



ALLIANCEBERNSTEIN®

AB Global Stewardship Statement

AB's policy on responsible investing,
ESG integration, engagement, voting
and collaboration



“By pursuing insight that unlocks
opportunity, we can elevate our clients,
communities and the world.”

–Seth Bernstein, President and CEO, AllianceBernstein

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Introduction

At AllianceBernstein (AB), we believe the notions of corporate responsibility, responsible investing and stewardship cannot be separated. To be effective stewards of our clients' investments, we should invest responsibly—constantly assessing, engaging on and integrating material issues, including environmental, social and governance (ESG), and climate change considerations. We should also have a strong commitment to being a responsible firm in order to be truly responsible investors.

We're a leading global investment-management and research firm—our clients trust us to manage their investments in alignment with their investment objectives. This responsibility includes being diligent stewards of their investments, so we take an active approach as we carry out our stewardship duties throughout the investment process. Our corporate governance, ESG and climate integration practices are robust, and we use an integrated approach to evaluate and monitor most of our investments. We actively engage directly with the companies and issuers we invest in, and we're strong advocates for industry policies that advance responsible investing.

Our promise is to be a good corporate citizen for all our stakeholders. That means dedicating ourselves to striving to reduce AB's environmental footprint through initiatives such as greener buildings and reductions in greenhouse gas (GHG) emissions and operational waste. It also means making social advances, including supporting diversity in our firm and our communities. And it means being better corporate agents by strengthening our corporate governance practices and protecting our clients' information.

Our efforts to advance our own corporate responsibility make us more responsible investors. The foundation of our responsible investing effort is integrating ESG and climate change considerations into our investment and research processes for most of our actively managed strategies and actively engaging on these issues.

AB's Global Stewardship Statement is a comprehensive overview of our activities in responsible investing and stewardship. Because responsibility starts from the top, we begin this statement with our purpose, mission and values, describing how our structure enables both responsible investing and effective stewardship. In the following sections, we describe how we set policy, consider ESG and climate factors, and serve as active stewards in most of our actively managed strategies across asset classes.

1. AB's Purpose, Mission and Values

AB is a public limited partnership, independently operated and majority-owned by Equitable Holdings. We provide research, diversified investment management and related services globally to a broad range of clients through our three distribution channels—Institutions, Retail and Private Wealth Management—as well as our sell-side business, Bernstein Research Services.

- AB Asset Management—We are committed to seeking alpha through a unique combination of expertise across equities, fixed-income, alternatives and multi-asset strategies. Our connected global network helps us deliver differentiated insights and distinctive solutions to advance investors' success.
- Bernstein Private Wealth Management—We offer sophisticated wealth-planning tools and expert advice for high-net-worth individuals, families and smaller institutions, helping investors make their money meaningful.
- Bernstein Research and Trading—We deliver trusted investment research and trading execution to drive better outcomes.

The foundation of our business is high-quality, in-depth research, which we believe gives us a decided edge as we strive to achieve long-term, sustainable investment success for our clients. Our global research network spans many disciplines, including economic, fundamental equity and fixed income, and quantitative research. We also have experts focused on multi-asset strategies, wealth management and alternative investments.

As of December 31, 2021, AB managed \$779 billion on behalf of our clients.

As a responsible firm and responsible investor, we're committed to addressing ESG and climate issues—both as a corporate citizen and in striving to deliver better outcomes for clients. We foster a culture of D&I because different backgrounds and perspectives lead to better decisions and insights. We've built our business model on a strong risk-aware culture, prudent risk-taking and a robust governance framework that continues to evolve in the context of our limited partnership.

Our stewardship practices, investment strategy and decision-making are guided by our purpose, mission and values.

AB's Purpose, Mission and Values

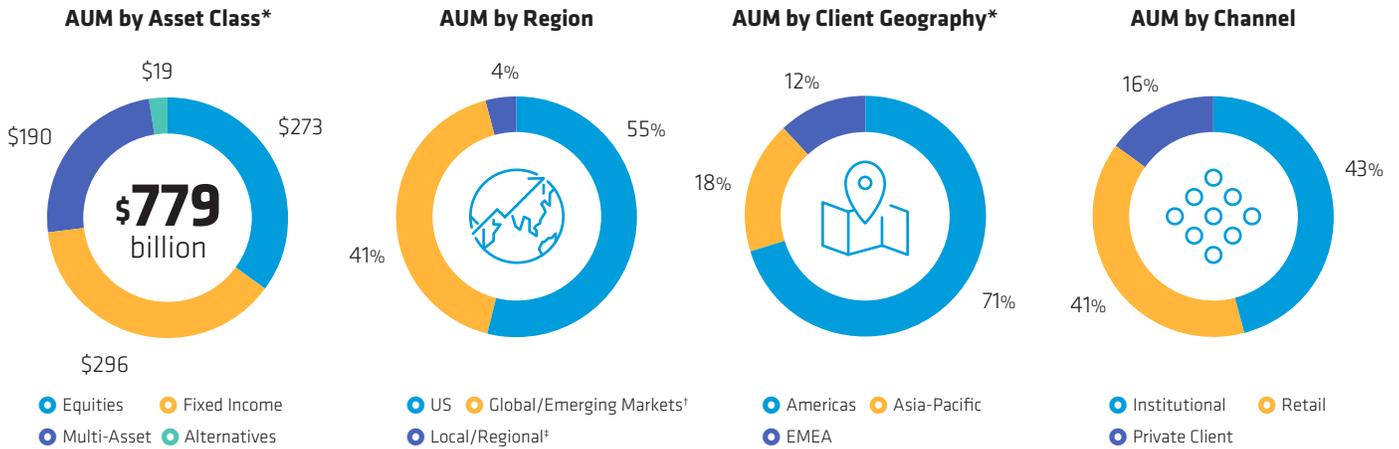
Our purpose—pursue insight that unlocks opportunity—inspires our firm to act responsibly. Opportunity means something different to each of our stakeholders; however, it always means striving to create impact in addition to financial returns.

AB's mission is to help our clients define and achieve their investment goals, explicitly stating what we do each day to unlock opportunity for our clients. We became a signatory to the Principles for Responsible Investment (PRI) in 2011. This formalized our commitment to identify responsible ways to unlock opportunities for our clients through ESG integration in most of our actively managed equity and fixed-income client accounts, funds and strategies.

Because we are an active manager, our differentiated insights drive our ability to deliver alpha and design innovative investment solutions. ESG and climate issues are key elements in forming insights and in presenting potential risks and opportunities that can have an impact on the performance of the companies and issuers that we invest in and the portfolios that we build.

Our values provide a framework for the behaviors and actions that deliver on our purpose and mission. Values align our actions. Each value emerges from the firm's collective character—yet is also aspirational. Each value challenges us to become a more responsible version of AB.

Invest in One Another means that we have a strong organizational culture where diversity is celebrated and mentorship is critical to our success. When we invest in one another, we empower our employees to reach their potential, so that they can help our clients realize theirs. Our ability to generate differentiated insights across a global research and investment platform stems from our diverse, inclusive and collaborative culture—powered by technology and innovation. This enables us to partner with clients to design and deliver improved investment outcomes.



*Numbers may not sum due to rounding. †Global and EAFE services, including those that invest in emerging markets, as well as stand-alone global emerging-market services. ‡Single country/regional services outside the US, including single country/regional emerging-market services.

As of December 31, 2021 | Source: AB

Strive for Distinctive Knowledge means that we collaboratively identify creative solutions to clients' economic, ESG and climate-related investment challenges through our expertise in a wide range of investment disciplines, close collaboration among our investment experts and creative solutions.

Speak with Courage and Conviction informs how we engage our AB colleagues and issuers. We seek to learn from other parts of our business to strengthen our own views. And we engage issuers for insight and action by sharing ideas and best practices.

Act with Integrity—Always is the bedrock of our relationships and has specific meaning for our business. Unlike many other asset managers, we're singularly focused on providing asset management and research to our clients. We don't engage in activities that could be distracting, or create conflicts—such as investment banking, insurance writing, commercial banking or proprietary trading for our own account. We are unconflicted and fully accountable.

Our firmwide strategy is how we enact our mission, purpose and values. Our strategy is to deliver, diversify and expand, responsibly, in partnership with Equitable Holdings. We strive to deliver improved investment performance and accelerate our organic growth. We are diversifying our global product offerings with innovative offerings across all channels and expanding our global distribution footprint, including growing our responsible investing platform. All of this is being done with support from our strategic partner, Equitable.

Our Investment Philosophy

We believe that by using differentiated research insights and a disciplined process to build high-active-share portfolios, we can

achieve strong investment results for our clients over time. We are fully invested in delivering better outcomes for our clients. Key to this philosophy is developing and integrating ESG and climate research, as well as our approach to engagement. Our global research network, intellectual curiosity and collaborative culture allow us to advance clients' investment objectives—whether our clients are seeking responsibly generated idiosyncratic alpha, total return, downside mitigation, or sustainability and impact-focused outcomes.

Our investment expertise includes:

- Actively managed equity strategies across global and regional universes, as well as capitalization ranges and investment strategies, including value, growth and core equities
- Actively managed traditional and unconstrained fixed-income strategies, including taxable and tax-exempt strategies
- Portfolios with Purpose, including actively managed, screened, sustainable, impact-focused and Responsible+ (climate-conscious, ESG leaders, change catalysts) equity, fixed-income and multi-asset strategies that address our clients' evolving need to invest their capital with purpose while pursuing strong investment returns (more details are provided in Section 4 of this statement)
- Passively managed equity and fixed-income strategies, including index, ESG index and enhanced index strategies
- Actively managed alternative investments, including hedge funds, funds of hedge funds and direct assets (e.g., direct real estate, private equity)
- Multi-asset services and solutions, including dynamic asset allocation, customized target-date funds and target-risk funds

Our investment experts across geographies, asset classes and sectors continually share their best ideas with one another, collaborating to drive innovation and better outcomes for all our clients.

Our Responsible Investment and Stewardship Philosophy

The foundation of responsible investment and stewardship at AB is generating and integrating ESG and climate research insights. Insight from our stewardship activities is fundamental to our research and investment process and also enables us to influence change. We engage with the companies and issuers that we invest in, as well as those whose securities we don't currently hold. We also engage with nonprofits and other stakeholders, such as employees, industry bodies, policymakers, academics, regulators, governments and community stakeholder groups.

This engagement helps us build better corporate relationships, improve our access to people and information, advocate for policy

improvements, and influence company and issuer behavior. While we develop deeper research insights from this process, we engage to generate higher and more sustainable risk-adjusted investment returns for our clients.

As stewards of our clients' assets, we believe that proxy voting is a fundamental responsibility. That's why we vote our active and passive shareholdings and unit holdings in accordance with our proprietary, publicly available [Proxy Voting and Governance Policy](#). More details are provided in Section 6 of this statement.

The philosophy and principles in this statement apply across the firm. However, because our investment capabilities and operations are broad and span several geographies, legal jurisdictions and regulatory environments, the execution of various elements of this statement may differ from strategy to strategy and country to country, in accordance with each team's investment approach, local law and regulation.

2. AB's Governance, Responsibility and Stewardship Structure: Form Enables Function

Our Role as a Fiduciary

Maintaining a vigorous fiduciary culture is paramount to our business. As a fiduciary, we place the interests of our clients first and treat all our clients fairly and equitably. Our business model rests on prudent risk-taking on behalf of our clients and the firm. We maintain a strong risk-aware culture and a robust governance structure, as articulated in our risk-appetite framework. Developed by our risk-management team, this framework is a set of guiding principles aligned with best practices in the industry to bring consistency to how we identify, measure, monitor and manage risk across the firm. It is reviewed periodically by senior management to ensure that key medium- and long-term risks are captured. Underscoring how seriously we take our fiduciary obligations, employees receive risk training throughout their time at the firm—upon joining, on an annual basis, when policies or regulations are updated, and on specific topics that are relevant to staff roles and positions.

To manage investment risk, including systemic market risks, there is an ongoing dialogue between the independent risk team and the portfolio-management teams. These discussions, which occur both formally and in response to specific circumstances, help identify risks and may result in a variety of changes to help address risk within portfolios and the market. Changes can range from limiting our exposure to a particular bond, sector or industry, or engaging with industry bodies to help address long-term or systemic risks, like climate change or modern slavery (more details are provided in Section 4 of this statement).

AB Corporate Governance and Oversight

AB's Board of Directors oversees the strategic direction of the firm. The board has 12 members, including an independent chair, seven additional independent directors and four affiliated directors (including our chief executive officer, CEO). We believe that separating the duties of the chair and the CEO represents better corporate governance. We also think that an effective board includes a diverse group of individuals across gender, ethnicity and background who collectively possess the skills and perspectives to successfully guide the company.

Our directors possess a wealth of leadership experience from managing large, complex organizations in their roles as senior executives, board members or government officials. Collectively, they have extensive knowledge and capabilities applicable to our business, including expertise in areas such as corporate governance; regulation and public policy; public accounting and financial reporting; financial services, including investment management and insurance; risk management; operations; strategic planning; management development; succession planning; and compensation. The board has four standing committees: executive; audit and risk; compensation and workplace practices; and corporate governance.

AB's senior management team comprises our CEO, Chief Operating Officer, Chief Financial Officer (CFO) and Head of Strategy, General Counsel, and Head of Technology and Operations. These individuals maintain primary responsibility for creating and executing the firm's strategy and operations.

