AllianceBernstein®

AB Global Stewardship Statement and 2021 Report

AB's policy and report on corporate responsibility, 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

Table of Contents

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 must invest responsibly—constantly assessing, engaging on and integrating all material issues, including environmental, social and governance (ESG), and climate change considerations. We must 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 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 reducing 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 and actively engaging on these issues.

AB's Global Stewardship Statement and 2021 Report is a comprehensive overview of our activities in corporate responsibility, 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, integrate ESG and climate factors, and serve as active stewards in both our actively and passively managed strategies across all asset classes. We also highlight the progress we've made in implementing our responsibility strategy and discuss the achievements of the firm in further developing our governance, approaches to diversity and inclusion (D&I), ESG practices and climate risk management, as well as our advances in ESG integration, engagement, proxy voting, policy advocacy and collaboration.

The Year 2021

The year 2021 was filled with great hope, including buoyant financial markets and the development of COVID-19 vaccines that allowed some people to safely be with friends and family again. However, access to vaccines has been inequitable, and the pandemic persists. Many parts of the world continue to struggle with economic dislocation. Racial, political and socioeconomic tensions continue to roil countries. And climate change is increasingly tangible in our everyday environments and experiences. Responsible firms and investors have a duty to act.

Within our purpose, we have a mission to help our clients define and achieve their investment goals through differentiated research insights and innovative portfolio solutions. That mission and our commitment to help clients address their ESG and climate-related investment challenges guided us in 2021.

As a responsible firm, we continued to prioritize the health and well-being of our employees, providing resources that helped our employees work in a collaborative and balanced way from home. We've also developed a thoughtful return-to-office strategy that recognizes individuals' unique wants and needs. We continued to improve the diversity of our Board of Directors and disclosed the percentage breakdown of ethnicity and gender by level of employees, in line with EEO-1 categories, for the first time.[1]

1 The EEO-1 Component 1 report is a mandatory annual data collection that requires all private sector US employers with 100 or more employees, and federal contractors with 50 or more employees meeting certain criteria, to submit demographic workforce data, including data by race/ethnicity and job categories. The filing by eligible employers of the EEO-1 Component 1 report is required under section 709(c) of Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e-8(c), and 29 CFR 1602.7-.14 and 41 CFR 60-1.7(a).

We improved disclosure more broadly, releasing our inaugural Sustainability Accounting Standard Board (SASB) disclosures and making our Climate Change Statement & Task Force on Climate-related Financial Disclosures (TCFD) Report and Global Slavery and Human Trafficking Statement and Report more robust.

We continued to bolster our Responsibility team, hiring a Director of Corporate Responsibility and associates focused on environmental research, ESG engagement and proxy voting. We also continued to invest in the cross-business-unit teams supporting our responsibility practices; we established a Corporate Responsibility Steering Committee and named a Fixed Income Responsible Investing Leadership team.

We advanced our partnership with the Columbia Climate School, opening our Climate Change and Investment Academy to clients and becoming the Founding Member of the Corporate Affiliate Program at the Climate School, because we recognize the role that businesses and capital markets must play in addressing climate change. In the next phase of our partnership, AB investment teams and Columbia scientists are embarking on a research agenda focused on core climate issues that arise in the investing process across portfolios, sectors, asset classes and regions.

In 2021, we embarked on our second annual strategic thematic engagement campaign, with our fixed-income and equity analysts engaging with issuers on adding ESG metrics to their executive compensation plans or adopting climate change targets and metrics. We followed up with issuers from last year's campaign and engaged with new issuers on these topics, and included modern slavery as a new topic in 2021. We're committed to using our position as shareholders and bondholders to effect positive change across industries.

Finally, we continued to develop our Portfolios with Purpose—our ESG-focused strategies. In 2021, we added three new Sustainable strategies aligned with the UN Sustainable Development Goals, focusing on health, climate and empowerment themes—Sustainable Income, Sustainable Emerging-Market Debt and Sustainable US Thematic Credit. We also added four new Sustainable or Responsible+ strategies that focus on responsibility and climate-conscious and ESG themes—our 1.5 degrees strategy, Climate High Income, Climate Solutions and ESG Fixed Maturity Portfolio.

We were recognized for our strong commitment to responsibility and ESG progress in 2021, receiving a Morningstar ESG Commitment Level of Advanced and being accepted as a signatory to the UK Stewardship Code.

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

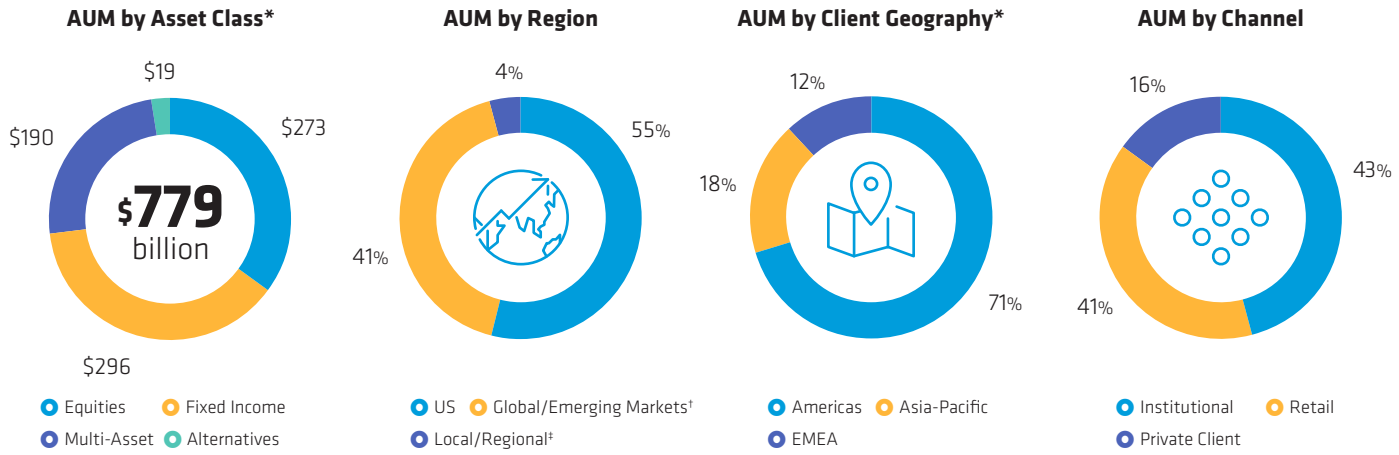
Our purpose—pursue insight that unlocks opportunity—inspires our firm to act responsibly. Opportunity means something different to each of our stakeholders; however, it always means creating impact in addition to financial returns.

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 5 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 7 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 5 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

AB Board of Directors: 2021 Update

In 2021, we continued to scrutinize the diversity and independence on our Board of Directors, appointing Joan Lamm-Tennant as our independent chair and Todd Walthall as an independent director. The goal is to better reflect the composition of our stakeholders—including clients, shareholders, employees and our communities—strengthening AB's resilience and ability to thrive. We made advances in 2021, and we're continuing these efforts in 2022.

In September 2021, we added Todd Walthall to our Board of Directors and the Audit and Risk Committee as an independent member. Todd has a strong background in the customer experience space, having devoted much of his career to understanding how to meet the needs of customers, stay close to those clients and adapt. He is executive vice president of Enterprise Growth at UnitedHealth Group, where he is accountable for accelerating growth through key partnerships and integrated solutions. He has held numerous leadership roles throughout his career, including, most recently, executive vice president and chief operating officer at Blue Shield of California, a nonprofit health plan with over $20 billion in annual revenue, where he led sales, marketing, technology and customer experience.

In October 2021, we appointed Joan Lamm-Tennant as independent chair of our Board of Directors. Joan brings significant risk and capital advisory expertise, and she is recognized as a thought leader in corporate responsibility. Most recently, she was founder and CEO of Blue Marble Microinsurance, a purpose-driven insurtech firm focused on providing innovative insurance products to global, underserved markets.

With Joan's appointment, we join only 8% of S&P 500 companies that have an independent female chair.[2]

In 2021, we defined the metrics by which the board oversees our responsibility activities, with the goal of benchmarking our own process and helping inform our engagement activities with portfolio companies to improve their ESG practices. These metrics consider our corporate responsibility practices, which include establishing our purpose and addressing D&I transparency, as well as our responsible investing practices, including broadening our ESG integration practices, advancing our ESG intellectual property and expanding our range of ESG strategy offerings, among other metrics.

2 2021 US Spencer Stuart Board Index report

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.

AB OPERATING COMMITTEE

Seth Bernstein
President and CEO

Investment and Research Services		Client Services	Corporate and Fiduciary Services	
Matthew Bass Head of Private Alternatives	**Chris Hogbin** Head of Equities	**Onur Erzan** Head of Global Client	**Kate Burke** Chief Operating Officer & Head of Bernstein Private Wealth Management	**Mark Manley** General Counsel & Global Head of Compliance
Chris Bricker Head of AB Arya Partners	**Dan Loewy** Chief Investment Officer of Multi-Asset Solutions	**Ajai Kaul** CEO of Asia-Pacific	**Andrew Chin** Head of Quantitative Research & Chief Data Scientist	**Beth-Ann Martorello** Chief Audit Officer
Gershon Distenfeld **Scott DiMaggio** Co-Heads of Fixed Income	**Robert van Brugge** CEO of AB Bernstein Research Services	**Strategy and Finance**	**Janessa Cox-Irvin** Head of D&I and Corporate Citizenship	**Cathy Spencer** Head of Human Capital
		Ali Dibadj* CFO & Head of Strategy	**Michelle Dunstan** Chief Responsibility Officer	**Karl Sprules** Head of Technology & Operations

* 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

AB Operating Committee:
2021 Updates

In 2021, we continued to increase the diversity of our Operating Committee, adding four new members who bring new perspectives:

- Andrew Chin, Senior Vice President (SVP), Head of Quantitative Research & Chief Data Scientist, was added as a new member. Andrew bolsters the group with his risk-management expertise, analytical insights and successful track record of partnering with leaders across the organization.
- Beth-Ann Martorello, SVP, Chief Audit Officer, was also added as a new member. Beth-Ann offers a strong governance and oversight voice, which is important as we evaluate various growth initiatives across the firm.
- Mark Manley, SVP, General Counsel & Global Head of Compliance, replaces Larry Cranch, our former Chief Legal Officer. Mark provides a critical voice to ensure that our strategic and ongoing actions meet all legal, compliance and regulatory obligations in our operations globally.
- Michelle Dunstan, SVP, Chief Responsibility Officer, replaces Sharon Fay, our former Chief Responsibility Officer. Michelle brings nearly two decades of research, investment and portfolio-management expertise and, most recently, served as AB's Global Head of Responsible Investing.

