AllianceBernstein®

June 2026

Climate Change Statement & Task Force on Climate-related Financial Disclosures Report

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A Note from Our Chief Responsibility Officer

Erin Bigley
AB Chief Responsibility Officer

AllianceBernstein (AB) believes in the importance of disclosure and transparency, so we are pleased to present this year's Climate Change Statement & Task Force on Climate-related Financial Disclosures (TCFD) Report.

In alignment with our responsible investing vision—to deliver better outcomes for our clients through rigorous research, integration, stewardship and solutions—our climate-related efforts in 2025 remained focused on four core areas:

1. Developing client solutions
2. Advancing financially material climate-related research
3. Strengthening stewardship
4. Enhancing data and technology

We continued to produce thought-leadership on climate-related topics to educate our investment teams on how material climate risks and opportunities may affect client portfolios. This included the continued evolution of our Climate Change and Investment Curriculum, developed in partnership with Columbia University, and the application of our proprietary Climate Transition Alignment Framework to support consistent identification and engagement of issuers exposed to transition risks and opportunities.

We continued to deliver climate focused solutions for clients through our Portfolios with Purpose, alongside ongoing investment in green bonds and other environmentally impactful assets, in response to client objectives and demand.

We also continued to build our understanding of nature-related risks and opportunities, recognizing that biodiversity loss and the degradation of natural capital can be financially material for companies and portfolios. During 2025, we advanced our research, data and engagement capabilities focused on nature-related themes such as water stress and ecosystem resilience, strengthening our ability to assess interconnected climate and nature risks over time.

Finally, as a company, we continued to advance our corporate responsibility priorities, including progress on operational sustainability initiatives and employee engagement. These efforts support resilience within our own operations and reinforce our broader approach to managing climate-related risks.

We are pleased to share details on these initiatives and more in the enclosed statement and report.

Introduction

AB is a global asset-management firm with more than 4,400 employees across 27 countries and jurisdictions. We serve our clients through two core businesses: asset management and wealth management.

With US$867 billion in assets under management (AUM) as of December 31, 2025, we deliver solutions across the capital markets, from fixed income to equity and from alternatives to multi-asset. Our broad range of investment expertise spans portfolio construction and investment management; fundamental, quantitative, economic and multi-asset research; wealth planning; and trading.

Fiduciary duty to our clients is paramount. That duty includes the incorporation of material risks and opportunities, which may include material climate risks and opportunities, into our research and investment processes. Furthermore, as an asset-management firm, our primary exposure to climate risk sits within our investment portfolios. We integrate material ESG factors, including climate risks and opportunities, into the majority of our actively managed strategies, and as of December 31, 2025, ESG-integrated strategies represent US$596 billion of our AUM.

We work to understand the climate-related risks and opportunities facing the issuers within our clients' investment universes, including both transition risks associated with a move to a lower-carbon economy and the physical risks arising from extreme weather events and longer-term climate change. Where relevant, this also includes nature-related and biodiversity considerations. The integration of these material environmental factors may inform our research and investment decision-making when optimizing risk and return for our clients in most of our actively managed strategies.

This Climate Change Statement represents AB's annual report on our approach to managing material climate risks and opportunities, complying with the reporting recommendations of the TCFD for asset managers. This statement covers the reporting period of January 1, 2025, to December 31, 2025, and meets regulatory requirements in the UK. AllianceBernstein Limited (ABL) is an investment manager authorized and regulated by the UK-based Financial Conduct Authority (FCA). It is in scope for the TCFD disclosure requirements under the FCA's Environmental, Social and Governance sourcebook. ABL's entity-level report is featured in the appendix of this firmwide report.

AB's Approach to Climate Change

Climate change can generate material investment risks and opportunities that the market may misprice. We consider these material climate change–related risks and opportunities as part of our investment process for most of our actively managed strategies. From an environmental perspective in our operations, the principle of resource efficiency guides our sustainability efforts and supports our business objectives.

2030 Climate Action Plan

The responsible investing and corporate responsibility activities that we continue to undertake were embodied in our 2030 Climate Action Plan, which we developed in 2021 (*Display 1*). A summary of our achievements over the past year is included below, and more details are shared throughout the report. Regarding our investments, this plan aims to address the material climate-related risks we've identified in the short (one to three years) and medium (three to five years) terms. Regarding our corporate responsibility, the plan focuses on green buildings, renewable energy and office waste in service of our commitment to net zero emissions in our operations across Scopes 1 and 2 by 2050. Progress made in this plan is reported to AB's Board of Directors on an annual basis.

DISPLAY 1: AB 2030 CLIMATE ACTION PLAN

	Action	Achievements
Strategy and Policy	• Develop a climate strategy and climate action plan, and incorporate climate considerations into relevant statements, policies and procedures • Build and implement AB's approach to net zero	• Continued to incorporate climate considerations into relevant statements, policies and procedures • Maintained a client-driven approach to net zero across relevant investment strategies, supported by proprietary frameworks and client solutions
Research and Integration	• Continue training investors and asset owners in climate science and its materiality to investment risks and opportunities • Continue to provide investment teams across the business with access to Climate Value-at-Risk (CVaR), conduct scenario analysis and engage with ESG data providers on improving scenario-analysis products for the investor use case • Understand net zero implications and pathways for investment holdings and portfolio construction • Expand and build AB's institutional knowledge and capacity to manage material climate risks and opportunities by developing tools, resources, training and partnerships that are accessible across the organization	• Delivered the third iteration of the AB and Columbia Climate Academy, including modules on physical climate risk, biodiversity and water risk, geopolitics, and the role of AI in climate solutions • Enhanced ESIGHT (AB's proprietary ESG research and collaboration tool), including the development of a proprietary sector-specific equity ESG scoring model based on AB's assessment of the material impact of relevant risks, including climate- and nature-related risks. This complements existing ESG scoring of fixed-income issuers • Continued to enhance AB's Climate Transition Dashboard, enabling consistent access to climate metrics, transition indicators and issuer level analysis • Continued development of the Natural Hazards Index (NHI) in partnership with Columbia's National Center for Disaster Preparedness (NCDP), supporting assessment of physical climate risks in investment analysis

	Action	Achievements

Stewardship	• Develop best practices, tools and guides for investors to engage on material environmental issues
	• Engage for insight and action on material climate issues
	• Progress engagements on climate disclosure with companies materially impacted by climate-related risks and opportunities and encourage them to identify, disclose and manage these issues
	• Engage with capital markets and issuers to ensure that ESG-labeled debt structures help companies meet their sustainability objectives, and align issuer and investor incentives around the energy transition
	• Evaluate shareholder proposals (SHPs) to understand whether or how proposals promote genuine improvement in a company's management of material climate-related issues, thereby enhancing shareholder value and warranting AB's support based on our SHP framework, as described in our Proxy Voting and Governance Policy
	• On behalf of clients, engage with governments to advocate for policies that support investors' efforts to address material risks and opportunities stemming from climate change
		• Maintained active stewardship through proxy voting, engagement for insight and engagement for action on material climate-related topics
		  ○ Conducted 823 ESG engagements with 677 unique companies globally where 446 engagements included discussions on environmental-related key issues
		  ○ Continued targeted engagement with high impact issuers on climate transition risks and opportunities through AB's Climate Transition Alignment Framework (CTAF); conducted 41 CTAF engagements through 2025
		  ○ Engaged with representatives of sovereigns on relevant initiatives, such as the Brazilian Government regarding their sustainable bond issuance approach

Partnership	• Continue to work with and learn from climate-related industry bodies • Share views with investors to conduct research, build tools, and design frameworks and the methodology to promote industry understanding and effectiveness • Support industry-wide standards, disclosures and metrics related to climate • Grow and evolve our partnership with the Columbia Climate School, from education and training to research and development	• Continued active participation in key climate-focused industry bodies, including Principles for Responsible Investment (PRI), Institutional Investors Group on Climate Change (IIGCC), Ceres, Emerging Markets Investors Alliance (EMIA) and CDP Worldwide • Joined new working groups, including (1) the Methane Finance Working Group, which is an industry joint working group, (2) the Carbon Asset Risk working group facilitated by Ceres, and (3) the Adaptation and Resilience working group run by IIGCC • In partnership with EMIA, AB hosted the inaugural Impact and Blended Finance Conference • Expanded engagement in nature-related initiatives through participation in the Taskforce on Nature-related Financial Disclosures (TNFD) Forum and the TNFD Hong Kong Consultation Group • Continued joint research, training and curriculum development with the Columbia Climate School
Portfolios with Purpose	• Establish and expand our range of offered investment strategies, enabling clients to invest in low-carbon and climate-focused solutions • Continue to grow our AUM and the market share of our Portfolios with Purpose platform	• Continued to offer and support climate-focused Portfolios with Purpose, including climate transition strategies • Continued engagement with clients on bespoke climate and net zero–aligned solutions, informed by client objectives and investment constraints
Governance	• Include climate reporting in relevant board and committee monitoring processes • Continue to incorporate board and management participation in climate risk training • Update relevant boards and committees on climate action plan progress	• Provided periodic climate-related updates to the relevant committees of AB's Board of Directors • Continued board and committee oversight of climate-related risks, opportunities and progress under AB's Climate Action Plan • Maintained formal approval of the Climate Change Statement and TCFD Report by the Responsibility Steering Committee and the board
Investor Disclosure	• Develop and help set the industry standard on innovative product reporting on climate metrics • Provide annual updates on the implementation of AB's climate strategy and action plan progress in alignment with TCFD reporting recommendations and global product disclosure regulations • Participate regularly in industry-led material climate risk and opportunity reporting initiatives	• Produced annual updates on the implementation of AB's climate strategy in alignment with TCFD recommendations • Continued product-level climate reporting in line with applicable regulatory requirements, including UK FCA disclosure rules
Corporate Responsibility	• Continue to expand our operational greenhouse gas (GHG) footprint measurement and improve data quality • Identify opportunities to procure renewable energy • Manage office waste, especially during decommissioning • Educate employees on sustainability and engage employees in operating our business sustainably	• Continued to measure and disclose operational GHG emissions across Scopes 1, 2 (location based) and Scope 3 (Category 6) • Achieved goal of locating 85% of employees in green buildings • Continued to manage office waste through recycling, composting and waste reduction across major offices • Engaged employees on sustainability through local Sustainability Councils

As of December 31, 2025 | **Source:** AB

The Governance Model Overseeing Our Approach to Climate

We maintain a robust governance structure to oversee our climate-related corporate responsibility and responsible investing activities.

Given the interconnected nature of climate change, biodiversity loss and broader natural capital considerations, oversight of these risks is embedded within a single, integrated governance framework. AB's oversight of material climate-related risks involves a multilayered governance model that extends upward from our investment and operational teams through our Risk Management team and Operating Committee and, ultimately, to AB's Board of Directors—via our Audit and Risk Committee. This model includes the following:

- The **Audit and Risk Committee of our Board of Directors** provides formal oversight for corporate responsibility and responsible investing, including our climate-related activities, and receives annual updates on strategic direction. This ensures that members at the highest level of our organization play a role in overseeing our corporate responsibility and responsible investing strategy. AB's Board of Directors approves this statement annually.
- The **Responsibility Steering Committee**, chaired by our Chief Responsibility Officer, serves as an advisory council to both the Responsible Investing team and Corporate Responsibility team. This committee, which meets quarterly, comprises senior professionals from across AB, giving different businesses within the firm an opportunity to shape AB's approach. The Responsibility Steering Committee reviews this report annually.
- **AB's Risk Management team** oversees AB's operational and investment-related risks, ensuring that the firm has effective operational processes to manage client investment portfolios and the firm's corporate activities, including those related to climate strategy.
- The **Responsibility and Risk Oversight Committee (R-ROC)** is responsible for the review and prioritization of investment and operational risks and projects required to support the firm's responsible investing and corporate responsibility and operations processes. The R-ROC provides senior-management oversight of the effective implementation of responsible investment standards applicable to AllianceBernstein L.P., its investment products, strategic business units (SBUs) and subsidiary entities globally. Additional local requirements may also apply and be considered (where appropriate, supported by local expert committees that report to the R-ROC).
- Our **investment analysts, portfolio managers and traders** are at the heart of our responsible investing process. In partnership with members of the Responsible Investing team, they engage with issuers and analyze material ESG factors including climate-related risks and opportunities, and ultimately, incorporate this information into their investment decisions. Some investment teams also have dedicated ESG analysts or specialists. These specialists bring ESG knowledge to bear on a specific asset class or investment strategy.
- Within our investments group, the **Responsible Investing Strategic Business Unit** is a team of subject-matter experts who partner with our other investment teams across asset classes to develop ESG-related research insights and engage with issuers. The team develops proprietary frameworks and toolsets, manages our strategic ESG-related partnerships and develops training programs. Most team members maintain an industry focus to better partner with our investment teams. Our environmental research efforts are overseen by our Director of Responsible Investing Research. The Responsible Investing Research team works closely with other investment teams across asset classes to produce research on climate and other material ESG topics. It also partners with the Columbia Climate School, which focuses on developing and executing research and training for Investment Professionals in climate science, policy, management and other issues.
- Through 2025, our **Corporate Responsibility team** oversaw our firm's corporate responsibility strategy and reporting. This strategy includes environmental sustainability and modern slavery risk, and the firm's readiness for new corporate responsibility regulations, including regulated reporting on sustainability. From May 2026, AB's Community and Belonging team will assume oversight of these activities, more closely aligning environmental and social elements of AB's operations.
- Our **corporate business continuity strategy**, which is aligned with the ISO 22301 standard, is designed to allow business-critical functions to continue during significant disruptions, including those caused by severe weather and other climate-related phenomena. The goal is to enable us to continue serving our clients effectively. Developing our business-resumption strategies involves analysis, planning, implementation, maintenance, testing and awareness. Testing verifies the resources and requirements needed to recover business-critical functions and operate them in accordance with recovery specifications. Plans are continually updated to minimize recovery time. Business response plans for each office include mobilization procedures, notification guidelines, call trees and other pertinent business information. They also include plans for crisis-management and executive-management personnel to coordinate command and control.

Incorporating Climate Change into AB's Risk-Management Framework

AB employs a "Three Lines Model" for investment and operational risk management: First-line risk ownership resides with the investment and business teams; second-line oversight is provided by independent enterprise control functions; and third-line assurance is conducted by internal audit.

AB enhanced its broader investment risk–management structure in 2025 through the introduction of a new Global Head of Investment Risk to lead AB's first-line risk oversight. Climate risk management is embedded within the Investment and Responsible Investing teams, while second-line climate risk oversight is integrated into enterprise control functions, including Risk Management and Legal & Compliance.

In 2025, the Risk Management, Legal & Compliance and Responsible Investing teams continued to enhance the firm's frameworks for identifying material climate risks and exposures, and nature-related considerations where relevant, which included:

- Monitoring climate-related risks through the R-ROC
- Supporting the development and implementation of new products by ensuring that robust new business checks are conducted prior to launch, focusing on the infrastructure needed to support each product
- Supporting the development of AB's resilience strategy to defend the firm from weather-related disruptions and speed resumption of business services
- Tracking and implementing global regulatory changes related to climate
- Collaborating to develop training programs related to ESG risks
- Proactively seeking out new technology and replacing manual processes with automated ones to mitigate risk and drive commercial success

In 2026, the teams will continue to build on the work done in 2025.