AB BOARD OF DIRECTORS

Name	Role/Background	Joined AB Board	Years on AB Board	Ownership Interest
Independent Chairman				
Joan Lamm-Tennant	Independent Chair, Equitable Holdings Board of Directors; former founder and CEO, Blue Marble Microinsurance	October 2021	0.5	Yes
Affiliated Directors				
Mark Pearson	President and CEO, Equitable Holdings	February 2011	11	No
Seth Bernstein	President and CEO, AllianceBernstein L.P.	April 2017	5	Yes
Jeffrey J. Hurd	Chief Operating Officer, Equitable Holdings	April 2019	3	No
Nicholas Lane	President, Equitable Financial	April 2019	3	No
Independent Directors				
Daniel G. Kaye	Independent Director, Equitable Holdings	April 2017	5	Yes
Das Narayandas	Edsel Bryant Ford Professor of Business Administration, Harvard Business School	November 2017	4.5	Yes
Charles G. T. Stonehill	Director, Equitable Holdings; Founding Partner, Green & Blue Advisors	April 2019	3	Yes
Kristi Matus	CFO and COO at Buckle	July 2019	2.5	Yes
Nella Domenici	Director, Change Healthcare	January 2020	2	Yes
Bertram Scott*	Director, Equitable Holdings	September 2020	1.5	Yes
Todd Walthall	Executive Vice President of Enterprise Growth, UnitedHealth Group	September 2021	0.5	Yes

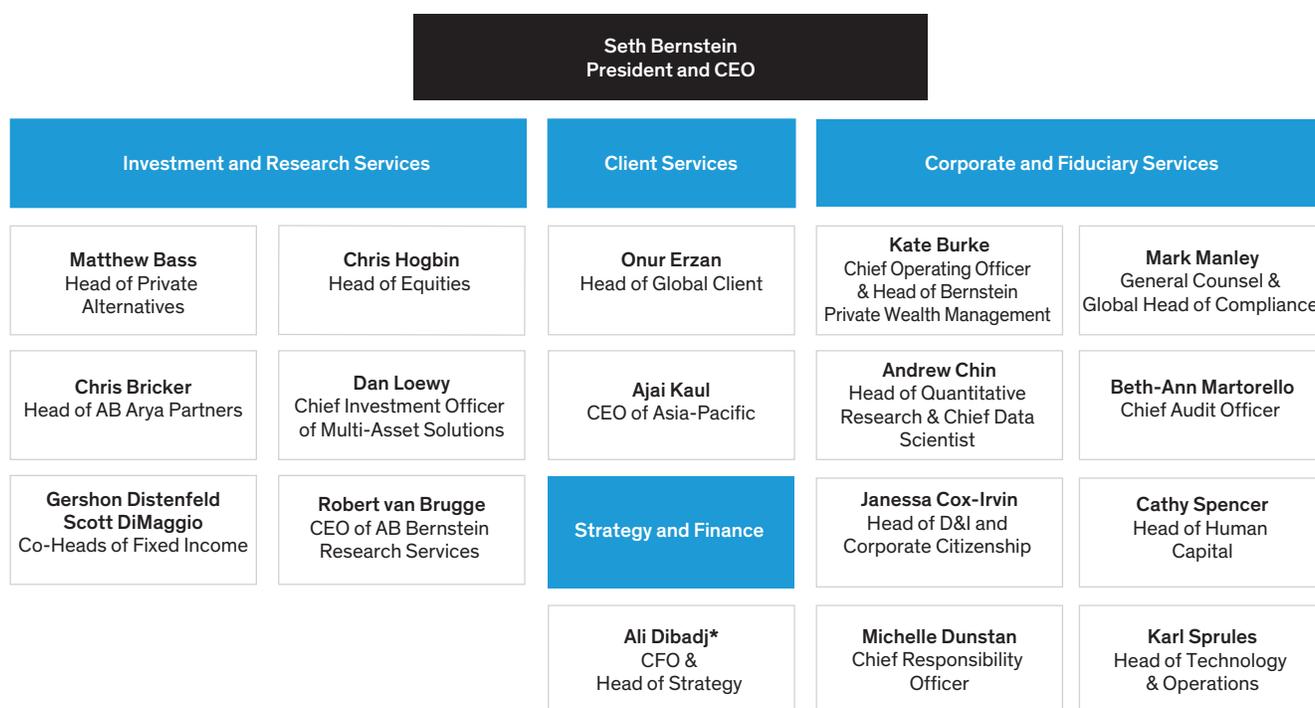
* As of March 22, 2022, Bertram Scott has resigned from the Board | **Source:** AB

The AB Operating Committee comprises Strategic Business Unit (SBU) heads and senior executives whose responsibilities are critical to AB's day-to-day operations. The Operating Committee provides diverse, balanced insights; it includes 19 senior business leaders from across our firm who serve as an advisory council for senior management. The Operating Committee includes the AB senior management team, as well as the leaders of: (1) Investment and Research Services: the heads of equities, multi-asset solutions, fixed income (co-heads), public alternatives, and private alternatives and the CEO of AB Bernstein Research Services; (2) Client Services: the heads of the Global Client Group and the

CEO of Asia-Pacific; (3) Strategy and Finance: the CFO & Head of Strategy; and (4) other Corporate and Fiduciary Services: the Chief Operating Officer & Head of Bernstein Private Wealth Management, the General Counsel & Global Head of Compliance, the Head of Technology & Operations, the Head of Quantitative Research & Chief Data Scientist, the Chief Audit Officer, the Chief Responsibility Officer, the Head of D&I & Corporate Citizenship, and the Head of Human Capital.

For complete information on our governance structures and policies, please visit the Corporate Governance and Investor & Media Relations sections of our [website](#).

AB OPERATING COMMITTEE



* As of March 23, 2022, Bill Siemers, SVP Corporate Controller & Chief Accounting Officer has assumed the role of interim CFO and Controller and joins the Operating Committee, replacing Ali Dibadj

As of December 31, 2021 | Source: AB

Corporate Responsibility, Responsible Investing, and Stewardship Governance and Oversight

To reflect our commitment to responsibility throughout our organization and to ensure that we have proper oversight and accountability for our responsibility practices, we've created a robust structure to oversee our corporate responsibility, responsible investing and stewardship activities.

AB's Chief Responsibility Officer has direct supervisory control over AB's corporate responsibility and responsible investing efforts. The Chief Responsibility Officer is also a member of AB's Operating Committee and oversees the Responsibility SBU, which comprises the Responsible Investing team and the Corporate Responsibility team.

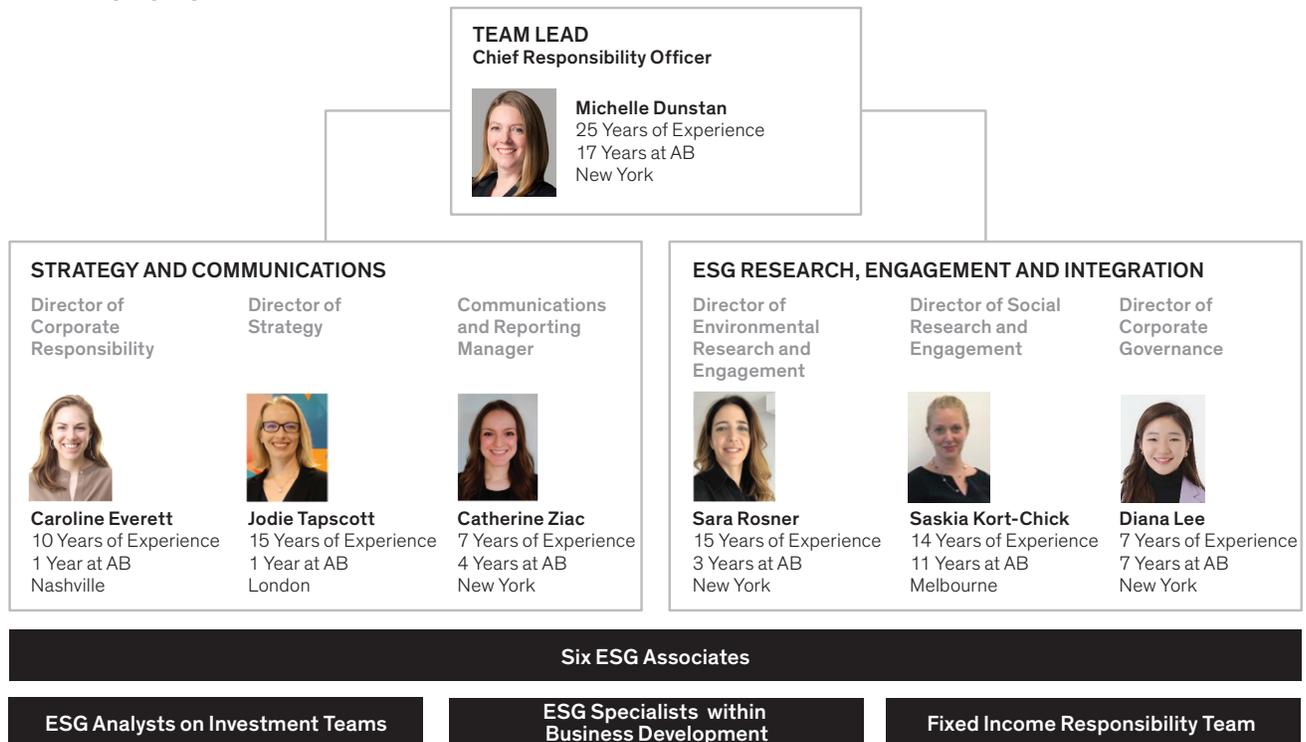
At AB, many of our investment professionals have a hand in crafting, overseeing and executing our responsibility strategy, including engagement and proxy voting. Those committees, teams and individuals include:

- The **Audit and Risk Committee** of our Board of Directors provides formal oversight for responsibility and responsible investing, while the board receives annual updates on strategic direction. This ensures that members at the highest level of our organization play a role in crafting our responsibility strategy, including aligning our broader operations.
- The **Responsibility Steering Committee**, chaired by our Chief Responsibility Officer, develops strategy and oversees execution

of our responsibility strategy. This committee, which meets quarterly, comprises senior professionals from across AB, giving different SBUs a say in our approach.

- Our **Responsible Investing team** of subject-matter experts partners with investors to develop ESG and climate research insights and engage with issuers. In conjunction with our various ESG and climate working groups, the Responsible Investing team develops proprietary frameworks and toolsets, manages our strategic ESG and climate partnerships, develops training programs and executes our proxy votes.
- Our **Corporate Responsibility team** develops our firm's approach to corporate responsibility. The team is responsible for designing and delivering our purpose and values, sustainability and corporate philanthropy activities.
- Our **investors**—analysts, portfolio managers and traders—are at the heart of our responsible investing process. They engage with issuers, analyze and quantify ESG factors and climate risks, and ultimately incorporate this information into their investment decisions. Every other month, Acuity—a group comprising the heads of our investment SBUs as well as the Head of Quantitative Research & Chief Data Scientist and our Chief Responsibility Officer—meets to discuss issues that span asset classes, share information, align strategies and cooperate, if appropriate. ESG is among the topics discussed. Some investment teams have a dedicated ESG analyst and also collaborate with the Responsible Investing team.

AB RESPONSIBILITY TEAM



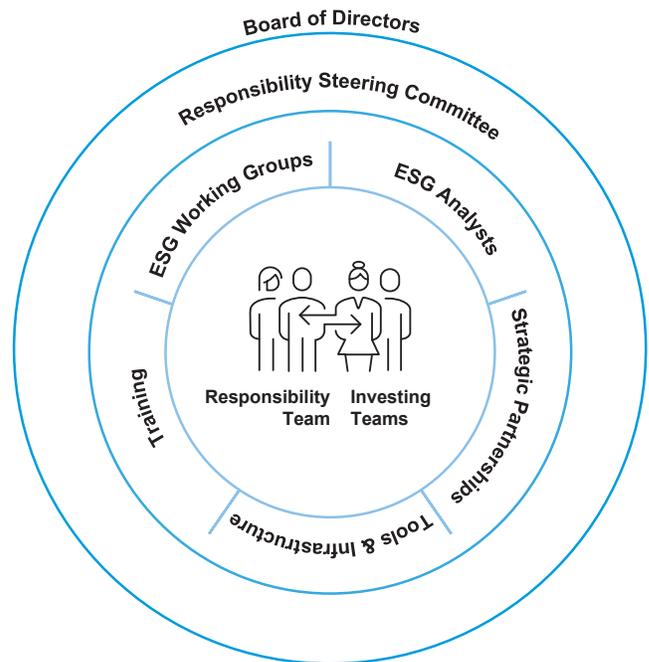
To support the Responsibility Steering Committee, AB has additional committees that are crucial to the oversight and implementation of our corporate responsibility, responsible investing and stewardship activities.

- Corporate Responsibility Steering Committee.** This committee, which is chaired by our Director of Corporate Responsibility, meets every other month to align and elevate AB's responsibility efforts into a cohesive, cross-SBU strategy that furthers our commercial objectives, including creating meaningful impact for our employees, clients and communities.
- Proxy Voting and Governance Committee.** This committee meets at least three times each year and includes senior representatives from our equity and fixed-income investment teams, Responsible Investing team, operations, and legal and compliance department. Through constructive debate, they establish our policy, oversee proxy-voting activities and provide formal oversight of the proxy-voting process. They also ensure that our proxy policies and procedures capture our latest thinking, formulate AB's position on new proposals, and consult on votes that are contentious or not covered by our policy.
- Controversial Investments Advisory Council.** This council meets every other month, and consists of senior representatives from across AB and is co-chaired by our CEO and Chief Responsibility Officer. The council provides a forum for discussion and debate on issues such as controversial weapons, tobacco, private prisons, fossil fuels and international norms. The council discussion informs specific investment decisions and helps to establish AB policy in these areas. The council has a global, cross-SBU ESG Governance Committee that was established in 2021 and reviews, analyzes and makes determinations regarding ESG-related regulations that affect AB's global business.
- Asia-Pacific (APAC) Responsibility Steering Committee.** This regionally based subcommittee meets every other month and is co-chaired by the Head of Asia Business Development—Equities and a director from the Responsible Investing team. It comprises representatives from our investment, sales, client services, risk and compliance teams in the APAC region. This subcommittee ensures that the strategy and policy set by the Responsibility Steering Committee is implemented within the region, and it acts as a channel between the Responsibility Steering Committee and our APAC Client Group.
- ESG Equity and Fixed Income Committees,** including our Fixed Income Responsibility Leadership Team. These committees include portfolio managers, research analysts and ESG analysts from our active equity and fixed-income investment teams. They discuss proprietary investment research conducted by the firm and its integration into our investment processes. The committees work to continually improve our ESG data and infrastructure, as well as our ESG and climate insights.

- Diversity Inclusion Culture & Equity (DICE) Committees.** AB has three regional DICE committees that ensure that D&I remains at the center of AB's culture, policies and practices. Members of the DICE committees champion and model D&I by increasing accountability within the SBUs for hiring, promoting and retaining diverse talent. DICE committee members help monitor and review SBU-specific D&I goals and share best practices across the firm.
- Operational Risk Oversight Committee and Investment Risk Committee.** These committees oversee AB's climate risks and regularly verify or provide internal assurance on various reports and practices.

Assessing Our Responsibility Governance Structure

We continually evaluate how our responsibility governance structure supports our stewardship obligations, working to fill potential gaps in skill sets and representation across SBUs. We strive to include diverse perspectives on these committees and teams to encourage constructive discourse that leads to improved governance.



AB's Board reviews how the firm is progressing on certain corporate responsibility and responsible investing metrics on an annual basis. The assessment informs the composition of our governance structure to improve oversight and accountability. We believe that the combination of oversight at the highest levels of the firm, having senior leaders directly responsible for policy and implementation, and fostering broad participation across AB in committees and working

teams ensures that responsibility is viewed as critical and infused throughout our work. Feedback from clients helps us understand how effectively our structure meets their needs and their expectations of our stewardship capabilities and activities.

We believe that our governance structure more than adequately supports our stewardship obligations, but we're always striving to improve.

