your organisation has an active ownership policy.

Yes

LEA 01.2

Attach or provide a URL to your active ownership policy.

Attachment provided:

URL provided:

URL

https://www.alliancebernstein.com/abcom/Our_Firm/Content/CGDocs/2017-AB-engagement-policy-FINAL.pdf

LEA 01.3

Indicate what your active engagement policy covers:

General approach to active ownership

- Conflicts of interest
- Alignment with national stewardship code requirements
- Assets/funds covered by active ownership policy
- Expectations and objectives
- Engagement approach

Engagement

- ESG issues
- Prioritisation of engagement
- Method of engagement
- Transparency of engagement activities
- Due diligence and monitoring process
- Insider information
- Escalation strategies
- Service Provider specific criteria
- Other specify;
- (Proxy) voting approach

Voting

- ESG issues
 - Prioritisation and scope of voting activities
 - Methods of voting
 - Transparency of voting activities
 - Regional voting practice approaches
 - Filing or co-filing resolutions
 - Company dialogue pre/post-vote
 - Decision-making processes
 - Securities lending processes
 - Other specify;
 - Other
 - None of the above
- No

LEA 01.4 Do you outsource any of your active ownership activities to service providers?

- Yes
- No

Engagement

LEA 02

Mandatory

Public

Core Assessed

PRI 1,2,3

LEA 02.1 Indicate the method of engagement, giving reasons for the interaction.

Type of engagement	Reason for interaction
Individual / Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> We do not engage via service providers

LEA 02.4

Additional information. [Optional]

A key method in which we implement our "Integration" of ESG issues is through pro-active ownership. We take a three-pronged approach to active ownership: 1) We directly engage with issuers as part of our research/investment process, and 2) we utilize an engagement framework to assist us in identifying companies with whom we should engage on ESG issues, and 3) we selectively engage as part of our proxy voting process. These approaches are often used in a coordinated manner for particular investments.

LEA 03

Mandatory

Public

Core Assessed

PRI 2

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 03.1

Indicate whether your organisation has a formal process for identifying and prioritising engagements.

Yes

LEA 03.2

Indicate the criteria used to identify and prioritise engagements for each type of engagement.

Type of engagement	Criteria used to identify/prioritise engagements
Individual / Internal engagements	<div style="background-color: #0070C0; color: white; padding: 2px; margin-bottom: 5px;">Internal / Individual engagements</div> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Geography / market of the companies <input checked="" type="checkbox"/> Materiality of the ESG factors <input checked="" type="checkbox"/> Exposure (size of holdings) <input checked="" type="checkbox"/> Responses to ESG impacts that have already occurred <input type="checkbox"/> Responses to divestment pressure <input type="checkbox"/> Consultation with clients/beneficiaries <input checked="" type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input checked="" type="checkbox"/> Follow-up from a voting decision <input type="checkbox"/> Client request <input type="checkbox"/> Breaches of international norms <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not outline engagement criteria for our individual engagements.
Collaborative engagements	<div style="background-color: #0070C0; color: white; padding: 2px; margin-bottom: 5px;">Collaborative engagements</div> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Potential to enhance knowledge of ESG issues from other investors <input checked="" type="checkbox"/> Ability to have greater impact on ESG issues <input checked="" type="checkbox"/> Ability to add value to the collaboration <input checked="" type="checkbox"/> Geography/market of the companies targeted by the collaboration <input checked="" type="checkbox"/> Materiality of ESG factors addressed by the collaboration <input checked="" type="checkbox"/> Exposure (size of holdings) to companies targeted by the collaboration <input type="checkbox"/> Responses to ESG impacts addressed by the collaboration that have already occurred <input type="checkbox"/> Responses to divestment pressure <input type="checkbox"/> Follow-up from a voting decision <input type="checkbox"/> Alleviate the resource burden of engagement <input type="checkbox"/> Consultation with clients/beneficiaries <input type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input checked="" type="checkbox"/> Other, specify <div style="background-color: #808080; color: white; padding: 2px; margin-bottom: 5px;">specify</div> <p>Consultation with RI related organisations.</p> <ul style="list-style-type: none"> <input type="checkbox"/> We do not outline engagement criteria for our collaborative engagements.

No

LEA 03.3 Additional information. [Optional]

Engagement is an important component of our approach to active ownership and a part of our standard investment research process. In addition, we conduct engagements focused on ESG and proxy issues. In late 2015, we began development of an engagement framework to determine priorities while at the same time providing flexibility to address ad hoc issues appropriately. The framework has both quantitative and qualitative inputs. We referenced it for engagements in 2016, and refined it in practice. We published a formal engagement policy in 2017. It includes a more structured engagement framework for identifying and prioritizing engagement. It is based on quantitative metrics, such as, but not limited to, position size, and qualitative ESG issues as well as our proxy voting history.

LEA 04	Mandatory	Public	Core Assessed	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 04.1 Indicate whether you define specific objectives for your organisation's engagement activities.

Individual / Internal engagements	<input checked="" type="radio"/> All engagement activities <input type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out by internal staff.
Collaborative engagements	<input checked="" type="radio"/> All engagement activities <input type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out through collaboration

LEA 04.2 Additional information. [Optional]

AB views active long-only investor engagement as a key component of our investing tool kit. Our investment teams engage with company management teams on issues related to strategy and capital allocation almost every day. We've used our voice to suggest that companies divest businesses that dilute their focus, refresh an entrenched board, rein in overly generous compensation packages, create environmentally and socially responsible supply chains and replace underperforming members of management teams.

LEA 05	Mandatory	Public	Core Assessed	PRI 2
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LEA 05.1 Indicate if you monitor and/or review engagement outcomes.

Individual / Internal engagements	<input type="radio"/> Yes, in all cases <input checked="" type="radio"/> Yes, in majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes carried out by our internal staff.
Collaborative engagements	<input checked="" type="radio"/> Yes, in all cases <input type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes via collaborative engagement activities.

LEA 05.2

Indicate if you do any of the following to monitor and review the progress of engagement activities.

Individual / Internal staff engagements	<input type="checkbox"/> Define timelines/milestones for your objectives <input type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input type="checkbox"/> Revisit and, if necessary, revise objectives on continuous basis <input checked="" type="checkbox"/> Other; specify <p>As part of our engagement framework, we review previous engagements as well as our proxy voting history.</p>
Collaborative engagements	<input checked="" type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on continuous basis <input type="checkbox"/> Other; specify

LEA 05.3

Additional information [Optional]

In 2018 we engaged three issuers alongside three other shareholders and asset owners on ESG topics. Company representatives included corporate secretaries, ESG heads and subject matter experts, and shareholder representatives included governance heads and ESG analysts. These conversations were led by AB in each instance and topics included human capital management, executive and employee compensation, climate risk, and board oversight.

LEA 06

Mandatory

Public

Additional Assessed

PRI 2,4

LEA 06.1

Indicate whether your organisation has an escalation strategy when engagements are unsuccessful.

Yes

LEA 06.2

Indicate the escalation strategies used at your organisation following unsuccessful engagements.

- Collaborating with other investors
 - Issuing a public statement
 - Filing/submitting a shareholder resolution
 - Voting against the re-election of the relevant directors
 - Voting against the board of directors or the the annual financial report
 - Submitting nominations for election to the board
 - Seeking legal remedy / litigation
 - Reducing exposure (size of holdings)
 - Divestment
 - Other, specify
- No

LEA 07**Voluntary****Public****Additional Assessed****PRI 1,2****LEA 07.1**

Indicate whether insights gained from your organisation's engagements are shared with investment decision-makers.

Type of engagement	Insights shared
Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 07.2

Indicate the practices used to ensure information and insights collected through engagements are shared with investment decision-makers.

- Involving investment decision-makers when developing engagement programme
- Holding investment team meetings and/or presentations
- Using IT platforms/systems that enable data sharing
- Internal process that requires portfolio managers to re-balance holdings based on interaction and outcome levels
- Other; specify
- None

LEA 07.3

Indicate whether insights gained from your organisation's engagements are shared with your clients/beneficiaries.

Type of engagement	Insights shared
Individual/Internal staff engagements	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 07.4 Additional information. [Optional]

As noted above, insights garnered from our engagements with issuers are a key component of, and sometimes even a material aspect of, our analysts' research recommendations and investment theses on an issuer. Such insights are discussed with our portfolio management teams and directors of research in regular research review meetings, and, depending on the item, may certainly influence our ultimate investment decision on the issuer. On a case-by-case basis, we disclose our engagement insights with clients.

LEA 08 **Mandatory** **Public** **Gateway** **PRI 2**

LEA 08.1 Indicate if you track the number of your engagement activities.

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input type="radio"/> Yes, we track the number of our engagements in full <input checked="" type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track
Collaborative engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track

LEA 08.2 Additional information. [OPTIONAL]

We track company meetings in our global company calendar. This includes the majority of our company engagements held at our offices. It does not track the specific meeting agenda or items discussed, such as ESG topics.

In 2013, we introduced an engagement database to capture specific ESG-related engagements and ESG integration examples. Given the volume of our analysts' interactions with companies, and the wide variety and materiality of ESG issues they discuss, we do not capture every single discussion. Instead, we focus on the most significant engagements. In addition, our RI team tracks proxy related engagements.

Outputs and outcomes

LEA 09	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 2
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LEA 09.1 Indicate the proportion of companies from your listed equities portfolio with which your organisation engaged with during the reporting year.

	We did not complete any engagements in the reporting year.	Number of companies engaged (avoid double counting, see explanatory notes)	Proportion of companies engaged with, out of total listed equities portfolio
Individual / Internal staff engagements	<input type="checkbox"/>	236	.3
Collaborative engagements	<input type="checkbox"/>	3	0

LEA 09.2 Indicate the proportion breakdown of engagements conducted within the reporting year by the number of interactions (including interactions made on your behalf)

No. of interactions with a company	% of engagements
One interaction	<input checked="" type="radio"/> >76% <input type="radio"/> 51-75% <input type="radio"/> 11-50% <input type="radio"/> 1-10% <input type="radio"/> None
2 to 3 interactions	<input type="radio"/> >76% <input type="radio"/> 51-75% <input checked="" type="radio"/> 11-50% <input type="radio"/> 1-10% <input type="radio"/> None
More than 3 interactions	<input type="radio"/> >76% <input type="radio"/> 51-75% <input type="radio"/> 11-50% <input type="radio"/> 1-10% <input checked="" type="radio"/> None
Total	100%

LEA 09.3

Indicate the percentage of your collaborative engagements for which you were a leading organisation during the reporting year.

Type of engagement	% Leading role
Collaborative engagements	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None

LEA 10

Voluntary

Public

Additional Assessed

PRI 2

LEA 10.1

Indicate which of the following your engagement involved.

- Letters and emails to companies
 - In a minority of cases
 - In a majority of cases
 - In all cases
- Meetings and/or calls with board/senior management
 - In a minority of cases
 - In a majority of cases
 - In all cases
- Meetings and/or calls with the CSR, IR or other management
 - In a minority of cases
 - In a majority of cases
 - In all cases
- Visits to operations
 - In a minority of cases
 - In a majority of cases
 - In all cases
- Visits to the supplier(s) from the 'company's supply chain
 - In a minority of cases
 - In a majority of cases
 - In all cases
- Participation in roadshows
 - In a minority of cases
 - In a majority of cases
 - In all cases
- Other

LEA 10.2	Additional information. [Optional]
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We take a holistic approach to evaluating and monitoring the issuers in which we invest, including an assessment of the financial performance, strategy, and management performance, and how the issuer addresses ESG issues. Situations occur where we have reservations about an issuer's approach to protecting shareholders' interests. We believe that each case must be judged on its merits, which is why we have not adopted rigid guidelines on when and how such escalation should take place. Initially, the research analyst and/or the investment governance team will generally communicate our concerns to the issuer's management. In cases where our concerns are not dealt with satisfactorily, discussions may be escalated to the board of directors and may include AB's portfolio managers and/or chief investment officers. Our analysts, portfolio managers and chief investment officers work together closely and form a case-by-case judgment of how best to protect clients' interests in particular circumstances. Assessment of the outcome of intervention and next steps is also conducted case by case. In some instances, for example, where we consider proposed executive pay arrangements to be contrary to our clients' interests, or where we do not believe an issuer's management is giving sufficiently serious consideration to a takeover offer, we will intervene with an issuer's chairman or other board members. In situations where issuer actions are not sufficient to address the concerns, we may vote against the directors and/or relevant ballot items on the proxy. Similarly, where a fixed-income investor proposes to undertake a strategic action that violates or may impair our legal rights under a covenant or other aspect of the investment, or jeopardizes the economics of the investment, we will seek to enforce our rights or seek offsetting financial compensation. This can be done in a variety of ways including, but not limited to, direct action against the issuer, participation in a bond holders group or class action litigation, or seeking relief through the applicable insolvency regime.

LEA 11	Voluntary	Public	Descriptive	PRI 2
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LEA 11.1	Provide examples of the engagements that your organisation or your service provider carried out during the reporting year.
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Add Example 1

ESG Topic	<p>Human rights, Health and Safety, Labour practices and supply chain management</p> <ul style="list-style-type: none"> <input type="checkbox"/> Executive Remuneration <input type="checkbox"/> Climate Change <input checked="" type="checkbox"/> Human rights <input type="checkbox"/> Company leadership issues <input type="checkbox"/> Pollution <input type="checkbox"/> General ESG <input type="checkbox"/> Diversity <input type="checkbox"/> Shareholder rights <input checked="" type="checkbox"/> Health and Safety <input type="checkbox"/> Sustainability reporting <input type="checkbox"/> Water risks <input checked="" type="checkbox"/> Labour practices and supply chain management <input type="checkbox"/> Anti-bribery and corruption <input type="checkbox"/> Deforestation <input type="checkbox"/> Aggressive tax planning <input type="checkbox"/> Cyber security <input type="checkbox"/> Other governance <input type="checkbox"/> Plastics <input type="checkbox"/> Other
Conducted by	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	<p>Objective: We received a set of allegations from an outside organization regarding this Industrial Commodities company's employment practices, which we have investigated.</p> <p>Background: the group alleged that the company has systematic failures in its industrial relations. The union believes that the company should engage it to audit, monitor and appraise their performance on these issues on an ongoing basis for a fee. The company's response is that many of the issues raised by the group are factually incorrect and others represent local disputes that have been resolved and are within the normal scope of industrial relations. Management argues that there are no systematic issues and that the outside organization has not provided evidence of such in its reports or face-to-face meetings. Moreover, the company believes that employee relations are best managed at the local level, according to group policies.</p> <p>We also discussed the company's approach, policies and organization for managing health, safety, environment and communities (HSEC). The company has group policies that are applied in all operations. Standards are not set locally.</p>
Scope and Process	<p>HSEC resources, such as training, monitoring, issues resolution and stakeholder engagement, are deployed in the operations at the commodity segment and centrally reported to the CEO. Responsibilities go through the business line to the CEO. A board committee, including the chair and the CEO, oversees performance. The company standards apply to both employees and contractor labor on its sites. They recognizes the right to unionization in all operations. Where serious incidents occur, the company will suspend operations while the issues are investigated. This is not a threat of closure (as alleged by the outside organization), and employees continue to be paid during the suspension.</p> <p>Management denies that there is a culture of covering up problems and says that the focus is on learning, training and mitigation to prevent incidents. In the case of fatalities, the responsible</p>

	<p>general manager is required to present to the board on causes and corrective measures. Finally, the central HSEC team manages a register of catastrophic safety and environment risks, including mitigation measures and progress on actions. We believe that the company has appropriate policies and management infrastructure for managing HSEC issues.</p>
<p>Outcomes</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Company changed practice <input type="checkbox"/> Company committed to change <input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input checked="" type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input type="checkbox"/> Other