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

Corporate Responsibility, Responsible Investing, and Stewardship Governance and Oversight

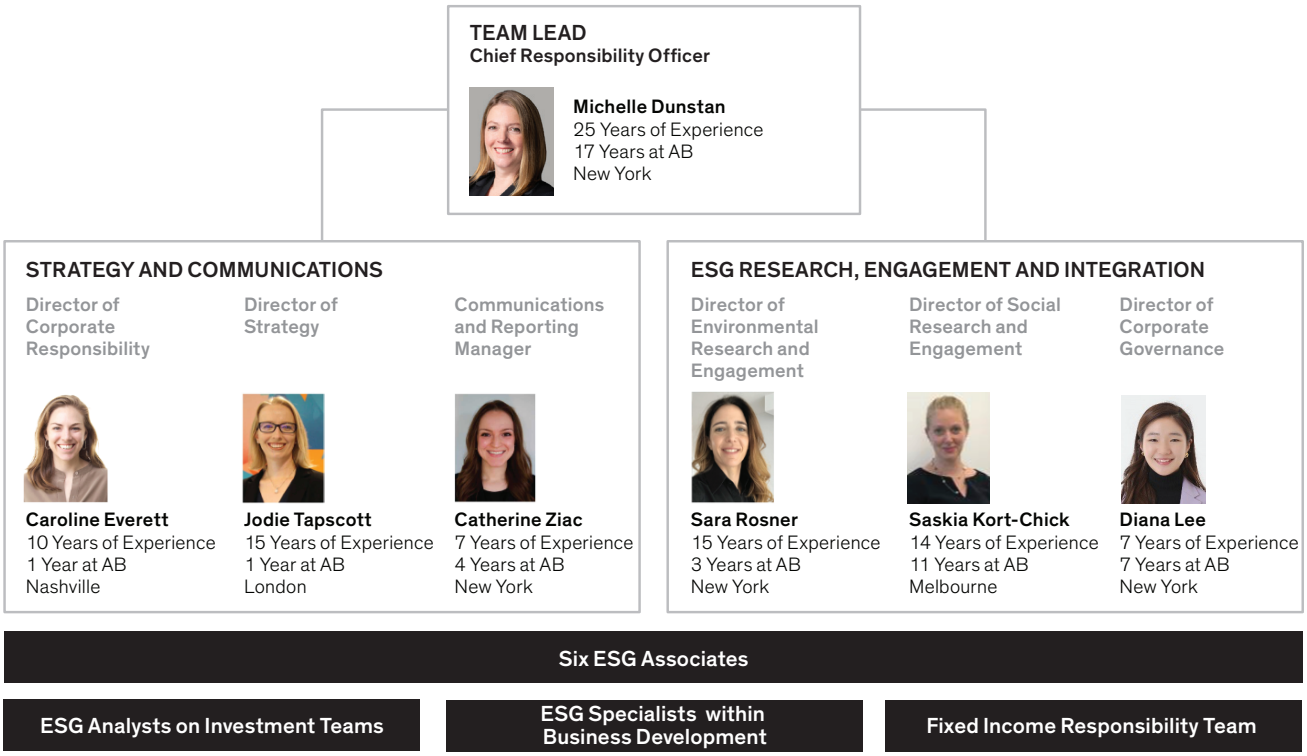
To reflect our commitment to responsibility at all levels of our organization and to ensure that we have proper oversight and accountability for our responsibility practices, we've created a robust structure to oversee our corporate responsibility, responsible investing and stewardship activities.

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



As of December 31, 2021 | **Source**: AB

AB Responsibility Team:
2021 Updates

We created our new Responsibility SBU in 2020, and in 2021 we continued to bolster our team.

After serving as AB's Global Head of Responsible Investing, we appointed Michelle Dunstan as our Chief Responsibility Officer and a member of our Operating Committee. In her role as Chief Responsibility Officer, Michelle oversees AB's corporate responsibility practices and responsible investing strategy, including the integration of ESG considerations throughout our research, engagement and investment processes. She also oversees our ESG thought leadership and product development. She is Senior Investment Advisor for AB's Global ESG Improvers Strategy, which focuses on engaging with and investing in companies that are advancing along ESG dimensions.

We added a Director of Corporate Responsibility to help develop purpose-driven corporate responsibility strategies that inspire employees, drive business growth and create social impact. In 2021, our Director of Corporate Responsibility conducted an audit of AB's current corporate responsibility practices to identify areas for improvement, beginning with a focus on AB's purpose and values. Our newly articulated purpose and values will inform our future corporate responsibility decisions. Our Director of Corporate Responsibility also oversees our newly formed Corporate Responsibility Steering Committee, which aligns and elevates 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.

In 2021, we added several responsibility associates, including those focused on environmental research, ESG engagement and proxy voting.

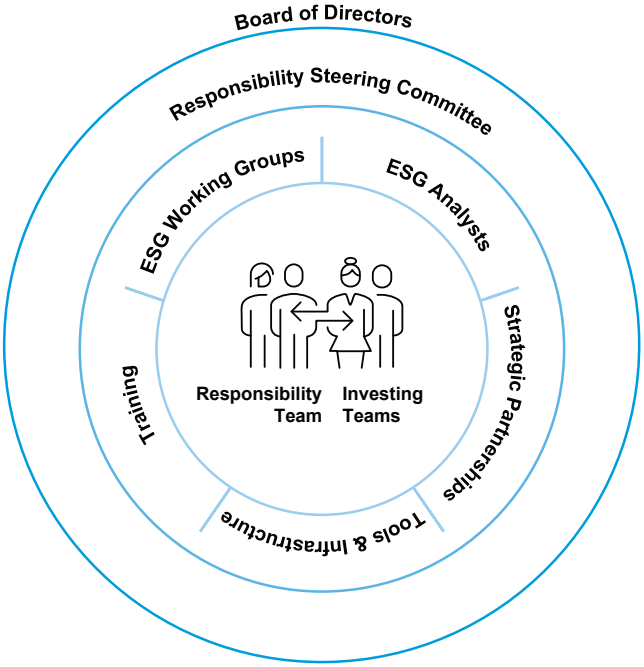
We believe that our structure has been effective in enabling a higher level of responsibility, responsible investing and stewardship.

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. In 2021, the committees reviewed best practices for net-zero initiatives to aid in the development of AB's climate action plan, including identifying metrics and setting targets.

- **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. For instance, as mentioned, we added new committees and teams in 2021, including those focused on corporate responsibility and responsible investing

practices within our fixed-income business. 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 into all aspects of 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. For 2022, we've identified a few areas of focus: we'll embed AB's purpose across the three ESG pillars, conduct additional internal and external trainings, especially by leveraging our partnership with Columbia, and continue to advance our Portfolios with Purpose platform.

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 must 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 all 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 and Report** 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. We updated our policy in 2021, strengthening our approach to promoting the one-share-one-vote principle. We also engaged with companies within our US significant holdings universe that appear to lack ethnic/racial diversity at the board level, as outlined in our policy, to assess voting against relevant directors next year to hold them accountable on the issue. We also published a 2021 Proxy Season Preview report and a 2021 Proxy Season Review report.
- Our Corporate Governance Advancement Expectations in Japan, which was first published in 2021, 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. In 2021, we began voting against relevant board members of Japanese companies for a lack of gender diversity on the board.
- 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. The 2021 Statement and Report articulates our climate strategy and introduces and discloses our first 2025 Climate Action Plan.
- 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. In 2021, we expanded upon how we manage modern slavery risks in our supply chain—specifically, how we conduct vendor-risk-mapping exercises and hold our vendor to a Vendor Code of Conduct. We also incorporated how our modern slavery research framework has worked in practice.

- 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.

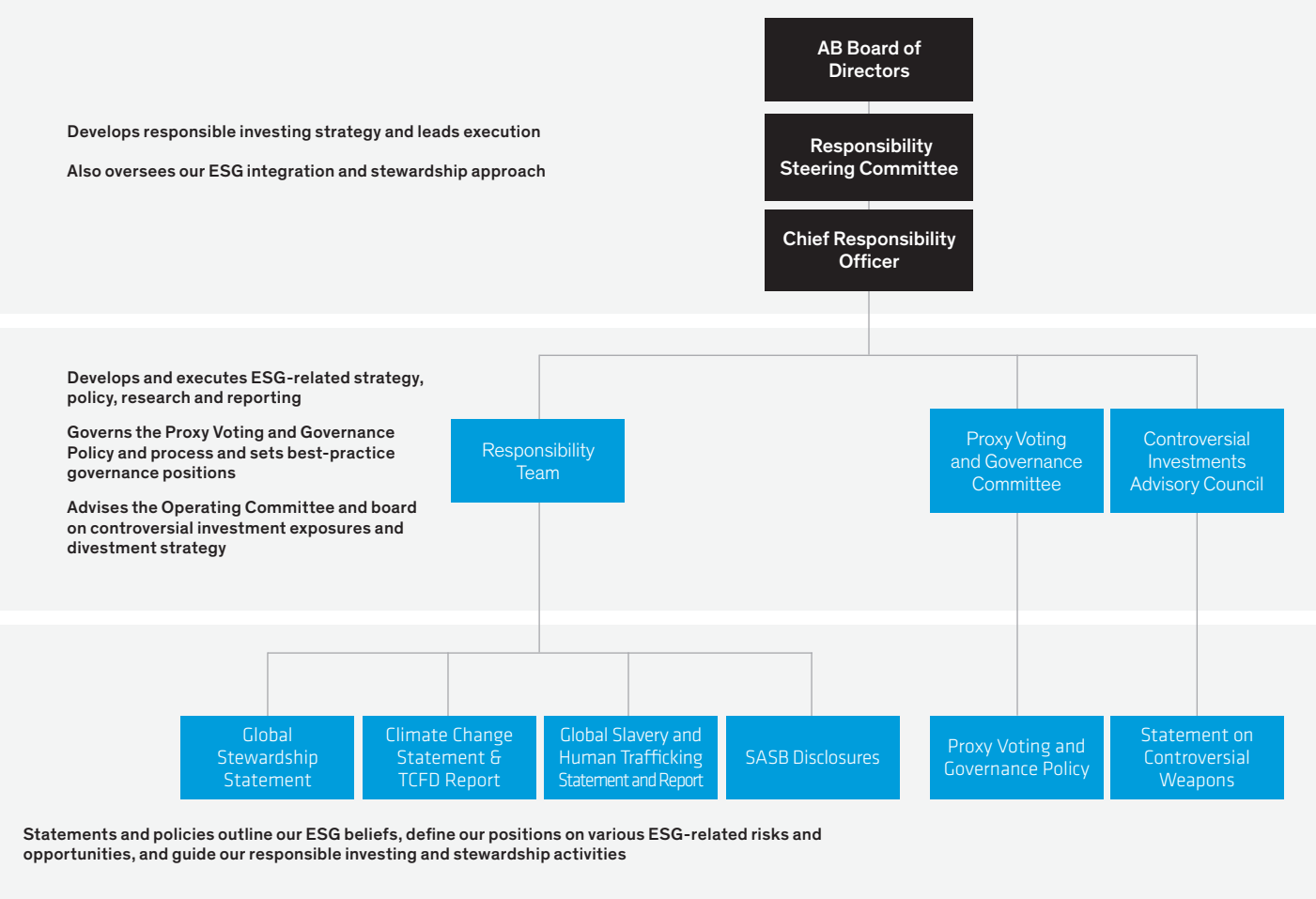
These statements, policies and their corresponding reports are available on our website.

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.

RESPONSIBILITY POLICY OVERSIGHT



- 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 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 6 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. For example, in 2021, we reviewed our Global Stewardship Statement and 2020 Stewardship Report to reflect feedback from the UK Financial Reporting Council and to ensure compliance with new global ESG regulations.

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.