Managing Conflicts of Interest

When AB is acting as a fiduciary, we must be loyal to our investment-advisory clients. This includes the duty to address or, at a minimum, disclose conflicts of interest that may exist between different clients, between the firm and clients, or between our employees and our clients.

We've established and we maintain policies and procedures to identify conflicts of interest and, if they are unpreventable, mitigate and manage any that may arise in relation to services that we or our affiliates provide.

As an investment manager, we must always act in our clients' best interests. All AB employees are required to follow our [Code of Business Conduct and Ethics](#), which summarizes our values, ethical standards and commitment to addressing potential conflicts of interest that arise from our activities. We've designed policies and procedures to implement the principles in this code.

Conflicts arising from fiduciary activities that we cannot avoid (or choose not to avoid) are mitigated through written policies that we believe protect the interests of our clients. In these cases, regulators have generally prescribed detailed rules or principles for investment firms to follow. By complying with these rules and using robust compliance practices, we believe that we handle these conflicts appropriately.

However, some potential conflicts are outside the scope of compliance monitoring. Identifying these conflicts requires careful and continual consideration of the interaction of different products, business lines, operational processes and incentive structures. Changes in the firm's activities and personnel can lead to new potential conflicts. It is the responsibility of every employee to be sensitive to situations and relationships that may create conflicts of interest and to bring any related questions or concerns to the Chief Compliance Officer or Conflicts Officer as they arise. To assist in this area, AB has appointed a Conflicts Committee, which is chaired by the firm's Conflicts Officer. The Committee comprises compliance directors, senior firm counsel and experienced business leaders who review areas of change and assess the adequacy of controls. The work of the Conflicts Committee is overseen by the Code of Ethics Oversight Committee.

The Chief Compliance Officer or Conflicts Officer will determine (through consultation with line managers, SBU heads and other

parties, as appropriate) the most appropriate method of handling a reported conflict. This may require business units to implement controls or procedures.

Our conflict-of-interest policies help guide us whenever a conflict might arise in our business. These policies are outlined in the firm's [Form ADV Part 2A](#), [Code of Business Conduct and Ethics](#) and [Proxy Voting and Governance Policy](#), among other internal policies.

While we don't believe that AB faces any conflicts that pose material risks to our clients' interests, the following are examples of potential conflicts inherent in our structure and activities:

- Acting for more than one client. We operate most services for many clients. This means that an account might be required to invest or divest less quickly and over a larger number of transactions than might have been the case had we operated just that account. Our priority is to ensure that our systems of order aggregation and trade allocation are fair between various clients' accounts.
- Allocation of investment opportunities. Our policies generally call for the pro rata distribution of investment opportunities across appropriate accounts. Sometimes, however, investment opportunities are in short supply and not enough securities are available to create a meaningful holding in every suitable account. In these cases, our policies allow us to allocate available securities among accounts with investment objectives most closely aligned with the investment's attributes. For example, we may choose to allocate a small-cap initial public offering among investors in our small-cap service, even though the stock might also be suitable for other portfolios with a broader range of holdings.
- Employee investments. Personal securities transactions by an employee of an investment advisor might raise a conflict of interest when that employee owns or trades in a security owned or considered for purchase or sale by a client—or recommended for purchase or sale by an employee to a client. AB's [Code of Business Conduct and Ethics](#) includes rules designed to detect and prevent conflicts of interest when investment professionals and other employees own, buy or sell securities that may be owned by, or bought or sold for, clients.
- Errors. We correct trading errors affecting client accounts in a fair and timely way. If correcting an error has resulted in a loss, we may decide to make the client whole. Ultimately, however, it's AB that decides whether an incident is an error that requires compensation. In some cases, an element of subjective judgment is required to determine whether an error has taken place, whether it requires compensation and how to calculate the loss involved. In certain circumstances, correcting an error may require the firm to take ownership of securities in its own error account. The disposition of those securities may create a gain in the firm's error account. To manage potential conflicts concerning errors, we've implemented a written error-resolution policy and have created an

Error Review Committee chaired by risk-management personnel, among other steps.

- Fees. We have a large client base, and the fee arrangements with our clients vary widely. Because our revenues are represented by the fees we charge our clients, we can't be considered to be acting as a fiduciary when negotiating fees.
- Gifts & entertainment. Our employees may give or receive gifts and entertainment to clients and other third parties in the normal course of business. Employees who acquire products and services used in our investment activities should not be unduly influenced by receiving gifts, meals or entertainment from the sellers. Similarly, our employees should not attempt to unduly influence clients or potential clients with these or other inducements, such as charitable or political contributions. To help identify and manage other potential conflicts of interest, we've adopted a Policy and Procedures for Giving and Receiving Gifts and Entertainment (the "Gifts Policy") under our [Code of Business Conduct and Ethics](#).
- Outside business activities. Outside business activities of an employee of an investment advisor may raise potential conflicts of interest, depending on the employee's position within AB and AB's relationship with the activity in question. Outside business activities may also create a potential conflict of interest if they cause an AB employee to choose between that interest and the interests of AB or any client of AB. All employees are required to disclose outside business activities in accordance with our [Code of Business Conduct and Ethics](#).
- Selecting execution brokers. AB and its employees have diverse relationships with the financial-services firms that execute our client trades. For example, many of those firms distribute shares of AB's sponsored mutual funds or other services to their customers. At any given time, those firms or their affiliates can themselves be asset-management clients of AB or institutional clients of Bernstein. Our portfolio managers may take a significant position in the securities issued by those firms as investments for client portfolios. One of the brokers we may use, Sanford C. Bernstein & Co., is our wholly owned subsidiary. Our selection of trading vendors is not based upon those relationships. Rather, AB has a duty to select brokers, dealers and other trading venues that provide best execution for our clients in accordance with our Best Execution Policy.
- Proxy voting. As an investment advisor that exercises proxy-voting authority over client securities, AB has a fiduciary duty to vote proxies in a timely manner and make voting decisions in our clients' best interests. We recognize that there may be potential for a conflict of interest that could affect our investment decision or engagement with an issuer. For example, an issuer may be a client,

sponsor a retirement plan that we manage (or administer), distribute AB-sponsored mutual funds, or have another business or personal relationship with AB or one or more of AB's employees. All such conflicts must be raised to an AB Conflicts Officer.

- Recognizing the link between engagement and voting, our [Proxy Voting and Governance Policy](#) describes how we identify, monitor and manage conflicts related to voting. At least annually, the Responsible Investing team compiles a list of companies and organizations whose engagement and proxies may pose potential conflicts of interest. When we encounter a potential conflict of interest, we review our proposed vote using the analysis set out in our policy to ensure that our voting decision does not generate a conflict of interest.
- Potential proxy-voting conflicts of interest are covered under our policy. We recognize that there might be a material conflict of interest when we engage with an issuer that sponsors a retirement plan that we manage (or administer) or distributes AB-sponsored mutual funds, or with which AB or one or more of our employees has another business or personal relationship. Similarly, we may have a material conflict of interest when deciding to engage on a proposal sponsored or supported by a shareholder group that is an AB client.

Insider Trading

All AB employees are prohibited from buying or selling, or recommending the purchase or sale of, securities of public companies, either personally or for clients, on the basis of material nonpublic or "inside" information. Employees are also prohibited from disclosing such information to others (commonly referred to as "tipping"). The prohibition against the use or disclosure of inside information is applicable to all types and classes of securities and securities transactions (e.g., equity, corporate debt, government-issued). This policy also applies to transactions in corporate loans, which may not fall under the current definition of "securities."

Investment advisors, broker-dealers and their controlling persons are required to establish and enforce written policies and procedures that are designed to prevent the misuse of inside information. To ensure that we comply with the prohibition against trading based on material nonpublic information, AB maintains an internal Insider Trading and Control of Material Nonpublic Information Policy. This policy prevents the disclosure of material nonpublic information to persons within or outside our organization who are in a position to trade on the basis of such information or transmit that information to others. It also includes procedures intended to block the flow and potential misuse of inside information from employees whose duties bring them into contact with nonpublic information.

3. Responsibility, Responsible Investing and Stewardship Policy Development and Implementation

We believe that to be truly effective responsible investors, we should also be a responsible firm. Therefore, developing and implementing our stewardship policy is a firmwide effort, with broad involvement and participation from our Responsibility SBU as well as investors and others across AB.

Focus on Clients

Our process starts with understanding the needs of our clients. We employ a robust account-onboarding process that includes teams that will support the new client's account, including our client services, portfolio management, account transitions, legal, compliance, client reporting and operations teams. These teams conduct pre-funding calls to understand the client's desires and needs (including stewardship requirements) and ensure that specific guidelines are reviewed, documented and coded in our compliance systems. After onboarding, we have ongoing discussions with clients to provide relevant ESG and climate-related data, information and stewardship reporting and to ensure that we are meeting our clients' needs and expectations.

Policy Development

After ensuring that we understand our clients' needs, we maintain an ongoing process for evaluating our responsibility strategy and its related policies, processes and frameworks.

Our Chief Responsibility Officer develops and maintains our responsible investing-related policies, in conjunction with members of the Responsibility team, Responsibility Steering Committee and investment teams. These policies, including this statement, are reviewed and approved annually by our Responsibility Steering Committee, our Proxy Voting and Governance Committee or our Board of Directors to ensure that they not only reflect the mission, purpose and values of AB but also further our pursuit of ongoing improvement.

- This **Global Stewardship Statement** is governed by the Responsibility Steering Committee in alignment with our responsibility strategy. This statement includes an overview of our approach to ESG and climate integration, engagement, proxy voting and governance, controversial investments and conflict management. It's reviewed and approved annually and complies with the requirements of the SRD II and the following global stewardship frameworks: the US Stewardship Framework for Institutional Investors, the UK Stewardship Code, the Japan Stewardship Code and the International Corporate Governance Network (ICGN) Global Stewardship Principles.

- Our [Proxy Voting and Governance Policy](#) is overseen by the Proxy Voting and Governance Committee, which provides formal oversight of the policy and process. It is reviewed and updated annually to ensure that we reflect current market practices and incorporate what we learned from past proxy seasons. This policy considers corporate governance frameworks provided by regulators.
- Our [Corporate Governance Advancement Expectations in Japan](#), outlines the areas in which we believe that Japanese companies can make further enhancements, including increasing board independence, adopting a three-committee structure, improving gender diversity, scrutinizing capital-allocation practices and deconcentrating annual general meeting (AGM) dates.
- Our [Climate Change Statement & TCFD Report](#) describes AB's strategy, governance and risk-management approach on climate change and aligns with the recommendations from the TCFD. This statement is governed by our Board of Directors, approved by our Responsibility Steering Committee and reviewed annually by our Chief Responsibility Officer and the Responsibility team.
- Our [Global Slavery and Human Trafficking Statement and Report](#) outlines how we assess and manage modern slavery risk in our operations, supply chain and investments, as well as our investee company and issuer supply chains. This statement is reviewed by the Responsibility team and approved annually by our Responsibility Steering Committee and Board of Directors. It responds to the requirements outlined in both the UK Modern Slavery Act and the Australian Modern Slavery Act.
- Our [Statement on Controversial Weapons](#) is maintained by the Controversial Investments Advisory Council and is prepared by the Responsibility team. It is reviewed and updated on an as-needed basis as our policy stance on controversial issues and investment exclusions evolves. The statement complies with various national laws and international conventions prohibiting investment in cluster munitions and anti-personnel landmine manufacturers.
- Our [SASB disclosures](#), first released in 2021, report on our asset-management and custody activities across accounting metrics, as defined by SASB. These disclosures are overseen by our Director of Corporate Responsibility and Head of Investor Relations.

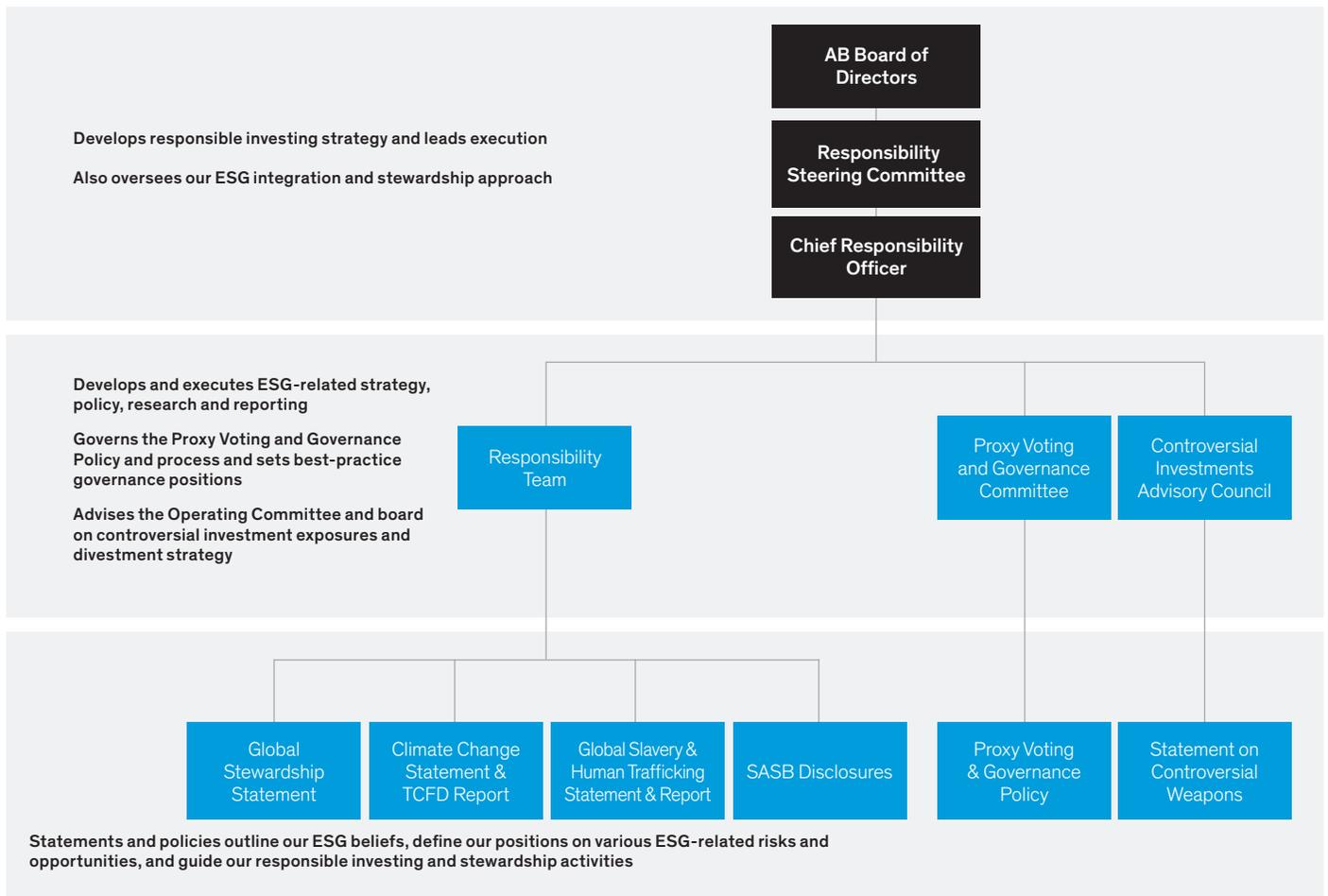
These statements, policies and their corresponding reports are available on our [website](#).