AB's Climate Risks and Opportunities

As an investment manager, we are affected by climate risk in our operations and our investment activities. First, climate risk affects our business physically, through extreme weather events that our global offices may experience, and second, it affects us through transition risks such as increased regulation, generated by the evolution of financial-services climate-related products (*Display 2, page 7*). Finally, as an asset-management firm, our primary exposure to climate risk sits within our investment portfolios. Where financially material, these same risk-management channels may also capture nature-related considerations, reflecting the close interconnection between climate and natural capital.

DISPLAY 2: CLIMATE-RELATED RISKS AND OPPORTUNITIES AB FACES OVER TIME HORIZONS

Risk or Opportunity	Description	Physical Risk, Transition Risk or Opportunity	Time Horizon	Level
Current Regulation	As a financial institution with operations, investments and clients across the globe, AB is subject to regulations in numerous local, national and supranational jurisdictions. We understand the importance of monitoring and complying with regulations related to climate change, as such regulations can affect our business, clients, investees and other stakeholders. Current environmental and climate-related disclosure requirements and regulations, such as the EU's Sustainable Finance Disclosure Regulation and the UK's Sustainability Disclosure Requirement, or those related to carbon trading schemes, are examples of regulations that may affect AB's investments, operational activities or reputation, or increase compliance requirements and costs. Our Responsible Investing, Corporate Responsibility, Legal & Compliance, Risk Management and other teams work together to adhere to, and raise awareness of, regulations and judicial proceedings in the locations where we operate and invest. In addition, we engage with industry groups, legal experts and regulators to stay abreast of developing regulations, provide feedback, and seek to adapt to new requirements in a timely fashion.	Transition	Short Term	Moderate
Emerging Regulation	As a financial institution with operations, investments and clients across the globe, AB is subject to regulations in numerous local, national and supranational jurisdictions. We understand that climate- and sustainability-related regulations can materially affect our business, clients, investees and other stakeholders and therefore require ongoing monitoring and assessment. Emerging regulatory regimes, such as the EU's Corporate Sustainability Due Diligence Directive, may affect AB's investments, operational activities or reputation, and may increase compliance requirements and costs. The global regulatory environment in which we operate is complex and continues to evolve. As a result, we seek to identify and monitor the risks associated with climate policy and regulatory developments, and to consider those risks as part of our broader business and investment decision-making. Our Responsible Investing, Corporate Responsibility, Legal & Compliance, Risk Management and other teams work together to support informed investment, commercial and reputational risk-management decisions, and to meet emerging regulatory and legal requirements related to climate change. In addition, we engage with industry groups, legal experts and regulators to stay abreast of developing regulations and provide feedback where appropriate to enable AB to adapt to new requirements in a timely manner.	Transition	Short Term	Moderate
Technology	As an investment manager across regions, asset classes, sectors and industries, AB is exposed to material transition risks arising from technological developments that could enable the mitigation of and adaptation to climate change while also disrupting certain issuers and industries. However, such technology can also yield material opportunities within our investments, in such areas as energy efficiency; hydrogen; carbon capture, utilization and storage; and water-management technologies that will enable issuers and their customers to mitigate and adapt to climate change. Artificial intelligence represents a further example of an emerging technology with the potential to influence climate-related transition dynamics. Its significant energy demands may increase transition risks or complicate the achievement of investee company-specific and client-requested portfolio-level climate targets, while its application also has the potential to enhance energy efficiency, improve data analysis and accelerate the development of solutions relevant to climate mitigation and adaptation. Like other material risks and opportunities, these factors are ones we consider and integrate into our investment decisions in the best interests of our clients. From an operational perspective, AB also seeks to identify, assess and implement technologies and initiatives that may reduce our own environmental footprint and enhance the resiliency of our operations to climate-related impacts, where appropriate.	Transition and Opportunity	Short Term	Severe

Risk or Opportunity	Description	Physical Risk, Transition Risk or Opportunity	Time Horizon	Level
Legal	AB monitors and addresses legal developments related to climate change, both at the firm level and in connection with the investments we make on behalf of our clients. Legal and compliance risks may include regulatory sanctions, litigation, financial loss or adverse reputational impact arising from a failure to comply with applicable regulations, legal obligations or client investment guidelines and requirements. Climate-related litigation may arise from inaccurate or incomplete disclosures, stranded assets, acute climate events or resulting related market price declines. Exposure to high-emission sectors may also increase the potential for legal liability. Our investment teams consider potential material liabilities for our issuers related to pending climate change litigation matters in the investment decision-making process. AB also monitors and assesses the emerging legal risks in the United States associated with certain ESG-related disclosures, claims and commitments made by financial institutions. We assess and manage these risks, and others previously referenced, through our Legal & Compliance and Risk Management teams, which endeavor to maintain compliance with applicable legal and other requirements in the jurisdictions where we operate and invest.	Transition	Medium Term	Moderate
Market	Market-related risks from climate change include physical and transition risks that may affect asset valuations and pricing in the investments we make on behalf of our clients. Such changes could adversely affect AB's AUM and cause related revenue to decline. In addition, investment products that do not adequately adapt to changes in client preferences regarding climate change could experience outflows that may also impact AB's revenues. AB's investment teams may seek to identify and address material climate-related risks at the issuer and portfolio levels supported by the Responsible Investing team. AB maintains both first- and second-line investment-risk functions to assist and oversee portfolio managers in their management of risk, reflecting our view that risk management is not solely an oversight function, but rather a core value that is embedded throughout our firm's investment and operational processes.	Transition	Medium Term	Moderate
Reputational	AB is committed to upholding the purpose and values of the firm in fulfilling our fiduciary responsibility to our clients. Our reputation is therefore critical to maintaining strong relationships with clients, employees, investors and other stakeholders, who are increasingly affected by climate change. AB acknowledges that stakeholders may hold divergent views on climate-related matters, and that such divergence increases the risk that actions or inactions related to climate-related matters could be perceived negatively by some stakeholders, which could adversely affect AB's reputation and business and lead to reduced client satisfaction and potential outflows. Therefore, AB is committed to proactively engaging with stakeholders, particularly clients, to ensure that the firm continues to meet their needs and expectations. AB acts on this approach by integrating material climate change risk considerations into the majority of our actively managed investments; elevating issuers with significant environmental or social risks for enhanced review; developing guidance through our Controversial Investments Advisory Council to help identify and mitigate reputational and other risks related to climate change; and providing education and training to stakeholders on climate change–related matters. We also regularly engage with our stakeholders through a variety of channels, including industry groups, meetings, calls and other programming to understand and respond to their needs and expectations regarding climate change and investment management.	Transition and Opportunity	Short Term	Severe

Risk or Opportunity	Description	Physical Risk, Transition Risk or Opportunity	Time Horizon	Level
Acute Physical	Acute physical risks stemming from climate change, such as the increasing severity and frequency of hurricanes and wildfires, could impact our operations and investments. From an operational perspective, we regularly review the resiliency of our office spaces and incorporate consideration of physical climate risks at various stages of our real estate–management processes. AB also maintains a robust Business Continuity Program designed to help safeguard our facilities and to support continuity in the event of disruptions. With respect to our investments, we apply a three-pronged approach to identifying and addressing material physical risks from climate change and the disruptions they may cause: 1. **Education**—AB has designed and implemented training on physical risks for our investment teams in partnership with the Columbia Climate School. 2. **Active Management**—Where financially material, we engage with issuers to assess the potential impact and management of acute physical risks on their businesses and value chains. 3. **Partnership**—We have partnered with Columbia's NCDP on its NHI to better understand the risks of weather events, particularly to certain US-based fixed-income investments. AB continues to explore opportunities and solutions to strengthen our identification and management of acute physical climate risks to both our business and investments where material.	Physical	Short Term	Low
Chronic Physical	Chronic physical risks stemming from climate change, such as sea-level rise and sustained increases in temperature, may affect our operations and investments over the long term. From an operational perspective, we regularly review the resiliency of our office spaces, and we consider such risks at various stages of our real estate–management processes. AB also maintains a robust Business Continuity Program designed to safeguard our facilities and operations in vulnerable areas and to support continuity in the event of disruptions. With respect to our investments, we apply a three-pronged approach to identifying and addressing material physical risks from climate change and the business disruptions they may cause: 1. **Education**—AB has designed and implemented training on physical climate risks for our investment teams with our partners at the Columbia Climate School. 2. **Active Management**—Where financially material, we engage with issuers to assess the potential impact and management of chronic physical risks on their businesses and value chains. 3. **Partnership**—We have partnered with Columbia's NCDP on its NHI to enhance our understanding of weather-related and longer-term physical risks, particularly the risks to certain US-based fixed-income investments. AB continues to explore opportunities and solutions to improve our identification and management of chronic physical climate risks across both our business and investments where material.	Physical	Medium Term	Moderate

As of December 31, 2025 | **Source:** AB

Integrating Material Climate Risks and Opportunities into the Investment Process

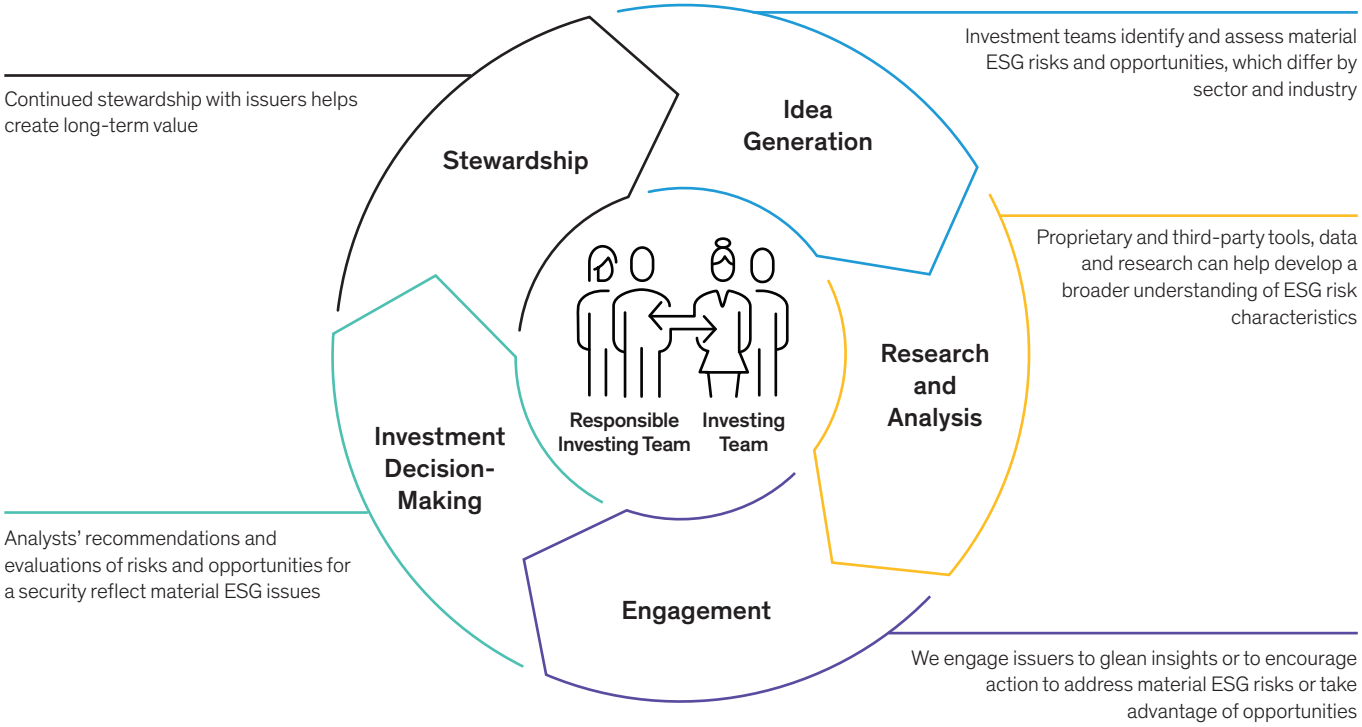
AB's Approach to ESG Integration

We define ESG integration as the consideration of financially material ESG factors at each applicable step of a strategy's investment process (*Display 3*). AB believes that ESG integration can lead to:

- improved risk assessment; and
- better opportunity identification.

In our view, this can result in enhanced decision-making and better risk/return outcomes for clients over time. We work with our investment teams to identify and integrate material ESG considerations throughout their investment processes, where applicable. Please *see* AB's Global Stewardship Statement and Report for more information on AB's approach to ESG integration.

DISPLAY 3: ESG INTEGRATION THROUGHOUT THE INVESTMENT PROCESS



AB engages issuers when it believes the engagement is in the best financial interest of its clients.

As of December 31, 2025 | **Source:** AB

At AB, our ESG integration approach equips our investors with the capabilities to identify, research and engage with issuers on material ESG issues including climate-related factors. Analysts take ownership of incorporating material climate risks and opportunities into their models and frameworks.

AB's Approach to Climate Risk and Opportunity Within Our Investment Portfolios

In line with our approach to ESG integration, AB integrates material climate-related risks and opportunities into the applicable stages of the investment process within the majority of our fundamental active strategies.

AB's approach to identifying and integrating these material climate-related risks and opportunities is multifaceted (*Display 4*) and includes:

1. **Partnership and Education**—Drawing on expertise from academic and industry partners to train our investment teams on the science behind climate change and its potential implications for our clients' investments;
2. **Research and Integration**—Incorporating climate insights into our research and decision-making processes, which we believe can lead to better client outcomes;
3. **Stewardship**—Active stewardship through engagement on material climate-related issues with issuers and regulators as well as via proxy voting; and
4. **Solutions**—Designing and managing investment strategies that seek to take advantage of material climate risks and opportunities.

DISPLAY 4: AB'S APPROACH TO CLIMATE

Managing Material Climate Risks and Opportunities Matters to Client Outcomes

As of December 31, 2025 | **Source:** AB

Partnership and Education

Climate-related education and external partnerships are integral to AB's approach to identifying, understanding and managing material climate-related risks and opportunities. By combining academic collaboration, active participation in industry initiatives and internal education initiatives, we aim to ensure that our investment teams are equipped with robust, decision useful insights that can be incorporated into our ESG integration approach, where relevant.

COLUMBIA CLIMATE SCHOOL
Climate, Earth, and Society

Partnership with the Columbia Climate School

Our partnership with the Columbia Climate School helps investors and academics collaborate to build understanding and awareness of material climate risks and opportunities within investments.

This partnership involves the codevelopment of research, thought leadership, and curated training and events. AB became the Founding Member of the Corporate Affiliate Program at the Columbia Climate School in April 2021.

This is the first purpose-built school of its kind focused on tackling climate change issues. Faculty and researchers in basic earth and environmental science, engineering, journalism, architecture, policy, public health, economics, business, and law come together to build mutual understanding across disciplines and sectors for:

- executive and management education and training;
- faculty and research interaction; and
- sponsored research and consulting.

Climate Research with Columbia

Our collaboration with Columbia has fostered joint research between AB and Columbia climate scientists, focused on the intersection of climate science and investment decision-making.