Add Example 2

ESG Topic	<p>Climate Change</p> <ul style="list-style-type: none"> <input type="checkbox"/> Executive Remuneration <input checked="" type="checkbox"/> Climate Change <input type="checkbox"/> Human rights <input type="checkbox"/> Company leadership issues <input type="checkbox"/> Pollution <input type="checkbox"/> General ESG <input type="checkbox"/> Diversity <input type="checkbox"/> Shareholder rights <input type="checkbox"/> Health and Safety <input type="checkbox"/> Sustainability reporting <input type="checkbox"/> Water risks <input type="checkbox"/> Labour practices and supply chain management <input type="checkbox"/> Anti-bribery and corruption <input type="checkbox"/> Deforestation <input type="checkbox"/> Aggressive tax planning <input type="checkbox"/> Cyber security <input type="checkbox"/> Other governance <input type="checkbox"/> Plastics <input type="checkbox"/> Other
Conducted by	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	<p>Objective: Gain a deeper understanding of the company's approach to climate change.</p> <p>Background: This company is a flat product steel producer with operations in Australia, New Zealand, Pacific Islands, North America and Asia. The company identified the following major sustainability topics: governance and business conduct; climate change and energy; safety, health and wellness; supply chain sustainability; and diversity and inclusion. During an in-person meeting in August, our ESG analyst discussed, among other issues, the company's approach to climate change and energy with the head of investor relations, the sustainability manager and the government relations manager.</p> <p>Steelmaking generates significant greenhouse gas emissions. In 2011, the company closed a blast furnace, reducing its Australian emissions by more than 40% and effectively eliminating surplus steelmaking capacity. The company supports the intentions of the international climate agreement developed at the 2015 Paris Conference of Parties, as well as the intended nationally determined contributions of the countries in which it operates.</p>
Scope and Process	<p>The company recognizes that the changes required to achieve these targets will require organizations around the world to reduce greenhouse gas emissions to transition to a more sustainable economic model. For example, the company reduced large flaring to lower its emissions. The company is also developing emissions intensity reduction targets in line with detailed sector models from the International Energy Agency 2°C Scenario. As recommended by the Task Force for Climate-Related Financial Disclosure (TCFD), management conducted scenario analysis on the physical risk of climate change, as well as the transitional risk of moving to a low-carbon economy, to the business. On the downside, the company believes that the demand for steel and the required raw materials will grow, which makes setting targets harder. New technologies to reduce emissions as part of the production process are not yet scalable. Management expects to communicate more on the company's approach to climate</p>

	<p>change in its 2018 sustainability report.</p> <p>We are pleased to see that the company has committed to increased transparency by reporting in line with the TCFD recommendations. We will review the data once available.</p>
<p>Outcomes</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Company changed practice <input checked="" type="checkbox"/> Company committed to change <input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input type="checkbox"/> Other

Add Example 3

ESG Topic	<p>Climate Change, Pollution</p> <ul style="list-style-type: none"> <input type="checkbox"/> Executive Remuneration <input checked="" type="checkbox"/> Climate Change <input type="checkbox"/> Human rights <input type="checkbox"/> Company leadership issues <input checked="" type="checkbox"/> Pollution <input type="checkbox"/> General ESG <input type="checkbox"/> Diversity <input type="checkbox"/> Shareholder rights <input type="checkbox"/> Health and Safety <input type="checkbox"/> Sustainability reporting <input type="checkbox"/> Water risks <input type="checkbox"/> Labour practices and supply chain management <input type="checkbox"/> Anti-bribery and corruption <input type="checkbox"/> Deforestation <input type="checkbox"/> Aggressive tax planning <input type="checkbox"/> Cyber security <input type="checkbox"/> Other governance <input type="checkbox"/> Plastics <input type="checkbox"/> Other
Conducted by	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	<p>Objective: Evaluate the impact of new environmental regulations for emissions from shipping.</p> <p>Background: The International Maritime Organization (IMO) has drafted new regulations for emissions from shipping to take effect in January 2020. The main type of "bunker" oil for ships is heavy fuel oil, derived as a residue from crude oil distillation. Crude oil contains sulphur that, following combustion in the engine, ends up in ship emissions. Sulphur oxides (SOx) are known to be harmful to human health, causing respiratory issues and lung disease. In the atmosphere, SOx can lead to acid rain, which can harm crops, forests and aquatic species and contribute to the acidification of oceans. Limiting SOx emissions from ships will improve air quality and protect the environment. IMO regulations to reduce SOx emissions from ships first came into force in 2005, under Annex VI of the International Convention for the Prevention of Pollution from Ships (known as the MARPOL Convention). Since then, the limits on SOx have been progressively tightened.</p>
Scope and Process	<p>Beginning January 1, 2020, the limit for sulphur in fuel oil used on board ships operating outside designated emission control areas will be reduced to 0.50% mass by mass. This will significantly reduce the amount of SOx emanating from ships and should have major health and environmental benefits for the world, particularly for populations living close to ports and coasts. Our analysis indicates that the primary route to enable ship owners to meet these new, much more demanding limits on SOx emissions will be for oil refiners to provide marine fuels with greatly reduced sulphur content.</p> <p>This year, we have been investigating the readiness of oil companies to supply this fuel, to remove sulphur from crude oil and to achieve this profitability. During the quarter, we had important conversations with an integrated oil company and an independent refiner. The integrated oil company was able to confirm our assessment that it has leading positions in</p>

	sulphur removal and supply of clean middle distillates-which are key to the solution-and has a business plan to thrive under the new regulations.
Outcomes	<input type="checkbox"/> Company changed practice <input type="checkbox"/> Company committed to change <input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input checked="" type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input type="checkbox"/> Other

Add Example 4

ESG Topic	<p>Human rights</p> <ul style="list-style-type: none"> <input type="checkbox"/> Executive Remuneration <input type="checkbox"/> Climate Change <input checked="" type="checkbox"/> Human rights <input type="checkbox"/> Company leadership issues <input type="checkbox"/> Pollution <input type="checkbox"/> General ESG <input type="checkbox"/> Diversity <input type="checkbox"/> Shareholder rights <input type="checkbox"/> Health and Safety <input type="checkbox"/> Sustainability reporting <input type="checkbox"/> Water risks <input type="checkbox"/> Labour practices and supply chain management <input type="checkbox"/> Anti-bribery and corruption <input type="checkbox"/> Deforestation <input type="checkbox"/> Aggressive tax planning <input type="checkbox"/> Cyber security <input type="checkbox"/> Other governance <input type="checkbox"/> Plastics <input type="checkbox"/> Other
Conducted by	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	<p>Objective: Engage with the company to clarify their approach to human rights in light of a shareholder proposal.</p> <p>Background: The Australasian Centre for Corporate Responsibility (ACCR) is a member-based organization formed in 2012 with the objective to improve Australian-listed companies' performance on ESG risk indicators. It tries to change corporate behavior through engagement and filing resolutions to be put forward at annual general meetings (AGM) for shareholders to vote on. A human rights risks resolution put forward by ACCR was included on the ballot at the AGM of this large Australian airline in October 2018. In our meeting with the company's head of investor relations, we discussed ACCR's shareholder resolution regarding human rights risks.</p> <p>On a high level, the resolution on human rights risks asks the board to commit to engaging in a heightened due diligence process in relation to any involuntary transportation activity the company is involved in as a service provider to the Australian Department of Home Affairs. ACCR argues that numerous international authorities have found that Australia's refugee law is not in line with international human rights law. Airlines involved in forcible transportation of refugees would also violate international human rights law.</p>
Scope and Process	<p>The company explained how it engaged with ACCR to address the organization's concerns. The main objective of ACCR by putting the resolution forward is to end its involvement with the involuntary transportation of refugees. This is not something the company can easily accommodate, as it has a contract with the Department of Home Affairs, which arranges the transportation. This contract covers a much broader group of people being transported-not only refugees. The company does not know in advance whether the person being transported is a convicted prisoner or a refugee. They also confirmed that the company does not fly to countries where there are increased human rights risks, as suggested by the ACCR. For example, they do</p>

	<p>not transport refugees to Iran, where there could be an increased risk of capital punishment. Overall, the company's management believes that it is not its position to question the government's policy. It values the importance of the contract, as well as its relationship with the government. It does not believe its current participation poses a financial or reputational risk to the company.</p> <p>Based on the company's current policies and procedures, we voted against the shareholder proposal on human rights risks.</p>
<p>Outcomes</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Company changed practice <input type="checkbox"/> Company committed to change <input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input checked="" type="checkbox"/> Voting <input type="checkbox"/> Other

Add Example 5

ESG Topic	<p>Health and Safety</p> <ul style="list-style-type: none"> <input type="checkbox"/> Executive Remuneration <input type="checkbox"/> Climate Change <input type="checkbox"/> Human rights <input type="checkbox"/> Company leadership issues <input type="checkbox"/> Pollution <input type="checkbox"/> General ESG <input type="checkbox"/> Diversity <input type="checkbox"/> Shareholder rights <input checked="" type="checkbox"/> Health and Safety <input type="checkbox"/> Sustainability reporting <input type="checkbox"/> Water risks <input type="checkbox"/> Labour practices and supply chain management <input type="checkbox"/> Anti-bribery and corruption <input type="checkbox"/> Deforestation <input type="checkbox"/> Aggressive tax planning <input type="checkbox"/> Cyber security <input type="checkbox"/> Other governance <input type="checkbox"/> Plastics <input type="checkbox"/> Other
Conducted by	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	<p>Objective: Engage with the company on anti-microbial resistance and trends in the use of antibiotics in their business.</p> <p>Background: This company is a large producer of medicine and vaccinations for pets and livestock. The company has benefited financially from the continuing shift away from antibiotics - particularly in the US poultry segment. Today "no-antibiotics ever" (NAE) approaches, which refer to raising poultry without antibiotics, represent 40% of the industry-up from 20% just two years ago. Management believes that this trend will only continue.</p> <p>The firm is well-positioned with antibiotic alternatives, specifically their line of ionophores. These chemical-based products strengthen a chicken's gut, helping avoiding illness.</p>
Scope and Process	<p>The company made a strategic shift years ago, moving away from marketing antibiotics in medicinal feed additives and toward vaccines. In addition to this being "where the world is going," vaccines have higher margins than antibiotics and a larger competitive moat.</p> <p>Poultry will continue to move toward NAE, and so will swine and cattle-although lifecycle differences will prevent them from reaching the extent of NAE in poultry. Poultry have an eight-week cycle, which reduces the probability of sickness; swine and cattle have six-month and two-year cycles, respectively.</p> <p>The company continues to conduct more R&D in the vaccine area-particularly in fish. Its entire fish business is focused on salmon vaccines. The world has moved away from salmon antibiotics in the past few years, but antibiotics continue to be used in other types of edible fish. The company is hoping to develop vaccines for other types of fish that would lessen the need for antibiotics.</p>

Outcomes	<input type="checkbox"/> Company changed practice <input checked="" type="checkbox"/> Company committed to change <input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input type="checkbox"/> Other

Add Example 6

ESG Topic	<p>Health and Safety, Labour practices and supply chain management</p> <ul style="list-style-type: none"> <input type="checkbox"/> Executive Remuneration <input type="checkbox"/> Climate Change <input type="checkbox"/> Human rights <input type="checkbox"/> Company leadership issues <input type="checkbox"/> Pollution <input type="checkbox"/> General ESG <input type="checkbox"/> Diversity <input type="checkbox"/> Shareholder rights <input checked="" type="checkbox"/> Health and Safety <input type="checkbox"/> Sustainability reporting <input type="checkbox"/> Water risks <input checked="" type="checkbox"/> Labour practices and supply chain management <input type="checkbox"/> Anti-bribery and corruption <input type="checkbox"/> Deforestation <input type="checkbox"/> Aggressive tax planning <input type="checkbox"/> Cyber security <input type="checkbox"/> Other governance <input type="checkbox"/> Plastics <input type="checkbox"/> Other
Conducted by	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	<p>Objective: Discuss worker safety and labor practices.</p> <p>Background: This company is a large processor and marketer of chicken, beef, and pork. The company has one of the worst results in the industry when it comes to total recordable incident rate (TRI). In response, the company made a commitment to a 15% year-on-year reduction and they expanded their safety communications program.</p> <p>Oxfam America released a report called No Relief: denial of bathroom breaks in the poultry industry in May 2016. It outlined issues such as low wages, injuries and a climate of fear at the top chicken companies, including this company, which control roughly 60% of the US market. In addition, there have been a number of class actions and settlements regarding labor practices (wages/hour claims and discrimination) over recent years.</p> <p>In January 2018, our equities, fixed income and ESG analyst covering the company jointly engaged with the Chief Human Resources Officer to address our concerns and recommendations.</p>
Scope and Process	<p>Safety: The company improved internal monitoring and reporting by 1) distributing monthly safety reports, 2) quarterly review of the numbers by the governance and nominating committee, and 3) including safety in the yearly goals of executive and senior managers. As part of their Safety Process Improvement Plan, the company implemented a new software system producing real-time data to all levels in the organization and improving leading and lagging indicators. The software system can then send out text/email alerts for incidents and risks.</p> <p>Labor standards: They have a number of measures in place to enable employees to file complaints (anonymously), including a help line. They track and report complaints to the governance and nominating committee. The company has also conducted 55 social compliance</p>

	<p>audits, of which 96% had no issue identified. The remaining 4% had minor issues which have been resolved. Nonetheless, they did take the Oxfam report seriously and introduced a training program in different languages to make employees aware of company policies, including those entitling people to use the restroom.</p> <p>Overall, we were pleased with the outcome of the engagement. Although the company still has to make significant progress to improve their safety record.</p>
<p>Outcomes</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Company changed practice <input checked="" type="checkbox"/> Company committed to change <input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input type="checkbox"/> Other

Add Example 7

ESG Topic	<p>General ESG, Other governance</p> <ul style="list-style-type: none"> <input type="checkbox"/> Executive Remuneration <input type="checkbox"/> Climate Change <input type="checkbox"/> Human rights <input type="checkbox"/> Company leadership issues <input type="checkbox"/> Pollution <input checked="" type="checkbox"/> General ESG <input type="checkbox"/> Diversity <input type="checkbox"/> Shareholder rights <input type="checkbox"/> Health and Safety <input type="checkbox"/> Sustainability reporting <input type="checkbox"/> Water risks <input type="checkbox"/> Labour practices and supply chain management <input type="checkbox"/> Anti-bribery and corruption <input type="checkbox"/> Deforestation <input type="checkbox"/> Aggressive tax planning <input type="checkbox"/> Cyber security <input checked="" type="checkbox"/> Other governance <input type="checkbox"/> Plastics <input type="checkbox"/> Other
Conducted by	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	<p>Objective: Meet with the CEO and CFO of this energy company to discuss ESG issues, including tax concerns and board structure.</p> <p>Background: The company has an ongoing dispute with the Portuguese government regarding a temporary tax that was instated after the euro crisis to help reduce the deficit in Portugal but that has not yet been withdrawn. Management updated us on the matter, explaining that it has had constructive discussions with the new Portuguese energy minister and has received important clarity about what conditions must be met to end the tax. In addition, the company has long-term contracts to supply power to the Portuguese state. When these contracts were signed, there was a great amount of external scrutiny to determine that they were fair and balanced. Since then, market conditions have made the contracts more favorable to the company than the government expected, and the government has lowered its payments. Management believes that the government is not complying with the terms of the contracts to the detriment of company shareholders and we agree. The company is pursuing the matter through the courts, which we see as appropriate even if we expect a resolution to take some years.</p>
Scope and Process	<p>Finally, we spoke to management about the company's board structure. A Chinese state-owned hydropower company has a substantial stake in the company and in 2018 made a bid to take a controlling stake that the the company board rejected. Management is in ongoing discussions regarding how to improve the bid. Our greatest concern is that the board will not do an adequate job of protecting other shareholders, given that the hydropower company holds multiple board seats. It was clear during our meeting with management that the CEO had thought a great deal about the risks from the bid and how to ensure that minority shareholders are protected.</p> <p>We were reassured that the CEO proactively identified potential issues during our discussion. There appears to be a very clear plan for corporate governance should the hydropower company take control, as well as options to maximize value if an improved bid is not</p>

	forthcoming.
Outcomes	<input type="checkbox"/> Company changed practice <input type="checkbox"/> Company committed to change <input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input checked="" type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input type="checkbox"/> Other