Policy Implementation

While the Responsibility Steering Committee is tasked with overseeing the execution of our stewardship strategy and policies, implementation occurs throughout the firm.

- Our investment teams—analysts, portfolio managers and traders—are at the heart of our stewardship activities. They’re in the best position to manage the day-to-day implementation of ESG and climate change integration, engagement and voting activities.
- Our large global research team and history of deep fundamental research give us detailed knowledge of the firms and issuers that we invest in and are complemented by the issue-specific knowledge of the Responsible Investing team.
- Investors understand their sectors and issuers and conduct detailed research on the issues that are most material and relevant to an investment decision.
- Investors monitor their investments and issuers on an ongoing basis to ensure that performance and strategy are consistent with the investment thesis.
- Investors typically lead engagements with management and other stakeholders. They understand the issues best and are ideally positioned to obtain information to make improved investment decisions and advocate for action—to encourage issuers to make decisions that could enhance value for our clients.
- Investors are highly involved in our proxy analysis and voting processes.
- Our Responsible Investing team includes ESG experts who partner with the fundamental investment teams to conduct ESG and climate change–related research, develop frameworks and prepare for and conduct engagements both alongside

RESPONSIBILITY POLICY OVERSIGHT



and independently of the investment teams. Members of the Responsible Investing team also manage the proxy-voting process, ensuring that votes are aligned with our policy, and coordinate with the investment teams to conduct incremental analysis or engage with an issuer on a specific proposal.

- Our risk, legal, compliance and internal audit functions help create, implement and monitor our responsibility-related strategy, statements and policies, and they ensure compliance with any controversial investment restrictions. To advance these efforts, the firm has formalized an ESG Compliance Program focused on reviewing marketing materials, ESG documentation and note-taking, risk and compliance governance, training and emerging regulations.

Remuneration for AB Professionals

Compensation for our investment teams is designed to align with our mission and responsibility—generating investment outcomes while promoting responsibility and stewardship. 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 investment teams and firm.

AB's compensation philosophy is governed by a widely used model for managing 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 instead to a leadership-focused management and measurement tool.

The priorities and needs of clients are considered alongside the expectation of creating long-term, sustainable value for clients, and they complement revenue expectations. We assess each executive's performance relative to business, operational and cultural goals established at the beginning of the year and reviewed in the context of the current-year financial performance of the firm. "ESG Progress" is a prominent measure noted on the scorecard, with individual SBU heads, through their management efforts, tasked with cascading these expectations throughout their individual teams.

Both firm and SBU performance assessed against material ESG efforts, including purpose, will influence compensation awards. 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 commitment to clients and the positive progress of the firm.

Remuneration for our investment teams—our analysts, portfolio managers and traders—who are also responsible for ESG integration is designed to align with our mission and values.

Remuneration includes both quantitative and qualitative components. The most significant quantitative component focuses on measures of absolute and relative investment performance in client portfolios for portfolio managers, as well as on 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. Every portfolio manager and analyst has goals that promote the integration of ESG and sustainability in their investment processes. The exact goals will vary, depending on the individual's role and responsibilities. Typical goals for portfolio managers include discussion of ESG or sustainability risks and opportunities at research reviews and integration of these factors in portfolio decision-making. Analysts' goals typically focus on providing assessments of ESG and sustainability factors in their research and recommendations, engaging with issuers for insight and action on ESG and sustainability topics, and documenting these engagements in ESIGHT, our ESG research and engagement platform (more details on ESIGHT are provided in Section 5 of this statement).

Review and Audit of Stewardship Activities

Our statements, policies and procedures are regularly reviewed by our Responsibility team and Responsibility Steering Committee. We consider feedback from our clients and investors and compare our policies with best practices as outlined by such organizations as the PRI, ICGN and various national stewardship codes. Those reviews and discussions result in continual strengthening of our policies.

AB views stewardship as a critical function, so we embed checks and balances throughout our processes, including:

- **Review of responsible investing process**
 - Our global, cross-SBU ESG Governance Committee reviews, analyzes and makes determinations regarding ESG-related regulations that affect AB's global business.
 - Our Compliance team reviews the ESG analysis and integration process for a select number of actively managed strategies to ensure that client and marketing disclosures properly reflect actual activities. The team also periodically reviews our internal ESG research and engagement records for quality and quantity. Our ESG Compliance Program serves as an internal assurance mechanism because we perform a sampling of ESG investment notes for reasonableness in ESIGHT and PRISM, our proprietary credit rating and scoring system, to evidence our stewardship.

- **Risk oversight of firm, fund and client restrictions on securities**

- Our Compliance team reviews all actual and potential conflicts of interest. We provide more details on how we manage conflicts of interest in Section 2 of this statement.

- **Review of our proxy-voting process**

- A dedicated team, independent of AB's Responsible Investing team, reviews each vote to ensure that the Responsible Investing team has voted in line with AB's policy.
- Our voting process is reviewed periodically by our Internal Audit team. AB's Internal Audit team adheres to the standards of the Committee of Sponsoring Organizations of the Treadway Commission and the Institute of Internal Auditors. Therefore, we have not sought independent assurance at this point.

- **Review of responsibility reporting**

- Our Internal Audit team reviews and provides independent validation of AB's responsible investment activities, as represented in our annual PRI Transparency Report and our [SASB disclosures](#). Because AB's Internal Audit team adheres to the standards of the Committee of Sponsoring Organizations of the Treadway Commission and the Institute of Internal Auditors, we have not sought independent assurance at this point.
- Members of our Responsibility team reviewed the alignment of our [Climate Change Statement & TCFD Report](#) with new UK and APAC climate regulations.
- Members of our Responsibility team reviewed our [Statement on Controversial Weapons](#) based on client feedback.

Managing Service Providers

Although we do not outsource our ESG research, integration, engagement or proxy-voting activities, we subscribe to a variety of external data sources that serve as sources of information for our activities and decisions. These primarily include ESG ratings and risk providers, carbon and climate-risk providers, and corporate governance and proxy research services.

We take reasonable steps to verify that the vendors to which we have full-level subscriptions are, in fact, independent, based on the relevant facts and circumstances. Our Vendor Risk Management Committee, which is a subset of our Operational Risk Oversight Committee, provides firmwide oversight of our critical and material vendor relationships. We maintain a formal [Vendor Code of Conduct](#) that outlines our expectations of our vendors generally and our expectation that vendors comply with applicable laws, rules and regulations.

We monitor and review our third-party data and service providers and evaluate competitive service providers to ensure that we have access to the best available ESG data to support our integration and stewardship activities. On a monthly basis, our market data team tracks the reports of all data users by service, cost and cost center. Annually, we review contract renewals based on cost, needs, usage and user experience. Our market data team also acts as an escalation point for users when vendor issues are encountered.

For proxy research services providers, our Proxy Voting and Governance Committee reviews vendors' conflict-management procedures on an annual basis. When reviewing these conflict-management procedures, we will consider, among other things, whether the proxy research services vendor: (1) has the capacity and competency to adequately analyze proxy issues; and (2) can offer research in an impartial manner and in the best interests of our clients. We routinely add new data sources where we see the opportunity to integrate better or additional information.

4. Responsible Investing: Integrating ESG and Climate Considerations Throughout the Investment Process

AB focuses intently on our clients and their needs, which are often centered on achieving a desired level of risk and return within a given time horizon. Analyzing and assessing issuers through the lens of long-term value creation often allows us to achieve strong financial outcomes while reducing risk through a more thorough analysis of the factors that will affect a security throughout the course of the investment horizon and beyond. Investment horizons will vary by asset class and investment opportunity but can range from a few months to a few years.

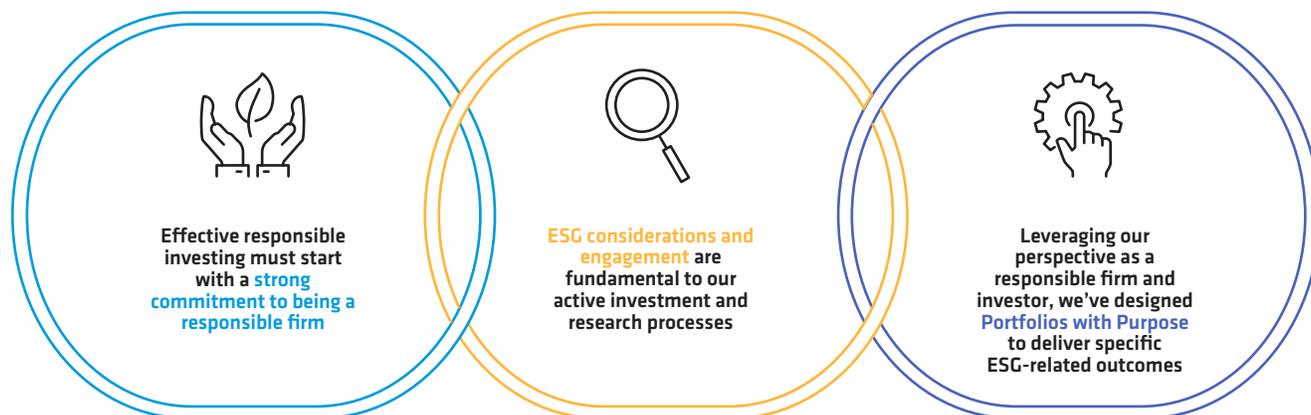
AB has long recognized that ESG issues can affect the performance of investment portfolios. When we became a PRI signatory in 2011, we formalized the integration of ESG into our investment processes, where applicable and created a management infrastructure for responsible investment leadership that drives our firm's strategy and commitment to these issues firmwide.

We take a three-pronged approach to responsibility and ESG integration.

First, we focus on being a responsible company. If we ask our portfolio companies and issuers to improve their practices and do things differently, our own policies and processes should reflect those aspirations. We evaluate our own corporate responsibility practices to ensure that they align with what we expect of others.

Second, we integrate ESG and climate-change factors throughout most of our actively managed strategies because these issues can affect investment performance; ESG consideration is fundamental to our research process. Thinking broadly and deeply about ESG and climate issues, our analysts and investment teams can better identify and quantify risks and opportunities for specific issuers and help create better financial outcomes for our clients. We integrate ESG and climate factors into most research and investment processes for most actively managed client accounts, funds and strategies. As of December 31, 2021,

AB'S APPROACH TO RESPONSIBILITY



← We Pursue Responsibility Throughout Our Firm—from How We Work and Act to the Solutions We Deliver to Clients →

integrated assets represented \$524 billion, or approximately 67% of our firm's total assets under management of \$779 billion.¹ Portfolios with Purpose accounted for \$31 billion (4%) of our assets. The remaining \$255 billion, or 33%, was primarily invested in passive or index funds.

Third, we've developed a suite of Portfolios with Purpose, which go beyond ESG and climate change integration and engagement to offer diverse solutions for investing with purpose. These solutions include impact strategies, sustainable investment strategies that align with the United Nations Sustainable Development Goals (UN SDGs) and Responsible+ strategies, which include "Climate Conscious" strategies that target climate resilience, "ESG Leaders" that target best-in-class ESG practices and "Change Catalysts" that target positive change among issuers.

Reflecting Client Feedback in Our Approach

Our integration process begins with understanding our clients' needs. We engage with clients and their advisors to better understand how we may align with their own responsible investing principles and help them meet their own governance and regulatory obligations. This takes place in a variety of ways, including:

- Customization of investment guidelines to align with clients' principles
- Transparency on engagement and voting reporting
- Communications and thought leadership on key investment and industry matters
- On occasion, providing training to clients' in-house staff and stakeholders

Representatives from our clients' organizations and AB's responsible investing, client advisory and relevant investment teams work together to develop appropriate investment guidelines that meet client needs. They also participate in regular (quarterly, semiannual or annual) reviews to ensure that portfolios are being managed in line with client expectations. In these review meetings, any client feedback regarding engagement is either received directly by or reported to the appropriate portfolio managers for implementation. We seek ongoing feedback on our reporting deliverables, and we set aside time during our annual reviews to discuss service-level agreements and reporting on ESG integration, engagement and stewardship. By increasing transparency in this way, we allow clients to better assess how we are managing in line with their best interests. While we do not yet have a formal client satisfaction survey, this is something we are exploring—including looking into incorporating specific questions on our engagement efforts. To date, the Responsible Investing team has conducted internal surveys to obtain client feedback from Business Development and Sales. Additionally, should ESG ever be cited as a contributing factor in a client's decision to terminate their account, that information would be captured in an Account Closing memo and escalated to the appropriate internal committees.

Internally, our client relations, portfolio-management and Responsible Investing teams discuss client feedback and areas where we think that we can better meet client expectations. Our client service team works with our investment, Responsible Investing and reporting teams to amend reporting deliverables, if necessary. Internal committees also monitor regulatory updates to ensure that we are meeting or exceeding legal requirements across jurisdictions.

We strive to remain relevant to our clients and their stakeholders, especially on ESG topics, in order to improve clients' and advisors' understanding of their investments and to encourage clients and advisors to challenge their managers. This education includes published thought leadership, conducting teach-ins and developing curriculum with our partners at Columbia Climate School. We actively engage to identify emerging trends and requirements that will help shape our own practices and future investment solutions.

A Deeper Dive on ESG Integration

Our investors are at the heart of AB's ESG integration, partnering with our dedicated responsible investing professionals to integrate ESG and climate change considerations into each step of our research process. Our ESG integration process is broadly applicable across all asset classes and geographies, and we strive to integrate ESG considerations across most of our actively managed strategies.