In 2025, research efforts examined a range of material topics, including physical climate risks, biodiversity and water risks. Where appropriate, insights from this research were shared externally through thought leadership, and other forums, demonstrating how scientific analysis can inform investment research, stewardship and engagement practices.

More information on AB's research through 2025 can be found in the Research and Integration section.

Climate Academy

AB's Climate Academy is developed in partnership with the Columbia Climate School to provide clients and stakeholders with training and thought leadership on the financial implications of climate change.

The programme combines leading academic research with AB's investment expertise, translating climate science, policy and market developments into practical insights to support investment decision-making.

In 2025, we worked with Columbia to present our third iteration of Climate Academy, including the following modules:

- **Module 1:** Investing on the Edge—Physical Climate Risk, Tipping Points and Asset Allocation
- **Module 2:** Climate Power Plays—Geopolitics, Energy Innovation and the Next Global Economy
- **Module 3:** Nature's Next Frontier—Unlocking Opportunity in Biodiversity and Water Management
- **Module 4:** Reimagining the Climate Toolkit—Harnessing AI to Power Climate Solutions

For the first time since its inception, the Academy participants received Columbia University-accredited Continuing Education and Continuing Professional Development credits, subject to full participation in online training modules and Q&A sessions.

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Participation in Global Climate-Focused Industry Organizations

In parallel with academic partnerships, AB participates in a selection of climate-focused industry organizations and initiatives to share best practices, contribute to the evolution of market standards and engage constructively on policy-relevant issues when it is in our clients' best interests.

During 2025, AB participated in a range of working groups:

- We joined the Methane Finance Working Group—this is a multi-stakeholder initiative focused on improving the availability, consistency and use of emissions-related information relevant to high-impact greenhouse gases such as methane.
- We joined the PRI Collaborative Sovereign Engagement on Climate Change—Canada Investor Working Group.
- We joined the Taskforce on Nature-related Financial Disclosures (TNFD) Consultation Group (Hong Kong).
- We participated in the Carbon Asset Risk working group, facilitated by Ceres, and the Adaptation and Resilience working group run by IIGCC.
- We continued our involvement in the Emerging Markets Investors Alliance's (EMIA's) Agriculture & Extractives and Sovereign Decarbonization working groups.

AB engages with governments, regulators and other drivers of public policy when we feel it's in our clients' best interests. These engagements may take the form of comment letters, appearances at formal meetings of regulatory bodies and direct engagement with key government stakeholders. They often center on investment impacts or stewardship concerns from existing or proposed regulatory changes, such as to share classes, reporting requirements or the treatment of climate issues.

For example, in 2024 AB participated in the PRI's Collaborative Sovereign Engagement on Climate Change with the Australian government. The initiative provided investors the opportunity to speak directly with members of the Australian Treasury, independent members of parliament, the climate change minister, policy advisors on climate change from the opposition, and the senior advisor to the prime minister. Based on the climate and energy transition intelligence gained through these meetings, in 2025 AB joined the PRI's Collaborative Sovereign Engagement on Climate Change with the Canadian government. By participating in these types of multiyear initiatives AB gains valuable access and insight into how each country's government approaches issues around energy transition.

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SPOTLIGHT

AB Hosts the EMIA Blended Finance and Impact Conference in New York

Blended finance brings together public, philanthropic and private investors to mobilize capital to deliver solutions in underserved markets, including climate-related investments. In 2025, AB co-organized and hosted EMIA's Impact and Blended Finance Conference in New York. This event brought together more than 200 participants from across the public, private and development finance communities for a thoughtful discussion on how to mobilize more capital toward high-impact blended finance opportunities in emerging markets. Across panels, the conversation reinforced that while the opportunity set remains compelling, scaling blended finance investment will depend on stronger execution, clearer structures and better coordination across stakeholders.

Research and Integration

Our responsible investing (RI) research establishes a foundation for incorporating material climate risks and opportunities into our investment activities at AB.

As described above, our partnership with the Columbia Climate School is among a number of resources that enable our investment teams to better understand the material impacts of climate change. We continue to develop our proprietary research, analysis and frameworks on material climate change risks and investment opportunities.

In AB's view, the majority of material environmental and social risks and opportunities to our investments will stem from environmental, digital, demographic and deglobalization factors (*Display 5*).

AB's research explores topics within these themes, including climate-related topics, that are relevant to our portfolio-management teams. Where relevant, AB may publish research on these topics.

DISPLAY 5: RI RESEARCH—SYNTHESIZING MACRO DRIVERS TO UNLOCK PROPRIETARY INSIGHTS

As of December 31, 2025 | **Source:** AB

In 2025 we produced multiple environmentally focused blogs, articles and white papers. For example:

- **Artificial Intelligence.** Members of AB's Responsible Investing team co-authored two articles with investment teams from AB focused on AI. These articles argued that the explosive growth of AI is creating sustainability risks and opportunities, including environmental factors, that are becoming increasingly material for investors: "AI's Hidden Cost: Why Water Risk Belongs on Every Investor's Radar" and "Examining Turbocharged AI Adoption Through a Sustainability Lens." Please *see* the blog included on the next page.
- **Water Risks.** AB's Responsible Investing team authored a white paper that presents water security as a growing and financially material risk for companies and investors, driven by challenges including water scarcity, flooding, and pollution across regions and industries: "Water Risks: An Investor's Guide to Navigating Sustainable Water Management." The paper argues that reliance on corporate water disclosures alone is insufficient and instead advocates a more proactive approach centered on stakeholder engagement to manage local water risks more effectively. Drawing on analysis of water-intensive sectors such as mining, beverages and semiconductor manufacturing, the paper introduces a structured framework to help investors assess and influence corporate water stewardship practices. Overall, it positions sustainable water management not only as a risk-mitigation necessity but also as a potential source of long-term competitive advantage and value creation for investors.

AI's Hidden Cost: Why Water Risk Belongs on Every Investor's Radar

Access to clean water may be a deciding factor in who wins or loses the AI race.

AI's rapid growth is driving demand not only for electricity but also for the clean water needed to run its physical infrastructure. As data centers expand, rising water intensity is straining supplies and testing long-term sustainability. In our analysis, these pressures create both risks and opportunities for active investors.

How Cool Is AI?

AI's explosive growth shows little sign of ebbing, with a record $350 billion projected for AI-focused business investment in 2025 alone. As a result, global capacity for AI's server-housing facilities, or data centers, is expected to rise 23% in each of the next five years, with the US dominating.

The build-out is expected to spike data-center electricity demand by 160% in the US, contributing to a 25% increase in overall power demand through 2030, according to the International Energy Agency. Meeting greater global power needs will have distinct challenges. But we also see a variety of potential risks stemming from water becoming either more scarce or less pure.

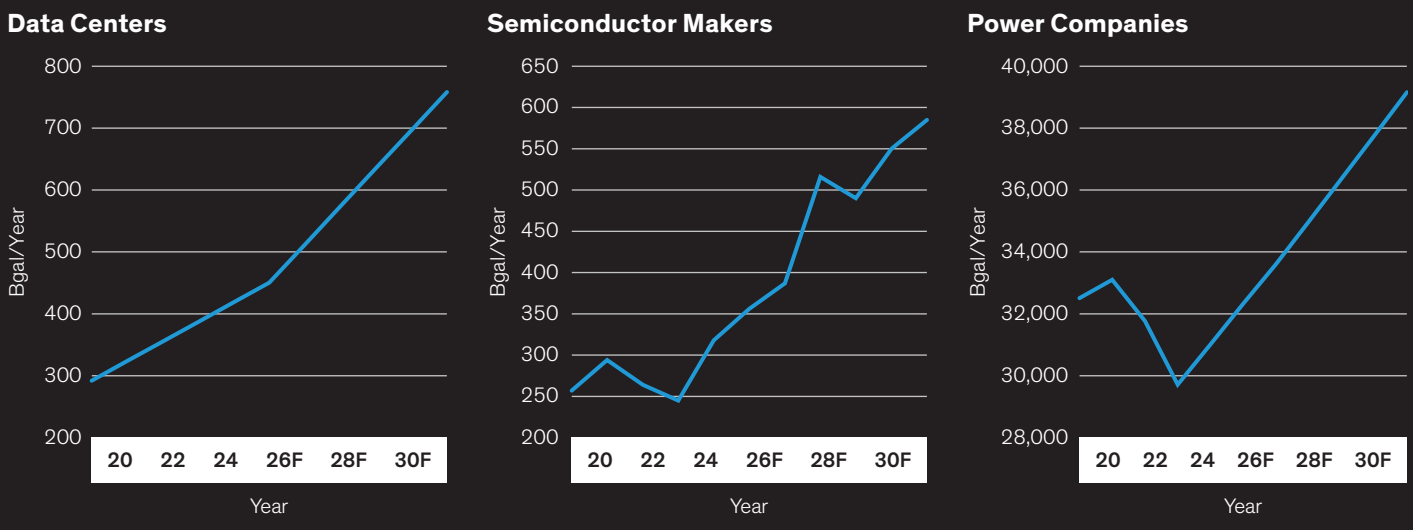
This is because AI's powerful data centers tend to run extra hot, and many of them require a lot of ultrapure water to constantly chill them. Consequently, a data center's success will likely depend as much on access to ample and clean water as on reliable power sources.

Rising Water Risk as a Market Disrupter

Data centers aren't the only AI boom participants in search of water. Semiconductor manufacturers and utilities are also intensive water users and are likely to need even more of it (Display). US power generation—particularly coal and nuclear—accounts for about 70% of all freshwater withdrawals, though most is returned to its source after cooling.

Research we conducted with the Columbia Climate School shows that these three areas combined are expected to grow demand for clean water by 33% through 2030. Location can also add material risk, since many data centers are either situated in or planned for regions already stressed for water, our findings show.

US WATER DEMAND AMONG AI BOOM PARTICIPANTS IS RISING RAPIDLY



For illustrative purposes only. Bgal/Year: billions of gallons per year; F: forecast

As of August 31, 2025 | **Source:** Columbia Climate School, S&P Global, US Energy Information Administration and AB

Water Risks Can Lead to Investment Opportunities Across the AI Build-Out

Physical Risks

Water Quantity
- Water scarcity and drought
- Overheating equipment
- Increased defect rates
- Competing constraints with irrigation

Water Quality
- Lack of ultrapure water
- Cooling inefficiencies
- Equipment corrosion
- Competing constraints with municipal

Transition Risks

Operational and Technical
- Stranded assets
- Technological upgrade costs
- Process innovation pressures

Regulatory and Compliance
- Water use regulations
- Water discharge regulations
- Fines

Regulatory and Compliance
- Media scrutiny
- Market procurement
- Loss of social license

Company-Led Solutions:

- Direct-to-chip cooling
- Closed-cycle cooling
- Dry condenser cooling
- Wet cooling towers
- Closed-circuit evaporative towers
- Integrated thermal plant cooling
- Desalination

For illustrative purposes only.

As of August 31, 2025 | **Source:** AB

We see a continued ramp-up in data center build-out, chip production and power generation in the near term. And water risk is emerging as a key constraint for these and other industries—potentially more disruptive than climate change itself. For instance, a Bloomberg study found that about $70 trillion in global GDP could be directly exposed to high water stress by 2050.

We're already seeing companies change up their long-term playbooks due to near-term water concerns—Constellation Brands' now-abandoned beer plant in Mexico and Google's nixed plans for a data center in Chile, for example.

That's why we believe water stewardship is integral to active investment selection. By the same token, company engagement is crucial to determining a business's water-risk exposure and whether it's helping to solve the problem for its own benefit and in some cases for others.

Assessing a Company's Chill Factor

Many companies outside of the tech industry—whether household names or unfamiliar start-ups—are participating in the AI boom in some fashion. But we think progress will come more readily to innovators that share lasting solutions to AI's biggest challenges, including water scarcity (Display).

We see a significant milestone in harnessing the ocean for cooling solutions. Though costlier than purifying water from municipal sources, desalinating seawater is very effective in semiconductor fabrication. The process uses either evaporation or membrane filters to remove minerals that harm equipment and microchips. Companies such as DuPont Water Solutions, LG Chem and Flowserve are among the key enablers in this growing market, which is expected to top $50 billion by 2032.

Direct-to-chip liquid cooling also has potential in a water-stressed world. This method places metal cooling plates in direct contact with processors to dissipate heat while low amounts of water carry the heat off through grooves. Asetek is one of the leading public companies in this space, which is currently dotted with private firms.

Yet another innovation is closed-cycle cooling, which is highly water efficient and environmentally friendly. The process lowers heat by circulating liquid coolant—mostly water—throughout a system that can range from evaporative towers to condensers. SPX Technologies stands out as a global pioneer in the public markets. However, numerous privately held companies are also leading advancement in this space, such as Kelvion and Hamon Group.

Global water scarcity isn't a risk unique to AI, but the race for AI domination is increasingly revealing its hidden dangers and potential costs. And with so much of today's market value tied to a handful of AI leaders, responsible investing requires recognizing water-risk exposure at every level—as well as the opportunities created by it.

Proprietary Tools and Frameworks to Support Research and Integration

We develop and maintain proprietary tools and frameworks to help identify, assess and monitor material climate-related risks and opportunities. In our view, a consistent framework for incorporating material ESG factors helps us make better-informed investment decisions and enables us to better serve our clients.

AB's proprietary materiality map—developed by the Responsible Investing team and covers more than 30 key ESG issues and spans over 50 industries. This materiality map reflects AB's latest research on financially material ESG factors, and it is embedded into many of our proprietary tools and frameworks.

ESIGHT 2.0

When engagements include a substantive discussion of ESG risk or opportunity considerations, including climate factors, our analysts document the purpose of the engagement, the ESG topics discussed and the outcome in our proprietary ESIGHT system.

With ESIGHT, AB has a platform where bond and equity investment teams can access and share information in real time about issuers' ESG practices. When our investment teams conduct research or prepare for an engagement, they can explore previous interactions—querying by issuer, AB investment team, or ESG topic and theme. ESIGHT also enhances portfolio management and reporting—we can assess ESG topics by company/issuer, industry or portfolio—and documents engagement statistics, examples and outcomes that we can share with our clients.

ESIGHT integrates our proprietary ESG issuer assessments, proxy-voting history, engagements, and third-party research from MSCI and Sustainalytics.

In 2025, we delivered the latest generation of the tool, ESIGHT 2.0. Enhancements include a library of potentially material ESG factors—driven by AB's materiality map—displayed in a manner that is designed to aid investment teams in identifying leaders or laggards and trends to enhance the engagement process.

ESIGHT 2.0 links financially material ESG factors to specific data metrics, which are utilized to calculate proprietary ESG scores for issuers across equity and fixed-income markets. More than just a top-level ESG score, ESIGHT 2.0 allows analysts to drill down into each factor contributing to the score, including climate factors. This shows how each issuer stacks up on each submetric against industry peers, making it easy for investors to understand where issuers' ESG-related strengths/challenges are—a great starting point for engagements and further analysis.

ESIGHT 2.0 draws on a broad and diversified set of inputs—including nongovernmental organizations, government sources, internal AB frameworks and selected third-party providers—supporting a more transparent, consistent and insight-driven approach to ESG analysis.