Add Example 8

ESG Topic	<p>Pollution, Sustainability reporting</p> <ul style="list-style-type: none"> <input type="checkbox"/> Executive Remuneration <input type="checkbox"/> Climate Change <input type="checkbox"/> Human rights <input type="checkbox"/> Company leadership issues <input checked="" type="checkbox"/> Pollution <input type="checkbox"/> General ESG <input type="checkbox"/> Diversity <input type="checkbox"/> Shareholder rights <input type="checkbox"/> Health and Safety <input checked="" type="checkbox"/> Sustainability reporting <input type="checkbox"/> Water risks <input type="checkbox"/> Labour practices and supply chain management <input type="checkbox"/> Anti-bribery and corruption <input type="checkbox"/> Deforestation <input type="checkbox"/> Aggressive tax planning <input type="checkbox"/> Cyber security <input type="checkbox"/> Other governance <input type="checkbox"/> Plastics <input type="checkbox"/> Other
Conducted by	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	<p>Objective: Gain a clear understanding of the company's environmental standards and how they plan to improve their ESG efforts.</p> <p>Background: We continue to engage with this Chinese energy company on a regular basis regarding its MSCI ESG rating and its environmental standards. The company had a lower ESG rating but has been working with MSCI and investors to improve its disclosures and ESG reports. The company was upgraded from CCC to BB in September 2018. During the quarter, we spoke with investor relations and the board of directors to discuss the company's efforts toward improving its ESG performance. Although the company has made significant progress, we believe that there is more room to improve.</p> <p>The company runs a gas distribution business, providing gas for cities, including household, industrial and commercial users. Because natural gas is viewed as a cleaner alternative to coal, the company's business helps improve its environmental standing from an ESG perspective.</p>
Scope and Process	<p>Recently, MSCI was concerned about the company's underground pipelines and the effect of its distribution network on the environment. However, the company has been working with the local government to obtain the appropriate environmental protection permits and to comply with national emission standards, which are on par with global standards.</p> <p>The company also has certain risks related to its lack of disclosures regarding labor. While they must comply with all applicable labor laws and employees already have a lot of protection, MSCI is penalizing them in this area because the company does not specifically disclose its labor practices, nor does it mention risks or health. This is a common issue among Chinese companies when considering their ESG ratings from MSCI.</p> <p>The company's management will continue to try to improve the company's rating, disclosures and ESG reports. We will continue to engage with them regularly.</p>

Outcomes	<input type="checkbox"/> Company changed practice <input checked="" type="checkbox"/> Company committed to change <input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input type="checkbox"/> Other

Add Example 9

ESG Topic	<p>Health and Safety</p> <ul style="list-style-type: none"> <input type="checkbox"/> Executive Remuneration <input type="checkbox"/> Climate Change <input type="checkbox"/> Human rights <input type="checkbox"/> Company leadership issues <input type="checkbox"/> Pollution <input type="checkbox"/> General ESG <input type="checkbox"/> Diversity <input type="checkbox"/> Shareholder rights <input checked="" type="checkbox"/> Health and Safety <input type="checkbox"/> Sustainability reporting <input type="checkbox"/> Water risks <input type="checkbox"/> Labour practices and supply chain management <input type="checkbox"/> Anti-bribery and corruption <input type="checkbox"/> Deforestation <input type="checkbox"/> Aggressive tax planning <input type="checkbox"/> Cyber security <input type="checkbox"/> Other governance <input type="checkbox"/> Plastics <input type="checkbox"/> Other
Conducted by	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	<p>Objective: Gain insight as to how the company is adapting to new regulation around consumer health.</p> <p>Background: In our recent meeting with the management of this consumer goods company, we discussed how they were faring with the recently announced increases in taxes on certain sugary products in Norway. The company has a material presence in the Norwegian confectionary market, and sales have suffered (prices on chocolates have risen by the equivalent of US\$2/pound after a tax rise of +80%). Much of that sales loss has come from Norwegians purchasing confectionary in neighboring Sweden, where the company has a lower market share.</p> <p>Our engagements with the company left us with the conclusion that they are well ahead of its competitors in making its products healthier and more nutritious. Management has prioritized the reduction of salt, sugar and saturated fats in the products it sells, and it has committed material research and development spending to changing recipes to meet those aims.</p>
Scope and Process	<p>However, the commercial reality of the situation suggests that the company should move slowly and after much consumer testing. The company owns some of the most popular brands of food in Norway, so any recipe change (even when designed to make products healthier) could be met with significant customer pushback. The company highlighted to us that in 2017 (2018 numbers will be published in April next year) the company reduced salt in its food by 80 tons, used 1040 fewer tons of sugar and 96 tons fewer saturated fats-all while selling more food.</p> <p>We also agree with the company that the recently announced tax changes in Norway are poorly designed. For example, chocolates are subject to tax, whereas cakes and muffins are not. The company is working with the government to better align taxes to meet the country's goal of</p>

	reducing sugar intake by 12.5%.
Outcomes	<input type="checkbox"/> Company changed practice <input type="checkbox"/> Company committed to change <input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input checked="" type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input type="checkbox"/> Other

Add Example 10

ESG Topic	<p>Cyber security</p> <ul style="list-style-type: none"> <input type="checkbox"/> Executive Remuneration <input type="checkbox"/> Climate Change <input type="checkbox"/> Human rights <input type="checkbox"/> Company leadership issues <input type="checkbox"/> Pollution <input type="checkbox"/> General ESG <input type="checkbox"/> Diversity <input type="checkbox"/> Shareholder rights <input type="checkbox"/> Health and Safety <input type="checkbox"/> Sustainability reporting <input type="checkbox"/> Water risks <input type="checkbox"/> Labour practices and supply chain management <input type="checkbox"/> Anti-bribery and corruption <input type="checkbox"/> Deforestation <input type="checkbox"/> Aggressive tax planning <input checked="" type="checkbox"/> Cyber security <input type="checkbox"/> Other governance <input type="checkbox"/> Plastics <input type="checkbox"/> Other
Conducted by	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	<p>Objective: Examine the company's cybersecurity policies and procedures</p> <p>Background: We learned that in August 2018, this semiconductor manufacturing company suffered a major computer virus attack that forced the company to halt production. The company was installing new tools into its computer network, but one of those new tools was embedded with a computer virus, which spread to all their fabrication plants in Taiwan when the equipment was connected to the central network. The company took the unprecedented step of shutting down all production facilities in Taiwan for three days while it rooted out the virus from the system. We believe that the production halt will likely negatively impact revenues and gross profitability for the quarter.</p>
Scope and Process	<p>We met with management shortly after the incident. We examined the company's cybersecurity policies and procedures to understand whether there were any blind spots within the company's standard operating procedures (SOP). It appeared that the virus was introduced in a part of the SOP that required human intervention, and that the incident was caused by human error. The company is now reviewing its entire process and introducing automated checks in places where there was only human oversight. We are glad to see management take such quick steps to rectify the situation and to address the growing prevalence of cybersecurity risk.</p>
Outcomes	<ul style="list-style-type: none"> <input type="checkbox"/> Company changed practice <input type="checkbox"/> Company committed to change

<input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input checked="" type="checkbox"/> Other

(Proxy) voting and shareholder resolutions

LEA 12	Mandatory	Public	Descriptive	PRI 2
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LEA 12.1 Indicate how you typically make your (proxy) voting decisions.

Approach

- We use our own research or voting team and make voting decisions without the use of service providers.
- We hire service provider(s) who make voting recommendations and/or provide research that we use to guide our voting decisions.

Based on

- the service provider voting policy we sign off on
- our own voting policy
- our clients' requests or policies
- other, explain
- We hire service provider(s) who make voting decisions on our behalf, except for some pre-defined scenarios where we review and make voting decisions.
- We hire service provider(s) who make voting decisions on our behalf.

LEA 12.2 Provide an overview of how you ensure your voting policy is adhered to, giving details of your approach when exceptions to the policy are made.

Our Proxy Voting and Governance Policy is annually reviewed, and updated as necessary, by the Proxy Voting and Governance Committee (which includes senior members from Investments, Legal & Compliance, and Operations) to ensure it captures our latest thinking and reflects new governance issues. Our Proxy Voting and Governance Committee meets at least three times per year and as necessary to address special situations.

Our RI team votes our proxies globally. In evaluating proxy issues and determining our votes, we welcome and seek out the points of view of various parties. Internally, the RI team may consult the Proxy Voting and Governance Committee, Chief Investment Officers, Directors of Research, and/or Research Analysts across our equities platforms, and Portfolio Managers in whose managed accounts a stock is held. This ensures consistent application of our policy while at the same time leveraging the company specific knowledge of the investment teams who can provide an extra level of insight. Externally, we may engage with companies in advance of their Annual General Meeting, and throughout the year. In addition, we engage with shareholder proposal proponents and other stakeholders to understand different viewpoints and objectives. We believe engagement provides the opportunity to share our philosophy, our corporate governance values, and more importantly, affect positive change.

Our Proxy Voting and Governance Policy and our historical voting records are available on our public website.

LEA 14	Voluntary	Public	Additional Assessed	PRI 2
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LEA 14.1	Indicate if your organisation has a securities lending programme.
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Yes

LEA 14.3	Indicate how voting is addressed in your securities lending programme.
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- We recall all securities for voting on all ballot items
- We maintain some holdings, so we can vote at any time
- We systematically recall some securities so that we can vote on their ballot items (e.g., in line with specific criteria)
- We recall some securities so that we can vote on their ballot items on an ad hoc basis
- We empower our securities lending agent to decide when to recall securities for voting purposes
- We do not recall our shares for voting purposes
- Other specify;

No

LEA 15	Mandatory	Public	Descriptive	PRI 2
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LEA 15.1	Indicate the proportion of votes where you or the service providers acting on your behalf have raised concerns with companies ahead of voting.
-----------------	--

- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- Neither we nor our service provider(s) raise concerns with companies ahead of voting

LEA 15.2	Indicate the reasons for raising your concerns with these companies ahead of voting.
-----------------	--

- Vote(s) for selected markets
- Vote(s) for selected sectors
- Vote(s) relating to certain ESG issues
- Vote(s) on companies exposed to controversy on specific ESG issues
- Vote(s) for significant shareholdings
- On request by clients
- Other

LEA 15.3	Additional information. [Optional]
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As active investors, we value constructive dialogues with companies. Explaining our voting rationale for an "abstain" or "against" vote can be part of these discussions, and, in some cases, is important to promote change at the company. There are companies with whom we have ongoing discussions over multiple years. These discussions occur after we cast our vote.

LEA 16	Mandatory	Public	Core Assessed	PRI 2
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LEA 16.1	Indicate the proportion of votes participated in within the reporting year in which, you and/or the service provider(s) acting on your behalf, have communicated to companies the rationale for abstaining or voting against management recommendations.
-----------------	--

- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers do not abstain or vote against management recommendations

LEA 16.2	Indicate the reasons your organisation would communicate to companies, the rationale for abstaining or voting against management recommendations.
-----------------	---

- Votes for selected markets
- Votes for selected sectors
- Votes relating to certain ESG issues
- Votes on companies exposed to controversy on specific ESG issues
- Votes for significant shareholdings
- On request by clients
- Other

LEA 16.3	In cases where your organisation does communicate the rationale for the abstention or the vote against management recommendations, indicate whether this rationale is made public.
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- Yes
- No

LEA 17	Mandatory	Public	Core Assessed	PRI 2
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LEA 17.1	For listed equities where you and/or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
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- We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

99 %

99

Specify the basis on which this percentage is calculated

- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted
- We do not track or collect this information

LEA 17.2 Explain your reason(s) for not voting on certain holdings

- Shares were blocked
- Notice, ballots or materials not received in time
- Missed deadline
- Geographical restrictions (non-home market)
- Cost
- Conflicts of interest
- Holdings deemed too small
- Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)
- Client request
- Other




Abstain was not an option.

LEA 18	Voluntary	Public	Additional Assessed	PRI 2
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LEA 18.1 Indicate if you track the voting instructions that you and/or your service provider on your behalf have issued.

- Yes, we track this information

LEA 18.2 Of the voting instructions that you and/or third parties on your behalf issued, indicate the proportion of ballot items that were:

Voting instructions	Breakdown as percentage of votes cast
For (supporting) management recommendations	 87
Against (opposing) management recommendations	 12
Abstentions	 1

100%

No, we do not track this information

LEA 18.3	In cases where your organisation voted against management recommendations, indicate the percentage of companies you have engaged.
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3

LEA 19	Mandatory	Public	Core Assessed	PRI 2
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LEA 19.1	Indicate whether your organisation has a formal escalation strategy following unsuccessful voting.
-----------------	--

- Yes
 No

LEA 19.2	Indicate the escalation strategies used at your organisation following abstentions and/or votes against management.
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- Contacting the company's board
 Contacting the company's senior management
 Issuing a public statement explaining the rationale
 Initiating individual/collaborative engagement
 Directing service providers to engage
 Reducing exposure (holdings) / divestment
 Other

LEA 20	Voluntary	Public	Descriptive	PRI 2
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LEA 20.1	Indicate if your organisation directly or through a service provider filed or co-filed any ESG shareholder resolutions during the reporting year.
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- Yes
- No

LEA 20.6	Describe whether your organisation reviews ESG shareholder resolutions filed by other investors.
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We generally review all shareholder proposals filed by others. We vote shareholder resolutions based on our Proxy Voting and Governance Policy. Each year, before the start of the proxy season, our Proxy Voting and Governance Committee reviews our firm's Policy to ensure it captures our latest thinking. At that time, we also formulate our approach to new shareholder proposals. In cases where new issues arise during the voting process, we convene a portion or all of our Proxy Voting and Governance Committee to discuss and develop a policy or come to a decision on an individual proposal. In addition, we may engage with shareholder proposal proponents and other stakeholders to understand different viewpoints and objectives.