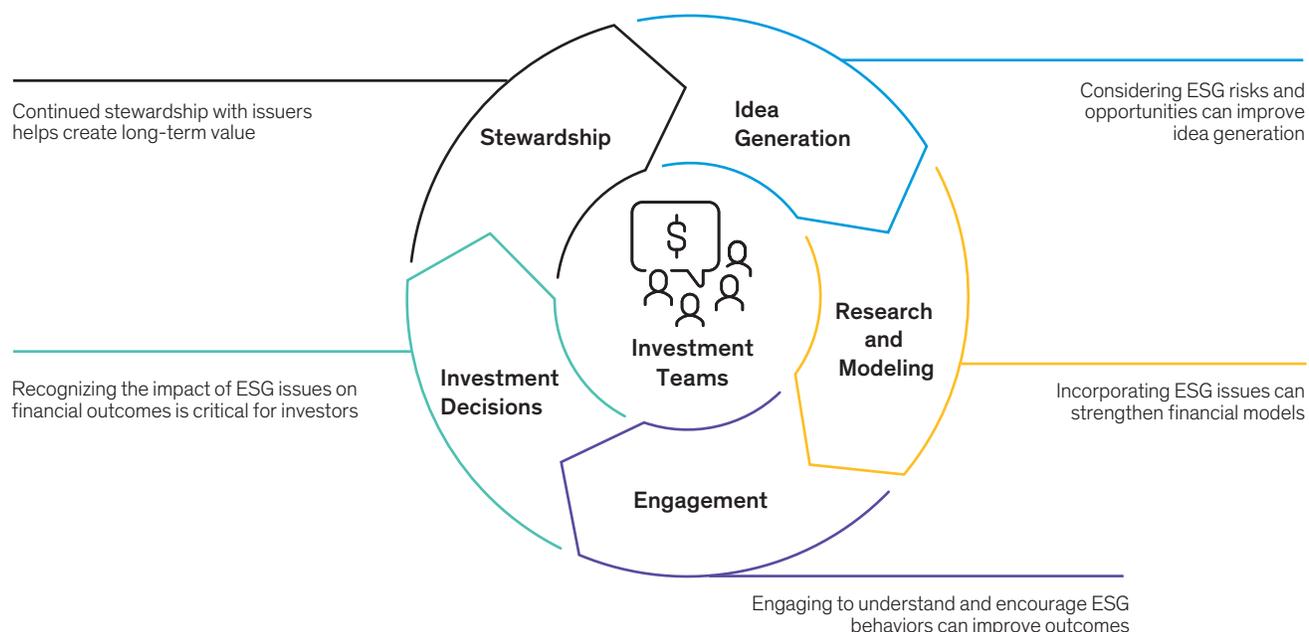
For AB to consider a strategy to be ESG integrated, the investment process should address ESG at each applicable stage—from idea generation to research and modeling to engagement to investment decision-making to continued stewardship. By considering ESG risks and opportunities at each of these stages, we can better align our investments with these risks and opportunities. Our Compliance team, in conjunction with our Responsibility team, verifies that strategies are integrating ESG robustly at each stage.

The process starts with equipping our investors with education, tools and processes to enable them to adequately understand, research and integrate material ESG and climate issues—and identify and respond to marketwide and systemic risks.

- **Proprietary platforms.** To augment third-party data and toolsets, we've developed proprietary research and collaboration tools to strengthen ESG and climate research and systematize integration throughout the firm—including our proprietary ESIGHT platform for ESG research and collaboration and PRISM for credit ratings and scoring. More details on ESIGHT and PRISM are provided in Section 5 of this statement. We've also created an Alternative Data Dashboard that combines the industry-specific knowledge of our fundamental analysts with the capabilities of our Data Science team to create better insights from alternative data and our research.
- We continued to advance our ESIGHT, adding proprietary ESG ratings from our Value team and enhancing usability for our fixed-income analysts by adding support for sovereign and securitized issuers.

¹ Includes AB's Portfolios with Purpose

AB'S INTEGRATION PROCESS



- Third-party data and research.** AB's investors have access to a range of data services that enable them to gain a broad understanding of the ESG and climate risk characteristics of an issuer, a sector or a portfolio. These include, but are not limited to, ESG data from Bloomberg and FactSet, MSCI ESG Ratings, MSCI carbon emissions data, Sustainalytics ESG Risk Ratings, Global Norms and Controversies Research, ISS ESG Controversial Weapons Research and Glass Lewis corporate governance and proxy research. We view these third-party data sources as a starting point for analysis; on their own, these data sources don't provide the level of detail or insight necessary to fully understand the risks and opportunities inherent in an issuer or portfolio. Our Responsible Investing team continually evaluates our slate of current and new providers to ensure that we're providing our investors with the best possible data and information.
- To provide investors with the information they need to make effective ESG assessments, we continue to bolster our proprietary and third-party ESG data sources. We review third-party sources every three years, and our working relationships provide ongoing feedback on the quality and accuracy of data that we receive.
- We also provide timely and actionable feedback to service providers when our expectations have not been met, including helping to identify discrepancies in data versus the data of other providers and where we disagree on individual issuer assessments.
- We provide investors with multiple ESG data sources. We don't believe that third-party ratings are sufficient to fully analyze an issuer's ESG risks and opportunities, but the data in these reports provide a good starting point for our analysts as they begin to conduct their own research and engagement processes.
- Strategic partnerships** with world-class institutions. As mentioned, AB has collaborated on climate change with the Columbia Climate School. Our investors partner with Columbia scientists to conduct research on topics that advance climate science and that have a meaningful impact on our investments. We embed that knowledge across AB investment teams through training sessions and other education. Finally, we share that knowledge with our clients and external stakeholders. More details about our partnership can be found in our [Climate Change Statement & TCFD Report](#).
- Extensive training programs.** In addition to our flagship climate change curriculum, we offer ongoing ESG training to all investment staff. This includes peer-to-peer learning for chief investment officers and portfolio managers, during which a select group of managers presents how ESG is integrated into their specific strategies. We also have systematized training on external data, systems and tools, as well as educational sessions across a suite of topics, including modern slavery, corporate governance, sector-specific themes and integrating ESG into portfolio decision-making.

Primary ESG Data Offerings

- Bloomberg
- FactSet
- Glass Lewis Corporate Governance and Proxy Research
- Impact Cubed
- ISS
- ISS-Ethix
- ISS Voting Analytics
- ISS ExecComp Analytics
- MSCI Carbon Emissions
- MSCI Climate Value-at-Risk
- MSCI EU Sustainable Financial Disclosure and Taxonomy
- MSCI ESG Ratings
- Sustainalytics ESG Risk Ratings
- Sustainalytics Controversies
- Sustainalytics Global Standards Screening

Alternative ESG Data Offerings

- CDP Carbon Data
- Corporate Human Rights Benchmark
- Glassdoor Employee Reviews
- Global NGO Data
- ISS Compensation Data
- KnowTheChain Company Scores
- LEED Locations
- Vorkers Japanese Employee Reviews

- **Global participation in developing ESG-related intellectual property, frameworks, tools and systems.** In addition to our dedicated Responsible Investing team, approximately 100 AB personnel participate in one or more ESG working teams centered on generating deeper ESG and climate research insights within each asset class, developing new products and responding to various regulatory changes.

Investment teams should identify and assess material ESG and climate risks and opportunities. Materiality differs by sector and industry. For example, how a company or issuer manages its water consumption and treats wastewater could present ESG and financial issues for food and beverage companies. For financial firms, however, data and privacy concerns take precedence.

Working with more than 120 AB analysts across asset classes, we've developed a proprietary materiality map that covers more than 40 ESG issues and spans almost 70 subsectors. We can apply the map to a range of ESG challenges, giving us valuable perspective on how the balance of shareholder and stakeholder interests will likely affect both our long-term financial forecasts and other stakeholder concerns. In our view, a consistent framework for balancing financial forecasts and ESG materiality helps us make better-informed investment decisions and ultimately can enable us to deliver better investment outcomes.

Our investors also engage with issuers on ESG and climate risks and opportunities. Engagement has always been a vital part of our investment process. Each year, analysts engage with leaders of public and private companies and noncorporate entities, including municipalities, supranationals and sovereign issuers. Engaging specifically on ESG and climate issues is a key part of our research and stewardship processes. In Section 5 of this statement, we elaborate more on our engagement.

Investors document and incorporate their ESG research and engagement findings and conclusions. We believe that it's critical to integrate ESG factors into ground-level fundamental research; by documenting and sharing research insights across investment teams, we can leverage our ESG integration throughout the firm. To put momentum behind this effort, we've developed tools and platforms—ESIGHT, PRISM and our Alternative Data Dashboard—that foster better ESG documentation, integration and collaboration within and across investment platforms. More details on ESIGHT and PRISM are provided in Section 5 of this statement.

Investment teams then integrate ESG and climate factors into their decision-making process, where applicable. Putting our investors at the heart of our stewardship activity enables us to integrate ESG throughout the investment process, leading to better consideration of these issues in investment decisions, for most of our actively managed strategies. Analysts take ownership of the ESG and climate change issues from the start, identifying them, researching them, engaging with the issuers on them, and incorporating them into their models and frameworks. An analyst's recommendation and evaluation of risks and opportunities for a security reflect impacts from ESG issues.

For certain strategies, portfolio managers include ESG and climate risks and impacts in their investment evaluations and decisions from the outset. There is no need to try to reconcile the differing

ESG, climate change and fundamental analyses that may result from separate, parallel ESG and fundamental evaluations if ESG is integrated throughout the process. The impact of ESG and climate change analysis on cash flows, credit ratings or discount rates clearly influences investment decisions and position sizing. It could also affect investment time horizons, which will vary by asset class and investment opportunity but can range from a few months to a few years. Because ESG is integrated throughout the investment process, there's no need to reconcile differing ESG, climate change and fundamental analyses from separate, parallel ESG and fundamental evaluations.

Exclusions, Inclusions and Screening

At AB, we apply negative or exclusionary screening in a variety of ways, depending on the investment strategy and on whether a screening request is client-driven or determined by country or regional regulation, and based on the activity, ESG or climate risk in question.

AB applies some exclusions at the request of clients who provide us with a list of companies to be restricted from their portfolios; others prefer that we screen on one or more factors using data from a third-party research provider. Client-driven exclusions can take several forms, including those based on product involvement, ESG ratings and carbon footprints, as well as exclusions at the industry and sector levels. These screens are developed in conjunction with our clients, updated regularly and captured electronically in our firm's pre-trade and post-trade compliance systems, which then restrict those securities from the client's account.

We also apply positive or inclusionary screens for some of our Portfolios with Purpose or if our clients request them. In these cases, we seek to invest specifically in companies that have demonstrated clear ESG leadership and are widely recognized as exhibiting a "best-in-class" approach through their recognition of ESG and climate risks and opportunities. We use inclusionary screening as a starting point to identify investment candidates, and then conduct robust ESG research and analysis to make our final investment decisions.

At a regional level, we recognize that legislation prohibiting investment in companies involved in controversial weapons manufacture (anti-personnel landmines, cluster bombs and/or munitions made with depleted uranium) is growing, and client engagement on this issue is rising. As a result, select products issued by AllianceBernstein (Luxembourg) S.à r.l., an AB affiliate, exclude both debt and equity securities issued by companies involved in the production of these controversial weapons from the universe of potential investments in publicly available funds on this platform.

We have engaged a third-party service provider (ISS-Ethix) to provide us with the list of controversial weapons manufacturers to be excluded from these funds and other relevant client accounts. We continue to monitor the evolution of regulation around the world regarding investment in companies involved in controversial weapons production and work with our service provider to ensure that the screening for AB funds remains up-to-date.

On a firmwide basis, we screen investments in private prisons on a revenue basis. We discussed and debated the business model, investment risk, relation to racial justice and social equity, misalignment of the companies' incentives with positive societal outcomes, and whether the companies' policies are at odds with international norms and our own [Global Slavery and Human Trafficking Statement and Report](#). We explored the data and analysis,

read views from different perspectives, took legal guidance from outside advisors and conducted engagements on these issues with major companies in the space. After carefully considering this information, we determined that the conduct of private prisons is not compatible with either AB's position on modern slavery or commonly accepted international norms. Furthermore, our engagements with the companies showed that at this time, they will not advocate for any changes to their business models. Consequently, we believe that there is reputational risk, as well as additional investment risk for our clients, associated with investing in private prisons; we've chosen not to initiate any new long positions or add to existing long positions in our actively managed strategies (as of November 30, 2020). All long positions in our actively managed strategies have been exited. We will continue to monitor the strategy, behavior and other developments at private prisons. Should we see a material positive change in the strategy or behavior of these companies, we will reevaluate AB's stance.

We also exclude investments in cannabis on a revenue basis at a firmwide level, owing to US federal laws and regulatory restrictions.

Across most actively managed investment strategies, we monitor for UN Global Compact breaches. However, we believe that whether an issuer is breaching international norms is subjective. We have found that there is no reliable source of data and that the various lists published by third-party providers differ, often with very little overlap. Also, these data are historical in nature; many of the breaches occurred several years (if not decades) in the past, and it is unclear what an issuer must do to be removed from the list. Instead of relying on third-party data in this regard, we believe that the risk of breaching international norms is best understood and addressed through ongoing in-depth fundamental research, which enables us to fully analyze a wide range of information and properly assess the risk at an issuer-specific level. Where a major third-party service provider has deemed an issuer to be in violation of international norms, our investment teams are required to research and document the nature of the breach, including, if applicable, why our internal research demonstrates that the security remains a reasonable investment. Our Responsible Investing team, in conjunction with our risk division, has implemented a systematic process to ensure that this research has been completed upon initiating a position, and annually thereafter, as long as the position continues to be held.

Finally, our Portfolios with Purpose apply a multitude of additional ESG and carbon-related screens appropriate to their investment strategy. For example, our Sustainable Thematic product platform excludes companies involved in alcohol, tobacco, gambling, pornography, coal and conventional weapons production, and it applies positive screens aligned with the UN SDGs. The exact specifics of these screens are detailed in each strategy's regional product disclosure documentation.

AB Commercial Real Estate Debt

AB's Commercial Real Estate Debt (CRED) team leverages the work of the Responsibility team and the Responsibility Steering Committee to ensure that the policies and procedures involved in the day-to-day execution of the business mirror the precedent set by AB's industry-leading team.

The CRED team, as part of the broader Private Alternatives team at AB, continues to leverage the important ESG work being done at the firm level and has been incorporating that work along with critical processes, where appropriate, into daily operations. ESG matters include best practices for hiring and D&I, as well as ensuring that appropriate governance structures are in place to foster responsibility and accountability across the CRED team.

CRED ESG Investment Integration

The CRED investment team first implemented an ESG program into the investment process in 2020, based on the PRI guidelines for real estate. The team uses an ESG questionnaire to highlight areas where the team will collect data on borrowers and assets. The ESG-related investment process is reviewed annually and updated as more data are available to incorporate into the investment review.

The CRED transactions team is responsible for collecting the information included on the ESG questionnaire as part of its transaction due-diligence process. Once key mortgage-loan terms have been agreed upon in a nonbinding term sheet, the ESG questionnaire is sent in conjunction with other materials requested during the team's standard due-diligence process. Those materials include property and market information, construction-related items, borrower information, and third-party reports (environmental, insurance, seismic, background checks, etc.). All borrowers, from January 2021 on, are asked to complete the ESG questionnaire, which is presented to the CRED Investment Committee as part of the final Investment Committee Memo.