PRISM

PRISM, our proprietary credit-rating and scoring system, is integrated into our fixed-income research analysts' portal, which is a fully digitalized data and security analysis platform. PRISM leverages ESIGHT 2.0's ESG framework to provide fixed-income analysts with proprietary ESG research and data within AB's credit rating and scoring system. With PRISM, analysts can develop and share views on individual issuers in a consistent, comparable and quantifiable way across industries, ratings categories and geographies. Issuers are evaluated on multiple dimensions and assigned ESG weights, including climate factors, which are determined by industry analysis and an assessment of what we view as the most important factors for the company or issuer. AB fixed-income analysts, portfolio managers and traders can access PRISM's ESG scores in real time.

When we developed PRISM 3.0 in 2023, we had the goals of improving scoring consistency and freeing up analysts' time for activities such as engagements. Analysts now focus their time on complementing the data-rich base-level ESG view of an issuer, rather than populating the base-level view from scratch. One of the major developments of PRISM 3.0 is its ability to link the financially material E, S and G factors to specific ESG data metrics, which then can be leveraged to populate "objective" base scores across industries. In total, we leverage over 150 metrics for our E, S and G assessments in PRISM 3.0. However, not all metrics feed into every assessment, because not all factors or metrics are universally material across industries.

Climate Transition Alignment Framework

For our investments, AB employs a proprietary Climate Transition Alignment Framework (CTAF) to understand investee companies' approach to climate transition management.

To assist our fundamental equity and corporate credit analysts, the CTAF is used to identify companies that are acutely exposed to climate transition risks and opportunities and to support engagement with these issuers to ensure that they are preparing their businesses to be successful in a lower-carbon economy (*Display 6*).

Through the CTAF, we have identified issuers across more than 20 high-impact industries in our actively managed corporate credit and equities strategies. High-impact industries generally have significant material risks and opportunities from the transition to a lower-carbon economy. The framework is designed to identify specific areas of material risks and opportunities for issuers within high-impact industries and to signal where our investors should focus their engagements with these issuers for progress, when materially relevant for our clients. We assess issuers from Level 0 to Level 5 in terms of emissions disclosure, emissions-reduction targets, plans to meet those targets and execution on the issuers' plans over the long term. Over the course of 2025, we conducted 41 CTAF engagements. We will continue to assess and engage with these high-impact issuers in the years to come.

DISPLAY 6: AB'S CLIMATE TRANSITION ALIGNMENT FRAMEWORK

Level 0	Issuer lacks sufficient disclosure to assess climate transition alignment
Level 1	Issuer has climate disclosure but has not committed to aligning its business with the energy transition
Level 2	Issuer has committed to aligning its business with the energy transition
Level 3	Issuer has ST and MT reduction targets, discloses material emissions and has a quantified plan to meet targets
Level 4	Issuer has a quantified plan and financial strategy to achieve its climate transition targets
Level 5	Issuer's emissions and business strategy are achieving alignment with the energy transition

MT: medium-term; ST: short-term

As of December 31, 2025 | **Source:** AB

Climate Transition Dashboard

Our CTAF is supported by our proprietary Climate Transition Dashboard. This dashboard allows our teams to easily view, compare and explore current climate change–related data on over 20,000 issuers across our actively managed equities and fixed-income strategies.

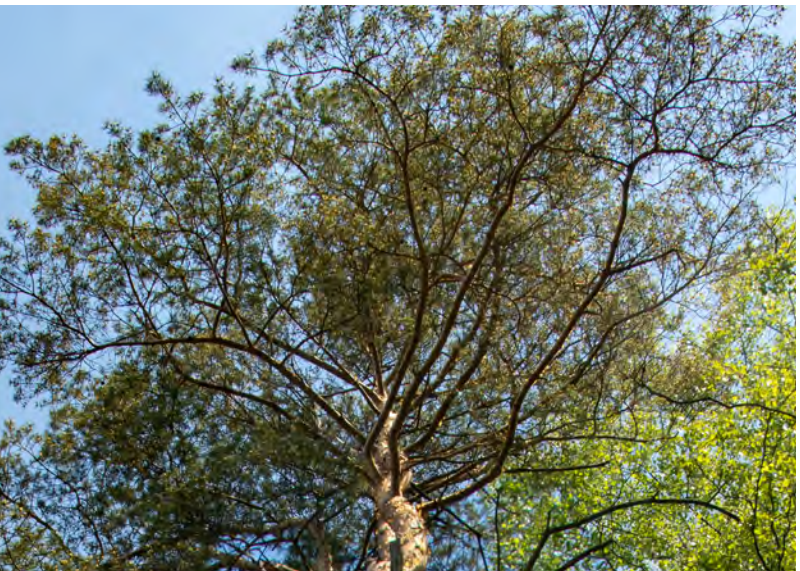
The dashboard provides AB investment teams a central place for consistent climate data and presents users with dozens of data points, including historical absolute and intensity Scope 1 and 2 emissions; relative change in weighted average carbon intensity (WACI) over time; implied temperature rise; revenues and financing aligned to climate transition; and climate-related commitments and targets.

NHI 3.0: Integrating Physical Climate Risk into Investment Analysis

As part of our ongoing efforts to strengthen the assessment and integration of physical climate risks, AB has continued to evolve the Natural Hazard Index (NHI) in partnership with the Columbia Climate School's National Center for Disaster Preparedness.

NHI 3.0 is designed to support the systematic incorporation of physical hazard susceptibility into investment analysis by providing a granular, data-driven view of exposure to natural hazards across the United States. The framework incorporates 14 hazard risk layers—including extreme heat, floods, wildfires, hurricanes, drought, tornadoes and winter storms—and combines historical hazard data with climate projection models for selected perils.

To translate hazard information into an investment-relevant assessment, AB supplements NHI hazard scores with proprietary analysis of exposure, vulnerability and capacity, informed by historical cost data and economic impacts associated with major disaster events. This approach enables normalized comparison of physical hazard investment risk across locations and supports consistent application within research, engagement and risk-management processes. While subject to data availability and methodological limitations, the NHI framework provides AB's investment teams with an additional tool to better identify, monitor and manage material physical climate risks over relevant investment horizons.



Example of Integrating Material Physical Climate Risks

American Electric Power (AEP) generates, transmits, distributes and sells electricity to residential and commercial customers in the United States. AB used our NHI 3.0 tool and engaged with the business as part of our investment research.

AEP operates across 11 states from Michigan to Texas, each with distinct climate and infrastructure risks. The company employs a state-by-state resilience strategy, tailoring capital plans, vegetation management and risk frameworks to local regulatory, geographic and population characteristics.

AB's NHI 3.0 tool recognized significant natural hazard risks across the service areas in Texas, Oklahoma and Kentucky. Texas and Oklahoma face extreme heat and wildfire risk, while Kentucky's risk is mitigated by higher rainfall and lower population density. We engaged with AEP on these risks, and the company informed us that to address wildfire risk, AEP has implemented a three-year US$300+ million resiliency plan, focusing on hardening infrastructure and enhancing vegetation management. This includes tree trimming and using advanced technologies like drones to prevent vegetation-related outages in Texas, Virginia and West Virginia while improving the resiliency of AEP's cables. AEP maintains a robust insurance coverage of US$435 million in general liability, benchmarked against peers and reviewed annually. While there are no issues in maintaining coverage, insurance costs have increased in certain areas, notably Texas.

AEP's engagement validated progress in addressing climate-related risks, especially through wildfire-mitigation efforts in Texas and Oklahoma. Future milestones include developing a stronger wildfire-mitigation plan in Oklahoma as regulations evolve while continuing to execute and monitor the existing plan for Texas.

These findings highlight the importance of incorporating natural hazard risk into portfolio management. Utilizing advanced metrics like the AB NHI tool offers investors a consistent way to identify and quantify high-risk exposures based on geography and peril. As we move forward, investment decisions can integrate these physical risk scores and scenarios, adjust valuations for vulnerable assets and focus on enhancing climate resilience.

Sovereign ESG Scoring—Analyzing NDC Commitments in Sovereign Bond Assessment

Climate change poses significant physical and transition risks for most sovereigns—vulnerabilities that are captured by hard data or qualitative adjustments in the Sustainability and Environment scores of our proprietary sovereign ESG scoring framework.

Our ESG scores feed our economists' overall emerging-market (EM) fundamental country scores and can influence EM country selection. Within developed markets, our economists use these baseline scores, combined with other real-time factors, to shape our view on the direction of politics and policy going forward. These in turn will impact our views about growth and volatility, and thus have the potential to impact government bond and risk asset returns.

For sovereigns, our climate change research rests on a number of key premises.

First, forward-looking climate analysis necessitates a clear understanding of sovereigns' climate mitigation and adaptation pledges. In this regard, over the course of 2023, we began including nationally determined contributions (NDCs) into our proprietary ESG scoring framework. NDCs are key documents outlining governments' ambitions in terms of GHG reduction efforts, target years for net zero implementation and other adaptation strategies.

Second, we monitor the evolution of domestic policy agendas and implementation schedules to reach these climate targets and reduce climate change vulnerabilities over time. Engagement with government entities may enable us to access their latest data and policy objectives. This can enable AB to engage more meaningfully and better understand the sovereign's approach to climate, which can inform AB's investment decision-making.

Considering Climate Risks on Municipal Bond Values

In 2021, AB introduced a proprietary ESG scoring model for our broad-based municipal bond universe. The model integrates material ESG factors, including climate factors where relevant, in each applicable step from the bottom up, bringing together ESG data specific to each type of municipal sector (state, city, school district, hospital, etc.) to develop a proprietary ESG score.

Within the environmental category, the team evaluates factors including municipals' susceptibility to climate-related natural disasters (which we source from the Columbia NHI data), water and air pollution, and energy mix. Analysts assign weights to ESG components and subcomponents based on their assessment of the degree to which changes in each category may lead to a credit-rating change. ESG data are converted to a standardized scale, and very high and very low ESG scores may impact the valuation AB is willing to accept for investment in the municipality's bonds, if deemed to be material.

Measuring Climate Risks and Opportunities

Where relevant, AB measures portfolio-level climate risks and opportunities using a number of methodologies, including measuring carbon footprint, carbon intensity and scenario analysis.

AB uses one or more formulas, as recommended by the TCFD, when calculating and reporting carbon footprints and intensities for portfolios (*Display 7*). These may vary regionally in accordance with local regulations and client preferences, and as global reporting standards evolve.

DISPLAY 7: PORTFOLIO CARBON METRICS

Type of Metric	Metric Formula	Units
Total Financed Emissions	∑ (Issuer's current value of investment/Issuer's enterprise value including cash)*Issuer's emissions	Tons of CO_2e
Total Financed Emissions per USD Million Invested	∑ (Issuer's current value of investment/Issuer's enterprise value including cash)*Issuer's emissions/USD million invested in portfolio	Tons of CO_2e/USD mil. invested
Weighted Average Carbon Intensity—Corporates	∑ (Issuer's current value of corporate investment/Current corporate portfolio value)*(Issuer's emissions/USD mil. revenue)	Tons of CO_2e/USD mil. sales
Weighted Average Carbon Intensity—Sovereigns	∑ (Issuer's current value of sovereign investment/Current sovereign portfolio value)*(Issuer's emissions/capita)	Tons of CO_2e /capita

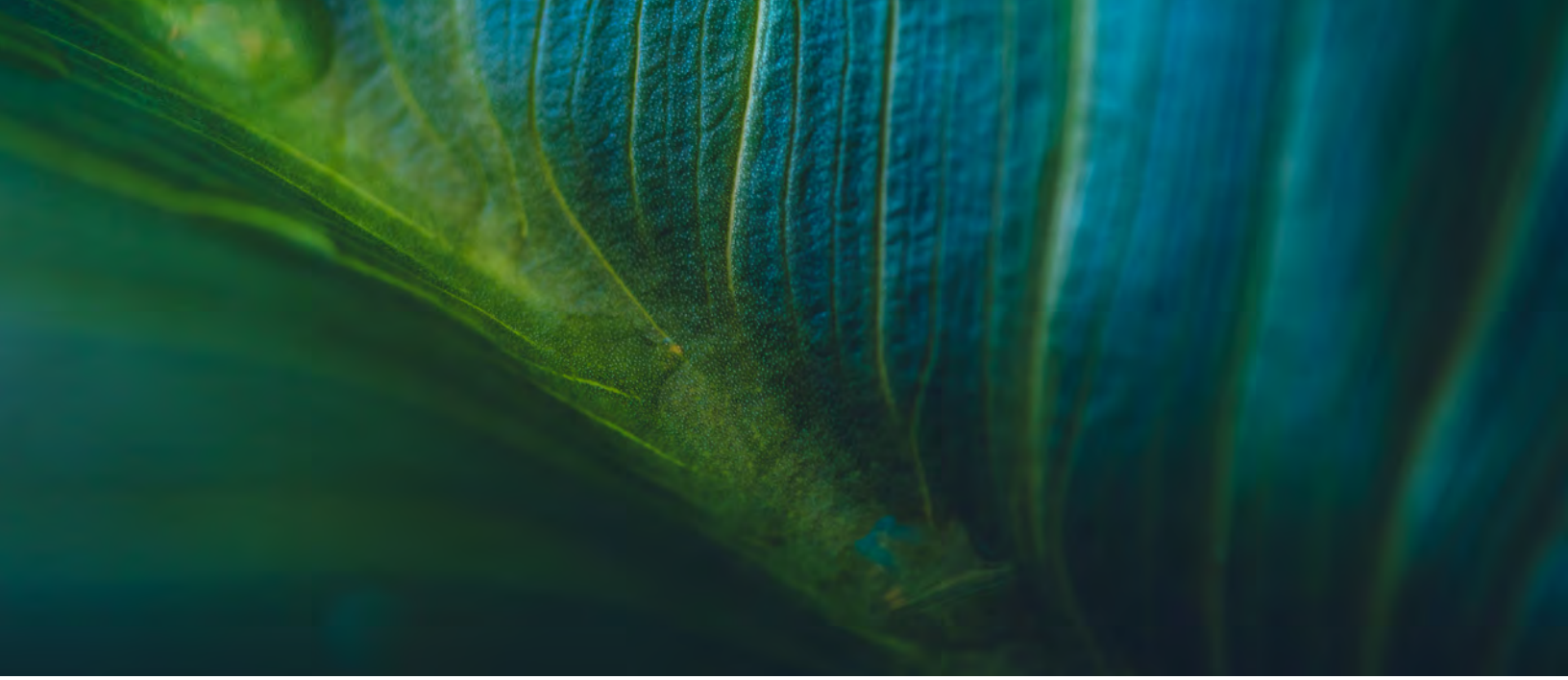
CO_2e: carbon dioxide equivalent

As of December 31, 2025 | **Source:** AB

AB subscribes to MSCI's Climate Value-at-Risk (CVaR) climate scenario analysis tool, which provides both transition and physical climate risk results for many of our publicly listed equities and corporate credit holdings. However, due to the limits of climate scenario analysis models—today a nascent industry with imperfect data and highly variable approaches, compounding a complex exercise—the tool is not implemented systematically. As part of our efforts to identify and address material climate transition risk and opportunities across our actively managed fixed-income and equities portfolios, AB looks to combine and verify data from various sources with our analysts' company and sector knowledge as well as our CTAF.

MSCI's CVaR model calculates the present value of aggregate future policy risk costs, technology opportunity profits, and extreme-weather-event costs and profits—expressed as a percentage of portfolio market value—across a variety of policy, technology and physical risk scenarios.