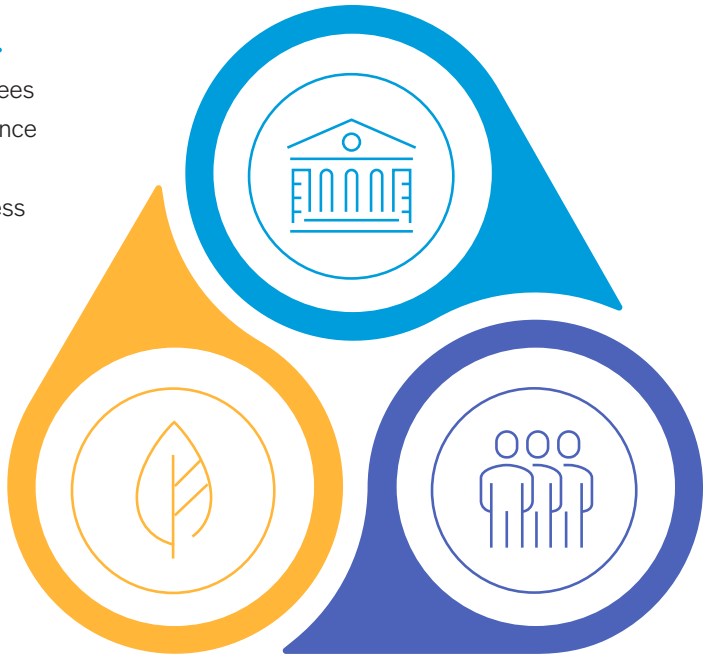
We monitor and review our third-party data and service providers and evaluate competitive service providers to ensure that we have access to the best available ESG data to support our integration and stewardship activities. On a monthly basis, our market data team tracks the reports of all data users 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. AB Corporate Responsibility

Governance

- Board and committees
- Regulatory compliance
- Fiduciary role
- Security and business continuity



Environmental Stewardship

- Carbon footprint
- Energy efficiency
- Waste reduction
- Sustainability

Social Impact

- D&I
- Employee engagement
- Ethical supply chain
- Community involvement

We're fully committed to being a responsible firm and modeling the same behaviors that we expect from our portfolio companies and issuers. We've established best practices to ensure that responsibility pervades our organization; our internal corporate responsibility practices, targets, measurements and evaluations help inform our approach.

In addition to expanding our *Climate Change Statement & TCFD Report* and *Global Slavery and Human Trafficking Statement and Report* in 2021, we continue to make advances in our corporate responsibility journey to improve our ESG behaviors and practices. Notably, in 2021, we formalized our firm's purpose, mission and values. We interviewed members of our Board and Operating Committee and received survey responses from more than 1,600 employees to help ideate and uncover our authentic purpose: pursue insight that unlocks opportunity. This purpose is supported by our mission and values. More details can be found in Section 1.

Our corporate ESG efforts fall into four categories: Build Trusting Relationships, Foster Enriching Careers, Support Inclusive Communities and Create Better Outcomes.

Build Trusting Relationships

Acting with Integrity—Always is of utmost importance for AB. We recognize the responsibility placed upon us by our clients, unit holders and employees, and we seek to build trusting relationships.

In 2021, we continued to strengthen our relationships with clients, potential clients and stakeholders by relentlessly pursuing progress and increasing transparency.

We improved the diversity of our Board and our employees. We believe that a diverse culture fosters diverse thinking—and drives better outcomes. Of our 2021 US new hires, 39% were ethnically diverse.[3] As of December 2021, 21% of our SVPs are women, and in 2021, female SVP promotions as a percentage of total SVP promotions were 26%. Female vice president (VP) promotions as a percentage of all VP promotions were 38%. In 2021, for the sixth consecutive year, AB received a score of 100% on the Human Rights Campaign Foundation's 2021 Corporate Equality Index, the foremost benchmarking survey and report that measures corporate policies and practices related to LGBTQ+ workplace equality in the US.

3 Black, Hispanic/Latino, Asian and Other.

We also released our first annual SASB disclosures, which report on accounting metrics ranging from employee D&I to systemic risk management.

As a way to further increase transparency, starting with our 1Q:21 earnings release, we began spotlighting certain areas of our business and discussing their dynamics with analysts and investors during our quarterly earnings calls. In 2021, we focused on Private Alternatives; our strengthening relationship with Equitable Holdings, which has committed $10 billion in private alternatives/private placement funding to support AB's growth in coming years; and our promising Asia business, with its well-established footprint in the region and investment in China. We will continue offering these spotlights in some quarters.

As members of the broader investment community, AB executives participated in 11 institutional investor conferences in 2021, up from eight in 2020.

Foster Enriching Careers

We seek to be a place where people develop skills and capabilities that serve our clients and our people's careers. We actively create opportunities for employees to invest in themselves and in one another. We acknowledge that our employees are affected by marketwide risks, like COVID-19, and as a responsible corporate, we continue to act.

As COVID-19 ebbed and flowed in various parts of the US throughout 2021, we shifted to a voluntary return to office until transmission rates slowed. We accommodated those who, for medical or religious reasons, could not return by allowing them to work from home. During 2021, it was decided that during and post-pandemic, AB would move from five days a week in the office to three, in order to offer staff more remote work flexibility.

We provided support and resources to help employees cope with stress during the pandemic and focused on vaccine education. We offered 1.5 days off for staff to get vaccinated for COVID-19 and the flu. To support our colleagues' mental health, we offered free memberships to the Calm and Talkspace apps and a podcast series on mental health. We also offered three "Wellness Days" and expanded our backup childcare and elder-care offerings.

To measure the effectiveness our COVID-19 response, we included related questions in our regular "Pulse" surveys to employees. Survey feedback was used to adjust our response and gauge how different SBUs, offices or other populations were feeling.

In addition to managing COVID-19, we enhanced our employee training and benefits options. More than 500 managers attended our virtual workshops, "Managing Through Transitions" and "Managing One Conversation at a Time," which covered topics like reflective listening, fostering psychological safety and providing feedback for better outcomes. In terms of benefits, we announced that, in addition to 16 weeks of paid leave for primary caregivers and four weeks of paid leave for secondary caregivers, we will add an adoption/surrogacy reimbursement program.

AB has strong, global Employee Resource Groups (ERGs)—voluntary, cross-divisional employee-led groups that support our D&I efforts. ERGs were created to advance employees from traditionally underrepresented groups, the allies who support them and people who share a common purpose, interest or background. By sharing information, educating and engaging in outreach with clients and our communities, ERGs contribute to business development and the recruitment, retention and professional development of employees globally.

Our Employee Wellness Groups (EWGs) are a critical component of the global Well Ahead initiative, intended to foster employee engagement and the overall health and wellness of members. Participation is open to all employees. The Well Ahead team is focused on helping employees by engaging them to think about their wellness, educating employees on the available tools to improve their wellness and ensuring that employees feel supported in their wellness goals. EWGs support a variety of activities to promote all elements of wellness, including cycling, running, yoga, golf and volunteer endeavors.

Support Inclusive Communities

At AB, investing in one another begins with our employees and clients and extends outward to the communities where we work. We invest in our communities by supporting education—specifically, financial literacy and college attainment, with the ultimate goal of positively influencing the global workforce and creating opportunities for underserved communities. We also focus on promoting antidiscrimination and equity of access to critical resources.

In 2021, we expanded AB's corporate philanthropy efforts to operate in APAC, EMEA and New York, based on our Nashville model, with a budget of over $1.85 million to reach AB communities globally in 2021. As part of this commitment, we formed new partnerships and strengthened existing partnerships, and we hope to build on these relationships as our program grows. These partnerships include:

- East Harlem Tutorial Program—New York
- The Armory Foundation—New York
- Dress for Success Worldwide—National
- Children's Wishing Well—Singapore
- Australian Literacy and Numeracy Foundation—Australia
- IntoUniversity—London
- Nashville Public Education Foundation—Nashville
- YMCA Black & Latino Achievers Program—Nashville

In 2021, we leveraged our partnership network by connecting one of our Nashville-based partners, Nashville State Community College (NSCC), with one of our New York-based partners, Queensborough Community College (QCC), so that QCC could share insights and best practices from its Black Male Initiative program, which seeks to help Black male students stay in school. We learned that NSCC was seeing similar retention issues, so we connected the two schools to help NSCC explore whether it should develop a similar program.

Another highlight from 2021 included our impact through our YMCA Black & Latino Achievers Program. For the third consecutive year, AB agreed to support the YMCA of Middle Tennessee Y-CAP Black & Latino Achievers Program, which serves more than 700 high school students of color with financial literacy, leadership opportunities, career exploration and college preparation using a data-driven, nationally recognized model. We provided funding for a position called the "Pathways Navigator," a staff member dedicated to helping these Black and Latino high school students through the college application process, including scholarship applications. In the first year (2019–2020), the Pathways Navigator helped students secure nearly $750,000 in direct scholarship support, up tenfold from previous years. In 2020–2021, scholarships exceeded $1.2 million.

AB employees are actively involved in our philanthropy efforts: AB matches employee charitable gifts up to $5,000 per year per employee at a minimum, depending on corporate title. We also offer employees 16 hours of volunteer time off per year. In Nashville, our new corporate headquarters, AB senior leaders serve as directors on more than 45 nonprofit boards or community organizations.

Create Better Outcomes

Our purpose, mission and values call on us to consider our impact on the world. We can't "Act with Integrity—Always" if we don't embody the same practices that we encourage others to practice. In 2021, AB focused on two key areas: modern slavery and carbon emissions.

While we believe that our exposure to modern slavery in our operations is low risk, we hold our ourselves to high standards of conduct.

Specifically, we adhere to a Code of Business Conduct and Ethics that underpins everything we do. Each employee is apprised of the Code of Business Conduct and Ethics when employment begins and must certify the code each year as well as take Code of Business Conduct and Ethics training. Employees can report signs of modern slavery and human trafficking through formal escalation channels such as our hotline or via our whistle-blowing policy, as well as our Ombudsman.

The same standards extend to our suppliers. We purchase products and services from third-party vendors to conduct business operations and deliver on the expectations and requirements of our clients. We maintain a formal Vendor Code of Conduct that outlines our expectations of our vendors generally as well as our expectations that vendors comply with applicable laws, rules and regulations, which may include modern slavery or human trafficking laws and regulations.

We perform a periodic vendor-risk-mapping exercise of our critical and material vendors across various regions, comparing dollar amounts spent and modern slavery risk.

As a responsible investor, AB scrutinizes the environmental effects and behavior of the companies that we analyze. We turn that same lens on ourselves, working to reduce our own environmental impact.

Since 2012, AB has continually reduced its electricity consumption and operational carbon footprint in our measured emissions. In 2020, we surpassed our 2019 emissions lows and achieved combined Scope 1, 2 and 3 emissions of only 6,196.5 tCO_2e. This represents an overall 47% reduction in AB's measured corporate emissions, attributable mainly to the pandemic-related transition to remote work and moving to more energy-efficient office buildings.

We are also on track to place 65% of our people in more environmentally friendly buildings by 2025. Our new office location in Shanghai received a LEED gold rating, and the building in which our Nashville headquarters are located received a LEED silver rating. This building includes garden space, meditation rooms, bicycle parking and electric vehicle chargers.

5. 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.