CRED ESG Sponsor Engagement

The review of current practices has helped raise awareness among the CRED team's underlying borrowers that many ESG improvements can be implemented with little to no incremental cost and have long-term benefit for the environment. Given AB's role in the capital structure and the lack of direct control of the real estate or sponsors, the CRED team believes that it should continuously evolve its internal practices to ensure that it is not only meeting minimum thresholds for compliance but also demonstrating leadership in ESG efforts across the CRED platform. Sharing best practices with borrowers is key to sponsor engagement, since many sponsors do not have the scale to build out a focused effort on ESG implementation. AB, the broader

AB Private Alternatives business and the AB Responsibility team covering all asset classes work together to continue improving ESG implementation and develop new ways to address these important issues throughout CRED's investment and borrower platforms.

CRED ESG Scoring System

As part of AB's efforts to roll out a phased approach to ESG implementation, the CRED team uses data gathered from the ESG questionnaire to craft a scoring system, which helps the CRED team better quantify sponsors' progress on ESG-related matters. The score of a potential sponsor won't initially be included in the ultimate decision to move forward with a sponsor, but the CRED team anticipates that these factors will influence decision-making in the future.

The scoring system has three categories: Environmental, Social and Governance. Individual factors are weighted based on the CRED team's assessment of their importance. Over time, additional factors may be considered, and the weighting may be adjusted to reflect the current market environment and rapidly evolving ESG landscape.

AB Private Credit Investors

AB Private Credit Investors (AB-PCI), AB's middle-market direct lending team, leverages AB's Responsibility team and Responsibility Steering Committee to ensure that the policies and procedures involved in the day-to-day execution of the business are consistent with AB's firmwide philosophy.

AB-PCI ESG Investment Consideration: AB-PCI has historically considered ESG factors in its investment analysis, believing that the consideration of these factors is another tool in its analysis that ultimately can contribute to better investment outcomes for its investors.

Beginning in August 2020, AB-PCI formalized the consideration of ESG analysis into its underwriting and portfolio-management processes. Each new deal opportunity sourced after August 2020 has been reviewed for relevant ESG-related risks, leveraging AB's proprietary sector-based ESG materiality map. For transactions that proceed to AB-PCI's Asset Selection Committee or Investment Committee, each deal's investment memorandum outlines and scores all ESG-related risk factors where a deficiency is identified, including a description of the factor and any mitigants. Transactions terminated at any time in the underwriting process owing, in whole or in part, to the presence of an ESG-related risk factor will be logged in AB-PCI's deal pipeline system. The analysis of ESG-related risks is also integrated into the asset-management process (for deals added to the portfolio after August 2020), as existing and new ESG factors are identified, monitored and scored during each portfolio company's ongoing review.

AB-PCI ESG Scoring System: AB-PCI's ESG analysis incorporates a proprietary risk scoring system to identify and assess the materiality of factors when analyzing portfolio companies through an environmental, social and governance lens, individually. Each factor (E, S, G) is scored on a scale of 1 to 3: (1) No material factors were identified; (2) AB-PCI is comfortable with identified factors given mitigants; or (3) AB-PCI is not comfortable with identified factors and terminates involvement in the transaction, given those factors.

A score of 2 requires additional detail on mitigants or offsetting factors in the investment memorandum and is subject to discussion in a formal group forum at the Asset Selection Committee in the underwriting process.

AB-PCI logs its ESG scores for each deal in its deal pipeline system, including deals that are terminated, in whole or in part, because of ESG factors prior to the Asset Selection Committee. ESG factors are subsequently revisited during AB-PCI's quarterly portfolio reviews.

AB-PCI Engaging Borrowers and Sponsors

In several instances, AB-PCI has engaged borrowers on ESG factors, both during the underwriting process and once held as a portfolio company, in an effort to promote best practices across the industry.

Consistent with AB, AB-PCI's ESG practices are expected to continue evolving not only to meet minimum compliance thresholds but also to demonstrate ESG leadership in middle market direct lending.

AB Multi-Asset Solutions

AB's Multi-Asset Solutions (MAS) team is focused on undertaking quantitative and fundamental investment research to create and actively manage solutions that integrate a broad range of asset classes and security selection capabilities into a client outcome-oriented investment solution. In support of this objective, the team also undertakes research to create systematic security selection solutions that can both complement its own solutions and be made available as stand-alone solutions for AB's clients.

The MAS team leverages the work of the Responsibility team and the Responsibility Steering Committee to ensure that the policies and procedures involved in the day-to-day execution of the business mirror the precedent set by AB's industry-leading team.

MAS Responsible Team: The MAS team adopts firmwide best practices for hiring and D&I, and ensures that appropriate governance structures are in place to foster responsibility and accountability across the team.

MAS ESG Investment Integration

Currently, the MAS team integrates ESG into funds that allocate to active equity and fixed-income managers, including AB, that integrate ESG at the issuer level. The team seeks to leverage the active security selection and engagement of its equity and fixed-income managers as broadly as possible within its solutions.

The team conducts ongoing research into ESG-related factors at both an individual security and cross-asset-class macroeconomic level to enhance the risk/return of both its outcome-oriented and systematic security selection solutions.

For example, climate research and scenario analysis suggested that a client's real asset allocations can be significantly exposed to climate change, so the team created a future natural resources capability to mitigate this downside risk.

ESG research has not only improved existing strategies, but has also led to the development of new solutions. In 2020, the team's research created a capability focused on sustainable investment opportunities that align with the UN SDGs. The capability combines the bottom-up security selection of some of AB's active strategies with top-down integration and risk management of ESG factors to enable the delivery of client outcome-oriented investment solutions, such as total return and income, that include alignment with the UN SDGs.

Where external managers are selected and used within a solution, the MAS team has begun to integrate ESG into its criteria for the selection and ongoing monitoring of those managers. This approach has had a direct impact on the managers used and the strategies implemented. The team is supported in this work by the Responsibility team and undertakes meetings throughout the year with each material manager focusing on four separate areas: corporate responsibility, investment stewardship, investment integration and product governance.

5. Engaging with Issuers

Because we're an active investment manager, engaging stock and bond issuers on strategic and financial issues—including ESG and climate change issues—is critical to our research and investment processes. To engage effectively, we should have an ongoing, open dialogue with stakeholders.

Engagement helps us better understand issuers, protect shareholders' and bondholders' interests, and encourage management teams to deploy strategies and take actions that we believe will drive better financial outcomes for our clients. Depending on the nature and influence of our engagement, it may generate positive outcomes for other stakeholders, including employees, suppliers, clients and communities, as well as the environment.

Because engagement is so important to ESG integration and asset stewardship, we don't outsource it. AB investment teams engage directly with companies or issuers, often collaborating with our Responsible Investing team. In our view, hands-on engagement is the path to better access, research, client service and outcomes.

Engagement, simply put, helps create long-term, sustainable value for stakeholders.

This engagement policy section describes why we engage, how we engage, where we focus our engagements, how we document and track engagement and our guidelines for escalating issues that aren't adequately addressed through our typical engagement process. The policy also discusses our collaboration in industry engagement and how we identify and resolve potential engagement conflicts of interest. We integrate our investment approach globally, across regions, equities, debt and other capital structures.² Our engagements are broadly similar across funds, asset classes and geographies, as the impact of ESG issues does not typically differ based on these factors, particularly for environmental and social issues. Some issues may differ based on geography, given the political or regulatory environment and the climate.

Why We Engage

We engage with issuers for two main reasons: to generate research insights and to advocate for action. We believe that as active managers, we're uniquely positioned to generate superior, risk-adjusted returns through our access to, and engagement with, issuers. Information from engagement informs our qualitative and quantitative analysis and investment decisions, with a view toward providing better outcomes for our clients. Engagement is

also an opportunity for AB to build long-term value, as we provide perspective and guidance to our portfolio companies and issuers on developing best practices in managing material issues, including ESG. We achieve these goals by engaging to generate research insights and by advocating for action.

Engaging for Insight

Engagement enhances our research process, generating insight into issuers' corporate strategies and competitive positioning. It also reveals how management teams, as well as company boards, address and manage risks and opportunities, including ESG considerations that could be material.

By engaging, we're also able to better assess the quality of an issuer's management, strategy, operations and corporate governance structure. We incorporate this valuable information into our quantitative and qualitative security analysis and investment decisions—with the ultimate goal of generating risk-adjusted returns for our clients. We consider financial and nonfinancial performance factors when we believe that they could materially affect long-term financial outcomes.

Engaging for Action

Engagement helps us support our clients' interests by enabling us to share our ESG philosophy and corporate governance policies to effect positive and sustainable change with issuers. Discussions can focus on strategic, financial, ESG and climate-related issues, but the goal is always the same: to encourage firms to make decisions with a long-term view that supports positive, sustainable financial outcomes for them, their stakeholders and our clients.

Engaging for change can happen through individual conversations or a broader engagement campaign on a particular theme or topic. All engagements are conducted in accordance with relevant market regulations and frameworks. We provide more details on engagement topics below.

Which AB Professionals Engage with Issuers?

Our engagement policy applies firmwide. Investment professionals from our equity, fixed-income and direct alternatives teams, as well as those representing other capital structures, engage with issuers, often in a joint effort with our Responsible Investing team. By leveraging our investors' diverse expertise and AB's broad research footprint, we believe that we can better understand issues and engage more effectively.

² References to AB in this policy apply to ABLP and our European entities, ABL and AB Lux and CPH, for the purposes of the European SRD II.

Fundamental research teams focus on issuer-specific topics, including financial and nonfinancial performance, risk management, strategy, operations, governance and material ESG issues; our Responsible Investing team has a holistic view of governance practices and relevant ESG issues. Our investment teams may also collaborate on engagement when they share exposures to the same issuer or have research responsibilities for the same sector.

With Whom Does AB Interact During Engagement?

Typically, analysts engage with leaders of public and private companies and noncorporate entities, including municipalities, supranationals and sovereign issuers. Our investment teams interact with senior executives and managers, including CEOs and CFOs, and may also engage with directors and other employees or executives to share our perspectives or escalate concerns from talks with senior executives and management. For sovereign issuers, we may engage with key members of governments and regulatory agencies or departments. For securitized investments, we may engage beyond the originators to the servicers and other third parties.

Engagement can happen anywhere within the investment process: during research and analysis, before initiating a position, while holding a position and after divestment. These conversations are often ongoing, as we continue to revisit previous topics and discuss progress. Engagement can be face-to-face, via conference or video calls, or through written communication.

Five Distinct Types of Engagement

We engage with issuers in five ways: fundamental, thematic, proxy voting, collaborative and policy advocacy.

1. Fundamental Engagement

We engage directly with issuers and stakeholders as part of our research and investment process for equities, fixed-income and other capital structures. Constructive engagements create a channel to discuss topics such as strategy, business operations and ESG and climate change issues. A long-term approach fosters more productive relationships with issuers: over time, we build a forum for open dialogue, not only with senior leaders but also with other stakeholders such as suppliers and customers.

We engage before we make an investment and while monitoring current investments. We determine and prioritize the level of direct engagement, based on factors including the size of the investment, investment time horizon and potential impacts on the issuer, and we always represent our clients' best interests. Security type also comes

into play when approaching each engagement and assessing ESG risk. For example, if creditors don't have voting rights, we can help issuers understand how the market's perception of key ESG risks could affect their credit quality, future access to capital, valuation/funding costs and broader stakeholders. Issuers may be more inclined to change their behavior or address a misperception with added disclosure.

2. Thematic Engagement

In addition to one-on-one issuer engagement, we coordinate proactive campaigns to identify issuers with ESG practices that are below our expectations. Our objective is to address perceived gaps in areas such as climate change risk disclosure or the incorporation of ESG metrics into executive compensation.

The degree of focus varies based on materiality, and underlying ESG issues and the degree of likely material impact may differ by sector and/or industry. ESG-focused engagements typically involve members of our Responsible Investing team and the fundamental analyst who covers an issuer. This partnership drives better-informed and coordinated engagement, with outcomes that clearly link ESG considerations to tangible financial impacts.

3. Proxy-Voting Engagement

We also engage with issuers as part of our proxy-voting process. We're strong shareholder advocates, supporting robust corporate governance structures, shareholder rights and transparency for both AB and the companies and issuers that we research and invest in. For issuers in client portfolios, we keep a comprehensive in-house policy and a process that guides our decisions.

We believe that boards of directors and senior management should have the authority to set and execute corporate policies, goals and compensation. But we also support strong shareholder rights that hold directors and management accountable if they don't act in the best interests of shareholders and other stakeholders. We may engage with firms before their AGMs and during the year, and we interact with proponents of shareholder proposals, as well as other stakeholders, to understand diverse viewpoints and objectives.

We determine when engagement is needed to uphold our clients' best interests, both when issuers offer meetings and when we initiate engagement on a potentially material issue. Our proxy-voting process may also consider ESG issues and other factors when a vote may affect the valuation and performance of an issuer's securities. For more information, please see our [Proxy Voting and Governance Policy](#).

4. Collaborative Engagement

We work closely with non-AB investors, asset owners and ESG-focused organizations on engagement. This can happen when we've independently arrived at the same conclusion as other managers and believe that collaboration might help address specific issues. Collaboration can also occur when we believe that issues might be better addressed through a "common ask."

The goal of collaborating is to share information and ideas, but we don't share our investment intentions or agree to "act in concert" with other fund managers, activist investors or other large shareholders.

AB has also been a signatory to the Climate Action 100+ (CA100+) initiative since 2017 and has participated in a number of collaborations across the aerospace and defense, energy, and industrials sectors. These engagements, which seek to leverage a critical mass of investors, are instrumental in catalyzing change at the world's largest corporate emitters and also provide a unique opportunity for investors to learn and share best practices in working with issuers to manage risk and opportunity stemming from climate change.

5. Policy Advocacy Engagement

We engage with governments, regulators and other drivers of public policy when we think that it's in our clients' best interests. These engagements take the form of comment letters, appearances at formal meetings of regulatory bodies and direct engagement with key government stakeholders. They often center on the investment impacts or stewardship concerns related to existing or proposed regulatory changes, such as share classes, reporting requirements or the treatment of ESG and climate issues. We publish some of our [Letters to Policy Makers](#) on our website. For more information on our political advocacy, spending and activity, please see our [Statement on Political Influence](#).

Focus and Priority Areas for Engagement

Because we're global investors, we engage on a wide variety of strategic, financial and ESG and climate change–related topics, including (but not limited to) the following areas: Environmental and Climate Change, Social and Governance. We determined these focus issues for engagements by our proprietary materiality map, guidance from third-party data providers and industry standard-setters like SASB, as well as client feedback. Our list evolves over time to reflect changes in the market.