The scenario analysis model employs a hybrid top-down and bottom-up methodology to identify and calculate the potential CVaR of the various transitional risks and opportunities that each portfolio holding is exposed to. For more details on MSCI's CVaR models and methodologies, please refer to the MSCI website.



Stewardship

AB's approach to understanding and integrating material climate risks and opportunities doesn't stop once we've made an investment. As shareholders and bondholders, we continue to engage issuers on material climate risks and opportunities where material. We have an ongoing open dialogue with issuers on climate change when it poses a material risk or opportunity—to encourage issuers to deploy strategies and take actions that we believe could drive better financial outcomes for our clients. We may also engage with governments, regulators and other drivers of public policy through consultations, working groups and other forums on climate-related legislation and regulation when we feel it's in our clients' best interest.

We also view transparency, disclosure and our reporting to clients as paramount to effective stewardship and responsible investing. We strive to be transparent in what we do, from our approach and policies to our investment process and outcomes. We also actively exercise our right to vote proxies.

Fundamental Engagement for Insight and Action

Engagement is a cornerstone of responsible investing at AB. When our investment analysts engage with issuers, they typically speak directly with management, board directors, investor relations officers or other key officers, discussing the material ESG risks and opportunities a company faces, including climate factors. Dialogues may cover how companies identify and disclose material ESG issues, and how they're integrating these considerations into their businesses. All engagements are conducted from a fiduciary perspective in accordance with relevant market regulations and frameworks. We operate as a "passive" investor (i.e., not an activist investor) for the purposes of the US Securities and Exchange Commission's Regulation 13(d-g).

We believe that, as active managers, we can seek to enhance risk-adjusted returns through our engagement with issuers. We engage with issuers for two main reasons:

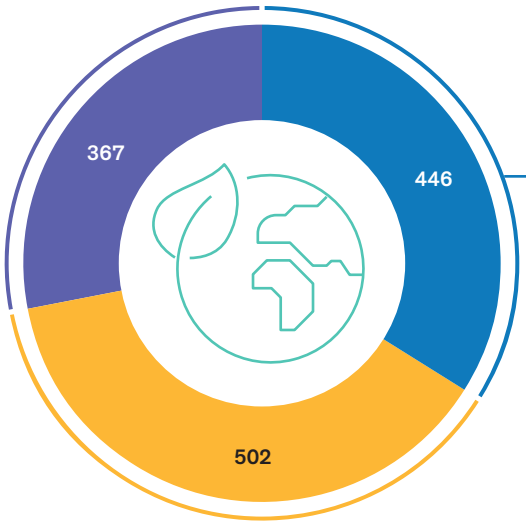
1. **Insight:** to generate research insights (e.g., to learn more about an issuer's corporate strategies and competitive positioning)
2. **Action:** to encourage issuers to better address material ESG risks or take advantage of ESG opportunities, in our clients' best interest

Engaging for insight enhances our climate research process, generating insight into issuers' climate strategies and competitive positioning. It also reveals how management teams address and manage short-, medium- and long-term risks and opportunities, including material climate considerations. We're also better able to assess the quality of an issuer's management, strategy, operations and corporate governance structure. We incorporate this valuable information into our analysis and investment decisions—with the ultimate goal of generating enhanced risk-adjusted returns for our clients.

Engaging for action helps us support our clients' interests, enabling us to share our assessments to better address material risks or take advantage of opportunities where appropriate. Discussions can focus on financial and operational ESG-related issues, like climate or biodiversity, but the goal is always the same: to encourage firms to make decisions with a long-term view toward providing better financial outcomes for our clients.

In 2025, AB held 823 ESG engagements (*Display 8, page 24*) globally with 677 distinct issuers, including 446 meetings on environmental-related issues. Of those engagements, 234 discussed carbon emissions, 154 discussed climate transition plans, 80 discussed opportunities in renewable energy, 54 discussed opportunities in clean technology and 41 discussed environmental-related supply chain issues, with many more topics covered.

DISPLAY 8: ENVIRONMENTAL-RELATED ENGAGEMENTS IN 2025



Environmental

Carbon Emissions	234	Opportunities in Green Buildings	38
Climate Transition Plans	154	Product Carbon Footprint	30
Opportunities in Renewable Energy	80	Packaging Waste	25
Climate Change Vulnerability	54	Hazardous Waste, Pollution and Toxic Emissions	22
Opportunities in Clean Technology	54	Resource Management	19
Green Bonds & Environmental SLBs	43	Other	17
Biodiversity & Nature	41	Electronic Waste	5
Supply Chain—Environmental	41	International Norms (UNGC, etc.)	4
Water Management	41		

● Environmental ● Social ● Governance

AB engages issuers when it believes the engagement is in the best financial interest of its clients.

Numbers will not sum to total, as engagements frequently discuss multiple ESG topics across or within pillars.

As of December 31, 2025 | **Source:** AB

Proxy Voting

We actively exercise our right to vote proxies, and we have a robust rules- and principles-based global in-house Proxy Voting and Governance Policy and process that are applicable to our voting activities across geographies. While we're strong shareholder advocates, supporting robust corporate governance structures, shareholder rights and transparency for both AB and the companies and issuers we research and invest in, we do not seek to exert control over the issuers during engagements.

Our internally managed assets are covered by our policy; AB has authority to vote proxies relating to securities in certain client portfolios across active and passive strategies. Accordingly, our fiduciary obligations extend to our exercise of such proxy-voting authority for each client for which we have agreed to exercise that duty. Our policy is to vote all proxies in a timely manner, for the full number of shares, for all securities held in client accounts for which we have proxy-voting authority, whenever it is administratively and logistically possible to do so. Where clients have specifically requested to override our house policy, we have the ability to arrange such measures on a best-efforts basis. If clients have retained voting authority, they can vote their shares, but if AB has authority, we generally do not allow clients to vote directly.

There are many proposals addressing climate change concerns, and their scopes vary. Climate change continues to receive investor attention as a potentially critical and material risk to the sustainability of a wide range of business-specific activities. Related proposals may include asking companies to adopt emissions standards, quantitative goals and impact assessments.

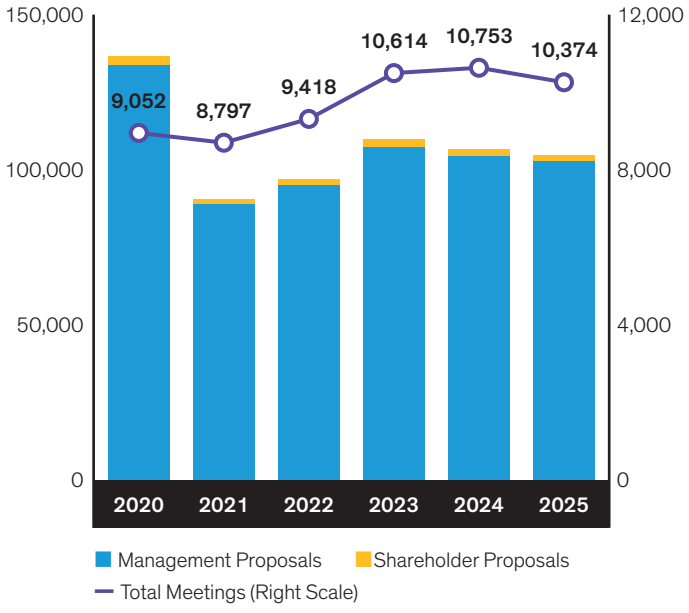
AB assesses SHPs based on our Shareholder Proposal Assessment Framework (Framework), as described in our Proxy Voting and Governance Policy. The Framework considers elements such as the materiality of the issue, the company's relevant practices and policies, and the context of the SHP. AB's commitment to maximize the long-term value of our clients' portfolios drives how we analyze SHPs. Rather than opting to automatically support all SHPs that mention an ESG issue, we evaluate whether each SHP promotes genuine improvement in the way a company addresses the issue, thereby enhancing shareholder value for our clients in managing a more comprehensive set of risks and opportunities for the company's business.

Summary of 2025 Voting Activity

In 2025, AB voted on 105,938 total management proposals and shareholder proposals across 10,374 meetings globally (*Display 9*). We voted at 99% of the company meetings eligible. The 1% accounts for cases where we were not able to exercise our vote, generally due to unreasonable operational hurdles imposed by custodians or issuers in certain markets. We vote all our proxies internally; we do not outsource this activity.

Environmental SHP activity moderated in 2025, extending the downward trend observed in 2024. Average marketwide support continued to decline, reflecting a persistent prevalence of highly prescriptive proposals alongside further improvements in issuer environmental disclosures, governance frameworks and climate risk–management practices. Consistent with recent years, overall passage rates for environmental SHPs remained low. Proposal themes continued to be predominantly climate-related, with sustained focus on carbon emissions disclosures. In 2025, there was increased shareholder attention on proposals seeking disclosure of green or clean energy financing ratios, specifically within the financial sector, as investors assessed capital allocation alignment with stated climate commitments. In parallel, climate-related lobbying and policy engagement proposals gained visibility, reflecting heightened interest in the consistency between companies' public policy activities and their stated climate strategies.

DISPLAY 9:
AB GLOBAL PROXY-VOTING STATISTICS



Totals may not sum precisely due to technical considerations in proponent categorization. | As of December 31, 2025 | **Source:** AB

Stewardship Example

AB categorizes Shell as a high-impact issuer in the context of the energy transition, as it falls within our CTAF universe. Companies in this universe are assessed to have significant material risks and opportunities from the transition to a lower carbon economy compared to issuers in non-high-impact industries. As such, we prioritized active engagement with Shell to assess alignment between its business strategy and its stated climate commitments.

In June and October of 2024, AB engaged with Shell to discuss its GHG emissions and broader climate transition strategy. During these discussions, Shell outlined plans to increase its liquefied natural gas (LNG) production by 20% to 30% by 2030. We raised concerns regarding this strategy. Specifically, Shell already holds more uncontracted LNG capacity than any other major oil and gas company, and we assessed that further expansion could risk misalignment with its climate commitments. We questioned whether increased investment in LNG was consistent with the company's stated commitment to net zero.

Following our engagement, at the May 2025 Annual General Meeting, AB voted in favor of a shareholder proposal requesting that Shell disclose whether, and how, its LNG capital expenditure and production plans align with its climate targets, including its ambition to achieve net zero emissions by 2050. We deemed the proposal to be value-additive for shareholders, given the materiality of LNG to the company's business and the insufficient disclosure pertaining to its revised strategy. The proposal failed to gain majority support.

In June and December of 2025, AB re-engaged with Shell to further communicate our expectations. We emphasized the need for improved disclosure, particularly given that Shell's strategy appears to rely on demand assumptions that exceed those outlined in scenarios from the International Energy Agency. Shell indicated that its strategy is based on expectations of a ~60% increase in global LNG demand by 2040, driven by economic growth in Asia and advancements in AI.

Consistent with our ongoing dialogue, Shell recently announced plans to issue a report with more detailed information regarding its LNG strategy. We expect disclosure of underlying assumptions and how the company will execute on its climate commitment.

Solutions

AB designs and manages investment strategies that seek to take advantage of material climate risks and opportunities. This includes AB's Portfolios with Purpose, and AB also collaborates with clients to developed customized climate-focused solutions.

AB's Portfolios with Purpose offer clients a range of solutions to help them meet their financial objectives with a dedicated ESG focus, which may be climate focused or incorporate climate along with the other ESG pillars.

AB managed approximately US$22 billion in our Portfolios with Purpose platform as of December 31, 2025.

Within our Portfolios with Purpose, AB's climate-conscious portfolios focus on a climate theme, such as those positively exposed to the climate transition.

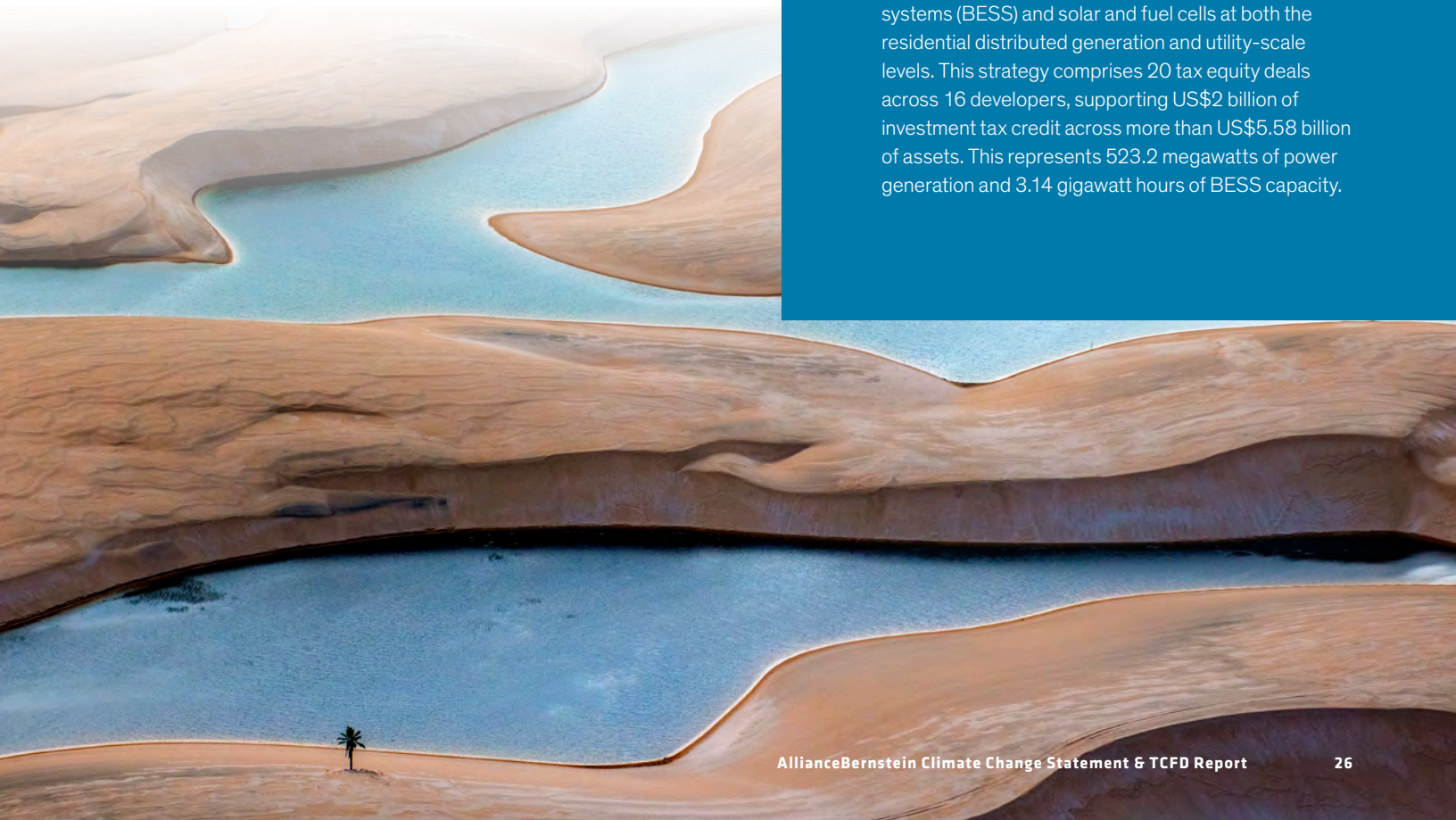
Our climate-conscious Portfolios with Purpose include AB CarVal Energy Transition and the AB Global Climate Transition Equity, as well as the AB Australian Managed Volatility Equities—Low Carbon and Carbon Offset Class. The latter two strategies target significantly lower carbon exposure than their respective benchmarks and use a variety of approaches—carbon emissions, carbon pricing and fossil-fuel exclusion—in security selection and portfolio construction.