LEA 21	Voluntary	Public	Descriptive	PRI 2
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LEA 21.1	Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.
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- Add Example 1

ESG Topic	<p>Cyber security</p> <ul style="list-style-type: none"> <input type="checkbox"/> Executive Remuneration <input type="checkbox"/> Climate Change <input type="checkbox"/> Human rights <input type="checkbox"/> Company leadership issues <input type="checkbox"/> Pollution <input type="checkbox"/> General ESG <input type="checkbox"/> Diversity <input type="checkbox"/> Shareholder rights <input type="checkbox"/> Health and Safety <input type="checkbox"/> Sustainability reporting <input type="checkbox"/> Water risks <input type="checkbox"/> Labour practices and supply chain management <input type="checkbox"/> Anti-bribery and corruption <input type="checkbox"/> Deforestation <input type="checkbox"/> Aggressive tax planning <input checked="" type="checkbox"/> Cyber security <input type="checkbox"/> Political spending / lobbying <input type="checkbox"/> Other governance <input type="checkbox"/> Plastics <input type="checkbox"/> Other
Conducted by	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Individual/Internal <input type="checkbox"/> Service provider
Objectives	<p>Objective: Review the company's approach to data privacy in light of a recent scandal.</p> <p>Background: We hold this large Internet Software and Services company in several of our US Growth portfolios.</p> <p>In early 2018, this company was the center of a data privacy scandal that revealed that the company allowed a third party to access data from millions of customer accounts without customer consent. When this information was publicized, there was a lack of communication to shareholders and an apparent reactive approach from the company.</p> <p>The company later promised to improve user privacy and security policies, as it was not clear how the company was collecting information from customers and who had access to it. This controversy also resulted in significant leadership changes within the company, including the departure of their Chief Information Security Officer.</p> <p>In addition to these data leaks, the company faced increased scrutiny around the management of content on their social media platform. Questions around what kind of content the company allowed on their platform were largely unaddressed.</p> <p>In light of these controversies and increased importance around data privacy, we met with company management to understand what changes were made in order to address these risks.</p>
Scope and Process	<p>During our engagement, the company was clear that data privacy was a priority for the board. While we appreciated this recognition, we questioned the audit committee's capacity to provide effective oversight of such a sensitive and large area of their business. Although the company was bringing two new members onto the board and audit committee, they believed there was no need to change their current process or functions around risk oversight on the board.</p>

	<p>The company disclosed that they were allocating a tremendous amount of resources to handling content management and review on their platform. While it was evident that the company was addressing this issue, the management structure around it was unclear. The company confirmed that it didn't have a central person or team in charge of this oversight as the scope is so broad.</p> <p>Overall, we were unconvinced of any real proactive structural changes and thought further action was necessary.</p> <p>At the annual general meeting, we voted in favor of a shareholder proposal asking the board to review and report on establishing a separate committee to oversee risk. We also supported a shareholder proposal asking the board to report on risks associated with content management controversies.</p>
Outcomes	<ul style="list-style-type: none"> <input type="checkbox"/> Company changed practice <input type="checkbox"/> Company committed to change <input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input checked="" type="checkbox"/> Voting <input type="checkbox"/> Other

Add Example 2

ESG Topic	<p>Diversity, Other governance</p> <ul style="list-style-type: none"> <input type="checkbox"/> Executive Remuneration <input type="checkbox"/> Climate Change <input type="checkbox"/> Human rights <input type="checkbox"/> Company leadership issues <input type="checkbox"/> Pollution <input type="checkbox"/> General ESG <input checked="" type="checkbox"/> Diversity <input type="checkbox"/> Shareholder rights <input type="checkbox"/> Health and Safety <input type="checkbox"/> Sustainability reporting <input type="checkbox"/> Water risks <input type="checkbox"/> Labour practices and supply chain management <input type="checkbox"/> Anti-bribery and corruption <input type="checkbox"/> Deforestation <input type="checkbox"/> Aggressive tax planning <input type="checkbox"/> Cyber security <input type="checkbox"/> Political spending / lobbying <input checked="" type="checkbox"/> Other governance <input type="checkbox"/> Plastics <input type="checkbox"/> Other
Conducted by	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Individual/Internal <input type="checkbox"/> Service provider
Objectives	<p>Objective: Discuss our updated approach to Japanese board outsider membership with the company and review board composition.</p> <p>Background: We hold this large Japanese automobile manufacturer in several of our International Value portfolios.</p> <p>In 2017 the company changed its board structure from traditional statutory auditor to audit committee structure. We see this as a positive development, but told the company that we view the three-committee structure as the strongest form of board composition.</p> <p>In 2018 we updated our Japanese policy around board composition. We expect at least 50% of the board to be comprised of outsiders for non-controlled companies. If a board fails to meet this threshold, we may vote against the top member of management on the board, typically the President or Chairman, who we believe should be held accountable for board composition. This requirement only applies at companies with either the two-tier statutory auditor structure or the audit committee structure.</p> <p>The company currently complies with previous AB guidance which was at least 30% outsiders on the board. We reached out to the company to discuss their current board composition and inform them of our new approach.</p>
Scope and Process	<p>The company acknowledged that 50% outsiders was a positive aspirational goal, but that they believe this will take a few more years to achieve this target. The company also expressed concerns about the drive to increase outsider participation leading to lower quality of candidates. We haven't seen observed this and it appears that the market is well-equipped to add outside directors as evidenced by the dramatic increase of qualified directors in the market.</p>

	<p>We also noted that we expect diversity to be part of the refreshment process and candidate pool. We pointed out that while the company had two female directors (strong for the market), it would be beneficial to add geographic diversity to the board in the form of a non-Japanese director, especially considering their global footprint. The company noted that they are targeting a foreign board member. They're increasing their director remuneration levels for this reason because they cannot attract foreign directors at current pay levels.</p> <p>At the company's annual meeting, we voted against their President in line with our new policy and in hopes of encouraging a greater number of outsiders on the board. We will continue to engage with this company on their board composition.</p>
<p>Outcomes</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Company changed practice <input type="checkbox"/> Company committed to change <input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input checked="" type="checkbox"/> Voting <input type="checkbox"/> Other

Add Example 3

ESG Topic	<p>Diversity</p> <ul style="list-style-type: none"> <input type="checkbox"/> Executive Remuneration <input type="checkbox"/> Climate Change <input type="checkbox"/> Human rights <input type="checkbox"/> Company leadership issues <input type="checkbox"/> Pollution <input type="checkbox"/> General ESG <input checked="" type="checkbox"/> Diversity <input type="checkbox"/> Shareholder rights <input type="checkbox"/> Health and Safety <input type="checkbox"/> Sustainability reporting <input type="checkbox"/> Water risks <input type="checkbox"/> Labour practices and supply chain management <input type="checkbox"/> Anti-bribery and corruption <input type="checkbox"/> Deforestation <input type="checkbox"/> Aggressive tax planning <input type="checkbox"/> Cyber security <input type="checkbox"/> Political spending / lobbying <input type="checkbox"/> Other governance <input type="checkbox"/> Plastics <input type="checkbox"/> Other
Conducted by	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Individual/Internal <input type="checkbox"/> Service provider
Objectives	<p>Objective: Review our approach to gender pay equity and related proposals.</p> <p>Background: We own this large internet software company in several of our US Growth portfolios. This past year the company received a shareholder proposal at their annual meeting around reporting on the gender pay gap. The proposal asked the company to, "prepare a report on the risks to the company associated with emerging public policies on the gender pay gap."</p> <p>The proponents of this proposal pointed to some research that suggests that this company has a pay gap and lower retention rates for female managers compared to male managers. They also note that gender pay equity can be advantageous to a business and mitigate risk. In addition, women only account for about one-fourth of the company's leadership.</p> <p>The company's board argued that this report was not necessary as they "are committed to diversity and equality in all areas of [their] business, including hiring and compensation." The company also sets pay targets by job in order to prevent gender pay discrimination.</p>
Scope and Process	<p>In this case, most of the company's large peers publicly reported on, and pledged to, gender pay equity. This negates the argument that there is a competitive disadvantage to be the first to disclose. The company also faced a class-action lawsuit regarding their alleged segregation of women into lower-paying jobs and paying men more than women for similar roles. Due to mandatory disclosure, we know that in the U.K., the company's female employees' average hourly rate of pay was 17% lower than male peers.</p> <p>As this is a US company, required EEO-1 disclosure reduces the reporting burden of publicly disclosing data as it has already been collected.</p> <p>We generally support shareholder proposals calling for reports, while also considering existing</p>

	<p>policies and procedures of the company and whether the proposed reporting is of added benefit to shareholders. We recognize a company's gender pay gap as an indicator of their culture and human capital management. We also believe that there is substantial evidence that gender diversity leads to better performance.</p> <p>After reviewing the shareholder proposal and the company's existing policies, we voted in favor of the proposal.</p>
<p>Outcomes</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Company changed practice <input type="checkbox"/> Company committed to change <input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input checked="" type="checkbox"/> Voting <input type="checkbox"/> Other

Add Example 4

ESG Topic	<p>Shareholder rights, Other governance</p> <ul style="list-style-type: none"> <input type="checkbox"/> Executive Remuneration <input type="checkbox"/> Climate Change <input type="checkbox"/> Human rights <input type="checkbox"/> Company leadership issues <input type="checkbox"/> Pollution <input type="checkbox"/> General ESG <input type="checkbox"/> Diversity <input checked="" type="checkbox"/> Shareholder rights <input type="checkbox"/> Health and Safety <input type="checkbox"/> Sustainability reporting <input type="checkbox"/> Water risks <input type="checkbox"/> Labour practices and supply chain management <input type="checkbox"/> Anti-bribery and corruption <input type="checkbox"/> Deforestation <input type="checkbox"/> Aggressive tax planning <input type="checkbox"/> Cyber security <input type="checkbox"/> Political spending / lobbying <input checked="" type="checkbox"/> Other governance <input type="checkbox"/> Plastics <input type="checkbox"/> Other
Conducted by	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Individual/Internal <input type="checkbox"/> Service provider
Objectives	<p>Objective: Discuss company's current governance structures, our stance on their structures and suggested improvements.</p> <p>Background: For this small landscape supply company, we withheld our vote for the Governance Chair due to poor governance practices including: supermajority vote requirement to change bylaws, classified board, plurality voting and no shareholder access rights.</p> <p>This company had an IPO in 2016 and the majority shareholders sold their final equity tranche in July 2017. In light of these events, we would expect the company to mature from a governance perspective. We held the Governance Chair accountable, as the classified board structure limited our opportunity to do so for the next three years. We support strong investor rights that hold directors and management accountable if they fail to act in the best interests of shareholders.</p> <p>We reached out to the company to understand their plans for governance structure improvements and met with them in October 2018.</p>
Scope and Process	<p>In their second year post-IPO, the company was engaging shareholders to further understand expectations around board structure and finalizing a timeline to change governance practices. We expect a company to have an adequate sunset provision in place around a classified board. We also wanted to clarify that this company had a plan to change policies around the supermajority vote requirement to change bylaws, plurality voting and no shareholder access rights. The company recognized the need to change these structures and confirmed that they would be implementing a majority vote standard at the next meeting.</p> <p>The company disclosed benchmarking efforts against peers to determine an appropriate sunset provision around their classified board. They also confirmed that proxy access will be provided in</p>

	<p>the evolution of the company's governance structure.</p> <p>While the company wasn't clear on exact timing for these changes, they acknowledged that these are priorities for the board. We indicated that we recognize different board structures are appropriate for different companies but we expected to see changes going forward.</p> <p>We'll continue to monitor the company's governance practices and may vote against additional board members if changes are not made.</p>
Outcomes	<ul style="list-style-type: none"> <input type="checkbox"/> Company changed practice <input type="checkbox"/> Company committed to change <input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input checked="" type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input type="checkbox"/> Other

Add Example 5

ESG Topic	<p>Executive Remuneration</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Executive Remuneration <input type="checkbox"/> Climate Change <input type="checkbox"/> Human rights <input type="checkbox"/> Company leadership issues <input type="checkbox"/> Pollution <input type="checkbox"/> General ESG <input type="checkbox"/> Diversity <input type="checkbox"/> Shareholder rights <input type="checkbox"/> Health and Safety <input type="checkbox"/> Sustainability reporting <input type="checkbox"/> Water risks <input type="checkbox"/> Labour practices and supply chain management <input type="checkbox"/> Anti-bribery and corruption <input type="checkbox"/> Deforestation <input type="checkbox"/> Aggressive tax planning <input type="checkbox"/> Cyber security <input type="checkbox"/> Political spending / lobbying <input type="checkbox"/> Other governance <input type="checkbox"/> Plastics <input type="checkbox"/> Other
Conducted by	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Individual/Internal <input type="checkbox"/> Service provider
Objectives	<p>Objective: Understand how the company plans on improving alignment between pay and performance of its compensation program.</p> <p>Background: The company has been increasing base salary and equity grant award amounts for its CEO for the past three years since its IPO. However, the increase in pay is not substantiated by the company's shareholder return.</p> <p>In 2017, the CEO's total pay increased 34.2% year-over-year when the company's ROE, ROA and ROIC decreased and its TSR fell short of both S&P 500 and GICS peers on 1-, 3- and 5-year bases. The annual equity grant increased 45% compared to the prior year, and the concern is exacerbated by the fact that it is determined based on undisclosed goals.</p> <p>Additionally, the one-time vested retention equity, which amounts to \$1M each for the CEO and CFO and was granted for both executives, is entirely time-based for the purpose of retaining these two executives beyond July 2018.</p> <p>On annual cash bonus, the CEO was paid 227% of his base salary even though 67% of the performance targets were missed.</p> <p>For these reasons, we voted against executive compensation at the 2018 annual meeting.</p>
Scope and Process	<p>Our Equity Analyst and an ESG associate had a call with the company in November 2018. The goal of this call was to inquire about the company's thinking behind its executive pay program, particularly in regards to its pay to performance alignment.</p> <p>The company explained that it froze its CEO's target pay as well as other NEO's salary and target bonus. In order to enhance its pay level closer to its financial performance, the company will review its peer group to exclude those with larger market capitalization who tend to inflate</p>

	<p>the company's peer median benchmark. Additionally, company will remove its large life insurance perquisite, which was carried over from the legacy program of its acquirer.</p> <p>AB also requested the company incorporate more transparent and rigorous performance goals in its equity grant awards and exclude peers that do not have similar business operations to make the peer median benchmark more relevant and appropriate.</p> <p>The company acknowledged the need to improve its compensation program. We will monitor how the company implements its promised enhancements in the coming year and whether the company's alignment between pay and performance improves. We may vote against compensation if no changes are made.</p>
<p>Outcomes</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Company changed practice <input checked="" type="checkbox"/> Company committed to change <input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input type="checkbox"/> Other

Add Example 6

ESG Topic	<p>Executive Remuneration, Health and Safety</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Executive Remuneration <input type="checkbox"/> Climate Change <input type="checkbox"/> Human rights <input type="checkbox"/> Company leadership issues <input type="checkbox"/> Pollution <input type="checkbox"/> General ESG <input type="checkbox"/> Diversity <input type="checkbox"/> Shareholder rights <input checked="" type="checkbox"/> Health and Safety <input type="checkbox"/> Sustainability reporting <input type="checkbox"/> Water risks <input type="checkbox"/> Labour practices and supply chain management <input type="checkbox"/> Anti-bribery and corruption <input type="checkbox"/> Deforestation <input type="checkbox"/> Aggressive tax planning <input type="checkbox"/> Cyber security <input type="checkbox"/> Political spending / lobbying <input type="checkbox"/> Other governance <input type="checkbox"/> Plastics <input type="checkbox"/> Other
Conducted by	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Individual/Internal <input type="checkbox"/> Service provider
Objectives	<p>Objective: Review the company's approach to mitigating exposure to the widespread opioid crisis across the industry, confirm the company's long-term business strategy and understand their compensation structure.</p> <p>Background: The issuer has been in financial recovery for various reasons, including issues stemming from the acquisition of a biopharmaceutical company in late 2011. The acquired brand's off-label marketing of a drug targeting chronic pain patients became controversial as the marketing did not specify that the drug was intended only for the end-stage cancer patients. The drug also led to substance abuse and addiction and the company is now the subject of ongoing litigation based on the charges brought by the Attorney General of Ohio.</p> <p>The company also has a short-term incentive program that solely focuses on EPS target, which does not align with AB's proxy voting approach. However, given that the company is in an extraordinary situation as it recovers from problematic acquisitions, AB wanted to confirm that TEVA will adjust its pay metrics once it has re-entered a growth phase.</p> <p>Our Equities analyst, Fixed Income Analyst, Head of Governance and an ESG associate had a call with the company's Chairman and its Chair of the compensation committee in November 2018.</p>
Scope and Process	<p>We wanted to understand how the company plans to resolve its involvement in the opioid crisis, namely its unethical off-label marketing practice that led to drug addiction for numerous patients.</p> <p>The Chairman explained that marketing of the two branded products of concern had been halted and that the company is working with community stakeholders to ensure that the drugs are being distributed appropriately. The company also mentioned that it is investing in research and</p>