When we're prioritizing companies or issuers to engage with, or themes and topics to discuss, we consider a number of factors. We assess the ESG issue's materiality, using our proprietary AB materiality map and industry-recognized frameworks. We also consider the company or issuer's size and ESG ratings, our historical proxy-voting record at the company, the size of AB's portfolio exposure, the proportion of issuer assets we hold, the significance of our security holding and the history and success of previous conversations.

We may also conduct event-driven engagements when a company's or issuer's activity has had a significant negative impact, as well as company-led engagements when a firm reaches out to us to discuss an issue. Thematic-driven engagement campaigns are determined by the strategic agenda of our Responsible Investing team, spanning a broad range of topics that evolve over time, based on specific focus areas.

ENVIRONMENTAL AND CLIMATE CHANGE	SOCIAL	GOVERNANCE
<ul style="list-style-type: none"> ○ Biodiversity and land use ○ Carbon emissions ○ Climate change vulnerability ○ COVID-19 ○ Electronic waste ○ International norms ○ Opportunities in clean tech, green buildings and renewable energy ○ Packaging waste ○ Product carbon footprint ○ Resource management ○ Environmental impact of supply chain ○ Toxic emissions and hazardous waste ○ Water management 	<ul style="list-style-type: none"> ○ D&I ○ Employee health and safety ○ Financial product safety ○ Human capital development ○ Insuring health and demographic risk ○ International norms ○ Labor management ○ Opportunities in education, communications, financial inclusion, healthcare, and nutrition and healthier products ○ Privacy and data security ○ Product safety and quality ○ Responsible investment ○ Social impacts of supply chains ○ Stakeholder engagement ○ Modern slavery 	<ul style="list-style-type: none"> ○ Accounting ○ Anticompetitive practices ○ Board structure, independence, diversity and entrenchment ○ CEO duality ○ Crisis management ○ Over-boarding ○ Business ethics ○ Corruption and instability ○ COVID-19 governance ○ Financial system instability ○ International norms ○ Shareholder rights ○ One share one vote ○ Organizational culture ○ Executive remuneration ○ Reporting transparency and disclosure ○ Sanctions ○ Proxy access ○ Special meetings

Documenting and Monitoring Engagement

Because tracking, documenting and integrating our dialogues with issuers is a key pillar of a successful engagement program, we've developed proprietary systems to advance these efforts. When engagements include a substantive discussion of ESG issues, our analysts document the purpose of the engagement, ESG topics discussed and the outcome in our proprietary ESIGHT system.

ESIGHT integrates our ESG issuer assessments, proxy-voting history, engagements, and third-party research from MSCI and Sustainalytics. It's also a knowledge center with a wealth of ESG information, including thematic sell-side research reports, academic studies, nongovernment entity reports, specialist sustainability and climate change think-tank papers, and our own proprietary ESG ratings.

With ESIGHT, AB has a hub 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 or issuer, industry or portfolio, and share engagement statistics, examples and outcomes with our clients.

The engagement efforts of AB's fixed-income investors are enhanced by PRISM. This proprietary credit-rating and scoring system is integrated into our fixed-income research analysis portal, which is a fully digitalized data and security analysis platform. With PRISM, analysts can develop and share views on individual issuers in a consistent, comparable and quantifiable way across industries, ratings categories and geographies. Analysts also have access to MSCI scores through the system. Analysts evaluate each issuer on multiple dimensions, using research and engagement insights to assign specific ESG scores, which are used in credit scoring. ESG weights are determined by the industry being analyzed and are based on what we view as the most important factors for the company or issuer. Any fixed-income analyst, portfolio manager or trader can access PRISM's ESG scores in real time.

Engagement is a critical channel for our investment teams to monitor issuers' strategies, financial/nonfinancial performance, risk, capital structures and ESG impacts. Through thoughtful, ongoing dialogue with issuers, and by documenting key engagements, we can track progress over time and identify issues for further research or exploration.

To reinforce the organization's commitment to engaging issuers, we've incorporated a qualitative engagement component in the evaluation process for investment teams and Responsible Investing team members. Individuals are assessed on the quantity, frequency and quality of their contributions to AB's engagements, their recording of the process and outcomes in ESIGHT and PRISM, and the integration of this information into their research insights and investment decisions.

Conflicts of Interest

For more details on our conflict-of-interest and insider-trading policies, please see Section 2 of this statement.

Policy for Escalating Issues

Most direct, ongoing engagement is productive, often clarifying an issuer's strategy and practices, and potentially spurring changes that make an issuer's conduct more value-creating for our clients. Engagement is a long-term process, and we'll continue our dialogue if we believe that management is receptive to addressing our questions and considering our views. Engagements typically employ the following process, often over a series of meetings:

- Introduce the issue(s)
- Obtain management's views and rationale
- Identify requested change(s)/action(s) and rationale
- Evaluate progress

We do, however, sometimes encounter situations where we believe that continued engagement is no longer productive or helpful in driving progress. In cases where we think that the issuer's behavior isn't aligned with our clients' best interests, we can escalate our engagement to more directly communicate AB's stance on key issues, conveying the gravity of our concern, and encourage the issuer to take action. We may escalate an engagement in one or more of the following ways:

- Write a private letter to the board and/or management team
- Vote against relevant board members (e.g., committee chair or incumbent board members) at the next AGM
- Collaborate with other investors and/or stakeholders
- Publish a public letter stating our views
- Craft, or collaborate in crafting, a shareholder proposal to file
- Reduce our position or sell the security or not refinance

The decision to escalate often identifies whether an engagement is intended for research enhancement or to influence change. Because it often involves exercising our voting rights, it ties our stewardship actions together, highlighting how we use our shareholder position to take action against company management teams when we no longer believe that their actions create long-term, sustainable shareholder value.

Our escalation approach, which is part of our engagement policy, is consistent across asset classes and geographies. It does not give preferred access to AB bondholders or shareholders. The nature of the issue and the response of management will dictate which approaches are used. For example, in cases where fixed-income analysts have greater involvement with the board/management, we will have greater access and expected success through escalation as a bondholder. In cases where we have a more significant position as a shareholder, our impact through proxy voting may give us more meaningful access.

6. Exercising Voting Rights

Philosophy

We actively exercise our right to vote, and we have a robust rules- and principles-based global in-house [Proxy Voting and Governance Policy](#) and process that is applicable to our voting activities across all geographies. We're shareholder advocates, and we make investment and proxy-voting decisions in our clients' best interests. We support strong corporate governance structures, shareholder rights and transparency. We believe that an issuer's ESG practices may have a significant impact on the value of the issuer, and we take these factors into consideration when voting.

Our internally managed equity assets are covered by our policy; AB has authority to vote proxies relating to securities in certain client portfolios across active and passive funds. Accordingly, AB's fiduciary obligations extend to AB's exercise of such proxy-voting authority for each client for which AB has 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, but it is not our standard approach. We do not allow clients to direct voting in segregated or pooled accounts. If the client has retained voting authority, they can vote their shares, but if AB has authority, we do not allow clients direct voting. We check our holdings as of the record date when we execute votes on all our holdings. We also have a monthly reconciliation process to identify missed and failed votes due to operational challenges, including egregious requirements from different markets or issuers.

Policy

Our policy details how we vote on specific items, as well as the processes for managing conflicts of interest, voting transparency, recordkeeping and voting execution. Our proxy-voting guidelines are both rules- and principles-based. We adhere to a core set of principles and assess each proxy proposal according to these principles. Because we do not outsource our proxy-voting activities,

we do not use the default recommendations of proxy advisors. We evaluate each agenda item carefully and will vote against management where appropriate. For example, we vote against management if an agenda item violates our minimum required governance standards, if we support a shareholder proposal that is not endorsed by company management or on case-by-case items where company-specific circumstances warrant a vote against (such as remuneration proposals).

We believe that a company's ESG and climate practices may have a significant impact on the value of the company, and we take these factors into consideration when voting. In addition, these guidelines are not intended to address all issues that may appear on all proxy ballots. We will evaluate on a case-by-case basis any proposal not specifically addressed by these guidelines, whether submitted by management or shareholders, always keeping in mind our fiduciary duty to make voting decisions that, by maximizing long-term shareholder value, are in our clients' best interests.

While our policy and votes are public, we generally keep our vote confidential until the meeting deadline has passed. Our proxy votes (and votes withheld) are posted on our [public website](#).

We also disclose [voting rationales for significant votes](#) for many of our portfolios.

Significant votes/proposals (both management and shareholder proposals) are identified by considering the following factors:

- Materiality of issues and the impact on shareholder value
- Link to AB's thematic priorities (e.g., climate, modern slavery, etc.)
- Absolute value of the shareholding
- Holding relative to other shareholders
- Public interest in the vote or company
- Media or political interest in the vote
- Votes against the recommendation of the board, which require case-by-case analysis by AB's [Proxy Voting and Governance Policy](#).

Process

Our Responsible Investing team votes our proxies globally and is responsible for the implementation of our policy. Because AB is a research-driven firm, our proxy-voting activities and investment-process implementation are closely aligned and integrated—in evaluating proxy issues and determining how to vote a specific item for a significant AB holding, the Responsible Investing team actively seeks and assesses input from the investment teams. This ensures consistent application of our policy while leveraging issuer-specific knowledge and insights. For example, the Responsible Investing team evaluates the structure of a remuneration package, and the investment team evaluates whether the financial performance goals and compensation-linked targets set by management are appropriate. We take this thorough approach because we believe that it leads to the most thoughtful application of our voting principles and the best stewardship application of our research and engagement insights. Particularly different issues, or those where the views of different investors are in conflict, are escalated to the Proxy Voting and Governance Committee, which provides guidance and ultimately has final voting authority. This committee reviews proxy-voting regulations regularly during the year.

We support strong investor rights that allow shareholders to hold directors and management accountable if they fail to act in the best interests of shareholders. We generally vote in accordance with these guidelines, and, consistent with our rules- and principles-based approach to proxy voting, we incorporate company-specific contexts that may result in different vote implementation by issuer on certain proposals that repeatedly appear across companies.

As part of our holistic approach to proxy voting, we may consult issuer management, issuer directors, interest groups, shareholder activists and research providers to get additional insight when needed. Research provided for all our holdings by an external proxy service, ISS, is available to all our research analysts through our proxy team. We may review further information from our ESG research providers.

We also work with clients to meet their individual reporting requirements, varying from statistical reports to providing a voting rationale for specific meetings. More details on our reporting practices, including links to our voting records, are provided in Section 7.

Loaned Securities

Many of our clients have entered into securities lending arrangements with agent lenders to generate additional revenue. We won't be able to vote securities that are on loan under these types of arrangements. However, under rare circumstances, for voting issues that may have a significant impact on the investment, we may request that clients or custodians recall securities that are on loan if we determine that the benefit of voting outweighs the costs and lost revenue to the client or fund, as well as the administrative burden of retrieving the securities. For the socially responsible investing—labeled thematic funds, we

recall US securities that are on loan in order to vote proxies and have discontinued lending for non-US securities.

In some cases, for commingled vehicles, we may engage in a stock lending program and typically do not recall stock for voting purposes. For institutional assets, clients determine whether to participate in a stock lending program with their custodians, and any such recalls of loaned securities would be at the discretion of the client and the agreement with its custodian.

Fixed Income

Our fixed-income team seeks to ensure that investors have protections despite their inability to vote or influence issuers through some of the means afforded to shareholders. Our fixed-income team does this through our disciplined credit underwriting process, where fundamental analysts attempt to identify and dimension key medium- and long-term risks and potential outcomes. This also involves in-depth review of and engagement on legal covenants and bond indentures, which dictate contractual terms with which issuers must comply. Some examples of this could involve setting the maximum amount of debt that a company can borrow, how much a company can pay out in dividends or what a company is required to do with asset sale proceeds. While our analysts are highly experienced at reviewing covenants, we also involve our legal department in this analysis.

Further, we augment our internal expertise with the insights from Covenant Review, a third-party service that reviews and analyzes bond and loan covenants, and external legal advisors. When necessary, we will engage with underwriters and company management to leverage these resources to try to negotiate better covenant protection for ourselves and our clients.

There are several other ways we seek to protect our clients' investments. We proactively engage with companies, sovereigns, financial and legal advisors and other bondholders ahead of potential financial restructurings to ensure that our investors' rights are protected, and that value is preserved. For example, during the COVID-19 crisis, we worked proactively with stressed companies to propose potential amendment changes that would keep companies out of insolvency and strengthen our position within capital structures. Often when a company or sovereign seeks an amendment, we engage with leading advisors and fellow creditors to form a unified block that enhances our negotiating power and generally leads to improved credit outcomes.

We frequently engage directly with sovereigns, their leaders and ministers of finance, and the international financial community (e.g., the World Bank, the International Monetary Fund and other bondholders) when we see a potential deterioration in governance. Additionally, we are a member of several investor alliances that work to coordinate responses and actions by the investment community, in order to ensure that rights and values are protected.

7. Transparency, Disclosure and Reporting

We view transparency, disclosure and our reporting to clients as paramount to effective stewardship and responsibility. We endeavor to be transparent in all that we do, from our philosophy and policies to our investment process and outcomes. This transparency manifests itself in both disclosures and reporting.

AB Policies and Statements

We make all firmwide stewardship policies and statements available on our [website](#) so that any stakeholder can access them. These documents include:

- This [Global Stewardship Statement and Report](#)
- Our [Proxy Voting and Governance Policy](#), along with the [Charter of the Proxy Voting and Governance Committee](#) and our [Corporate Governance Expectations in Japan](#)
- Our [Climate Change Statement & TCFD Report](#)
- Our [Global Slavery and Human Trafficking Statement and Report](#)
- Our [Statement on Controversial Weapons](#)

AB Reports and Disclosures

We provide stakeholders with access to several different AB reports on our [website](#), including:

- Our **Engagement Reports**. These include reports on our thematic engagement campaigns and quarterly, semiannual or annual summaries of engagement activities pertaining to individual investment strategies.
- Our **Product Impact Reports**. Produced for some of our Portfolios with Purpose, these reports detail portfolio-level ESG metrics and how portfolios align with the UN SDGs or other ESG frameworks.
- Our **PRI Reports**. We complete an annual PRI Report that includes information on our responsible investment approach, management of climate change risk, and active ownership and stewardship activities. AB's PRI Transparency Report and our PRI Assessment Report are available on our [website](#).
- Our **Proxy-Voting Records**. We support transparency in issuer disclosure and similarly disclose our own voting records. We publicly disclose our [full proxy-voting records](#) as well as the voting records for our [US mutual funds](#) on our public website in the quarter after the vote is cast. We also disclose [voting rationales for significant votes](#) for many of our portfolios.
 - We consider votes from our significant holdings universe (as defined by the absolute value of the shareholding or AB's stake in the company relative to other shareholders) that meet one or more of the following criteria: proposals that address issues material to the company's business and shareholder value; proposals related to AB's thematic priorities, which include climate risk, modern slavery

and D&I; proposals in which there is substantial public, political or media interest in the vote or company; and votes against the recommendation of the board, which require case-by-case analysis, according to AB's [Proxy Voting and Governance Policy](#).