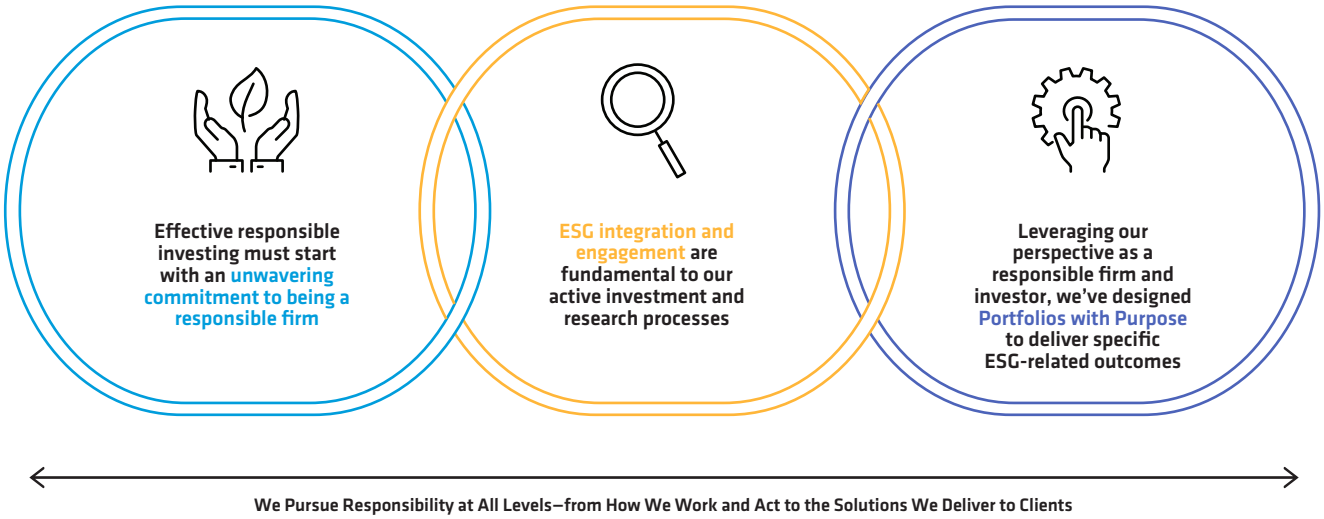
AB has long recognized that ESG issues can affect the performance of investment portfolios. When we became a PRI signatory in 2011, we formalized the integration of ESG into our investment processes and created a management infrastructure for responsible investment leadership that drives our firm's strategy 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 need to reflect those aspirations. We continually 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 across most actively managed strategies because these issues can affect investment performance; ESG integration 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, integrated assets represented $524 billion, or approximately 67% of our firm's total assets under management of $779 billion.[4] Portfolios with Purpose accounted for $31 billion (4%) of our assets.

AB'S APPROACH TO RESPONSIBILITY



4 Includes AB's Portfolios with Purpose

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

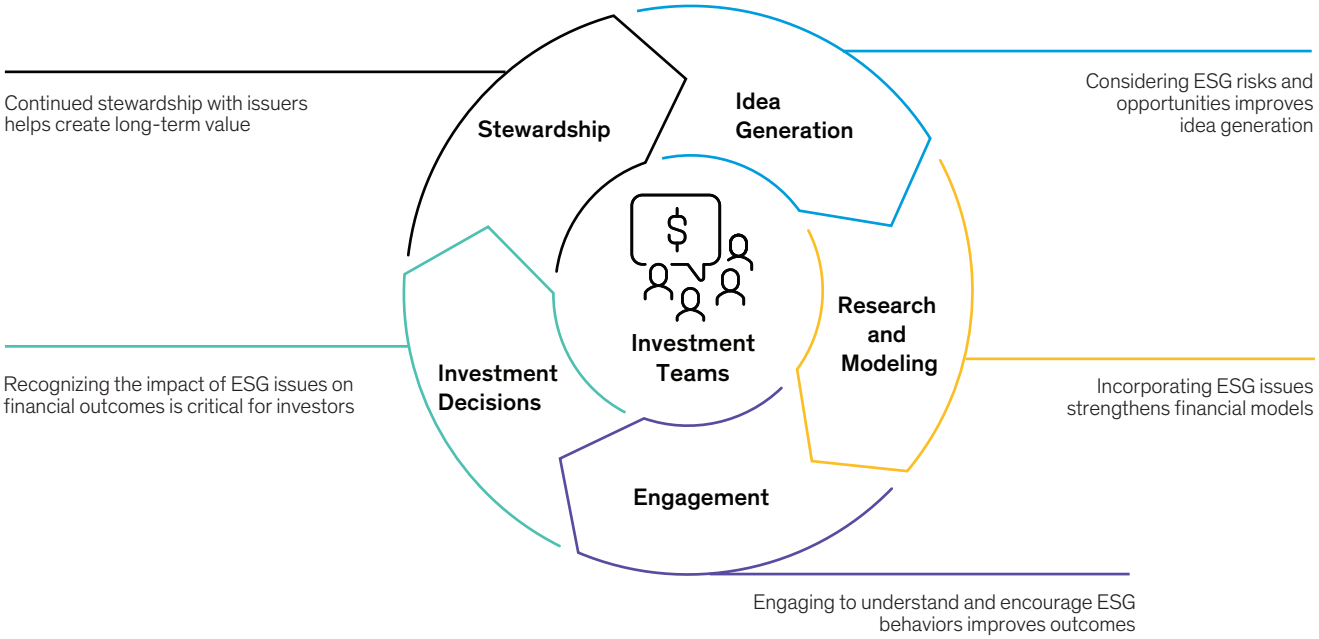
Our investors are at the heart of AB's ESG integration, partnering with our dedicated responsible investing professionals to integrate ESG and climate change considerations into each step of our research process. Our ESG integration process is broadly applicable across all asset classes and geographies, 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 must 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 across 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 6 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.

AB'S INTEGRATION PROCESS



- **Third-party data and research.** All 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. For example, in 2021, we engaged with one of our third-party data providers dozens of times to fully understand its methodologies and propose solutions to improve or augment those methodologies. We also helped identify discrepancies in its data versus the data of other providers and where we disagreed 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.
  - We provided new ESG training modules to AB investors in 2021. Our ESG Research, Training and Thought Leadership Committee hosted a "Basics of Corporate Governance" webinar, which more than 100 employees attended.

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.
  - In 2021, we formalized our proprietary ESG bond framework to support investment teams' analysis. We also conducted an environmentally focused ESG survey of more than 70 of the largest US real estate investment trusts (REITs). We used the results to develop proprietary scores and a baseline ranking for these REITs. We plan to expand the survey to include social and governance topics in future iterations.

Investment teams must 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 enables 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. In 2021, we logged more than 13,900 meetings, including issuer-specific engagements and strategic thematic engagements. Engaging specially on ESG and climate issues is a key part of our research and stewardship processes. In Section 6 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 fully leverage our ESG integration across 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 6 of this statement.

Investment teams then integrate ESG and climate factors into their decision-making process. Putting our investors at the heart of our stewardship activity enables us to integrate ESG at every step of the investment process, leading to better consideration of these issues in investment decisions. 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.

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 fully 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.

Integration in Action: Climate Change

Climate change—and its potential impacts on financial and economic outcomes—has been a significant focus for AB, especially given the systemic threats it poses to financial markets and humanity. Climate change is increasingly reflected in our portfolio managers' and analysts' fundamental research and engagement, as well as in our voting activities. We're also aware of the increasing commercial, economic and regulatory impetus to more proactively address complex climate change issues in financial markets.

In 2017, we initiated a dialogue with leading scientists at Columbia University's Earth Institute, home to the Lamont-Doherty Earth Observatory. We wanted to improve our investment teams' ability to assess investments for risks and opportunities from climate change, engage more effectively with issuers and ultimately improve outcomes for our clients. These conversations culminated in a pilot climate-risk-training program in February 2019 for a select group of AB investment professionals across asset classes. This program, later formalized as the Climate Science and Portfolio Risk curriculum, addresses the basic science of climate change; the policy, legal and regulatory aspects, climate change solutions and how to translate climate change into financial impact.

Based on the resounding success of the pilot and complementary opportunities for research and collaboration, we began a formal collaboration with the Earth Institute, announced in September 2019 and managed by our Director of Environmental Research and Engagement.

Columbia Climate Science and Portfolio Risk Curriculum

In 2020, AB investment professionals across our equities, fixed-income and multi-asset teams completed the initial Climate Science and Portfolio Risk training—our CEO and members of the AB Board were also trained. As part of this process, AB trained Columbia University Earth Institute faculty on asset management. Initial training took place off-site, at the Lamont-Doherty Earth Observatory in Palisades, NY. Because of COVID-19, we shifted to virtual training, spanning several hours over 10 days, and made the training available to all AB staff through a virtual Climate Science Library.

We're committed to investing in our employees and positioning them for continued growth and performance in a rapidly evolving market environment. We've worked with our colleagues in AB Learning and Development to enhance this collaboration and help realize our professionals' and firm's potential for leadership and success in this area. More than 250 AB investors and staff have completed the Climate Science and Portfolio Risk training to date.

The collaborative training has given AB investment teams greater insight into the science behind a changing climate and its implications for issuers, portfolios and the macroeconomy. Meanwhile, Columbia scientists benefit from a better understanding of the investment process, enabling them to design and disseminate more useful information to companies, communities and governments.

Columbia Client Climate Change and Investment Academy

We've always intended for the unique collaboration between AB and Columbia to serve the broader asset-management industry: asset owners as well as asset managers want to dig deeper into the complex issues of climate change and elevate them in their investment decision-making.

That's why, in 2021, we deployed the Climate Science and Portfolio Risk curriculum to others through the Climate Change and Investment Academy. It was extended to a global cohort of more than 1,000 asset owners and consultants, giving them access to Columbia's research and faculty in curated interactions. Clients received digital access to several prerecorded webinars, followed by virtual group question-and-answer sessions held around the world. Discussions were in-depth, with clients asking questions on a wide variety of topics, including the impact of rising sea levels on coastal development, the relationship between climate change and social inequality, and the effectiveness of carbon capture and storage in reducing emissions.

Founding the Corporate Affiliate Program at the Columbia Climate School

In 2021, AB became the Founding Member of the Corporate Affiliate Program at the newly launched Columbia Climate School. The institution is the world's first purpose-built school focused exclusively on tackling climate change and its related challenges.

AB's commitment to the Climate School marks a new paradigm in how financial-services firms address the challenges of climate change. For Columbia, including a commercial enterprise in developing the landmark Climate School signals recognition that the size, scope and challenge of climate change warrants a new approach in academia that proactively leverages the role of businesses and capital markets in solving these issues.

As the Founding Member of the Corporate Affiliate Program, AB will facilitate the engagement of commercial enterprise with Columbia's pioneering climate and sustainability research. By bringing together the perspectives of investors and scientists, AB and Columbia will seek to leverage unique skills and insights to help shape the next generation of professionals who will work to manage climate risks and develop solutions across industries, sectors and countries.

Climate Research with Columbia

Our collaboration on curriculum development has spurred ideas for joint research projects between AB's investors and Columbia's academics. As part of an exclusive agreement, AB and Columbia have embarked on a research agenda focused on leveraging and highlighting the intersection of climate science and academia with AB's investment processes. Research may be shared externally through thought leadership, workshops and other avenues to demonstrate how investors are using insights gleaned from scientists to inform investment-related decisions and stewardship activities.