	<p>development of a non-addictive pain killer.</p> <p>Regarding the Ohio lawsuit, the company could not provide further details other than that it is working to resolve the case. However, the company raised a valid point on its limited capacity in controlling its drug distribution via black markets. This issue has only become more complicated with technological advances that support black market transactions.</p> <p>The company disclosed that it would re-evaluate its pay program once it had resumed growth. We will continue to monitor how the company evolves in both resolving the ongoing crisis and in preventing similar incidents. We gave a pass on 2018's compensation proposal and will monitor how the company re-adjusts executive compensation in the 2- to 3-year timeframe to focus on a long-term profitability.</p>
Outcomes	<ul style="list-style-type: none"> <input type="checkbox"/> Company changed practice <input type="checkbox"/> Company committed to change <input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input checked="" type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input type="checkbox"/> Other

Add Example 7

ESG Topic	<p>Executive Remuneration, Company leadership issues</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Executive Remuneration <input type="checkbox"/> Climate Change <input type="checkbox"/> Human rights <input checked="" type="checkbox"/> Company leadership issues <input type="checkbox"/> Pollution <input type="checkbox"/> General ESG <input type="checkbox"/> Diversity <input type="checkbox"/> Shareholder rights <input type="checkbox"/> Health and Safety <input type="checkbox"/> Sustainability reporting <input type="checkbox"/> Water risks <input type="checkbox"/> Labour practices and supply chain management <input type="checkbox"/> Anti-bribery and corruption <input type="checkbox"/> Deforestation <input type="checkbox"/> Aggressive tax planning <input type="checkbox"/> Cyber security <input type="checkbox"/> Political spending / lobbying <input type="checkbox"/> Other governance <input type="checkbox"/> Plastics <input type="checkbox"/> Other
Conducted by	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Individual/Internal <input type="checkbox"/> Service provider
Objectives	<p>Objective: Gain a clear understanding of executive compensation and board structure as the company continues to recover from a large scandal.</p> <p>Background: We have a multi-year engagement history with this large US bank. In 2016, the bank was fined by US regulators for opening false customer accounts without consent. This controversy has exposed several issues with management and board oversight and led to the CEO departure and major board refreshment.</p> <p>In 2014, the board began to focus on these issues and implement positive changes. In 2017, we voted against all board members who joined prior to 2014, as it was clear that board oversight was poor and refreshment was warranted.</p> <p>In 2018 we spoke with several board members, including the chairman, before the annual general meeting. We identified concerning compensation practices and questioned the rationale for keeping two legacy directors on the board. Regarding compensation for the CEO and CFO, this plan year represented the first full year they were both in these roles. We wanted to understand the differences between the plan in this year compared to subsequent years.</p>
Scope and Process	<p>The board explained that the size of increase to components of pay reflected the assumption of the roles, and the level of leadership and performance during a turbulent year. The size shouldn't be expected to normalize at these year-over-year levels, but the plan's construction should remain the same. The board withdrew the cash bonus from the CEO, although he qualified for it, due to ongoing concerns. We reviewed several performance-enhancers to the plan, including the addition of a returns-based relative goal and other features. The board also reduced previously granted equity pay-outs to executives due to ongoing concerns.</p> <p>Regarding the two remaining board members who participated in the oversight failures, the</p>

	<p>Chairman noted that they needed to remain in order to provide institutional knowledge. However, she acknowledged a collective board responsibility of legacy directors for past failures, including the two remaining members. We indicated that the current CEO, several executives and directors who have been brought onto the board since 2014, provide similar and possibly identical knowledge.</p> <p>After our discussion with the Chairman, we concluded to support pay as it appeared sufficiently performance-based and positive changes going forward will better align the overall compensation plan with the shareholder experience.</p>
<p>Outcomes</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Company changed practice <input type="checkbox"/> Company committed to change <input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input checked="" type="checkbox"/> Voting <input type="checkbox"/> Other

Add Example 8

ESG Topic	<p>General ESG, Other governance</p> <ul style="list-style-type: none"> <input type="checkbox"/> Executive Remuneration <input type="checkbox"/> Climate Change <input type="checkbox"/> Human rights <input type="checkbox"/> Company leadership issues <input type="checkbox"/> Pollution <input checked="" type="checkbox"/> General ESG <input type="checkbox"/> Diversity <input type="checkbox"/> Shareholder rights <input type="checkbox"/> Health and Safety <input type="checkbox"/> Sustainability reporting <input type="checkbox"/> Water risks <input type="checkbox"/> Labour practices and supply chain management <input type="checkbox"/> Anti-bribery and corruption <input type="checkbox"/> Deforestation <input type="checkbox"/> Aggressive tax planning <input type="checkbox"/> Cyber security <input type="checkbox"/> Political spending / lobbying <input checked="" type="checkbox"/> Other governance <input type="checkbox"/> Plastics <input type="checkbox"/> Other
Conducted by	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Individual/Internal <input type="checkbox"/> Service provider
Objectives	<p>Objective: Obtain updates on company's board structure related to their CEO's combined role as Chairman of the board.</p> <p>Background: In 2018, this pharmaceutical company's annual meeting ballot contained a shareholder proposal asking the company to require an independent board chairman. We believe there can be benefits to an executive chairman and to splitting or combining the positions of chairman and CEO, depending on the specific circumstances of the issuer. When the chair is non-independent, the company must have sufficient counter-balancing governance in place, generally through a strong independent lead director. However, for companies with smaller market capitalizations, separate chairman and CEO positions may not be practical.</p> <p>In this case, the company's lead independent director had a robust role with clearly defined duties and responsibilities, such as the authority to call meetings and approve agendas. At this time, we voted against the shareholder proposal to require an independent board chairman due to the strong lead independent director on the board. With this counter-balance in place, we believed the company should retain the ability to make changes to the board structure as they see fit and within their desired time frame.</p>
Scope and Process	<p>We noted several concerns at the company that could lead us to vote for such a proposal in the future: the company had multi-year structural compensation issues and the CEO was a director on two outside boards of large companies. These concerns prompted us to reach out to the company for an engagement in order to better understand company plans around changing their board structure and the role of their lead independent director.</p> <p>During this engagement, the company disclosed that they were considering separation of the CEO and Chairman roles. The company indicated that this was their plan for when the current</p>

	<p>CEO retired, but based on shareholder feedback, they were considering making this change at an earlier date.</p> <p>The company expressed concerns around making this change because they have never had a separate chairman from the CEO. i It was apparent that the company did not consider this an urgent issue due to the strength of the lead independent director's role on the board.</p> <p>We'll continue to engage with this company around board structure and the role each director plays. At the next annual meeting, we'll re-evaluate any proposal to require an independent board chairman.</p>
<p>Outcomes</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Company changed practice <input type="checkbox"/> Company committed to change <input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input checked="" type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input type="checkbox"/> Other

Add Example 9

ESG Topic	<p>Climate Change</p> <ul style="list-style-type: none"> <input type="checkbox"/> Executive Remuneration <input checked="" type="checkbox"/> Climate Change <input type="checkbox"/> Human rights <input type="checkbox"/> Company leadership issues <input type="checkbox"/> Pollution <input type="checkbox"/> General ESG <input type="checkbox"/> Diversity <input type="checkbox"/> Shareholder rights <input type="checkbox"/> Health and Safety <input type="checkbox"/> Sustainability reporting <input type="checkbox"/> Water risks <input type="checkbox"/> Labour practices and supply chain management <input type="checkbox"/> Anti-bribery and corruption <input type="checkbox"/> Deforestation <input type="checkbox"/> Aggressive tax planning <input type="checkbox"/> Cyber security <input type="checkbox"/> Political spending / lobbying <input type="checkbox"/> Other governance <input type="checkbox"/> Plastics <input type="checkbox"/> Other
Conducted by	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Individual/Internal <input type="checkbox"/> Service provider
Objectives	<p>Objective: To review the company's current environmental policies and its readiness to respond to potential environmental controversies.</p> <p>Background: The company lacks transparency on how it mitigates risks amidst the regulatory push for low-carbon economy. Approximately half of the company's operations are in the US, and the company received a shareholder proposal in 2017 to assess portfolio impacts related to meeting the 2-degree warming scenario. We supported the proposal, which garnered majority support.</p> <p>In response, the company published a report in March 2018 that discloses scenario analysis in line with the 2-degree warming scenario. However, the company failed to explain its plans to reduce exposure to oil and gas, unlike its European peers which include Total and Royal Dutch Shell. Further, the company's carbon emissions intensity increased by 40% year-over-year in 2016, and its absolute emissions are also notably higher than its industry peer group.</p>
Scope and Process	<p>Our Responsible Investing team had a call with the company in August 2018 to address concerns on the company's carbon emissions intensity and how it plans to strengthen its environmental policies in order to mitigate the issue. The company reinforced its commitments to regularly evaluate strategy, with board oversight, under various lower-carbon scenarios. These efforts include modelling potential carbon prices and related financial impacts in capital spending plans for major projects as announced by the CEO in March 2018.</p> <p>The company added that it will end routine gas flaring by 2030 and add an executive compensation metric related to the advancement of carbon capture, utilization and storage (CCUS). As we ultimately promote genuine integration of environmental policies into the company's business, we emphasized the need for Occidental to incorporate measurable</p>

	<p>environmental metrics into its reporting process and/or into executive compensation.</p> <p>We understood that the company plans on strengthening its environmental policies with incorporation of quantifiable goals attached to its environmental program and its executive pay. However, we will continue to monitor how the company evolves in practice and express our view in our proxy voting decisions accordingly, through election of the governance committee Chair and/or the compensation committee Chair.</p>
<p>Outcomes</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Company changed practice <input type="checkbox"/> Company committed to change <input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input checked="" type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input type="checkbox"/> Other

Add Example 10

ESG Topic	<p>Executive Remuneration, Other governance</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Executive Remuneration <input type="checkbox"/> Climate Change <input type="checkbox"/> Human rights <input type="checkbox"/> Company leadership issues <input type="checkbox"/> Pollution <input type="checkbox"/> General ESG <input type="checkbox"/> Diversity <input type="checkbox"/> Shareholder rights <input type="checkbox"/> Health and Safety <input type="checkbox"/> Sustainability reporting <input type="checkbox"/> Water risks <input type="checkbox"/> Labour practices and supply chain management <input type="checkbox"/> Anti-bribery and corruption <input type="checkbox"/> Deforestation <input type="checkbox"/> Aggressive tax planning <input type="checkbox"/> Cyber security <input type="checkbox"/> Political spending / lobbying <input checked="" type="checkbox"/> Other governance <input type="checkbox"/> Plastics <input type="checkbox"/> Other
Conducted by	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Individual/Internal <input type="checkbox"/> Service provider
Objectives	<p>Objective: review the company's approach to compensation and governance structures.</p> <p>Background: this health-information technology company has inadequate governance structures that affect shareholder rights and result in a poor compensation structure.</p> <p>We supported the compensation plan in 2017, albeit with several concerns that we shared with the company. The plan hasn't changed, and our concerns persist. Unfortunately, a proposal to have a tri-annual compensation vote won 52% support last year. As a result, we could not directly vote on compensation in 2018. We were also unable to hold the chair of the compensation committee accountable, because the board is classified. The compensation proposal received 83% support last year. It is worth noting that the company has 20% insider ownership, so that should be factored into vote tallies.</p> <p>Compensation concerns:</p> <p>A \$20M retention equity grant with 0% performance conditions was granted, vesting over four years. This is in addition to a normal course equity plan. The CEO owns 2% of the company.</p> <p>Short-term incentive pay was significantly grossed up as a result of the Board of Directors' discretionary assessment.</p> <p>The company's poor governance structures include a classified board, a plurality-vote standard for directors, and a combined CEO/Chairman with no lead independent director.</p>
Scope and Process	<p>In March 2018 we engaged with the company.</p> <p>During our engagement with the company, management focused on the need to retain the CEO through a time-based grant, because much of his equity would vest within 12 months. We noted</p>

	<p>that the logic around proper incentivization was questionable: his equity is replenished through the LTI plan, his STI bonus averages are high and he has a lot of skin in the game.</p> <p>This also calls into question the strength of succession planning. The company had difficulty articulating the plan, although they noted that seven regional business heads are all possible successors. The company has no COO, which could be a concern. We communicated that we would have expected performance measures to accompany the equity grant, but the company said this wouldn't have had the same retention power.</p> <p>Ultimately, we decided to vote against an over-boarded director and a compensation committee member. For next year, we want to see less discretion in short-term incentive pay for the CEO and no additional one-time retention pay. We will continue to express our concerns to the company.</p>
<p>Outcomes</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Company changed practice <input type="checkbox"/> Company committed to change <input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input checked="" type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input type="checkbox"/> Other

Alliance Bernstein

Reported Information

Public version

Direct - Fixed Income

PRI disclaimer

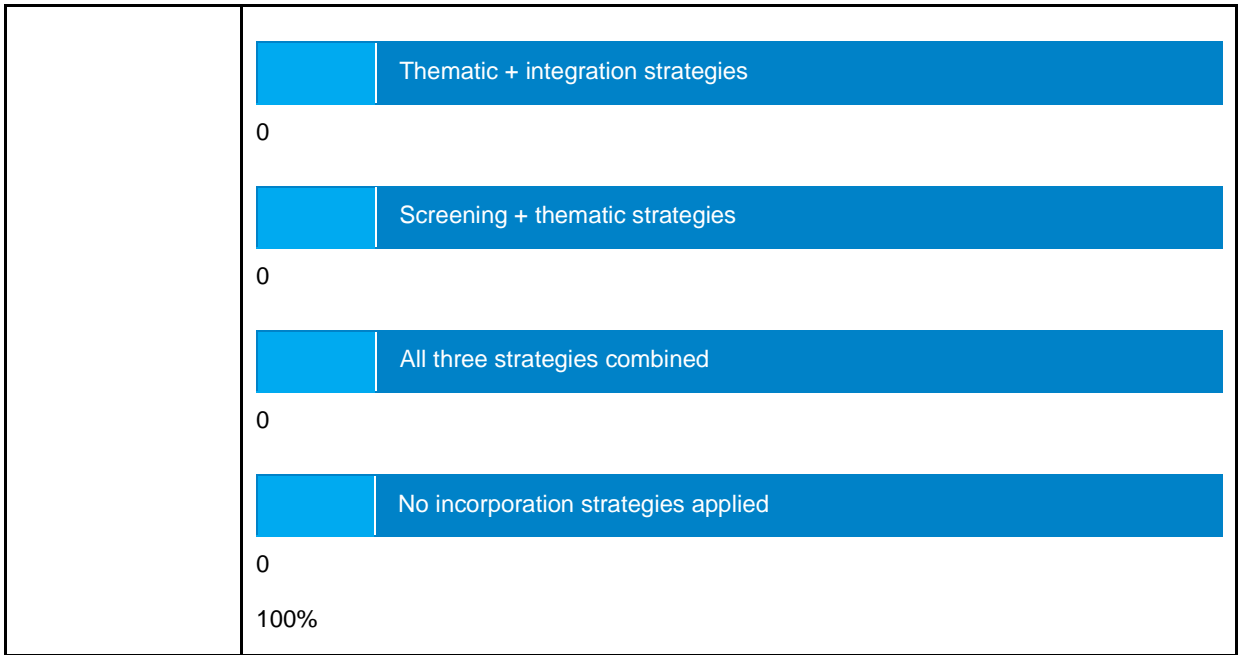
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ESG incorporation in actively managed fixed income

Implementation processes

FI 01	Mandatory	Public	Gateway	PRI 1
FI 01.1	Indicate (1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and (2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.			