- Our [SASB disclosures](#). We report our asset-management and custody activities across accounting metrics, as defined by SASB.

Client Reports and Disclosures

We provide regular updates to our clients, not only on the financial performance of their investments but also on our stewardship activities via strategy-level engagement and proxy-voting reports. We ensure that our reporting practices are fair and balanced by including multiple checks and balances in the reporting process—the Responsible Investing team, Client Reporting, investment teams and Business Development teams are actively involved in the production and review process. Compliance regularly reviews the strategy-level ESG engagement reports. We proactively give these disclosures to clients and make others readily available upon client request. In addition, AB clients have access to all publicly available material.

Account-specific information that is available to clients includes:

- **Risk/return performance of their investments**. This includes commentary on both macroeconomic and idiosyncratic factors as they relate to the performance of securities. Our centralized Client Reporting and Performance Commentary teams provide this information on a regular basis in a format that is easily digestible and understandable.
- **Proxy-Voting Reports**. These detail how shares were voted and the rationale for significant votes. Our Responsible Investing team, which votes our proxies globally and is responsible for implementing our proxy-voting policy, is also responsible for providing these proxy-voting reports to clients.
- **Engagement activities**. We typically provide formal reports on our engagement activities in response to specific client requests. We have several clients to whom we provide quarterly or semiannual ESG integration reports, which include examples of how we analyzed and engaged with issuers in their portfolios. Our Performance Commentary team oversees this process, ensuring that reporting is consistent and clear across portfolios and clients.
- **ESG, carbon and climate metrics**. We can provide clients with information from third-party ESG ratings providers on security-level and portfolio-level ESG metrics and carbon exposures, as well as climate change scenario analysis. Our Responsible Investing team and members of Client Group provide these reports.

We also seek client feedback on improvements.

8. AB: A Proactive Member of the Global Investment Community

While AB has robust practices and policies to integrate stewardship and responsible investing within our own activities, that alone isn't enough, because the world of investing is complex and fast-moving. We should stay current on best practices, evolving principles and changing frameworks and regulatory developments. We should also promote a well-functioning market and address systemic risks, especially climate risks. We can influence these areas by advocating for progress with issuers, regulators and others as we continue to advance responsible investing and stewardship practices. We can often be more effective at both learning and advocating by collaborating with others. To support these efforts, AB is a proactive and participating member of the global investment community.

Responsible Investing Organizations

AB espouses the Principles for Responsible Investment, as stipulated by the PRI. We joined the PRI in 2011 and have been an active member, formalizing our approach to ESG and responsible investing based on the organization's principles. In addition to the PRI, we've joined a number of other organizations focused on responsible investing. These include organizations aimed at establishing responsible investing principles, setting corporate governance best practices, encouraging enhanced integration and disclosure, and providing data, information, tools and support that enable the aforementioned activities. By working closely with these organizations, we aim to address ESG risks in the market. AB's corporate memberships include:



Stewardship and Governance Organizations

Similarly, AB is an active member of many organizations focused on enhancing governance and stewardship activities, or that progress the adoption of ESG in local markets or support well-functioning markets. These include:



Climate Change-related Organizations

In addition, AB participates in the working groups of several organizations focused on supporting investors facing the challenges of addressing climate change risk, which we believe is a systemic market risk. These organizations include:



Pledges, Initiatives, Frameworks and Codes

We have signed the following pledges, initiatives, frameworks and codes:

- CCLA's "Find It, Fix It, Prevent It" Modern Slavery Initiative
- Eurosif European SRI Transparency Code
- Investors Against Slavery and Trafficking Asia-Pacific
- Investor Stewardship Group Stewardship Framework for Institutional Investors
- Japanese Principles for Financial Action for the 21st Century (Japan PRI)
- Japan Stewardship Code
- KnowTheChain Investor Statement: Investor Expectations on Addressing Forced Labor in Global Supply Chains
- Pensions and Lifetime Savings Association Stewardship Disclosure Framework
- Stewardship Principles for Institutional Investors in Taiwan
- Sustainability Trading Initiative
- The Child Safety Pledge
- UK Stewardship Code

Collaborating with Asset Managers, Asset Owners and Other Industry Participants

AB collaborates with other industry participants in several ways, including:

- Collaborative engagements (see Section 5)
- Attendance at industry events (conferences, workshops, seminars, webinars, etc.)
- Speaking at industry events to share our perspectives
- Hosting or sponsoring similar events for peers and other industry participants

AB also seeks out partnerships beyond the investment-management community where we think that outside expertise and collaboration will enhance our responsible investing and stewardship activities.

The most prominent of these collaborations is our partnership with the Columbia Climate School. For more details on our partnership with Columbia, please see our [Climate Change Statement & TCFD Report](#).

Influencing Regulators and Agencies

AB also views offering opinions, advice and comments on responsible investing and stewardship to regulators, organizations and other relevant bodies as a critical part of our role as a proactive member of the investment community.

AB regularly participates in discussions and offers advice and feedback to industry bodies that represent the asset-management or investment communities, such as the Investment Company Institute, or regional organizations, such as the Asia Securities Industry & Financial Markets Association or the Australian Financial Services Council.

Working together often brings diverse viewpoints, creates greater alignment between members and results in a more powerful way to advance regulatory and other responsible investing and stewardship efforts. Where we think that we have a differentiated point of view or the topic at hand is of critical importance, we will communicate directly with the regulator or other agency through the submission of letters and consultation responses.

Conclusion

At AB, we're invested in being a responsible firm—and committed to being our stakeholders' most valued partner. We foster a diverse, connected, collaborative culture that encourages different ways of thinking and differentiated insights. We embrace innovation to

address increasingly complex investing challenges, including those related to ESG and climate-related factors. We pursue responsibility throughout our firm—from how we work and act to the solutions that we design for clients.

Appendix

Alignment with the ICGN Global Stewardship Principles

<p>PRINCIPLE 1: Internal governance: the foundation of effective stewardship</p> <p>Investors should keep under review their own governance practices to ensure consistency with the aims of national requirements and the ICGN Global Stewardship Principles and their ability to serve as fiduciary agents for their beneficiaries or clients.</p>	<p>Section 2 AB's Governance, Responsibility and Stewardship Structure: Form Enables Function</p>
<p>PRINCIPLE 2: Developing and implementing stewardship policies</p> <p>Investors should develop and implement stewardship policies that outline the scope of their responsible investment practices.</p>	<p>Section 1 AB's Purpose, Mission and Values</p> <p>Section 3 Responsibility, Responsible Investing, and Stewardship Policy Development and Implementation</p>
<p>PRINCIPLE 3: Monitoring and assessing investee companies</p> <p>Investors should exercise diligence in monitoring companies held in investment portfolios and in assessing new companies for investment.</p>	<p>Section 4 Responsible Investing: Integrating ESG and Climate Considerations Throughout the Investment Process</p> <p>Section 5 Engaging with Issuers</p>
<p>PRINCIPLE 4: Engaging companies and investor collaboration</p> <p>Investors should engage with investee companies with the aim of preserving or enhancing value on behalf of beneficiaries or clients and should be prepared to collaborate with other investors to enhance engagement outcomes.</p>	<p>Section 5 Engaging with Issuers</p>
<p>PRINCIPLE 5: Exercising and protecting voting rights</p> <p>Investors with voting rights should seek to vote shares held and make informed and independent voting decisions, applying due care, diligence, and judgment across their entire portfolio in the interests of beneficiaries or clients.</p>	<p>Section 6 Exercising Voting Rights</p>
<p>PRINCIPLE 6: Promoting long-term value creation and integration of environmental, social and governance (ESG) factors</p> <p>Investors should promote the long-term performance and sustainable success of companies and should integrate material environmental, social and governance (ESG) factors into investment decision-making and stewardship activities.</p>	<p>Section 4 Responsible Investing: Integrating ESG and Climate Considerations Throughout the Investment Process</p> <p>Section 5 Engaging with Issuers</p> <p>Section 6 Exercising Voting Rights</p> <p>Section 8 AB: A Proactive Member of the Global Investment Community</p>
<p>PRINCIPLE 7: Meaningful transparency, disclosure and reporting</p> <p>Investors should publicly disclose their stewardship policies and activities and report to beneficiaries or clients on how they have been implemented so as to be fully accountable for the effective delivery of their duties.</p>	<p>Section 7 Transparency, Disclosure and Reporting</p>

Alignment with the Japan Stewardship Code (2020 Revision)

PRINCIPLE 1: Institutional investors should have a clear policy on how they fulfill their stewardship responsibilities and publicly disclose it.	Section 1 AB's Purpose, Mission and Values Section 3 Responsibility, Responsible Investing, and Stewardship Policy Development and Implementation Section 5 Engaging with Issuers
PRINCIPLE 2: Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.	Section 2 AB's Governance, Responsibility and Stewardship Structure: Form Enables Function, see Managing Conflicts of Interest Section 3 Responsibility, Responsible Investing, and Stewardship Policy Development and Implementation Section 6 Exercising Voting Rights
PRINCIPLE 3: Institutional investors should monitor investee companies so that they can appropriately fulfill their stewardship responsibilities with an orientation toward the sustainable growth of the companies.	Section 1 AB's Purpose, Mission and Values Section 2 AB's Governance, Responsibility and Stewardship Structure: Form Enables Function, see Managing Conflicts of Interest Section 4 Responsible Investing: Integrating ESG and Climate Considerations Throughout the Investment Process Section 5 Engaging with Issuers
PRINCIPLE 4: Institutional investors should seek to arrive at an understanding in common with investee companies and work to solve problems through constructive engagement with investee companies.	Section 4 Responsible Investing: Integrating ESG and Climate Considerations Throughout the Investment Process Section 5 Engaging with Issuers Section 6 Exercising Voting Rights Section 7 Transparency, Disclosure and Reporting Section 8 AB: A Proactive Member of the Global Investment Community
PRINCIPLE 5: Institutional investors should have a clear policy on voting and disclosure of voting activity. The policy on voting should not be composed only of a mechanical checklist; it should be designed to contribute to the sustainable growth of investee companies.	Section 6 Exercising Voting Rights Section 7 Transparency, Disclosure and Reporting
PRINCIPLE 6: Institutional investors in principle should report periodically on how they fulfill their stewardship responsibilities, including their voting responsibilities, to their clients and beneficiaries.	Section 6 Exercising Voting Rights Section 7 Transparency, Disclosure and Reporting
PRINCIPLE 7: To contribute positively to the sustainable growth of investee companies, institutional investors should develop skills and resources needed to appropriately engage with the companies and to make proper judgments in fulfilling their stewardship activities based on in-depth knowledge of the investee companies and their business environment and consideration of sustainability consistent with their investment-management strategies.	Section 2 AB's Governance, Responsibility and Stewardship Structure: Form Enables Function Section 3 Responsibility, Responsible Investing, and Stewardship Policy Development and Implementation Section 4 Responsible Investing: Integrating ESG and Climate Considerations Throughout the Investment Process Section 7 Transparency, Disclosure and Reporting Section 8 AB: A Proactive Member of the Global Investment Community
PRINCIPLE 8: Service providers for institutional investors should endeavor to contribute to the enhancement of the functions of the entire investment chain by appropriately providing services for institutional investors to fulfill their stewardship responsibilities.	Although we recognize that this principle is not directed at us as an institutional investor, we regularly exchange information with service providers for institutional investors, such as proxy advisors and investment consultants for pensions, to enhance the functions of the entire investment chain. This process is outlined more in Section 4.

Alignment with the UK Stewardship Code

PRINCIPLE 1: Signatories' purpose, investment beliefs, strategy and culture enable stewardship that creates long-term value for clients and beneficiaries, leading to sustainable benefits for the economy, the environment and society.	Section 1 AB's Purpose, Mission and Values Section 4 Responsible Investing: Integrating ESG and Climate Considerations Throughout the Investment Process
PRINCIPLE 2: Signatories' governance, resources and incentives support stewardship.	Section 2 AB's Governance, Responsibility and Stewardship Structure: Form Enables Function Section 3 Responsibility, Responsible Investing, and Stewardship Policy Development and Implementation Section 4 Responsible Investing: Integrating ESG and Climate Considerations Throughout the Investment Process
PRINCIPLE 3: Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first.	Section 2 AB's Governance, Responsibility and Stewardship Structure: Form Enables Function Section 6 Exercising Voting Rights
PRINCIPLE 4: Signatories identify and respond to marketwide and systemic risks to promote a well-functioning financial system.	Section 2 AB's Governance, Responsibility and Stewardship Structure: Form Enables Function Section 4 Responsible Investing: Integrating ESG and Climate Considerations Throughout the Investment Process Section 5 Engaging with Issuers Section 8 AB: A Proactive Member of the Global Investment Community
PRINCIPLE 5: Signatories review their policies, assure their processes and assess the effectiveness of their activities.	Section 3 Responsibility, Responsible Investing, and Stewardship Policy Development and Implementation Section 7 Transparency, Disclosure and Reporting
PRINCIPLE 6: Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.	Section 1 AB's Purpose, Mission and Values Section 4 Responsible Investing: Integrating ESG and Climate Considerations Throughout the Investment Process Section 7 Transparency, Disclosure and Reporting
PRINCIPLE 7: Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, as well as climate change, to fulfill their responsibilities.	Section 4 Responsible Investing: Integrating ESG and Climate Considerations Throughout the Investment Process Section 5 Engaging with Issuers Section 6 Exercising Voting Rights
PRINCIPLE 8: Signatories monitor and hold to account managers and/or service providers.	Section 3 Responsibility, Responsible Investing, and Stewardship Policy Development and Implementation Section 4 Responsible Investing: Integrating ESG and Climate Considerations Throughout the Investment Process
PRINCIPLE 9: Signatories engage with issuers to maintain or enhance the value of assets.	Section 5 Engaging with Issuers
PRINCIPLE 10: Signatories, where necessary, participate in collaborative engagement to influence issuers.	Section 5 Engaging with Issuers, see Collaborative Engagement Section 8 AB: A Proactive Member of the Global Investment Community

PRINCIPLE 11: Signatories, where necessary, escalate stewardship activities to influence issuers.

Section 5 Engaging with Issuers, see Policy for Escalating Issues, Policy Advocacy

Section 8 AB: A Proactive Member of the Global Investment Community

PRINCIPLE 12: Signatories actively exercise their rights and responsibilities.

Section 6 Exercising Voting Rights

Section 7 Transparency, Disclosure and Reporting

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