The research enterprise comprises interactions between AB's investment teams and Columbia's scientists and experts on core climate issues that arise in the investing process across portfolios, sectors, asset classes and regions. The parties will collaborate on long-term, in-depth research projects exploring the most significant climate-related challenges, such as the approach to net zero and the role and interaction of various stakeholders in achieving that target in the next 30 years.

AB has kicked off this collaborative research agenda with a three-phase research project, working with Columbia faculty and scientists to focus on climate scenario analysis.

In Phase One, Columbia helped us evaluate the range of existing scenario-analysis products and services on the market. AB is conducting and reporting climate scenario analysis on select strategies to clients. Columbia has facilitated these efforts, helping us identify and onboard MSCI's Climate Value at Risk platform, which provides comprehensive and effective scenario analysis that aligns with AB's current commercial, technical and investment needs.

Phase Two, which began in early 2021, expanded the scenario analysis and reporting to more AB-sponsored funds and some separately managed accounts.

In Phase Three, we intend to expand our use of climate scenario analysis as a forward-looking tool for investment teams. We want investors to apply it to better identify and capitalize on emerging climate-related risks and solutions. We also seek to leverage our Columbia relationship to bring educational opportunities to key clients and enhance our reputation as a leading responsible investor.

For more details on our approach to climate change and our partnership with Columbia, please see our *Climate Change Statement & TCFD Report* and our Columbia Climate School partnership webpage.

Integration in Action: Modern Slavery

At AB, we've considered the social risks of our investments for many years, with a focus on modern slavery and forced labor. Through our engagements with corporations, we've come to realize our unique position as investors to put modern slavery on the corporate agenda and to hold companies accountable for their practices.

Using our own fundamental research and leveraging third-party information as a guide, in 2020 we developed and began implementing a modern slavery research methodology to map companies on a matrix indicating the potential level of exposure to modern slavery in operations and supply chains. The matrix measures companies' exposure to high-risk-to-people factors, including vulnerable populations, high-risk geographies, high-risk products and services, and high-risk business models.

Mapping companies' potential risks helps us determine which companies we need to engage with most deeply, or most urgently, on how they're reducing risks to people. Using the map, we've been able to apply our fundamental research insights to understand risk exposures—looking at where a company operates rather than where its headquarters are located.

Engagement is a natural extension of our active investment process—we regularly engage issuers and stakeholders directly, giving us the opportunity to share our philosophy and corporate governance principles while providing a forum to drive positive change in issuers. Once we understand a company's modern slavery risk-exposure profile, we strive to understand how the company is managing modern slavery risks. Using our proprietary, comprehensive, best-practices framework, we evaluate companies in collaboration with many leading corporations, expert organizations (such as the Mekong Club and Be Slavery Free), academics and social auditors. The framework assesses companies' governance framework, risk identification, action plan to mitigate risks, action plan effectiveness and future improvement. The main goal of the framework—particularly the future improvement component—is to recognize best practices and encourage continual learning and improvement. With the framework, our analysts are able to systematically evaluate companies and have a basis for corporate engagements. One of the most heartening aspects of our engagements so far has been discovering the shared conviction of boards and executives that modern slavery is a social evil and business risk and that all of us—companies, investors and consumers—are obligated to do what we can to confront it and, where possible, eradicate it. For example, the chair of a large financial institution that we engaged with said that AB's focus on modern slavery could elevate the issue's priority on its risk map.

We've developed a separate best-practices framework for the financials sector. Finance is generally considered a lower-risk industry for modern slavery issues, but we believe that financial institutions play an important role in reducing modern slavery, given their exposure to modern slavery-related financial transactions and business-lending activities. We've engaged with the heads of financial-crime risk at Australian banks as well as financial-services regulators to better understand risk exposure in the sector and how to encourage financial institutions to respond.

We believe that industry collaboration is key to reducing modern slavery; no firm or stakeholder can do it alone. That's why we signed investor statements such as the Find It, Fix It, Prevent It Investor Statement on Modern Slavery, which calls on UK-listed companies to increase efforts to identify human trafficking, forced labor and modern slavery in supply chains; review, assess and disclose the effectiveness of attempts to address these issues; and support the provision of remedy to victims of modern slavery within supply chains.

We've signed the Investors Against Slavery and Trafficking Asia-Pacific, which has a similar objective, as well as the KnowTheChain Investor Statement: Investor Expectations on Addressing Forced Labour in Global Supply Chains. We collaborate with expert organizations and industry bodies; Mekong Club and Be Slavery Free joined our internal training session for investment professionals. In March 2021, we hosted a session for our Asia-Pacific and European teams with SupplyESChange, focusing on company engagement and the roles of the social audit process.

In summary, we believe that reducing the risk of modern slavery to people requires long-term commitment and a willingness to innovate—continually improving processes to identify, assess and act. Based on the positive response we've received from our engagement with companies and clients, we believe that we'll make real progress in the fight against this pervasive social evil over time and improve outcomes for its victims. We're confident that companies can, and will, increasingly embrace the challenge to collaborate, act and lead in the fight against modern slavery.

To see our map and framework in action, including more details on our methodology and examples, please see the following resources:

- *AB Global Slavery and Human Trafficking Statement and Report*
- White Paper: *Modern Slavery Risk: The Investor's View*
- Blog: *How Shopping—and Investing—Might Be Enabling Modern Slavery*
- Blog: *A Framework for Mapping Modern Slavery Risk in Investment Portfolios*
- Blog: *Modern Slavery: How Investors Can Help the Victims*

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 all 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 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 needs to 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 across 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 Integration: 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 contributes to better investment outcomes for its investors.

Beginning in August 2020, AB-PCI formalized the integration 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.

MAS ESG Reporting: Over 2022, the MAS team plans to roll out comprehensive ESG reporting to all its clients, including the necessary reports for those clients wishing to meet the reporting requirements outlined by the TCFD.

6. 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 must have an ongoing, open dialogue with stakeholders.

Engagement helps us better understand issuers, protect shareholders' and bondholders' interests, and encourage management teams to deploy strategies and take actions that we believe 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.[5] 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 superior 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.

5 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.

Engagement for Insight

Engagement enhances our research process, generating insight into issuers' strategies and competitive positioning. It also reveals how management teams address and manage medium- and long-term 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 governance structure. We incorporate this valuable information into our quantitative and qualitative security analysis and investment decisions—with the ultimate goal of generating superior 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.

PFIZER

INDUSTRY: PHARMACEUTICALS
REGION: NORTH AMERICA
ASSET CLASS: EQUITIES AND FIXED INCOME

Pfizer came under increased scrutiny regarding the equitable distribution of its COVID-19 vaccines during their 2021 rollout. We engaged the company as shareholders and bondholders to better understand how it was addressing equity issues. We learned that the company tried to address issues with lower-income countries facing vaccine-storage issues by expanding the range of vaccine-storage temperatures. The company also issued a sustainability bond with proceeds linked directly to the COVID-19 pandemic—the COVAX program, with a special allocation to middle- and low-income countries. Other uses of proceeds will be allocated to enhancing testing for pregnant women, children and other vulnerable groups, especially people in lower-income countries. In our view, this is a very differentiated framework.

SUZANO

INDUSTRY: PAPER AND FORESTRY
REGION: LATIN AMERICA
ASSET CLASS: FIXED INCOME

Suzano, the largest global pulp manufacturer, is often associated with negative headlines on Brazilian deforestation and other ESG issues, despite having best-in-class sustainability metrics, in our view. We've engaged with Suzano in recent years to encourage the company to highlight its remarkable environmental credentials more publicly, rebut negative press around deforestation and use creative financing structures to lower its cost of capital.

Suzano emits dramatically less carbon dioxide per ton of pulp and paper that it produces than its peers do. After we engaged with the CFO and advocated for the company to issue a bond tied to its superior environmental track record, Suzano issued the first sustainability-linked bond in emerging markets in 2020. Since then, we've tracked the company's emissions closely. In 2021, we engaged with the company to discuss why it had not submitted its decarbonization plan to the Science Based Targets initiative (SBTi). We learned that Suzano believes that there are issues with SBTi's methodology. The firm is engaging with SBTi in hopes of resolving these methodology issues. On the topic of bad press, we learned that Suzano is working with nongovernmental organizations to help stop illegal deforestation activities and is advocating for environmental protection laws. We'll continue to push Suzano to set ambitious goals and consider more sustainability-linked bonds.

PROJECT GROVE

INDUSTRY: SOCIAL HOUSING
REGION: EMEA
ASSET CLASS: REAL ESTATE DEBT

Project Grove is a real estate debt investment financed by the AB European Commercial Real Estate Debt (AB ECRED) strategy. In the UK, a social housing shortage is causing various societal issues. Two British real estate specialist firms joined forces and proposed to AB ECRED a plan to acquire and aggregate social housing properties across the UK. After acquisition, they refurbish typical residential units and lease them to registered providers (RPs) in the UK. RPs are government-regulated entities that manage the properties as social housing, taking in tenants and receiving income from the local government.

AB ECRED agreed to the terms of the financing with the sponsors, which allowed the program to go ahead. Since the program has been set up, various properties have become part of it. Examples include a project that provides temporary housing and counseling for adults at risk or in a state of homelessness, a second project that provides temporary housing to women facing homelessness or leaving prisons and needing to readjust to society and a third project that provides regulated care and education services for the elderly and people with lifelong disabilities.

Engagement for Action

Engagement helps us support our clients' interests—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 and 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.

CHILEAN ELECTRICITY SECTOR

INDUSTRY: UTILITIES
REGION: LATIN AMERICA
ASSET CLASS: FIXED INCOME

Power generation in Chile is highly dependent on coal, a very capital-intensive industry, making companies reluctant to shutter operational coal plants. Also, many price-sensitive consumers can't shoulder higher electricity bills to subsidize the transition from coal to renewable methods. We've been engaging with the largest four Chilean power-generation companies (AES Andes, Colbún, Engie Energia Chile and Enel Chile) and a newly formed electric system financing entity (CHIPEC) to encourage management to phase out coal plants and create innovative ways to finance the transition to renewable energy.

To support our argument, we were able to demonstrate that the cost of capital is materially lower for companies focused on greener power sources. We also showed that existing coal plants are more expensive than new renewable plants, and that increasing carbon taxes and regulation will hurt the competitiveness of existing coal plants.

These companies were receptive to our arguments: In the first half of 2021, Engie Energia Chile announced that it would close all its coal-powered plants by 2025. AES Andes announced that it would close more than half its coal facilities. To address the issues facing vulnerable consumers amid a short-term period of elevated power prices due to the green power transition, AB engaged with the Chilean government and bankers to develop a creative solution. As a group, we developed an entity, CHIPEC, which would borrow ~$500mil in 2021 to finance residential consumer electric bills in the near term, a way to help consumers bridge the gap until they face lower prices later this decade (when coal would be phased down and cheap renewables would be operating). AB was an anchor order in the ~$500mil bond deal, which we continue to hold, knowing that our investment promotes social considerations in Chile, along with the move to renewable power.

While we're pleased by this progress, we'll continue to advocate for the full closure of all remaining coal plants in Chile and look for creative ways to finance the energy transition, with an eye toward mitigating social costs.