SSA	Screening alone	0
	Thematic alone	0
	Integration alone	100
	Screening + integration strategies	0
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	0
		100%
Corporate (financial)	Screening alone	0
	Thematic alone	0
	Integration alone	27
	Screening + integration strategies	73



Corporate (non-financial)	<table border="1"> <thead> <tr> <th>Strategy</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Screening alone</td> <td>0</td> </tr> <tr> <td>Thematic alone</td> <td>0</td> </tr> <tr> <td>Integration alone</td> <td>27</td> </tr> <tr> <td>Screening + integration strategies</td> <td>73</td> </tr> <tr> <td>Thematic + integration strategies</td> <td>0</td> </tr> <tr> <td>Screening + thematic strategies</td> <td>0</td> </tr> <tr> <td>All three strategies combined</td> <td>0</td> </tr> <tr> <td>No incorporation strategies applied</td> <td>0</td> </tr> <tr> <td>Total (any strategy)</td> <td>100%</td> </tr> </tbody> </table>	Strategy	Percentage	Screening alone	0	Thematic alone	0	Integration alone	27	Screening + integration strategies	73	Thematic + integration strategies	0	Screening + thematic strategies	0	All three strategies combined	0	No incorporation strategies applied	0	Total (any strategy)	100%
Strategy	Percentage																				
Screening alone	0																				
Thematic alone	0																				
Integration alone	27																				
Screening + integration strategies	73																				
Thematic + integration strategies	0																				
Screening + thematic strategies	0																				
All three strategies combined	0																				
No incorporation strategies applied	0																				
Total (any strategy)	100%																				
Securitized	<table border="1"> <thead> <tr> <th>Strategy</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Screening alone</td> <td>0</td> </tr> <tr> <td>Thematic alone</td> <td>0</td> </tr> <tr> <td>Integration alone</td> <td>100</td> </tr> <tr> <td>Screening + integration strategies</td> <td>0</td> </tr> </tbody> </table>	Strategy	Percentage	Screening alone	0	Thematic alone	0	Integration alone	100	Screening + integration strategies	0										
Strategy	Percentage																				
Screening alone	0																				
Thematic alone	0																				
Integration alone	100																				
Screening + integration strategies	0																				

	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	0
		100%

FI 01.2 Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

The majority of our fixed income assets are managed using Integration. Our primary reason for choosing the integration strategy is that it most directly reflects our long-held philosophy on environmental, social, and governance ("ESG") factors, and is also most seamlessly aligned with our existing investment processes. AB has long recognized that ESG issues can impact the performance of investment portfolios, and we have long believed that the integration of ESG factors is critical to the success of a fundamental research process. As such, our analysts have carefully assessed ESG factors in their analysis if they believe those factors have, or could have, a material impact on our forecasts and investment decisions.

AB continues to strengthen the integration of ESG factors into our fixed income research and investment processes. Please see additional information below.

FI 01.3 Additional information [Optional].

We continued to implement a more detailed ESG scoring system for our corporate issuers. We have a specific module within our Credit Research database that explicitly links the ESG rating each analyst assigns an issuer to the broader forward credit rating that issuer will receive, ensuring that ESG considerations are explicitly considered and weighted in AB's proprietary overall forward rating for each issuer. In this way, our ESG scores have a direct influence on security selection decisions within our portfolios.

In December 2018, we launched a centralized ESG research tool that provides a standard ESG materiality framework and is used to capture ESG research and engagements across our Equities business unit globally. The tool will also capture our fixed income analysts' research views, and these analysts will have access to the tool so we are able to share ESG viewpoints and engagements across asset classes.

During 2018, we also continued to expand our efforts in impact and sustainable thematic investments.

We have managed a US Municipal Impact strategy since 2016, and continued to expand this strategy during 2018 to a broader range of clients and investment platforms, with assets now totalling over USD 400 million. The US municipal bond market is ripe with opportunities to invest in underserved communities and have social/environmental impact. It also allows us to meet the growing demand from our diverse client base and to provide investment strategies that deliver not only return, but also social/environmental benefits. Our US Municipal Impact strategy also provides ample opportunity to engage with issuers on ESG concerns. During 2018, we engaged on health issues, particularly the opioid crisis, and issues involving access to healthcare in underserved rural areas. We also engaged in collaboration with other organizations on juvenile justice reform.

Our Impact strategy has an established investment structure in which municipal research analysts-in addition to their traditional fundamental analysis-score each issuer on Environmental, Social and Governance criteria. Bonds with an "impact score" below a certain threshold are not eligible for investment in the Municipal Impact Strategy.

Additionally, to meet the growing global investor interest in sustainability, we have developed a Sustainable Global Thematic Credit Strategy. The strategy- expected to be seeded in the first half of 2019 - invests in fixed income issuers whose businesses are aligned with the United Nations Sustainable Development Goals.

We also utilize ESG screening within portfolios, primarily at our clients' direction as described later in this document.

FI 02	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 1
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FI 02.1	Indicate which ESG factors you systematically research as part of your analysis on issuers.
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Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitized
Environmental data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Social data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Governance data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

FI 02.2	Indicate what format your ESG information comes in and where you typically source it
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Raw ESG company data

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – FI analyst, PM or risk team
- Other, specify

ESG factor specific analysis

Issuer-level ESG analysis

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – FI analyst, PM or risk team
- Other, specify

Sector-level ESG analysis

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – FI analyst, PM or risk team
- Other, specify
- Country-level ESG analysis

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – FI analyst, PM or risk team
- Other, specify

FI 02.3	Provide a brief description of the ESG information used, highlighting any differences in sources of information across your ESG incorporation strategies.
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We use a range of external ESG data providers, carefully selecting them to meet not only our high overall standards but also to meet certain product-specific needs. Our ESG Research Providers include:

MSCI: MSCI provides ESG ratings and qualitative research. This information is accessed by our analysts through a link into our analysts' research database. This research can "flag" potentially material issues that our analysts then incorporate into their own analysis. We also use MSCI for negative screening in client portfolios, as well as best in class screening, including to code the resulting restricted securities in our pre- and post-trade compliance systems and trading platforms. We also subscribe to MSCI's Carbon Metrics tool to understand, measure and manage carbon risk in portfolios.

ISS-Ethix: We use Ethix for controversial weapons screening associated with our Luxembourg-based Fund platform and a number of client Portfolios.

Finally, we also utilize a variety of other external data sources, such as sell side research, NGO articles and industry body reports.

FI 03	Mandatory	Public	Additional Assessed	PRI 1
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FI 03.1	Indicate how you ensure that your ESG research process is robust:
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- Comprehensive ESG research is undertaken internally to determine companies' activities; and products and/or services
- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- Internal audits and regular reviews of ESG research are undertaken in a systematic way.
- A materiality/sustainability framework is created and regularly updated that includes all the key ESG risks and opportunities for each sector/country.
- Other, specify
- None of the above

FI 03.2 Describe how your ESG information or analysis is shared among your investment team.

- ESG information is held within a centralised database and is accessible to all investment staff
- ESG information is displayed on front office research platforms
- ESG information is a standard item on all individual issuer summaries, research notes, ‘tear sheets’, or similar documents
- Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- Records capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

(A) Implementation: Screening

FI 04	Mandatory	Public	Gateway	PRI 1
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FI 04.1 Indicate the type of screening you conduct.

Select all that apply

	Corporate (financial)	Corporate (non-financial)	
Negative/exclusionary screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Positive/best-in-class screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Norms-based screening	<input type="checkbox"/>	<input type="checkbox"/>	

FI 04.2 Describe your approach to screening for internally managed active fixed income

Within our Luxembourg Fund platform, we screen for controversial weapons based on research from a third-party service provider.

In addition, we implement other ESG exclusions within fixed income portfolios at the direction of our clients. Screens are generally developed in conjunction with our clients and discussed at regular client review meetings. Some clients provide us with a list of issuers to be restricted from their portfolio. Other clients prefer that we screen using a third-party research provider - these screens can take several forms, including industry screens as well as positive/best in class screening based on ESG factors. Once the issuers to be screened are identified, they are captured electronically in our compliance systems and monitored daily. Once a screen is in place, we dynamically monitor and manage it. Updates to these screens are made regularly - as our clients or our research providers provide updated data.

FI 05	Voluntary	Public	Additional Assessed	PRI 1
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FI 05.1	Provide examples of how ESG factors are included in your screening criteria.
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Example 1

	Type of fixed income
<input type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial)	
	ESG factors
<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input type="checkbox"/> Governance	
	Screening
<input checked="" type="checkbox"/> Negative/ exclusionary <input type="checkbox"/> Positive/ best-in-class	
	Description of how ESG factors are used as the screening criteria
<p>We perform negative screening for clients who request to generally restrict certain industries for environmental and social reasons such as nuclear, alcohol, tobacco, and adult entertainment from their portfolios, in addition to any other restricted issuers which may be provided. We utilise third party research to implement the screen and monitor the screen using our in-house pre- and post-trade compliance rules.</p>	

Example 2

Type of fixed income
<input type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial)
ESG factors
<input type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input type="checkbox"/> Governance
Screening
<input checked="" type="checkbox"/> Negative/ exclusionary <input type="checkbox"/> Positive/ best-in-class
Description of how ESG factors are used as the screening criteria
<p>In our UCITS funds and at the request of clients, we screen out issuers who are associated with controversial weapons according to data provided by a third party (ISS-Ethix).</p>

Example 3

Type of fixed income
<input checked="" type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial)
ESG factors
<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
Screening
<input type="checkbox"/> Negative/ exclusionary <input checked="" type="checkbox"/> Positive/ best-in-class
Description of how ESG factors are used as the screening criteria
<p>We screen using a best-in-class approach for certain clients by investing in issuers who score in the higher tiers of ESG ratings by industry based on data provided by MSCI.</p>

- Example 4
- Example 5

FI 06	Mandatory	Public	Core Assessed	PRI 1
FI 06.1	Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.			

Type of screening	Checks
Negative/exclusionary screening?	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above
Positive/best-in-class screening	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above

(C) Implementation: Integration

FI 10	Mandatory	Public	Descriptive	PRI 1
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FI 10.1	Describe your approach to integrating ESG into traditional financial analysis.
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We have long incorporated ESG factors informally in our fixed income research and investment processes, but formalized this integration after becoming a PRI signatory in 2011. If we determine that the ESG aspects of an issuer's past, current, or anticipated behavior are material to its future expected returns, we address these concerns in our forecasts, research reviews, investment decisions, and engagement. Our research analysts utilize their own proprietary research, research from the sell side and other third parties, including an ESG data provider, to identify ESG issues. The analysts regularly discuss ESG matters with issuers as part of our investment research process when those issues are material, or we determine they are likely to become material enough to potentially impact the risk/return of our portfolios. Our research analysts, portfolio managers, and/or directors of research conduct thousands of issuer visits per year in order to understand the strategies, performance, and risks of issuers and address ESG concerns in those meetings. The issues are assessed and incorporated into our investment decisions. Importantly, our research and evaluation of ESG issues could lead us to view the issuer more positively or more negatively as an investment than the market consensus. If our research gives us confidence that ESG concerns are exaggerated, the security may be an excellent investment. If concerns are underestimated, the security may similarly be an undesirable investment.

We incorporate ESG factors into our fundamental research process for all our portfolios and continue to enhance our processes on ESG integration within our fundamental research teams. As such, during 2018 we continued to implement a more detailed ESG scoring system for our corporate issuers. We have a specific module within our Credit Research database that explicitly links the ESG rating each analyst assigns an issuer to the broader forward credit rating that issuer will receive, ensuring that ESG considerations are explicitly considered and weighted in AB's proprietary overall forward rating for each issuer. In this way, our ESG scores have a direct influence on security selection decisions within our portfolios. Companies are rated numerically on Environmental, Social and Governance criteria, and the scores are averaged into an overall ESG score. These scores can then be compared across the industry, across the broader corporate universe and to third-party providers like MSCI. All ratings are entered into our proprietary research database, for easy access to all investment professionals.

SSA

Sovereign: Our economists consider ESG factors as part of their overall evaluation of a sovereign issuer. They evaluate how ESG issues are currently affecting the country's ability to meet payment obligations as well as how they may affect them in the future. If ESG factors are deemed material enough that they impact the risk/return profile of the sovereign issuer, that assessment will be reflected in the analyst's opinion and forecast for that issuer and will be discussed with the portfolio managers and the traders during regular research review/investment strategy meetings. ESG issues may also be addressed with government officials and central bankers via engagements. During 2018 we developed a proprietary ESG scoring model for sovereign issuers. The model creates a baseline score for more than 100 countries based on more than 20 E, S and G factors, which our economists will then overlay their fundamental viewpoint. We will be implementing the model into our investment process during 2019.

Municipals: Within the US municipal bond market, our Municipal Impact strategy has established an investment structure in which research analysts-in addition to their traditional fundamental analysis-score each issuer on Environmental, Social and Governance criteria (our "impact score"). Bonds with an impact score below a certain threshold are not eligible for investment in the Municipal Impact Strategy.

Our Impact scoring model weighs environmental and social considerations differently depending on the municipal sector under consideration: i.e., environmental criteria receive more weight for electric utilities and water systems; social criteria receive more weight for education and healthcare issuers. We recognize how essential strong municipal management is (including the stewardship of finances and debt, as well as transparency), and therefore the weight we assign to governance is consistent across all sectors. We adjust weights of the holdings within our impact portfolios to be higher/lower based on the bond's impact score (as well as traditional credit quality assessments).

An important component of our approach is active engagement with issuers included in our portfolios. We have established baselines associated with key performance indicators and will actively surveil progress made on those metrics. Should trends in metrics deviate significantly in any given year, AB analysts will attempt to ascertain the reason for the change. Through active engagement, should we conclude that a viable plan and strategy is in place and being implemented, we will maintain our position. If we ultimately question the probability of success of a particular strategy employed, we will either trim or sell out of position and reallocate proceeds to other investments that show better impact potential.

Corporate (financial)

For Corporate (financial) Issuers: Similar to our approach for non-financial corporate issuers, we incorporate ESG factors into our fundamental credit research process for financials within all portfolios. As part of their in-depth research, our financial sector analysts analyze all aspects of a company, including how ESG issues are currently affecting that company's profitability as well as how they may in the future. If they deem ESG factors material enough that they contribute to the risk of that issuer, that assessment will be reflected in the analyst's formal opinion and forecast and it will be discussed with the portfolio managers and the traders during regular credit meetings.

Our credit analysts are responsible for determining an ESG rating for each of the issuers in their investment universe, and it is their responsibility to monitor these issuers - including the ESG factors that may impact them - on an ongoing basis. In fact, we have developed a specific module within our Credit Research database that explicitly links the ESG rating each analyst assigns an issuer to the broader forward rating that issuer will receive, ensuring that ESG considerations are explicitly considered and weighted in the overall forward rating for each issuer. Analysts rate each issuer on a numeric scale on E, S and G factors, and then combine these ratings into an overall ESG score. This score is then used to influence the forward rating assigned to the issuer. In this way, our ESG scores have a direct influence on security selection decisions within our portfolios.

As an input and resource for their ESG assessments (but not the sole determinant), our analysts have access to ESG research from MSCI.

In particular, for financial issuers, our analysts focus on Governance and Social concerns. For example, analysts evaluate board structure as part of their evaluation of management quality. They consider remuneration policies as part of financial firms' expense structure. They evaluate how financial firms have

adjusted their business practices in light of the 2008 global financial crisis and subsequent scandals (LIBOR, money laundering etc.) to institute improved controls, as well as greater transparency and simplicity in their consumer practices. Environmental factors such as climate-related exposures are a concern, but disclosure of these risks/exposures is not consistent in the sector.