Example: AB CarVal Energy Transition Funds

AB CarVal has an investment team that is focused on three primary strategies within energy-transition investments: developer and corporate financings, project-level financings and residential solar/efficiency loans/asset-backed securities. It manages two dedicated clean energy funds and several separately managed accounts focused on energy-transition investments. At the core of the funds' investment strategies is a rigorous investment-selection and investment-decision process that combines a top-down perspective and portfolio-construction discipline with a bottom-up fundamental analytical approach. Considerable emphasis is also placed on the monitoring and reporting of the performance of the ongoing investment portfolio. The funds are not dependent on any one particular asset class or geography, enabling the firm to move capital to the most attractive clean energy investment opportunities.

Through these and other funds, AB CarVal has invested over US$6 billion in energy-transition assets and sustainable infrastructure. The following is an example of a recent AB CarVal energy-transition investment:

- Invested over US$255 million in project tax equity partnership interests, underpinned by highly covered senior asset-level preferred cash flows, to support over US$1.98 billion of capital commitments to renewable energy project assets across battery energy storage systems (BESS) and solar and fuel cells at both the residential distributed generation and utility-scale levels. This strategy comprises 20 tax equity deals across 16 developers, supporting US$2 billion of investment tax credit across more than US$5.58 billion of assets. This represents 523.2 megawatts of power generation and 3.14 gigawatt hours of BESS capacity.



Example: AB Global Climate Transition Equity

AB Global Climate Transition seeks to deliver better returns and significantly lower carbon exposure than the benchmark by investing in high-quality companies assessed to be climate-resilient and reasonably priced. The Portfolio employs a disciplined, bottom-up investment process that integrates our proprietary research to select investments in businesses that are climate resilient, are higher quality than the market and have cash flows that are more sustainable than the market, but where the market has not fully priced these attributes.

Our investment process is based on the philosophy that:

- Performance of **quality** companies is underappreciated, as cash flows are more sustainable than expected.
- Companies that are addressing **climate change** are more likely to generate higher returns over the long term.
- **Reasonable valuation** enables us to avoid pockets of the market that may be crowded, thus making them expensive and vulnerable to disappointment.

The result is a high-conviction, active core equity Portfolio that seeks to balance return and risk exposure with climate-resilient opportunities that are benefiting from the transition to a low-carbon economy.

An example of in-depth research completed by the investment team is fundamental research on Prysmian Group, the largest cable manufacturer in the world with manufacturing capabilities supporting the power, infrastructure, construction, industrial, data center and telecom end markets. Prysmian is a top candidate to benefit from the ongoing transition to renewable energy and the overall electrification of the economy. The company holds a leading share in the highly consolidated high-voltage cable market. The AB investment team expects strong demand for medium- and high-voltage cables over the next several years, as renewable installations, coupled with upgrades to aging grid infrastructure, create a favorable pricing environment. We carried out in-depth research to better understand Prysmian's natural hazard risk-mitigation plan and the relevant market opportunities arising from increased natural disasters.

Prysmian conducts annual evaluations of physical risks related to climate change, including earthquakes, hurricanes and floods, to inform its global risk-management framework. The company has implemented site resilience programs, diversified its production and supply chain, and integrated climate risk considerations into investment decisions (maintenance, expansion and acquisition) to mitigate potential impacts. This proactive approach helps limit operating costs, such as insurance expenses, and reduces production disruptions, as evidenced by continued production in 2022 during a storm and flooding event in Texas.

Energy security and grid resiliency, including the development of redundant transmission lines, have become important drivers for upgrading transmission and distribution cables, positioning Prysmian as a beneficiary of ongoing climate-change and storm-hardening investments. The company has a strong pipeline of projects, with transmission capacity sold out through 2029 and power grid visibility extending into 2028. Customers are signing longer-term agreements, allowing for better capacity planning and more stable production. Our research suggests that the company has favorable near- and long-term outlooks with record-high backlog in transmission driven by renewable and interconnection demand.

Prysmian's engagement confirmed its proactive approach to managing natural hazard risks, which has helped control insurance costs and minimize operational disruptions. Future milestones include Prysmian's transmission business—assessed to be growing at a 14% compound annual growth rate (CAGR)—and its power grid business—assessed to be growing at a 6% CAGR—through 2030, driven by strong demand for cables in the energy transition.

By following a road map to quality stocks with attractive valuations, we believe investors can create a portfolio that taps into a wider array of sectors, industries, business models and return sources. With a diversified equity strategy and risk-management tools, this type of portfolio can be designed to deliver through macroeconomic cycles while capturing the capital growth by growing efforts to decarbonize the world. We believe an active approach is needed to discern between businesses that are implementing change or benefiting from the shift, versus those that are at risk.

Approaching Biodiversity Risks and Opportunities Within Our Investments

Biodiversity refers to the variability among living organisms and the ecological complexes of which they are a part.

Together with abiotic resources such as land, water, air and minerals, biodiversity forms natural capital, which underpins ecosystem services essential to economic activity. The degradation of natural capital can give rise to financially material risks and opportunities for issuers, sectors and portfolios and is closely interconnected with climate change.

Nature-related transition risks have become increasingly relevant as policy and regulatory frameworks evolve across jurisdictions, reflecting growing efforts to address biodiversity loss and natural capital degradation. At a global level, the Kunming-Montreal Global Biodiversity Framework (GBF), adopted by 196 countries in 2022, established a shared objective to halt and reverse biodiversity loss by 2030. Implementation of this framework is progressing through subsequent reinforcement of the direction of travel for governments, regulators and market participants.

In parallel, several jurisdictions are incorporating nature-related considerations into regulation and disclosure, with potential implications for business models, supply chains and asset valuations. Examples include the EU Deforestation Regulation; the UK's 10% biodiversity net-gain requirement under the Environment Act 2021; France's Article 29, which mandates disclosure of both climate- and biodiversity-related risks; and the United States' National Strategy on Natural Capital Accounting. In addition, a growing range of water-related regulations have begun to influence the deployment of energy- and water-intensive infrastructure, including data centers supporting AI technologies.

AB's approach focuses on integrating financially material nature-related risks and opportunities within its existing investment and risk-management frameworks, recognizing differences in relevance across sectors and asset classes, and current limitations in the availability and consistency of nature-related data.

Governance

Biodiversity loss and nature degradation have become increasingly relevant to investment outcomes as climate change, land-use pressures, water scarcity and regulatory developments intensify. Nature-related risks and opportunities arise across sectors and geographies, through both physical and transition channels, and are highly asset and location specific.

Oversight of nature-related and biodiversity risks is integrated into AB's existing responsible investing and corporate governance framework, alongside climate-related risks. Responsibility for identifying and managing material nature-related considerations sits with investment teams, supported by the Responsible Investing team and overseen through the same committees and governance structures described in Section 4 of this report.

During the reporting period, AB continued to build governance capability related to nature by participating in the TNFD Forum and expanding engagement by joining the TNFD Hong Kong Consultation Group. These forums support practitioner-led discussion on identifying, assessing and disclosing nature-related risks and opportunities, and inform AB's approach.

Strategy

AB's strategy to address material biodiversity-related risks and opportunities is focused on four areas:

1. **Partnership and Education**—Executing training and identifying partners to train our investment teams on biodiversity risk and opportunities
2. **Research and Integration**—Incorporating biodiversity insights into our research and decision-making processes, which we believe can lead to better client outcomes. Publishing research and participating in industry group to understand risks and opportunities presented by biodiversity
3. **Stewardship**—Active stewardship through engagement on material biodiversity-related issues with issuers and regulators as well as via proxy voting where relevant; and
4. **Solutions**—Evolving our approach to biodiversity-related investment opportunities, including consideration of how biodiversity themes may be incorporated within existing investment strategies and aligned, where appropriate, with our broader climate solutions

Following periods of internal capability building, 2025 marked a shift toward applying AB's biodiversity research, data and analytical frameworks more consistently. In 2025, this included developing deep research and publishing thought leadership on water management, portfolio biodiversity risk, and the interaction between AI infrastructure and natural capital. We then integrated this research into investment tools and frameworks where relevant and extended it to our clients where suitable in the form of training through the AB and Columbia Climate Academy.

Risk and Impact Management

AB assesses nature-related risks and opportunities by identifying material dependencies and impacts that may affect issuer fundamentals, assets, supply chains and long term value creation. Where climate-related physical and transition risks give rise to nature-related and biodiversity considerations, these are assessed through AB's existing enterprise and investment risk–management framework, as described in Section 5.

During 2025, the material risks and opportunities of nature-related factors became more apparent in our investments. They are assessed to continue to increase as climate change and other drivers of biodiversity loss worsen.

The team spent extensive time researching and producing thought leadership on the topic of nature and biodiversity risk. Water was identified as one of the most financially material nature-related themes across multiple asset classes. Using AB's proprietary biodiversity risk–assessment framework, AB analysis indicated that water stress can, in certain cases, represent a more significant source of nature-related risk exposure for portfolios than deforestation. This finding is consistent with broader market evidence that a meaningful proportion of global equity exposure is subject to high or very high water-related risk. Our white paper "An Investor's Guide to Navigating Sustainable Water Management" provides a comprehensive survey of biodiversity for investors. As part of our analysis we found that for a major UK pension provider, water stress was the portfolio's largest nature-related risk exposure. This aligns with broader market patterns: 35% of the companies in the MSCI ACWI face high or very high water-related risk, compared with 14% for deforestation. We found that sub-industry exposures vary widely, and identifying these nuanced pressures is important for accurate portfolio diagnostics and effective corporate engagement.

Nature-related considerations have also become increasingly relevant in sectors associated with AI infrastructure, where rising compute intensity, energy demand and water-intensive cooling systems contribute to localized physical and transition risks across the value chain. These risks may manifest through operational disruption, regulatory constraints or community impacts and are assessed at an asset- and location-specific level. As part of our focus on water risk, in late 2025 we published "Root and Branch: A Case Study in Assessing Portfolio Biodiversity Risk."

Issuer engagement is an important component of AB's approach to managing nature-related risks, including water risk. During the reporting period, AB conducted site-level engagement with Zijin Mining to assess material biodiversity and freshwater considerations associated with mining activities, including water sourcing and recycling practices, biodiversity monitoring, rehabilitation efforts, and the management of risks linked to tailings and sensitive freshwater ecosystems. Please *see* the engagement example on page 30.

Blended Finance

Investors can also enhance nature-positive outcomes through partnerships with governments or other entities by creating innovative funding packages. One such opportunity is debt-for-nature swap deals, which restructure developing countries' foreign sovereign debts, canceling or reducing outstanding bond issues on the condition that part of the debt relief is used for nature conservancy. These deals can take on different structures, such as varying amounts of debt relief or cash-flow benefits. In our view, two components are essential for a successful transaction: (1) a significant share of debt relief redirected to nature conservancy and (2) a satisfactory yield for investors in the conservation-linked bonds.

Engagement Example: Zijin Mining

During the reporting period, AB investors conducted a site visit to Zijinshan, Zijin Mining's gold and copper operation in China. The engagement included discussions with senior management and a tour of the copper refining facility, with a specific focus on understanding material biodiversity- and water-related risks arising from mining activities.

Biodiversity is assessed to be a material ESG risk for Zijin Mining due to the company's direct operational footprint on freshwater systems and surrounding ecosystems across multiple geographies. Mining activities can alter habitats through water abstraction, effluent discharge and tailings management, creating potential risks to aquatic species, ecosystem services and community water access. These impacts can give rise to regulatory, legal, operational and reputational risks, particularly where mining operations intersect with sensitive river systems or biodiversity dependent livelihoods. Effective management of biodiversity and freshwater ecosystems is therefore central to maintaining Zijin Mining's social license to operate, ensuring regulatory compliance and reducing the risk of environmentally driven operational disruptions.

Zijin Mining described its approach to biodiversity protection at Zijinshan, including the use of aquatic species monitoring as an indicator of water quality. The company tracks fish populations and applies geospatial imagery to support rehabilitation efforts designed to replicate pre mining environmental conditions. Management also referenced biodiversity protection guidelines informed by practices observed among Western mining peers.

Water sourcing at the Zijinshan mine is primarily from surface water (71%), followed by groundwater (21%) and purchased water (8%). While total water withdrawal increased by 47% between 2019 and 2023, it declined by 9.1% from 2022 to 2023. The site achieved a water recycling rate of 96.72%, and Zijin Mining reported the sale of 1.5 million tonnes of water rights to support local water needs. The company has set targets to reduce water intensity by 10% by 2030 and to maintain a minimum water recycling ratio of 90%.

Zijin Mining disclosed data on key water quality indicators, including chemical oxygen demand, ammonia nitrogen, total copper and total zinc, and monitors acid rock drainage risks. Approximately 16% of affected areas were reported to be under remediation. All subsidiaries are required to assess the impacts of water withdrawal and effluent discharge on surrounding communities, reflecting the interdependence between ecosystem health and local water access.

The engagement provided insight into Zijin Mining's approach to biodiversity monitoring, freshwater stewardship and rehabilitation at the asset level, including strong water-recycling performance and the use of aquatic indicators to inform ecosystem management. At the same time, external controversies underline the need for ongoing assessment of nature-related risks, particularly where mining activities intersect with sensitive freshwater ecosystems and community water dependencies. AB will continue to monitor the effectiveness of Zijin Mining's mitigation strategies as part of its broader assessment of nature and biodiversity risks.

Metrics and Indicators

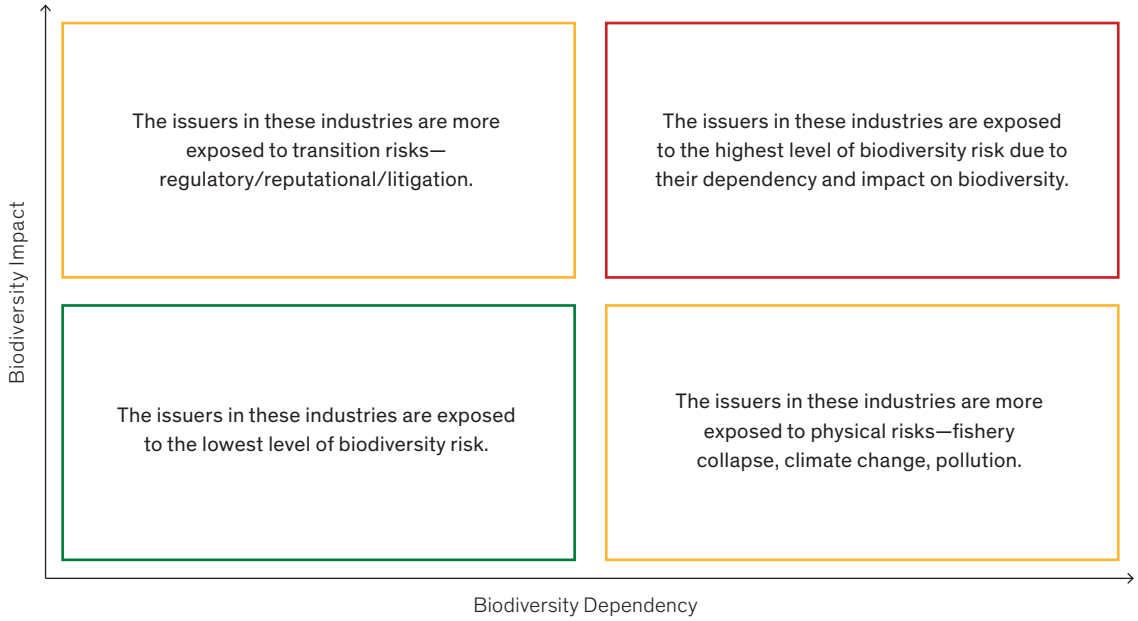
The availability, consistency and coverage of nature-related data remain a significant challenge across markets and asset classes.