ZIJIN MINING

INDUSTRY: PRECIOUS METALS
REGION: ASIA EX JAPAN
ASSET CLASS: EQUITIES

In 2018, Zijin Mining acquired Nevsun Resources, which faced allegations in Canada over not preventing the use of forced labor during the construction of its Bisha gold, copper and zinc mine in Eritrea. In our conversations with Zijin, management explained that it was aware of the lawsuit during negotiations but acted in good faith to resolve the dispute after the acquisition. The company established a Strategy and Sustainable Development Committee—reporting directly to the board—to manage all ESG-related considerations.

Because Zijin faces heightened modern slavery risks, we've engaged the company on best practices for identifying and mitigating these risks. We've seen Zijin make progress, especially in increasing the oversight of its mines and improving disclosures. For example, newly acquired mines are now audited every year and existing mines every three years. These audits largely focus on ethical and environmental issues, but will continue expanding to consider more ESG issues. We'll continue to monitor Zijin's progress.

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. For example, in 2021, AB cosigned 1,304 letters encouraging companies to participate in CDP's climate, water and forestry questionnaires. We also engaged with nine companies directly. These engagements resulted in another 288 companies responding to CDP's campaign in 2021, disclosing their climate strategies for the first time, representing a 22% success rate with companies that we wrote to and a 44% success rate with those we spoke directly to.

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.

In 2021, AB co-led three CA100+ engagements with emerging-market energy companies Eskom, Petrobras and Sasol, focusing on their climate change disclosures, policies and impact.

2021 Thematic Engagement Campaign

In 2021, we conducted our second annual thematic engagement campaign. More than 100 of our investment analysts engaged with more than 430 issuers across 40 countries on three important ESG topics: incorporating ESG metrics into executive compensation plans, adopting climate-risk goals and disclosures, and assessing modern slavery risk.

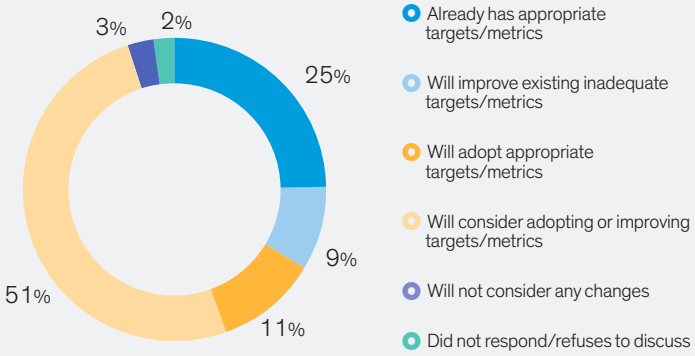
Engaging on executive compensation and climate metrics were follow-ups from last year's campaign. We reengaged with issuers who promised to make progress last year, while also engaging with new issuers who, we believed, could benefit from adopting such targets and disclosures.

On modern slavery, we assessed high-risk-to-people issuers using our proprietary framework in order to better understand the risks in their own operations and supply chain. We then engaged with issuers on best practices to reduce modern slavery risk.

An exciting part of the 2021 campaign was that equity and fixed-income analysts engaged together, when appropriate, to conduct more robust engagements. We believe that by leveraging our full weight as shareholders and bondholders, we can drive more meaningful change.

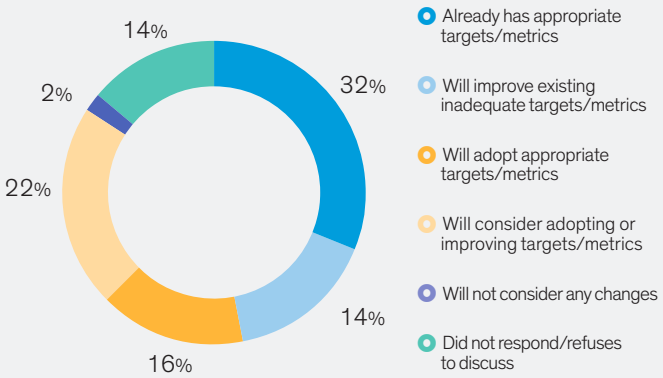
Our 2022 engagement campaign will further this ethos, focusing on outcome-oriented engagements, where we ask issuers to set and achieve milestones toward a specific outcome that is material to them.

Executive Compensation Engagement Outcomes Across Issuers*



*Numbers may not sum to 100% due to rounding.
As of March 2022 | **Source**: AB

Climate Engagement Outcomes Across Issuers



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.

Collaborative Engagements

ESKOM

INDUSTRY: UTILITIES
REGION: EMEA
ASSET CLASS: FIXED INCOME

South Africa's state-owned electric utility Eskom is the largest GHG emitter in South Africa, accounting for approximately 200 million tonnes of carbon dioxide per year—around 40% of the country's total emissions. After engaging with the issuer independently through our fixed-income team, AB joined the CA100+ engagement as a co-lead of the investor cohort. This was a way to address our concerns regarding the company's climate change strategy, leveraging our existing relationship with management across a broader group of stakeholders.

With such high emissions and the operation of 15 coal-fired power plants in South Africa, Eskom faces a significant undertaking to decarbonize. It must also contend with the social costs associated with shuttering coal plants and transitioning to renewable energy in a country where the unemployment rate is already well over 30%.

AB and the CA100+ investors have established an ongoing dialogue with Eskom that considers the unique context and challenges of this issuer, while highlighting concerns over the transition risks of climate change and how they could affect Eskom's access to capital markets. This engagement has yielded several positive results from Eskom, which announced in August 2021 that it will retire approximately 30% of its coal power plant capacity by 2031. The company also launched its net-zero commitment, with plans to further cut coal and change to renewable energy.

Eskom is expected to benefit from a $8.5 billion international financing commitment that will work to move South Africa away from relying on coal and provide Eskom with funds to realize a significant proportion of its Just Energy Transition plan and decarbonization strategy. These items were flagged as key priorities to Eskom during AB's CA100+ engagement with the company's top management and investor relations (IR) team in December 2021.

Eskom still faces a massive transformation, including a retraining program to support the transition of its affected workers. AB will continue to engage Eskom with the CA100+ investor cohort, focusing on the implementation of South Africa's transition road map using the $8.5 billion in transition support, reconciling Eskom's debt load, enhancing disclosure and supporting a Just Energy Transition.

SASOL

INDUSTRY: OIL AND GAS PRODUCERS
REGION: EMEA
ASSET CLASS: FIXED INCOME

In support of South African diversified energy company Sasol's decarbonization efforts, AB continued engaging with the company in 2021 as co-lead of the CA100+ investor cohort. While Sasol still has a long road ahead to achieve its climate objectives, the company made substantial progress in 2021.

After engagements with Sasol's IR team in the first half of the year, AB and the other CA100+ investors remained concerned about the company's decarbonization plans, deciding to escalate the discussion to Sasol's board. In early September, we wrote a letter to the board, relaying investors' expectations on disclosure of the company's climate strategy, including a suitable transition plan, a clear approach to net-zero emissions by 2050, a capital plan supporting these targets and openness about the remaining uncertainties.

During its 2021 Capital Markets Day later that month, the company released robust plans outlining its net-zero 2050 commitment, new emissions reduction targets, a decarbonization strategy, capital-allocation plans, a CA100+ benchmark self-assessment and TCFD. It also increased its renewable energy procurement at its Secunda site—the largest single carbon-emitting site in the world—from 900 to 1,200 megawatts by 2030.

In November, Sasol's board met with the CA100+ investor cohort to discuss the revamped strategy. AB discussed the company's published decarbonization strategy, including climate governance and the board's ability to effectively oversee the execution of the transition, as well as the financial, political and operational feasibility of some of the company's proposed solutions and fossil fuel alternatives.

At the company's AGM that same month, management filed a nonbinding climate transition plan resolution that was approved by 96% of shareholders. AB and the CA100+ investor cohort will send a follow-up letter to Sasol's board, emphasizing the importance of the effective implementation of the company's decarbonization plans. We'll continue engagements into 2022.

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. For example, in 2021, we added international norms to all three pillars and crisis management under governance.

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
Biodiversity and land use	D&I	Accounting
Carbon emissions	Employee health and safety	Anticompetitive practices
Climate change vulnerability	Financial product safety	Board structure, independence, diversity and entrenchment
COVID-19	Human capital development	CEO duality
Electronic waste	Insuring health and demographic risk	Crisis management
International norms	International norms	Over-boarding
Opportunities in clean tech, green buildings and renewable energy	Labor management	Business ethics
Packaging waste	Opportunities in education, communications, financial inclusion, healthcare, and nutrition and healthier products	Corruption and instability
Product carbon footprint	Privacy and data security	COVID-19 governance
Resource management	Product safety and quality	Financial system instability
Environmental impact of supply chain	Responsible investment	International norms
Toxic emissions and hazardous waste	Social impacts of supply chains	Shareholder rights
Water management	Stakeholder engagement	One share one vote
	Modern slavery	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.

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.

Escalation Engagements

NATIONAL VISION

INDUSTRY: RETAIL
REGION: NORTH AMERICA
ASSET CLASS: EQUITIES

In 2019, we voted against one of National Vision's directors: the company had failed to remove its classified board and supermajority vote requirement to enact certain changes to its governing documents in the year after its initial public offering. The company had other shareholder-unfriendly provisions, including a plurality voting standard, no shareholder rights to call a special meeting or act by written consent and no proxy access.

We continued to vote against the company in 2020 as it maintained its classified board and supermajority voting provisions. However, its 2020 proxy statement indicated that the company planned to sunset the provisions in 2021. Finally, after several engagements with the company on these governance issues, we saw National Vision reflect our feedback in its 2021 proxy: the company eliminated its classified board and supermajority voting requirement. We also saw the company publish its first corporate responsibility report, which contained a comprehensive materiality assessment and disclosures under both GRI and SASB standards.

PROLOGIS

INDUSTRY: REAL ESTATE
REGION: NORTH AMERICA
ASSET CLASS: EQUITIES AND FIXED INCOME

We've engaged with Prologis on its poor executive compensation practices. Most recently, the founder and CEO was paid $31.8 million, largely in the form of restricted stock. We found it concerning that the stock awards vest based on the achievement of what we believe to be poorly disclosed, weak and mostly qualitative performance goals, many of which aren't long-term oriented or use one-year performance periods. For example, the CEO was awarded $12.4 million in equity, with a quarter of the award vesting each year as long as the company simply achieved medium relative total shareholder returns versus its peers. We believe that the company's pay practices are poor and, as such, warranted a vote against.

Conflicts of Interest

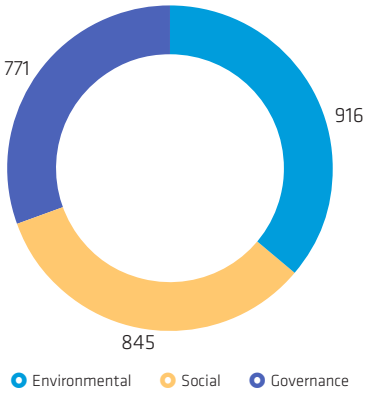
For more details on our conflict-of-interest and insider-trading policies, please see Section 2 of this statement.