Corporate (non-financial)

For Corporate (non-financial) Issuers: We incorporate ESG factors into our fundamental credit research process for all portfolios. As part of their in-depth research, our credit analysts analyze all aspects of a company, including how ESG issues are currently affecting that company's profitability as well as how they may in the future. If they deem ESG factors material enough that they contribute to the risk of that issuer, that assessment will be reflected in the analyst's formal opinion and forecast and it will be discussed with the portfolio managers and the traders during regular credit meetings.

In particular for corporate issuers, as part of their fundamental research on an issuer, our credit analysts are responsible for determining an ESG rating for each of the issuers in their investment universe, and it is their responsibility to monitor these issuers - including the ESG factors that may impact them - on an ongoing basis. In fact, we have developed a specific module within our Credit Research database that explicitly links the ESG rating each analyst assigns an issuer to the broader forward rating that issuer will receive, ensuring that ESG considerations are explicitly considered and weighted in the overall forward rating for each issuer.

Analysts rate each issuer on a numeric scale on E, S and G factors, and then combine these ratings into an overall ESG score. This score is then used to influence the forward rating assigned to the issuer. In this way, our ESG scores have a direct influence on security selection decisions within our portfolios.

As an input and resource for their ESG assessments (but not the sole determinant), our analysts have access to ESG research from MSCI.

Securitized

When it comes to the analysis of securitized issuers, our integration approach will vary somewhat depending on the type of securitization/collateral under consideration.

Agency MBS: Mortgage-backed securities issued by Fannie Mae and Freddie Mac rate highly in our view from an ESG perspective. After significant Governance deficiencies before the 2008 Global Financial Crisis, these agencies have reformed themselves under the conservatorship of the FHFA and now exhibit solid corporate governance in our view. From a social perspective, the agencies support mortgage lending to underserved communities through their Duty to Serve program commitments-through which they promote mortgage lending to low/medium income borrowers for manufactured housing, rural housing and affordable housing preservation. From an environmental perspective, both are active in green financing to promote more environmentally sustainable housing markets. Hence we are comfortable holding securitizations issued by these agencies within our portfolios.

Consumer Asset-Backed Securities: When evaluating the Governance of an issuer of an ABS securitization, where possible we leverage the analysis and scoring done by our corporate credit research team, as described earlier in this document. We seek to invest in deals originated by institutions with strong governance scores. Social concerns are paramount within consumer ABS-we evaluate lending practices and avoid those employing predatory tactics. We recognize the tension between providing essential credit to lower-quality borrowers (e.g., facilitating purchase of an automobile to get to work) and the higher interest rates that typically accompany loans to such subprime borrowers. Generally we favor encouraging the provision of credit for these lower quality borrowers.

Commercial Mortgage-Backed Securities: When evaluating the Governance of an issuer of a non-agency CMBS securitization, where possible we leverage the analysis and scoring done by our corporate credit research team, as described earlier in this document. We seek to invest in deals originated by institutions with strong governance scores. Environmental considerations are more pronounced within CMBS-with many properties within CMBS deals now being LEED or similarly certified; climate change resiliency is also an important consideration.

In 2019 we are developing a more uniform framework of social and environmental lines of inquiry that we will utilize with issuers when evaluating deals in the ABS and CMBS markets.

FI 11	Mandatory	Public	Core Assessed	PRI 1
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FI 11.1	Indicate how ESG information is typically used as part of your investment process.
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Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitized
ESG analysis is integrated into fundamental analysis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is used to adjust the internal credit assessments of issuers.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ESG analysis is used to adjust forecasted financials and future cash flow estimates.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG analysis impacts the ranking of an issuer relative to a chosen peer group.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
An issuer's ESG bond spreads and its relative value versus its sector peers are analysed to find out if all risks are priced in.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
The impact of ESG analysis on bonds of an issuer with different durations/maturities are analysed.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sensitivity analysis and scenario analysis are applied to valuation models to compare the difference between base-case and ESG-integrated security valuation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG analysis is integrated into portfolio weighting decisions.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Companies, sectors, countries and currency and monitored for changes in ESG exposure and for breaches of risk limits.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The ESG profile of portfolios is examined for securities with high ESG risks and assessed relative to the ESG profile of a benchmark.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 12	Mandatory	Public	Additional Assessed	PRI 1
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FI 12.1 Indicate the extent to which ESG issues are reviewed in your integration process.

	Environment	Social	Governance
SSA	<input checked="" type="checkbox"/> Environmental <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="checkbox"/> Social <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="checkbox"/> Governance <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (financial)	<input checked="" type="checkbox"/> Environmental <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="checkbox"/> Social <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="checkbox"/> Governance <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (non-financial)	<input checked="" type="checkbox"/> Environmental <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="checkbox"/> Social <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="checkbox"/> Governance <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Securitized	<input checked="" type="checkbox"/> Environmental <input type="radio"/> Systematically <input checked="" type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="checkbox"/> Social <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="checkbox"/> Governance <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all

FI 12.2 Please provide more detail on how you review E, S and/or G factors in your integration process.

SSA

Sovereign: Our economists consider ESG factors as part of their overall evaluation of a sovereign issuer. They evaluate how ESG issues are currently affecting the country's ability to meet payment obligations as well as how they may affect them in the future. If ESG factors are deemed material enough that they impact the risk/return profile of the sovereign issuer, that assessment will be reflected in the analyst's opinion and forecast for that issuer and will be discussed with the portfolio managers and the traders during regular research review/investment strategy meetings. ESG issues may also be addressed with government officials and central bankers via engagement.

During 2018 we developed a proprietary ESG scoring model for sovereign issuers. The model creates a baseline score for more than 100 countries based on more than 20 E, S and G factors, which our economists will then overlay their fundamental viewpoint. We will be implementing the model into our investment process during 2019.

Municipal: Within our Municipal Impact strategy, our Investment Policy Group convenes regularly to review potential investments for the Impact portfolios. We have established an investment structure in which research analysts-in addition to their traditional fundamental analysis-score each issuer numerically on Environmental, Social and Governance criteria. Bonds with an "impact score" below a certain level are not eligible for investment in the Municipal Impact Strategy.

Our impact scoring model weighs environmental and social considerations differently depending on the municipal sector under consideration: i.e., environmental criteria receive more weight for electric utilities and water systems; social criteria receive more weight for education and healthcare issuers. We recognize how essential strong municipal management is (including the stewardship of finances and debt, as well as transparency), and therefore the weight we assign to governance is consistent across all sectors.

Analysts' present their findings and recommendations to the Municipal Impact Investment Policy Group. This generates a dialogue designed to illuminate the strengths, weaknesses, opportunities, and threats underlying each potential impact investment. The output of our Municipal Impact Investment Policy Group sessions is a consensus on a set of approved bonds for inclusion across all impact client portfolios. We adjust weights of the holdings within our impact portfolios to be higher/lower based on the bond's impact score (as well as traditional credit quality assessments).

An important component of our approach is active engagement with issuers included in our portfolios. We have established baselines associated with key performance indicators and will actively surveil progress made on those metrics. Should trends in metrics deviate significantly in any given year, AB analysts will attempt to ascertain the reason for the change. Through active engagement, should we conclude that a viable plan and strategy is in place and being implemented, we will maintain our position. If we ultimately question the probability of success of a particular strategy employed, we will either trim or sell out of position and reallocate proceeds to other investments that show better impact potential.

Corporate (financial)

For Corporate (financial) Issuers: Similar to our approach for non-financial corporate issuers, we incorporate ESG factors into our fundamental credit research process for financials within all portfolios. As part of their in-depth research, our financial sector analysts analyze all aspects of a company, including how ESG issues are currently affecting that company's profitability as well as how they may in the future. If they deem ESG factors material enough that they contribute to the risk of that issuer, that assessment will be reflected in the analyst's formal opinion and forecast and it will be discussed with the portfolio managers and the traders during regular credit meetings.

Our credit analysts are responsible for determining an ESG rating for each of the issuers in their investment universe, and it is their responsibility to monitor these issuers - including the ESG factors that may impact them - on an ongoing basis. In fact, we have developed a specific module within our Credit Research database that explicitly links the ESG rating each analyst assigns an issuer to the broader forward rating that issuer will receive, ensuring that ESG considerations are explicitly considered and weighted in the overall forward rating for each issuer.

Analysts rate each issuer on a numeric scale on E, S and G factors, and then combine these ratings into an overall ESG score. This score is then used to influence the forward rating assigned to the issuer. In this way, our ESG scores have a direct influence on security selection decisions within our portfolios.

As an input and resource for their ESG assessments (but not the sole determinant), our analysts have access to ESG research from MSCI.

In particular, for financial issuers, our analysts focus on Governance and Social concerns. For example, analysts evaluate board structure as part of their evaluation of management quality. They consider remuneration policies as part of financial firms' expense structure. They evaluate how financial firms have adjusted their business practices in light of the 2008 global financial crisis and subsequent scandals (LIBOR, money laundering, etc.) to institute improved controls, as well as greater transparency and simplicity in their consumer practices. Environmental factors such as climate-related exposures are a concern, but disclosure of these risks/exposures is not consistent in the sector.

Corporate (non-financial)

For Corporate (non-financial) Issuers: We incorporate ESG factors into our fundamental credit research process for all portfolios. As part of their in-depth research, our credit analysts analyze all aspects of a company, including how ESG issues are currently affecting that company's profitability as well as how they may in the future. If they deem ESG factors material enough that they contribute to the risk of that issuer, that assessment will be reflected in the analyst's formal opinion and forecast and it will be discussed with the portfolio managers and the traders during the regular credit meetings.

In particular for corporate issuers, as part of their fundamental research on an issuer, our credit analysts are responsible for determining an ESG rating for each of the issuers in their investment universe, and it is their

responsibility to monitor these issuers - including the ESG factors that may impact them - on an ongoing basis. In fact, we have developed a specific module within our Credit Research database that explicitly links the ESG rating each analyst assigns an issuer to the broader forward rating that issuer will receive, ensuring that ESG considerations are explicitly considered and weighted in the overall forward rating for each issuer.

Analysts rate each issuer on a numeric scale on E, S and G factors, and then combine these ratings into an overall ESG score. This score is then used to influence the forward rating assigned to the issuer. In this way, our ESG scores have a direct influence on security selection decisions within our portfolios.

As an input and resource for their ESG assessments (but not the sole determinant), our analysts have access to ESG research from MSCI.

Securitized

When it comes to the analysis of securitized issuers, our integration approach will vary somewhat depending on the type of securitization/collateral under consideration.

Agency MBS: Mortgage-backed securities issued by Fannie Mae and Freddie Mac rate highly in our view from an ESG perspective. After significant Governance deficiencies before the 2008 Global Financial Crisis, these agencies have reformed themselves under the conservatorship of the FHFA and now exhibit solid corporate governance in our view. From a social perspective, the agencies support mortgage lending to underserved communities through their Duty to Serve program commitments-through which they promote mortgage lending to low/medium income borrowers for manufactured housing, rural housing and affordable housing preservation. From an environmental perspective, both are active in green financing to promote more environmentally sustainable housing markets. Hence we are comfortable holding securitizations issued by these agencies within our portfolios.

Consumer Asset-Backed Securities: When evaluating the Governance of an issuer of an ABS securitization, where possible we leverage the analysis and scoring done by our corporate credit research team, as described earlier in this document. We seek to invest in deals originated by institutions with strong governance scores. Social concerns are paramount within consumer ABS-we evaluate lending practices and avoid those employing predatory tactics. We recognize the tension between providing essential credit to lower-quality borrowers (e.g., facilitating purchase of an automobile to get to work) and the higher interest rates that typically accompany loans to such subprime borrowers. Generally we favor encouraging the provision of credit for these lower quality borrowers.

Commercial Mortgage-Backed Securities: When evaluating the Governance of an issuer of a non-agency CMBS securitization, where possible we leverage the analysis and scoring done by our corporate credit research team, as described earlier in this document. We seek to invest in deals originated by institutions with strong governance scores. Environmental considerations are more pronounced within CMBS-with many properties within CMBS deals now being LEED or similarly certified; climate change resiliency is also an important consideration.

In 2019 we are developing a more uniform framework of social and environmental lines of inquiry that we will utilize with issuers when evaluating deals in the ABS and CMBS markets.

Fixed income - Engagement

FI 14	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 2
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FI 14.1	Indicate the proportion of your fixed income assets on which you engage. Please exclude any engagements carried out solely in your capacity as a shareholder.
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Category	Proportion of assets
SSA	<p> <input type="radio"/> >50% <input type="radio"/> 26-50% <input type="radio"/> 5-25% <input checked="" type="radio"/> More than 0%, less than 5% </p> <div data-bbox="499 490 1474 573" style="background-color: #0070C0; color: white; padding: 5px;"> FI 14.2 Indicate your motivations for conducting engagement (SSA fixed income assets). </div> <p> <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> To influence issuer practice (or identify the need to influence) on ESG issue </p>
Corporate (financial)	<p> <input type="radio"/> >50% <input type="radio"/> 26-50% <input type="radio"/> 5-25% <input checked="" type="radio"/> More than 0%, less than 5% </p> <div data-bbox="499 929 1474 1012" style="background-color: #0070C0; color: white; padding: 5px;"> FI 14.2 Indicate your motivations for conducting engagement (Corporate, Financial fixed income assets) </div> <p> <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To influence issuer practice (or identify the need to influence) on ESG issue </p>
Corporate (non-financial)	<p> <input type="radio"/> >50% <input type="radio"/> 26-50% <input checked="" type="radio"/> 5-25% <input type="radio"/> More than 0%, less than 5% </p> <div data-bbox="499 1370 1474 1453" style="background-color: #0070C0; color: white; padding: 5px;"> FI 14.2 Indicate your motivations for conducting engagement (Corporate, non-financial fixed income assets) </div> <p> <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To influence issuer practice (or identify the need to influence) on ESG issue </p>
Securitized	<p> <input type="radio"/> >50% <input type="radio"/> 26-50% <input type="radio"/> 5-25% <input checked="" type="radio"/> More than 0%, less than 5% </p> <div data-bbox="499 1809 1474 1892" style="background-color: #0070C0; color: white; padding: 5px;"> FI 14.2 Indicate your motivations for conducting engagement (Securitized fixed income assets). </div> <p> <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure </p>

	<input type="checkbox"/> To influence issuer practice (or identify the need to influence) on ESG issue
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FI 15	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1,2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

FI 15.1	Indicate how you typically engage with issuers as a fixed income investor, or as both a fixed income and listed equity investor. (Please do not include engagements where you are both a bondholder and shareholder but engage as a listed equity investor only.)
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Select all that apply

Type of engagement	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
Individual/Internal staff engagements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Collaborative engagements	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Service provider engagements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 15.2	Indicate how your organisation prioritises engagements with issuers.
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Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
Size of holdings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Credit quality of the issuer	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Duration of holdings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Quality of transparency on ESG	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Specific markets and/or sectors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Specific ESG themes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Issuers in the lowest ranks of ESG benchmarks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Issuers in the highest ranks of ESG benchmarks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Specific issues considered priorities for the investor based on input from clients and beneficiaries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 15.3

Indicate when your organisation conducts engagements with issuers.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
We engage pre-investment.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We engage post-investment.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We engage proactively in anticipation of specific ESG risks and/or opportunities.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We engage in reaction to ESG issues that have already affected the issuer.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We engage prior to ESG-related divestments.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 15.4

Indicate what your organisation conducts engagements with issuers on.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
We engage on ESG risks and opportunities affecting a specific bond issuer or its issuer.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We engage on ESG risks and opportunities affecting the entire industry or region that the issuer belongs to.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We engage on specific ESG themes across issuers and industries (e.g., human rights).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 15.5

Indicate how your organisation ensures that information and insights collected through engagement can feed into the investment decision-making process.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
Ensuring regular cross-team meetings and presentations.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sharing engagement data across platforms that is accessible to ESG and investment teams.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Encouraging ESG and investment teams to join engagement meetings and roadshows.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Delegating some engagement dialogue to portfolio managers/credit analysts.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Involving portfolio managers when defining an engagement programme and developing engagement decisions.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Establishing mechanisms to rebalance portfolio holdings based on levels of interaction and outcomes of engagements.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Considering active ownership as a mechanism to assess potential future investments.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
We do not ensure that information and insights collected through engagement can feed into the investment decision-making process.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 16	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1,2
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FI 16.1 Indicate if your publicly available policy documents explicitly refer to fixed income engagement separately from engagements in relation to other asset classes.