To support systematic risk identification, AB enhanced its Biodiversity Risk Matrix (*Display 10, page 31*) using quantitative inputs from the Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) materiality database. An industry's position within the matrix helps identify sectors and sub-industries with elevated exposure to nature-related dependencies and impacts. On the matrix we have mapped all the GICs sub-industries to their exposure to biodiversity risk through the lens of an issuer's dependency and impact on nature. Issuers with the highest dependency on nature are most exposed to physical nature-related risks, and those with the highest level of impact are exposed to the transition risk components. Issuers that have both dependency and impact are subject to the highest level of nature-related risks and are thus the focus industries to research and to understand the kinds of nature-related risks most material to their business.

In addition, the Responsible Investing team developed a dashboard to support analyst engagement on financially material nature-related topics. As of June 2025, approximately 15.7% of the MSCI ACWI weighting was exposed to the high-dependency, high-impact nature-risk quadrant (*Display 11, page 31*). As of December 31, 2025, AB identified approximately US$24 billion of AUM as having the highest level of nature-related risk, based on available data.

These metrics are used to support risk identification and prioritization rather than to represent impact outcomes or targets. Nature-related indicators are considered alongside other qualitative and quantitative inputs within investment research, engagement, and risk-management processes, recognizing data limitations and the need for professional judgment. As data availability and market practices continue to develop, AB expects nature-related indicators to further inform its integrated assessment of climate- and nature-related risks where financially material.

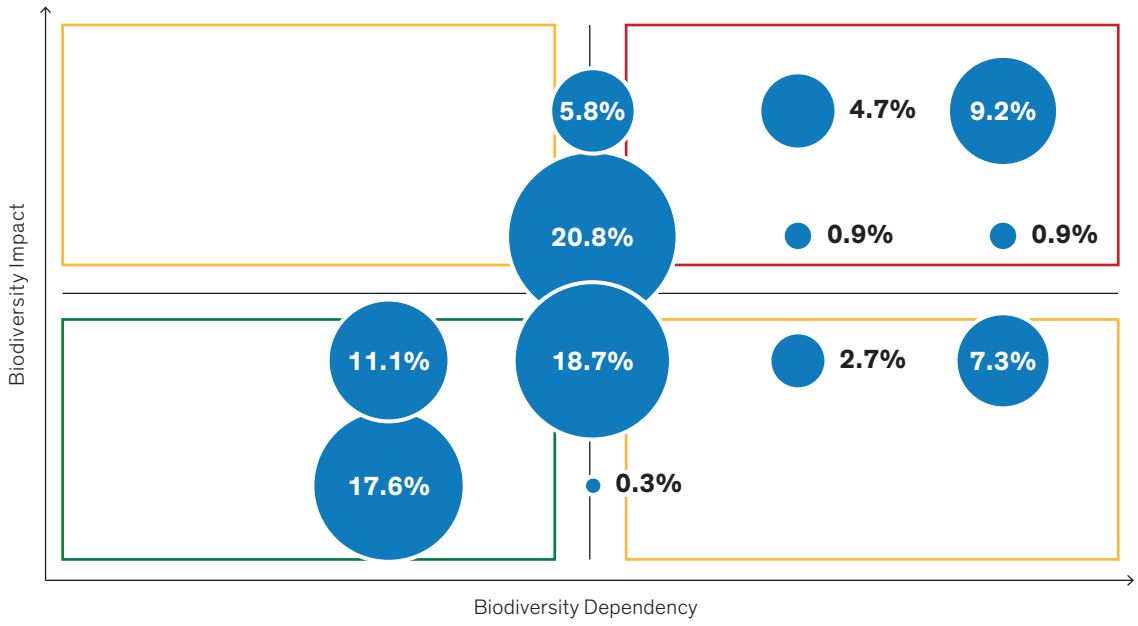
DISPLAY 10: BIODIVERSITY RISK MATRIX



As of June 30, 2025 | **Source:** AB

DISPLAY 11: BIODIVERSITY RISK EXPOSURE OF MSCI ACWI INDEX

15.7% of the MSCI ACWI is exposed to the high-dependency and high-impact risk quadrant



Each sub-industry is scored 0–5 (none, low–high) in terms of dependency on natural capital and impact on biodiversity. The scales of the X and Y axes run 0–5, with the midpoint representing the intersection of sub-industries scoring 3.3.

As of June 30, 2025 | **Source:** MSCI, Natural Capital Finance Alliance, UN Environment Programme and AB

AB as a Business

At AB, the principle of resource efficiency guides our sustainability efforts and supports our business objectives.

To deliver on this principle, we continue to measure our GHG emissions, optimize energy use, manage office waste and engage employees around the topic of sustainability. In this section, we will outline our progress and achievements in these areas, as well as our ongoing commitment to achieve net zero Scope 1 and 2 emissions in our operations by 2050.

DISPLAY 12: AB'S OPERATIONAL CARBON FOOTPRINT DATA

	Units	2019	2022	2023	2024	2025	% Change 2019–2025
Scope 1 Fuel* Consumption	ft^3	3,592,700	3,907,296	3,019,044	5,063,473	6,330,970	76%
Scope 2 Electricity† Consumption	kWh	17,731,887	20,146,813	19,295,263	18,456,519	13,840,340	–22%
Scope 3 Business Travel‡ Consumption	Miles	37,569,691	17,165,064	25,221,896	23,892,418	23,664,865	–37%
Scope 1 Fuel Emissions	tCO_2e	200	219	168	278	346	73%
Scope 2 Electricity Emissions	tCO_2e	5,524	7,392	7,438	7,605	5,376	–3%
Scope 3 Business Travel Emissions	tCO_2e	6,580	2,877	3,757	4,195	3,793	–42%
Total Emissions	tCO_2e	12,304	10,488	11,363	12,078	9,515	–23%
AB Footprint	sq. ft.	1,152,898	1,349,036	1,394,405	1,534,432	1,663,670	44%
Total Emissions per Square Foot	tCO_2e / total sq. ft.	0.010672	0.007774	0.008149	0.00808	0.00572	–46%
Employees	# of employees	3814	4436	4707	4341	4485	18%
Total Emissions per Capita	tCO_2e /person	3.226009	2.364292	2.414064	2.85618	2.121513	–34%

ft_3: cubic foot; kWh: kilowatt hours; tCO_2e: metric tonnes of carbon dioxide equivalent

AB considers the principles and guidance of the World Resources Institute and World Business Council for Sustainable Development's *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* (Revised Edition); *GHG Protocol Scope 2 Guidance: An Amendment to the GHG Protocol Corporate Standard*; and *Corporate Value Chain (Scope 3) Accounting and Reporting Standard: Supplement to the GHG Protocol Corporate Accounting and Reporting Standard* to guide the criteria to collect, calculate and report its sustainability metrics. The emissions reporting period is from January 1, 2025, to December 31, 2025, which is aligned to AB's fiscal year (FY). In 2026, AB received limited assurance on its 2025 GHG data inventory for Scope 1, 2 (location-based) and 3 (Category 6).

*Fuel refers to the on-site combustion of natural gas at leased offices and data centers. †Electricity refers to the purchase of electricity at leased offices and data centers. ‡Travel refers to commercial air and rail business travel undertaken by AB employees.

As of December 31, 2025 | **Source:** AB

Measuring Greenhouse Gas Emissions

AB measures its GHG emissions from its offices and data centers and its business travel annually. We measure Scope 1 emissions from natural gas consumption, Scope 2 emissions from electricity usage, and Scope 3 (Category 6) emissions from air and rail business travel. The preceding table outlines AB's most recent 2025 data, the prior three years and the 2019 baseline year (*Display 12, page 32*). The years 2020 and 2021 have been excluded due to nonreplicable business conditions (the COVID-19 lockdown). Since 2019, AB's total emissions have declined by more than 20%. Scope 1 emissions (from office and data center natural gas) have increased, due primarily to a change in the real estate portfolio. Scope 2 emissions (office and data center electricity) are comparable in 2025 to the baseline 2019, despite a much larger real estate footprint. And Scope 3 (Category 6) emissions from air and rail business travel have decreased. Emissions per square foot and per capita have decreased as our real estate footprint and workforce have increased.

Optimizing Energy Usage

Optimizing energy use in our daily business operations is tied to the offices and buildings in which we operate. In addition to renewable energy procured by AB's offices in Taipei, AB leverages renewable energy in Nashville, London and some of our data centers.

Managing Office Waste

At AB, we prioritize the following waste-management hierarchy with the goal of reducing waste. Landfill disposal is the last resort:

- **Refuse:** Avoid items that we do not need, especially products with single-use plastics and excessive packaging.
- **Reduce:** Minimize the amount of waste generated by buying less, choosing durable goods and opting for products with minimal packaging/reusable alternatives.
- **Reuse:** Find new uses for items; this could involve repurposing, donating or repairing broken items.
- **Repurpose:** Give items a new function, different from their original purpose.
- **Recycle:** Process used materials into new products.
- **Dispose:** Send item to a landfill, but only after all other options have been exhausted.

By adhering to these measures, we effectively manage our office operations to reduce waste generation and minimize contributions to landfills. In 2025, more than 90% of our global offices provided recycling waste streams in addition to general waste disposal, with our largest offices—Nashville, New York, London and Pune—all offering composting services. Also, several offices are implementing waste electrical and electronic equipment management.

Other efforts include local awareness initiatives (as part of local employee resource groups) and on-site e-waste recycling.

Engaging Employees Around Sustainability

In 2025, we continued to inspire our employees to use resources efficiently and practice sustainability at both work and home. We now have added new Sustainability Councils in Luxembourg, Tokyo and Taiwan, joining New York, Nashville, London and Pune (seven active councils).

Throughout April 2025, AB came together to support the environment and celebrate Earth Day across offices worldwide. Some of the events included:

- The Nashville Sustainability Council partnered with local groups to plant trees, clean up a local river and restore a hiking trail. New York launched "Rustic Roots," a Community Supported Agriculture (CSA) program offering employees the opportunity to purchase farm-fresh produce delivered to the office or their homes.
- The London office participated in a walking tour with Mr Londoner, learning about the city's pocket gardens and active transportation systems. The Luxembourg office challenged each other to find low-carbon ways to commute, including public transportation, cycling and carpooling.
- The Taipei office hosted a green building tour to highlight Taipei 101's renewable energy capabilities and the many green features in the office. Tokyo created a weekly email series to educate employees about how to be better stewards of the planet's resources and celebrated Earth Day with sustainable snacks.

AB's Taipei office, located at Taipei 101, supports AB's commitment to resource efficiency and a thriving workforce.

This LEED (Leadership in Energy and Environmental Design) Platinum building—an honor awarded to the most sustainably built structures—was designed to reduce energy and water usage. The building is now working toward net zero and continues to prioritize decarbonization by leveraging all-electric power onsite and purchasing renewable energy each year.

The building also received a WELL Platinum certification, the leading certification focused on occupant health, and the Taiwanese Ministry of Health and Welfare's "Healthy Workplace Accreditation." These accolades reflect indoor air and water quality, design that supports increased natural lighting, use of green cleaning materials, and an overall environment that supports health and well-being.

Within the AB offices at Taipei 101, AB Taiwan has implemented a range of resource efficiency and employee engagement strategies, including the following:

- **Digitalization**—Presentation materials are provided electronically to reduce paper consumption.
- **Sourcing Improvements**—Forest Stewardship Council–certified paper is sourced, and the provision of single-use utensils and paper cups has been discontinued.
- **Energy**—Light bulbs have been replaced with LED lights, and a daily lights off initiative has been implemented, reducing energy consumption.

In addition to Taipei 101's sustainability events, which are available to all occupants, AB Taiwan's Green Task Force collaborated with the Taipei 101 Sustainability Group to host events specifically for AB, including building tours and educational sessions on topics like energy conservation.

Since we've located our offices in Taipei 101, Taiwan has developed new regulations requiring that companies conduct a climate risk assessment of their operations and set net zero targets.

AB set a net zero commitment for our Taiwanese business in 2025, which aligns with AB's firmwide commitment to achieve net zero across operational Scopes 1 and 2 emissions by 2050. To make progress against this target, AB Taiwan has committed to purchasing Taiwan Renewable Energy Certificates through Taipei 101's renewable energy group purchasing.

Also in alignment with regulation, AB Taiwan conducts annual climate risk assessments covering physical (e.g., weather-, climate-, flood-related) and transitional (e.g., regulatory, carbon pricing, supply chain) risks. Our analysis indicates that climate change poses a low level of impact to our operations in Taiwan.

Appendix

ABL Supplement

ABL is an investment manager authorized and regulated by the FCA. The FCA's ESG Sourcebook sets out the TCFD disclosure requirements, and the following section is designed to ensure that ABL meets its disclosure requirements by disclosing how ABL takes climate-related risks and opportunities into account in relation to the assets it manages for its clients.

As ABL is part of ABLP and its legal entities globally (the "ABLP"), it leverages the ABLP's approach to identifying and addressing climate-related risks and opportunities.

Governance

ABLP's oversight of climate risk involves a multilayered governance model that extends upward from our investment and operational teams through our Risk Management team and Operating Committee and ultimately to the ABLP Board of Directors—via our Audit and Risk Committee. For more details on AB's governance structure, please *see* "The Governance Model Overseeing Our Approach to Climate."

In response to the introduction of the FCA's ESG Sourcebook and evolving requirements regarding UK director duties surrounding climate change, in early 2023 the ABL Board of Directors instituted quarterly reporting on AB's corporate responsibility and responsible investing strategy and initiatives. The board's Terms of Reference reflect that the board and its committees will be overseeing aspects of ABL's approach to managing climate-related risks and opportunities.

Commentary regarding oversight of the implementation of the firm's ESG strategy was embedded in the Statement of Responsibility (SOR) of ABL's chief operating officer. In 2024, oversight of climate-related disclosures was embedded in the SORs for the relevant ABL board members. The ABL board is continuing to evolve its climate-related governance framework, and it will:

1. continue to receive quarterly updates from the Responsible Investing and Corporate Responsibility teams in relation to climate change;
2. be offered training to support the execution of its responsibilities on climate-related issues; and
3. continue to approve the ABL TCFD report on an annual basis.