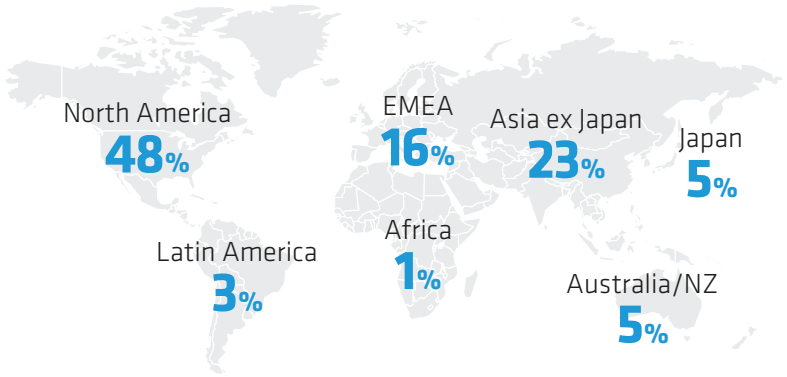
Engaging on ESG Issues: 2021 Updates

Many of our more than 13,900 issuer meetings in 2021 focused exclusively on ESG and climate issues. For engagements in which ESG was a clear focus of the discussion, we ask investors to document them in our proprietary ESIGHT platform.

Analysts documented 1,566 engagements with 1,091 unique issuers in ESIGHT.

Engagement by ESG Pillar*





*Numbers will not sum, as engagements frequently discuss multiple ESG topics across or within pillars. Percentages may not sum to 100% due to rounding.
As of January 2022 | **Source**: AB ESIGHT

Analysts documented 4,302 separate ESG discussion topics in ESIGHT.

ENVIRONMENTAL AND CLIMATE CHANGE		SOCIAL		GOVERNANCE	
Carbon Emissions	648	D&I	341	Pay	373
Opportunities in Clean Tech	132	Human Capital Development	223	Other	150
Opportunities in Renewable Energy	126	Labor Management	197	Board Level Diversity	123
Supply Chain—Environmental	107	Employee Health and Safety	155	Board Independence	121
Water Management	97	Supply Chain—Social	117	Organizational Culture	91
Climate Change Vulnerability	92	Modern Slavery	93	Entrenched Board	52
Product Carbon Footprint	92	Privacy and Data Security	90	Business Ethics	32
Packaging Waste	70	Product Safety and Quality	85	Crisis Management	32
Opportunities in Green Buildings	66	Other	53	Combined CEO Chair	25
Toxic Emissions and Hazardous Waste	63	Opportunities in Financial Inclusion	35	Corruption and Instability	25
Biodiversity and Land Use	47	Opportunities in Healthcare	32	COVID-19 Fundamental	23
Resource Management	43	Responsible Investment	27	International Norms	12
Other	24	Financial Product Safety	21	Accounting	11
Electronic Waste	10	Opportunities in Nutrition and Healthier Products	21	Sanctions	9
International Norms	6	Insuring Health and Demographic Risk	20	One Share One Vote	8
COVID-19	1	Stakeholder Engagement	19	Anti-Competitive Practices	7
		Opportunities in Education	13	Proxy Access	7
		COVID-19	9	Financial System Instability	6
		Opportunities in Communications	7	Right to Call Special Meetings	6
		International Norms	5	COVID-19 Governance	2

7. 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 all 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.

All 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.

2021 Policy:
Updates

Our Proxy and Governance Committee meets several times each year to review and update our policy to reflect evolving best practices and stricter standards. In 2021, we adopted several enhancements to our policy, including:

- Shareholder Proposal Assessment Framework: Clarified how AB assesses each shareholder proposal with our clients' best interests in mind.
- Added section 3.1.1 pertaining to Director Accountability on Material Environmental and Social Topics Impacting Shareholder Value: Climate Risk Management and Human Rights Oversight
- Revised section 3.1.9 pertaining to Board Diversity to reflect that AB's gender diversity policy is applicable globally and that no market is excluded from the policy to have at least one female director represented on the issuer's board. Additionally, ethnic/racial diversity is an element that is considered, starting in 2021. AB will focus on its significant active holdings universe in the US to engage on the topic, and may begin voting against the nominating/governance committee chair (or the most tenured incumbent in case of a classified board) in 2022 of companies that are unresponsive or lack commitments to improve their lack of ethnic/racial diversity at the board level.
- Revised section 3.3.44 pertaining to Multi-Class Equity Structure from Case-by-Case to Against: We will consider escalation to an against vote when engaging with our global significant holdings that retain a multi-class equity structure with unequal voting rights. Those companies will be asked to proactively consider ways to bolster shareholder voice.
- Added section 3.5.66 pertaining to Authorizing Virtual-Only Shareholder Meetings

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 8.

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.

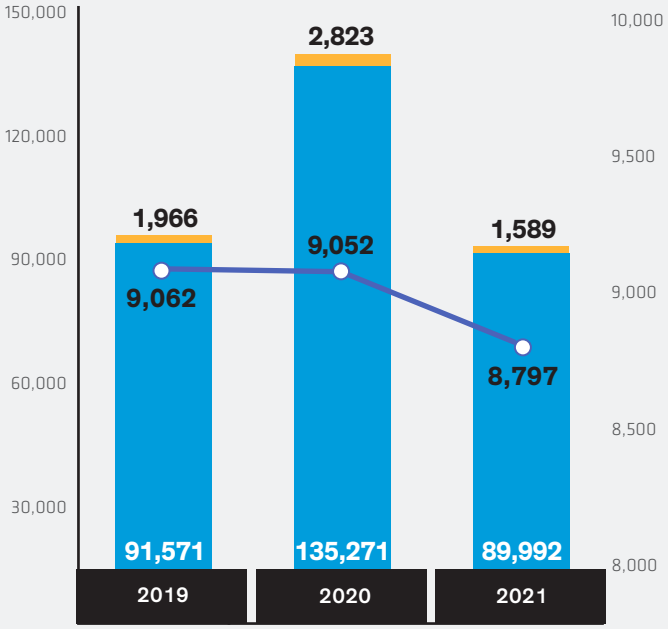
There are several other ways we seek to protect our clients' investments. We proactively engage with companies, sovereigns, financial and legal advisors and other bondholders ahead of potential financial restructurings to ensure that our investors' rights are protected, and that value is preserved. For 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.

How We Voted in 2021

In 2021, we voted 91,581 total management and shareholder proposals across 8,797 companies globally. We voted 99% of the company meetings eligible. Sometimes there are cases where we are not able to exercise our vote, usually for administrative reasons. We vote all our proxies internally; we do not outsource this activity.

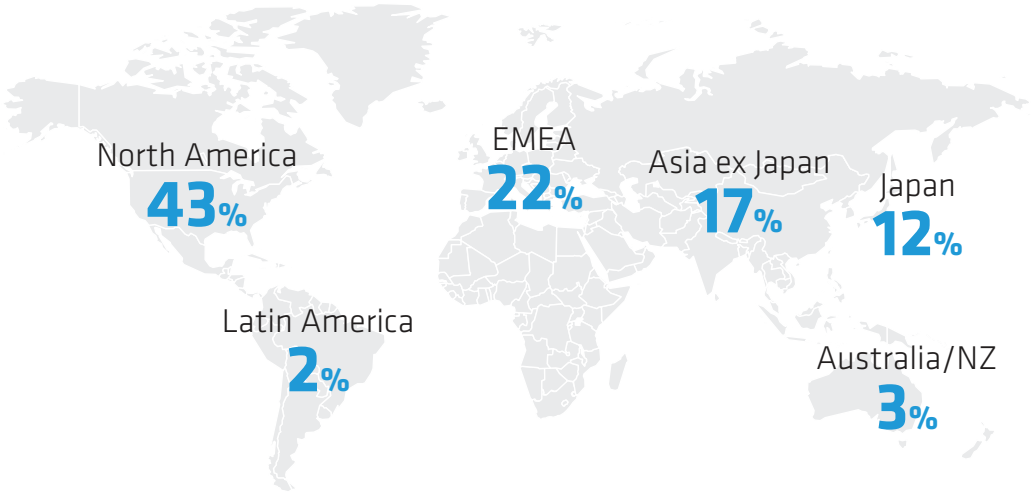
GLOBAL PROXY VOTING: MEETINGS AND PROPOSALS



Management proposals · Shareholder proposals · Meetings (Right scale)

As of December 31, 2021 | **Source:** AB

A GLOBAL EFFORT: WHERE WE VOTED IN 2021*



* Based on 8,797 total shareholder meetings in 2021. Percentages may not sum to 100% due to rounding.
As of December 31, 2021 | **Source:** AB

2021 Proxy Voting: US Shareholder Proposals

The majority of ESG-focused shareholder proposals are put forward in the US. We apply the same framework to vote these proposals that we use to vote all shareholder proposals globally, in alignment with AB's mission to deliver better investment outcomes to clients through differentiated research insights and innovative portfolio solutions that are in our clients' best interests.

The year 2021 brought greater focus on social topics in the shareholder landscape, particularly in the US market. In addition to employees' rights, racial equity audit emerged as a new focus, particularly for the major US banks. The number of proposals addressing pay equity and promoting D&I as part of the corporate culture also increased. While AB agreed with the spirit of these proposals, we observed that many of these shareholder requests did not consider existing efforts and commitments from the companies or were too prescriptive in nature to merit support. We also observed management teams taking a more responsible stance toward stakeholders' concerns and incorporating these requests, publishing the desired information in sustainability reports.

On environmental shareholder proposals, AB's support rate remained relatively the same. Notably, a new campaign called "say-on-climate" appeared; it asked companies to institute an annual advisory vote that allows shareholders to assess progress on climate-related efforts. Believing in the principle behind the campaign, AB supported management proposals that voluntarily adopted such mechanisms. However, we voted against shareholder proposals that demanded this practice, as it was unclear whether meaningful progress could be expected on an annual basis for an issue like climate; this should be deemed a multiyear effort, in our view.

On governance, proposals continued to target enhancing overall shareholder rights; we saw higher demand for independent board chairs, reduced thresholds to call special meetings, provisions of the right to act by written consent, declassification of boards and reduced supermajority vote provisions. AB's support rate remained relatively the same as 2020.