- Yes
 No

Outputs and outcomes

FI 17	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	General
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FI 17.1

Indicate whether your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or performance.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
We measure whether incorporating ESG impacts portfolio risk.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We measure whether incorporating ESG impacts portfolio returns.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We measure the ESG performance/profile of portfolios (relative to the benchmark).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

FI 17.2

Describe how your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or ESG performance. [OPTIONAL]

We have not conducted any empirical research to determine the impact of ESG considerations.

Within our impact strategy in the US municipal market, we have established a series of key performance indicators for each sector that we invest in and we look for improvement in these metrics over time. Should trends in metrics deviate significantly in any given year, AB analysts will attempt to ascertain the reason for the change. Through active engagement, should we conclude that a viable plan and strategy is in place and being implemented, we will maintain our position. If we ultimately question the probability of success of a particular strategy employed, we will either trim or sell out of position and reallocate proceeds to other investments that show better impact potential.

For certain corporate bond portfolios that are managed using extensive ESG criteria, we have developed performance attribution that evaluates the impact of these ESG criteria on security selection.

FI 18

Voluntary

Public

Descriptive

PRI 1,2

FI 18.1

Provide examples of how your incorporation of ESG analysis and/or your engagement of issuers has affected your fixed income investment outcomes during the reporting year.

Example 1

Type of fixed income
<input type="checkbox"/> SSA <input type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial) <input type="checkbox"/> Securitised
ESG issue and explanation
<p>We met with a multi-national oil and gas company that had not met with credit investors in more than 4 years after announcing a major settlement relating to a significant oil spill. With remaining liabilities tailing off, the company was able to put forward a long-term outlook and discuss its strategy. Clearly, the company had an uphill climb post the spill regaining trust but we discussed where they have made material advancements from an E, S and G perspective.</p> <p>From an "E" perspective, within a strategy focused around growing cost-advantaged production, they equally highlighted a focus on advancing a low carbon agenda. Specifically, their goals are centred around lowering emissions with clear goals and metrics, specifically to reduce carbon emissions with a target to reduce 3.5 million tonnes out to 2025 via improved energy efficiency, fewer methane emissions and reduced flaring. Additionally, they are producing more natural gas, which is a lower carbon alternative to coal for power generation and working with auto manufacturers to create biofuels. Looking forward, part of pivoting the portfolio is also about refocusing future capex. There, the company uses a carbon cost when evaluating new projects and ones where there could be material emissions costs.</p>
RI strategy applied
<input type="checkbox"/> Screening <input type="checkbox"/> Integration <input checked="" type="checkbox"/> Engagement <input type="checkbox"/> ESG incorporation in passively managed funds
Impact on investment decision or performance
<p>From an "S" perspective, a focus on digitizing and democratizing real time data at the wellhead and across related logistics helps both with efforts to gain efficiencies but also from a predictive standpoint to prevent prospective future catastrophic equipment failure and to meet a target of zero accidents. They have stepped up the review of contractors from a quality, technical, health, safety and security perspective before awarding contracts and regularly monitor safety. The company has also sought to advance automation and/or unmanned vessels and drones to inspect and gather data in difficult to reach areas.</p> <p>From a "G" perspective it is notable that to reinforce the energy efficiency and low carbon agendas, 20% of long-term executive compensations is based on executing towards its strategic priorities. This includes measures on performance in gas, renewables, venturing and renewables trading. Underpinning this further, the board considers progress on issues such as reducing emissions, improving their products and creating low carbon businesses - as well as total shareholder return, safety and other environmental factors - before determining the final vesting outcome of longer-term awards. As a result of our engagement, governance concerns lessened and we were more comfortable taking exposure in the issuer.</p>

Example 2

	Type of fixed income
<input checked="" type="checkbox"/> SSA <input type="checkbox"/> Corporate (financial) <input type="checkbox"/> Corporate (non-financial) <input type="checkbox"/> Securitised	
	ESG issue and explanation The underlying goal of AB's Municipal Impact strategy is to make environmentally, socially, and financially productive investments in historically marginalized and underserved communities to reduce gaps that exist in such areas as academic achievement, economic development or the provision of healthcare. Inherent in those goals is to make investments toward improving the quality of life for all, including those with disabilities. In 2018, we evaluated the oldest seeing eye dog school in the US. The organization's mission is to enhance the independence, dignity and self-confidence of people who are blind through the use of guide dogs.
	RI strategy applied <input type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Engagement <input type="checkbox"/> ESG incorporation in passively managed funds
	Impact on investment decision or performance From a social perspective, the organization breeds, trains, and partners the visually impaired with seeing eye guide dogs. The use of and assistance from these dogs has contributed greatly to enhancing mobility, companionship, social interaction, safety, and self-sufficiency thus helping to reduce feelings of anxiety and depression among the blind and visually impaired. Every dog is specifically matched to meet the individual needs of each student with over 17,000 partnerships banded together since 1929. Metrics evaluated included surveys that 94% of respondents were completely satisfied with the organizations experience and 99% would recommend it. From an environmental perspective, the breeding facility is fully accredited and a certified member of the International Guide Dog Federation which sets worldwide standard for such schools/facilities associated with development, monitoring and evaluation of guide dog organizations. Standards evaluated include humane care, training and treatment of Guide Dogs; breeding, puppy raising and veterinary care; kennel specifications; buildings and transport; Technical Staff Education and Development. From a governance perspective, the issuer is transparent producing a comprehensive annual report in print and Braille. Accreditation was also received by the American Animal Hospital Association. Result: Integration of ESG factors led us to include the issuer in our Impact strategy.

Example 3

Type of fixed income
<input type="checkbox"/> SSA <input type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial) <input type="checkbox"/> Securitised
ESG issue and explanation
<p>In March of 2018, a major automaker announced that it was shifting \$7 billion of investments to sport utility vehicles (SUVs) from cars, and by 2020 would field a North American line-up of eight SUVs. In turn, the automaker would be discontinuing longstanding brands of sedans given declining consumer demand and product profitability. In the near future, the automakers production of cars will account for only 14 percent of its volume, with SUVs and trucks growing to around 86 percent of North American sales.</p>
RI strategy applied
<input type="checkbox"/> Screening <input type="checkbox"/> Integration <input checked="" type="checkbox"/> Engagement <input type="checkbox"/> ESG incorporation in passively managed funds
Impact on investment decision or performance
<p>In August of 2018, AB's credit analyst met with the current Treasurer, of whom the analyst has known for many years. As part of our engagement, our analyst explored the shifts in automakers vehicle mix - particularly the shift from passenger cars to SUVs, and the potential negative environmental and carbon emission impacts. The automaker reassured the fact that their SUV fuel efficiency rates were approaching that of their passenger cars - so negative environmental and carbon emission impacts from the vehicle mix shift would be limited. During the face-to-face with AB, the automakers representatives stated to our analyst that the engines used in the new SUV's would be relatively the same as those in the current cars/sedans they are phasing out but placed in a larger vehicle. As a result of our direct engagement with the automaker and reassurances provided regarding environmental concerns and fuel efficiency, AB continued to hold our position in the automaker.</p>

Example 4

Type of fixed income
<input type="checkbox"/> SSA <input type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial) <input type="checkbox"/> Securitised
ESG issue and explanation
<p>In mid-October 2018, a major ride-sharing service came to market with its first (\$2 billion) high yield bond deal. The on-demand ride-sharing platform manages a large, disaggregated workforce of drivers that provides transportation services through a smart phone application. The service provider promotes its drivers as independent entrepreneurs whose work is characterized by freedom, flexibility, and independence. Our concerns included the low wages paid to drivers. The ride-sharing service's drivers are considered "contractual workers" not employees and thus do not fall under minimum wage requirements. These drivers are generally paid a low percentage of each fare. In some cases, drivers are given additional "rebates" to supplement their compensation, but these rebates will need to be withdrawn from drivers if the platform is to be profitable.</p>
RI strategy applied
<input type="checkbox"/> Screening <input type="checkbox"/> Integration <input checked="" type="checkbox"/> Engagement <input type="checkbox"/> ESG incorporation in passively managed funds
Impact on investment decision or performance
<p>AB credit analysts and portfolio management conducted a meeting with company management in advance of the new issue, and after engaging decided not to participate in the new issue in part due to concerns over the Social aspects of the company's business model. Company management in attendance with AB directly stated that as market share is increased driver pay would be reduced further due to lack of competition. We view such low driver compensation as unsustainable for their business model in the long term. Our AB analyst also made note that the ride-sharing service has never advertised for customers but has only advertised for drivers as their business model depends on underpaid workers. We passed on this new issue.</p>

Example 5

	Type of fixed income
<input checked="" type="checkbox"/> SSA <input type="checkbox"/> Corporate (financial) <input type="checkbox"/> Corporate (non-financial) <input type="checkbox"/> Securitised	
	ESG issue and explanation
<p>In August 2018, the Notebook Scandal broke in Argentina after the local news outlet La Nacion published detailed diaries kept by a government chauffeur for the Minister of Federal Planning. The Minister served during the Argentinian presidencies of Nestor Kirchner (2003-2007) and Cristina Fernandez de Kirchner (2007-2015). The series of notebooks contained meticulous records of names, amounts and dates of bribery money between construction companies in Argentina, the presidential residence, the planning ministry, and the former president Kirchner's private home. The notebooks documented at least \$35.6 million in cash transported over the course of seven years. A subsequent indictment filed against former president Cristina Fernández alleges bribes from construction companies in exchange for public works contracts during her two terms as president.</p>	
	RI strategy applied
<input type="checkbox"/> Screening <input type="checkbox"/> Integration <input checked="" type="checkbox"/> Engagement <input type="checkbox"/> ESG incorporation in passively managed funds	
	Impact on investment decision or performance
<p>In October 2018, an AB emerging market credit analyst travelled to Argentina to engage numerous companies that were possibly involved in the Notebooks Scandal. One of the companies our AB analyst engaged with was a top tier Argentinian construction company which flourished during the Kirchner's presidential administrations winning many important civil works projects. When our credit analyst met with this company's management team on issues of transparency and compliance policy regarding government bidding, the management team immediately changed the subject and would not directly discuss their policy for government contracts. The management team instead stated they were more successful at winning projects under the prior administration (the current Argentinian president Mauricio Macri ran on cleaning up corruption). AB did not invest in this Argentinian construction company holding due to the lack of disclosure during our engagement and direct avoidance of our analyst's questions regarding government bidding. AB also made the decision to outright sell a position in that company's bonds that a new AB client had just transferred to us in kind.</p>	

FI 18.2	Additional information.
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Our AB Municipal Impact strategy focuses its healthcare sector investments largely on institutions that help address disparate health outcomes in disadvantaged and historically marginalized communities. Essentially, we are looking to extend the life expectancy and quality of life for those medically underserved. As of 2016, West Virginia ranked first in the nation in the prevalence of heart attack and coronary heart disease, obesity, arthritis, as well as the rates of chronic obstructive pulmonary disease. West Virginia also ranked second in the nation in the prevalence of diabetes and rates of tobacco use. The State's opioid-related overdose mortality rate was the highest in the nation at 43.4 per 100,000 residents, 3.2x higher than the nation and 20% higher than New Hampshire, the next closest state.

In 2018, AB evaluated the largest healthcare system in the state, consisting of 10 Hospitals and 100+ clinics. The healthcare system provided a full range of services from primary and specialized care to an academic medical center actively engaged in a wide range of outreach programs designed to serve the most vulnerable and at-risk

populations. Well over 20% of the patient revenue is derived from Medicaid and services reach all but 14 of the State's 55 counties.

Outreach programs by the Health System Included:

Comprehensive Opioid Addiction Treatment (COAT): an outpatient group-based treatment program for opioid use serving approximately 600 active participants at any given time. It is a step-based program dependent on the individual's place in recovery.

The Extension for Community Healthcare Outcomes (ECHO): the program connects rural healthcare providers with substance abuse specialists at the Health System through a knowledge-sharing network

Additionally, the rural and mountainous terrain of West Virginia presents a logistical challenge for many to reach healthcare institutions. A mobile unit expands the Health Systems cancer treatment programs to the rural communities of West Virginia. For example, the vehicle brings mammography directly to where patients live in rural communities who may otherwise not have access.

Telemedicine also provides critical on-demand expertise helping rural hospitals and physicians quickly evaluate and treat potential stroke patients. Specialists outside of these rural areas can see and interact with patients and healthcare professionals throughout the state, thereby providing patients with more timely and efficient care.

Lastly, the Health System's Center for Diabetes and Metabolic Health Program addresses obesity and diabetes with less medication. It combines medical care with food, exercise, sleep, and stress reduction. Clinicians and staff address food insecurity, decrease sugar in healthcare settings, and support statewide collaborations to combat obesity and diabetes at the policy and grassroots level. Our integration of ESG factors and evaluation of key healthcare performance indicators led us to include this Health System in our Impact Strategy.

Another key sector in our Impact Strategy is education. A University in California we evaluated was the only Catholic university primarily for women in the western United States (and only women's university in Los Angeles). The University is known nationally for its research on gender equality, its innovative health and science programs, and its commitment to community service. The school also serves a diverse student population with 60% of students Latinx (vs a median of 30% for all California). Supporting a lower income population-67% of first time, full-time students receive Pell grants (vs. a median of 36% for all California). Among selective private colleges nationally, the University has among the highest percent (15%) of students that come from the bottom 20% family income. The school has a track record of success moving students up the economic scale with 43% of students at the University moving up two or more income quintiles post-graduation-which makes it among the highest both in California and nationally among selective private colleges. Approximately 68% of traditional baccalaureate graduates from this University go on to earn advanced degrees. After our ESG analysis we decided to include this University in our Impact holdings.

Another educational issuer in the state of Texas where we integrated ESG issues focused on the school's "Whole Child" approach to education including guidance counseling, restorative justice and family-based social services. Daily literacy, history (including Latino and African-American history) and rigorous college preparation classes for students are held daily with an expanded school day and year. The school has invoked a Zero suspension policy for at-risk students opting to keep them in rigorous classes for achievement. Every student receives a Chromebook laptop and proficiency in two coding languages are required for graduation. Integrating these ESG factors led us to include this issuer in our portfolio.

Also inherent in our Impact strategy is to make investments toward improving the quality of life for all by enhancing and promoting civic engagement, an informed citizenry, culture, and the physical and natural sciences. A scientific and educational institute in San Francisco, CA, is a natural history museum, aquarium, planetarium and rainforest-all under one eco-friendly roof. Socially, their mission is to explore, explain, and expand environmental literacy, enhance education in the sciences, biodiversity and sustainability, as well as lower the barriers of entry regardless of socio-economics, language, or culture. The institution promotes free and reduced admission programs to ensure access for all including low-income families, subsidized student visits and Neighborhood and community Free Weekends. The institution also provides passes to moderate- to low-income neighborhood libraries that can be checked out from 72 different area libraries to ensure access to all despite socio economic status. Environmentally, the institution's facility is an award winning eco-friendly design and operations including the World's first Double Platinum LEED-certified institution of its kind-and the largest Double Platinum building in the world including a Living Roof with 87% of the roof's surface vegetated - providing insulation reducing energy needs and transforming carbon dioxide into oxygen. The roof also includes extended solar panels for further energy efficiency. Integrating ESG factors we included this issuer on our holdings.