Going forward, in 2026, the board will continue to carry out the activities related to the oversight of climate risk, above.

ABL's investment teams engage with issuers, analyze and quantify material ESG and climate risks, and ultimately incorporate this information into their investment decisions, when material. Investment teams often partner with the Responsible Investing team in research and engagement. For more details on how the investment and Responsible Investing teams interact with other committees and bodies, *see* "The Governance Model Overseeing Our Approach to Climate."

ABL only delegates the portfolio management of client mandates within AB, which has a consistent approach to climate risk–management and strategy, as set out in the firmwide report.

Remuneration

Total compensation for our Investment Professionals is determined by quantitative and qualitative factors. Assessments of all Investment Professionals are formalized in a year-end review process that includes 360-degree feedback from other professionals across the firm.

AB's compensation philosophy is governed by a widely used model for managing strategic business unit (SBU) and senior leader performance called an SBU Head Scorecard. The scorecard serves to direct SBU heads' priorities away from a solely revenue-based evaluative model, shifting to include a leadership-focused management and measurement tool. The structure of the firm's incentive compensation plans plays an additional role in this effort through the use of unit awards, not just cash, and deferral periods that instill a deeper sense of commitment to clients and the positive progress of the firm.

We assess each executive's performance relative to the sales performance, investment performance, financial results, strategic initiatives, organizational strength, and culture goals established at the beginning of the year and reviewed in the context of the current-year financial performance of the firm.

The most significant quantitative component focuses on measures of absolute and relative investment performance in client portfolios, for portfolio managers, as well as on the contribution to that performance for research analysts. The qualitative portion is determined by individual goals set at the beginning of the year, with measurement and feedback on how those goals are being achieved provided at regular intervals. Responsible investing can help enhance investment outcomes by identifying material risks and/or opportunities. We have a dedicated Responsible Investing team, including stewardship professionals, who have explicit responsible investing or stewardship goals. While most of our actively managed strategies are ESG integrated, we are not prescriptive in the goal setting for portfolio managers or analysts.

Strategy and Risk Management

Our Approach

ABL leverages ABLP's approach to climate, which is built upon the idea that climate risk can generate material investment risks and opportunities that the market misprices. We consider the material climate change–related risks and opportunities of the issuers in which we invest for most of our actively managed strategies.

Our approach to identifying and integrating these material climate-related risks and opportunities is multifaceted and includes:

- **Partnership and Education**—Drawing on expertise from academic and industry partners to train our investment teams on the science behind climate change and its potential implications for our clients' investments;
- **Research and Integration**—Incorporating climate insights into our research and decision-making processes, which we believe can lead to better client outcomes;
- **Stewardship**—Active stewardship through engagement on material climate-related issues with issuers and regulators as well as via proxy voting; and
- **Solutions**—Designing and managing investment strategies that seek to take advantage of material climate risks and opportunities.

This approach is actualized through ABLP's 2030 Climate Action Plan. For more details on the ABLP's approach, *see* "AB's Approach to Climate Change."

ABLP's partnership with the Columbia Climate School and other climate-focused organizations informs and enhances our analysts' and portfolio managers' climate research and understanding of the latest climate science. Investment teams may also conduct proprietary research that enhances issuer engagement efforts.

These research and engagement insights help identify material climate-related opportunities over the short, medium and long terms. Investment teams may consider material climate-related risks and opportunities across different investment time horizons, which will vary by asset class and investment opportunity, but can range from a few months to a few years.

ABLP's extensive research and engagement work is bolstered by our ongoing stewardship practices, including voting and involvement in the broader investment community. ABLP and ABL also participate in policy advocacy, where appropriate.

For more details on ABLP's approach to climate-related investment risks and opportunities, *see* "Integrating Material Climate Risks and Opportunities into the Investment Process."

For more details on how climate-related risks and opportunities are factored into investment strategies, as well as how each product or investment strategy might be affected by the transition to a low-carbon economy, please refer to the ABL product reports, which are provided upon request to ABL clients.

Risk Management

Most of the climate-related risks and opportunities that ABL faces over the short, medium and long terms concern our investment portfolios. ABL follows ABLP's approach to understanding and integrating climate-related risks and opportunities. *See* "Incorporating Climate Change into AB's Risk-Management Framework."

Financial Resilience and Material Risks

Each year, ABL undertakes an assessment of the material risks arising from its business model. This includes business-scenario analysis as well as stress-testing a five-year financial forecast. The following material risks are linked to climate risk: (1) business disruption risk (linked to physical climate risk); (2) legal and regulatory risk; (3) product misselling risk; and (4) business strategy and revenue risk (linked to climate transition risks). Business-scenario analysis is used to assess the impact of the first three risk categories, while stress-testing is used to model business strategy and revenue risk. Many factors beyond climate risk are incorporated into the analysis, resulting in a final determination by the ABL board of an adequate capitalization ratio for the business, pursuant to UK FCA requirements. While the focus is on overall financial resilience, not just climate resilience, the ABL board has been able to identify and assess, through its Internal Capital Adequacy and Risk Assessment, where physical climate and transitional risks have the potential to impact ABL's financial resilience, and has been able to ensure that the business remains well-capitalized and prepared to respond to material risks.

Metrics and Targets

Like ABLP more broadly, ABL assesses climate-related risks and opportunities for its ESG-integrated strategies. ABL does not set broad climate-related targets across the AUM associated with its in-scope business. ABL is directed by clients when establishing instructions and guidelines within their portfolios. In 2025, ABL reaffirmed participation in the Net Zero Asset Managers initiative.

ABL measures and monitors key climate-related metrics for some of its ESG-integrated strategies (*Display 13*). For more details on how these metrics may be used by investment teams, *see* "Measuring Climate Risks and Opportunities."

Climate-related metrics can be provided to ABL clients upon request.

Carbon Emissions: Financed emissions per USD million invested is a normalized measure of a portfolio's contribution to climate change, on the basis of enterprise value including cash. Weighted average carbon intensity indicates a portfolio's exposure to carbon-intensive issuers and is agnostic to ownership share. Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of consumed energy.

Climate Value-at-Risk: The portfolio's CVaR is a weighted aggregation of each security's CVaR. CVaR analysis determines climate risks along a range of transitional and physical climate risk scenarios, typically shown as the present value of the aggregated future policy risk costs, technology opportunity profits, and extreme weather event costs and profits, expressed as a percentage of the portfolio's market value should the scenario in question be realized.

The standard CVaR scenarios we report include the 1.5 REMIND (Regional Model of Investments and Development) Orderly, 2.0 REMIND Disorderly and 3.0 REMIND Hot House World transition scenarios, with the aggressive physical scenario held constant across the three transition scenarios in certain portfolios.

Portfolio Warming Potential: The warming potential metric, or implied temperature rise (ITR), encapsulates a portfolio's contribution to rising temperatures. The metric aims to quantify the alignment of a portfolio's activities against pathways commensurate with future temperature goals. This concept draws on the Intergovernmental Panel on Climate Change warning to limit global temperature increases by the year 2100 to 2°C or lower compared with preindustrial levels. This metric allows investors to assess compliance with globally agreed-upon temperature thresholds, such as "well below 2°C," enshrined in the Paris Agreement.

DISPLAY 13: CLIMATE-RELATED METRICS FOR ABL'S ESG-INTEGRATED STRATEGIES

Type of Metric	Metric Formula	Units
Scope 1 + Scope 2 Financed Emissions*	Sum ([current value of investment / issuer enterprise value including cash] × [Scope 1 + Scope 2 emissions])	Tonnes of CO_2e
Scope 3 Financed Emissions*	Sum ([current value of investment / issuer enterprise value including cash] × Scope 3 emissions)	Tonnes of CO_2e
Total Financed Emissions*	Sum ([current value of investment / issuer enterprise value including cash] × [Scope 1 + Scope 2 + Scope 3 emissions])	Tonnes of CO_2e
Scope 1 + Scope 2 Financed Emissions per USD million Invested	Sum ([current value of investment / issuer enterprise value including cash] × Scope 1 + 2 emissions) / current portfolio value	Tonnes of CO_2e per USD 1 million invested
Scope 1 + 2 Weighted Average Carbon Intensity—Corporates	Sum ([current value of corporate investment / current corporate portfolio value] × [Scope 1 + 2 emissions / revenue])	Tonnes of CO_2e per USD million sales
Weighted Average Carbon Intensity—Sovereigns (per Capita)	Sum ([current value of sovereign investment / current sovereign portfolio value] × [emissions / population])	Tonnes of CO_2e per capita
Weighted Average Carbon Intensity—Sovereigns (GDP)	Sum ([current value of sovereign investment / current sovereign portfolio value] × [emissions / GDP])	Tonnes of CO_2e per GDP

CO_2e: carbon dioxide equivalent

*The current value of an investment may be adjusted to account for missing coverage.

As of December 31, 2025 | **Source:** AB

ABL measured the carbon emissions, CVaR and portfolio warming potential for its aggregate AUM at year-end 2025 (*Display 14*). The total AUM in scope is US$67,891,787,675 as of December 31, 2025. Note that this analysis includes security level look through for certain fund exposures where underlying assets are managed by external fund managers. However, look through coverage may not be available for all externally managed assets, including cases where underlying holdings data are unavailable or not accessible through our core data and reporting systems. As a result, the scope of this analysis reflects best effort based on data availability at the time of reporting.

Like AB, ABL primarily uses data from MSCI. Reported Scope 1 and 2 emissions data are used when available, while figures estimated by MSCI are used when reported data is not available. Scope 3 emissions, CVaR and portfolio warming potential data are estimated by MSCI. To provide clients with greater transparency, we disclose data coverage percentages alongside a product-level statistic. We do not disclose metrics, quantitative scenario analysis or examples where there are gaps in underlying data; these are methodological challenges that cannot be addressed by proxy data or assumptions without the resulting disclosure being misleading.

DISPLAY 14: ABL'S AGGREGATE AUM CLIMATE DATA

Field	Value	Coverage	Absolute Weight
Financed Carbon Emissions Scope 1	1,717,083 tCO_2e	85.80	64%
Financed Carbon Emissions Scope 2	605,271 tCO_2e	85.80	64%
Financed Carbon Emissions Scope 3	14,034,287 tCO_2e	85.80	64%
Financed Carbon Emissions Scope 1 and 2	2,322,354 tCO_2e	85.80	64%
Total Financed Carbon Emissions	16,356,641 tCO_2e	85.80	64%
Financed Carbon Emissions Scope 1 and 2 per 1 USD Million Invested	62.6 tCO_2e/USD million invested	85.80	64%
Scope 1 and 2 Intensity (Sales USD)	117.8 tCO_2e/USD million sales	86.50	64%
Scope 1, 2 and 3 Intensity (Sales USD)	838.3 tCO_2e/USD million sales	86.50	64%
GHG Intensity (per Capita)	10.6 tCO_2e/capita	89.80	21%

CVaR					
Scenario	Physical Risk	Policy Risk	Tech Opp.	Total CVaR	Coverage
Orderly	–1.9%	–15.3%	1.4%	–15.7%	69%
Disorderly	–2.9%	–5.4%	0.3%	–8.0%	69%
Hot House World	–3.9%	–3.7%	0.4%	–7.2%	69%

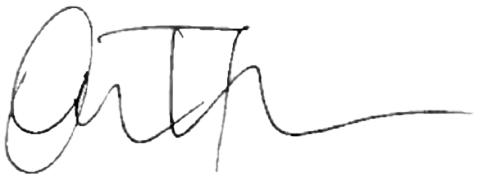
ITR	2.46°C
ITR Coverage	83%

ITR: implied temperature rise; tCO_2e: tonnes of carbon dioxide equivalent

As of December 31, 2025 | **Source:** AB

The disclosures in this ABL Supplement comply with the requirements of the FCA ESG Sourcebook and have been approved by the ABL Board of Directors on or by June 30, 2026, for the period of the 12 months ended December 31, 2025.

Signed for and on behalf of ABL:



Ian Foster
Chief Operations Officer—EMEA and Chair of the ABL Board of Directors

ALIGNMENT WITH TCFD RECOMMENDATIONS

TCFD Recommendations		AB Section
Governance		
1.a.	Describe the board's oversight of climate-related risks and opportunities.	• The Governance Model Overseeing Our Climate Strategy • ABL Supplement: Governance
1.b.	Describe management's role in assessing and managing climate-related risks and opportunities.	
1.b. Supp 1	Describe how climate-related risks and opportunities are factored into relevant products or investment strategies. Asset managers should also describe how each product or investment strategy might be affected by the transition to a lower-carbon economy.	• AB's Approach to Climate Change • Incorporating Climate Change into AB's Risk-Management Framework • Integrating Material Climate Risks and Opportunities into the Investment Process • Solutions • ABL Supplement: Governance
Strategy		
2.a.	Describe the climate-related risks and opportunities the organization has identified over the short, medium and long terms.	• AB's Approach to Climate Change • Incorporating Climate Change into AB's Risk-Management Framework • Integrating Material Climate Risks and Opportunities into the Investment Process • Solutions • ABL Supplement: Strategy and Risk Management
2.a. Supp 1	Describe engagement activity with investee companies to encourage better disclosure and practices related to climate-related risks in order to improve data availability and asset managers' ability to assess climate-related risks.	
2.a. Supp 2	Describe how we identify and assess material climate-related risks for each product or investment strategy. This might include a description of the resources and tools used in the process.	
2.b.	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	
2.b. Supp 1	Describe how climate-related risks and opportunities are factored into relevant products or investment strategies.	
2.b. Supp 2	Describe how each product or investment strategy might be affected by the transition to a lower-carbon economy.	
2.c.	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2 degrees Celsius or lower scenario.	
Risk Management		
3.a.	Describe the organization's processes for identifying and assessing climate-related risks.	• Incorporating Climate Change into AB's Risk-Management Framework • Integrating Material Climate Risks and Opportunities into the Investment Process • ABL Supplement: Strategy and Risk Management
3.b.	Describe the organization's processes for managing climate-related risks.	• Incorporating Climate Change into AB's Risk-Management Framework • Integrating Material Climate Risks and Opportunities into the Investment Process • Solutions • Stewardship • ABL Supplement: Strategy and Risk Management
3.c.	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	• AB's Approach to Climate Change • Incorporating Climate Change into AB's Risk-Management Framework • ABL Supplement: Metrics and Targets
Metrics and Targets		
4.a.	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk-management process.	• AB's Approach to Climate Change • Incorporating Climate Change into AB's Risk-Management Framework • ABL Supplement: Metrics and Targets
4.b.	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.	• AB as a Business • ABL Supplement: Metrics and Targets
4.c.	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	• AB's Approach to Climate Change • ABL Supplement: Metrics and Targets

The value of an investment can go down as well as up, and investors may not get back the full amount they invested. Capital is at risk. Past performance does not guarantee future results.

Important Information

This is not a marketing communication. It is for reporting purposes, in accordance with the Financial Conduct Authority (FCA) rules regarding the disclosure of climate-related financial information consistent with Taskforce on Climate-related Financial Disclosures (TCFD) Recommendations and Recommended Disclosures. For more information on AB's climate-related disclosures please visit www.alliancebernstein.com.

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