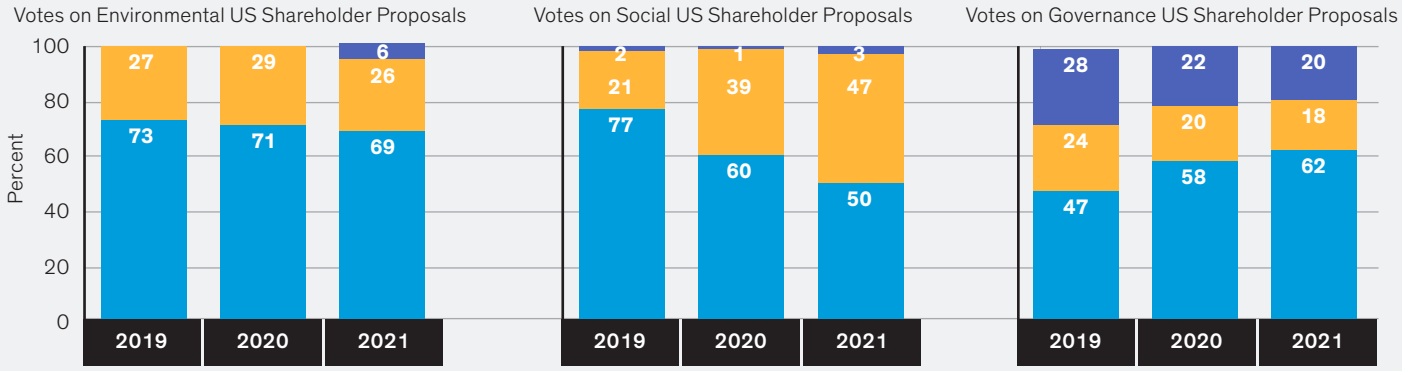
2021 Voting Highlights

Votes Against the Board: Our core principle for board elections is to hold directors accountable for proper independent oversight and risk management. Factors that we consider include board-level independence, diversity (both demographic and skill set), capacity and overall effectiveness of company governance. In 2021, we voted against 9% of management director proposals, including:

- Voted against the election of audit committee incumbents at Constellation Brands, to address issues around share-pledging activity in absence of any justifications
- Voted against the election of a director at Fuji Electric to address lack of gender diversity at the board level
- Voted against the entire compensation committee at Berkshire Hathaway to address multiyear compensation concerns

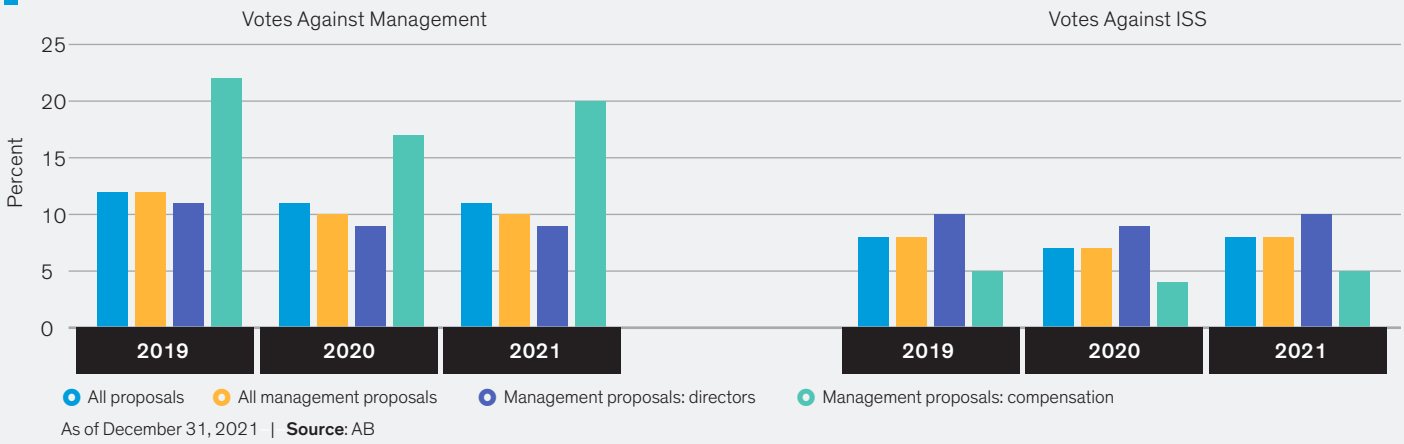
Votes Against Shareholder Resolutions: AB's commitment to maximizing the value of clients' portfolios as shareholder advocates informs how we analyze shareholder proposals. Rather than automatically supporting all shareholder proposals that mention an ESG issue, we evaluate whether the requests will actually enhance shareholder value for our clients. A proposal promoting genuine ESG integration that will lead to more comprehensive risk and opportunity management for a business should include (but is not limited to) the following core factors:

AB VOTES ON SHAREHOLDER PROPOSALS



As of December 31, 2021 | **Source**: AB

GLOBAL AB PROXY VOTING



As of December 31, 2021 | **Source**: AB

- Materiality of the mentioned ESG issue for the company's business
- The company's current practice, policy and framework
- Prescriptiveness of the proposal, i.e., whether the demand of the shareholder unreasonably restricts management from conducting its business
- Context of the shareholder proposal, i.e., whether the proponent is tied to any particular interest group(s) and whether the proposal aims to promote the interest of shareholders or the group with which they are associated
- How does the proposal add value for shareholders?

In 2021, we voted against 40% of US shareholder proposals. The following are examples of proposals that did not warrant support:

- Voted against a shareholder proposal asking for Meta Platforms (Facebook) to report on platform misuse. While we support the idea behind this proposal, support for the proposal itself was not warranted, in our view. The company had clarified its progress on management and oversight of misinformation and misuse through multiple engagements and its public disclosures. The company actively works to remove harmful information, including information designed to suppress voting. Meta also reports on efforts to remove harmful information through its quarterly Community Standards Enforcement Report, which provides transparency on the issue. Based on our engagement with the company, we believe that it has made progress in preventing foreign interference with elections and related misinformation. Specifically, the company partners with more than 80 external fact-checkers in more than 60 languages. It also reduces distribution of and adds warning labels to false content. Advertisers must complete an authorization process before they can run ads on social issues, elections or politics in the US. Additionally, our engagement with the company revealed that it is considering assessing which systemic changes made during the election helped and which changes will not stay in place. The new oversight board, as mandated by the US Federal Trade Commission, has helped challenge and strengthen company efforts in this area. AB will continue to closely monitor the issue of platform misuse and discuss the topic during future engagements with the company.
- Voted against a shareholder proposal at Home Depot asking the company to report on prison labor in its supply chain. While we support the spirit of the proposal, it doesn't consider the steps that Home Depot has already taken on the issue of incarcerated labor. In early 2021, the company updated its policies to prohibit all prison labor in its supply chain and removed the provision that previously permitted voluntary prison labor. In addition to this significant policy change, Home Depot also addresses risks related to prison labor through its Responsible Sourcing Program, which includes Responsible Sourcing Standards and guidelines prohibiting suppliers from using forced, bonded or indentured labor, slavery or human trafficking. The findings of this program are reported annually. Because the company had already addressed the issue being raised by the shareholder proposal, support for the proposal was not warranted. As Home Depot continues to address risks related to incarcerated labor in the supply chain, AB will track the company's progress and associated reporting to confirm that the appropriate steps are being taken.
- Voted against a shareholder proposal at Origin Energy to support and comply with all legislative changes relating to cultural heritage protection, and to cease all operations in licensed areas until *The Scientific Inquiry into Hydraulic Fracturing in the Northern Territory's Final Report* (2018) has been implemented. While this proposal is well-intentioned, it is overly prescriptive in demanding that the company acknowledge "the rights of all impacted Traditional Owner family groups to veto anything that will disrupt

cultural heritage and sacred sites." The potentially vague language of this proposal could make it impossible for the company to continue operations critical to its business. Furthermore, this proposal does not adequately consider that Origin Energy already disclosed its process for protecting sacred sites and undertaking exploration activity in line with its legal commitments and with Native title holders and relevant cultural custodians such as traditional owners. In October 2021, the company disclosed that its activity was cleared by Native title holders following a sacred-site-avoidance and clearance survey and certified by the Australian Aboriginal Progressive Association. The combination of both the contractual and legislated protection measures mean that Native title holders are active participants in deciding well-site locations so that sacred sites and objects are avoided and protected. As the company discloses its process for preserving sacred sites, AB will continue to discuss the issue during engagements.

Votes for Shareholder Resolutions: We also voted in favor of many shareholder proposals, including the following examples on child exploitation disclosure, climate-related lobbying and racial equity:

- Voted for a shareholder proposal asking Meta Platforms (Facebook) to report on risks related to the sexual exploitation of children, as the company continues to develop additional privacy tools such as end-to-end encryption. Child sexual exploitation online and Child Sexual Abuse Material (CSAM) is a growing threat as social media continues to expand. With the development of enhanced security measures, the number of CSAM cases could rise. Meta has taken meaningful steps to address this issue: one such measure is working with experts to develop prevention tools that flag potentially suspicious messages and disrupt entire networks of bad actors. However, as end-to-end encryption becomes the industry standard for messaging services, it's necessary to continue addressing the CSAM issue, and this proposal asks for simple reporting. Therefore, support is warranted. We will continue to engage with Meta regarding the CSAM cases and track the company's progress on addressing the issue, as we have done over the past years, including sending a letter to a lead director.
- Voted for a shareholder proposal at BHP asking the company to strengthen its review of industry associations to ensure that it identifies areas inconsistent with the Paris Agreement. The proposal further requests that the company suspend membership of any such unaligned industry associations. The board showed support for this proposal, stating that the proposed resolution is substantively aligned with the BHP's existing approach. According to the proponent, at the time of the proposal, the company remained a member of 14 industry associations with misaligned climate-lobbying practices. BHP has made progress in the area, including publishing its Global Climate Policy Standards and establishing a transparent process to review the alignment of its member associations with its climate policy. Despite these improvements, shareholders would benefit from the enhanced disclosure and engagement suggested by this proposal. As BHP continues to review and improve its alignment with the Paris Agreement, AB will monitor the company's progress and transparency. If the issue is not fully addressed, AB may escalate through a vote against the relevant committee chair.
- Voted for a shareholder proposal at Wells Fargo to oversee a racial equity audit and publicly disclose a report on the findings. There has been increasing awareness around racial justice in recent years, particularly during the COVID-19 pandemic. Wells Fargo has faced a number of controversies and lawsuits related to racial discrimination, paying $7.8 million in 2020 to settle US Department of Labor allegations of hiring discrimination. Although the company reports on some workforce diversity goals and has committed to a separate human rights impact assessment, disclosures on the bank's impact to minority stakeholders can be improved. If the company fails to make a meaningful improvement on its disclosure regarding racial equity, AB plans to escalate through a vote against the relevant committee chair.

Votes Abstained or Did Not Vote: AB strives to vote all shares for which we have voting rights. We typically vote ~99% of those shares, and 2021 was no different. Typical reasons that we don't vote include when shares are subject to security lending, share-blocking, missing power of attorneys or burdensome operational requirements that we didn't receive in a timely manner. Examples of abstentions from 2021 include:

- Not voting several ballots at Siemens due to share-blocking
- Abstaining on auditor approval at First Abu Dhabi Bank because the company didn't disclose adequate information for AB to make an informed decision

Votes Not in Line with Proxy-Voting Policy: All AB votes in 2021 were aligned with our Proxy Voting and Governance Policy. A separate offshore external vendor reviews all our proxies to ensure that voting is consistent with our policies. This vendor provides quality control of our proxy-voting process by checking the votes cast by our Responsible Investing team for accuracy. If the vendor doesn't agree that the votes cast match our voting criteria as described in our policy, it will escalate the issue to a member of our Responsible Investing team, asking why the vote was elected in the way it was. Certain issues may be further escalated by our Responsible Investing team to our Proxy Voting and Governance Committee for review, if needed. This independent double-check ensures that all proxies are voted in line with our stated policy.

We did not identify any actual conflicts of interest in 2021.

8. 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.

9. 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 must stay current on best practices, evolving principles and changing frameworks and regulatory developments. We must 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, aligning our investing activities with the organization's principles ever since. 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 6)
- 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.

Promoting Well-Functioning Markets: 2021 Updates

As a responsible investor with a global footprint, we're committed to serving our clients' and shareholders' needs, building sustainable financial markets and creating prosperity for people and the planet. It's part of our role as a fiduciary and proactive member of the global investment community to identify and address systemic risks in the market. To promote well-functioning financial markets, we participate in the following industry organizations:

Council of Institutional Investors (CII)

AB is an associate member of the CII. We attend the council's meetings and participate in teleconferences on proxy-related issues to share our insights. For example, our Director of Corporate Governance gave a speech at the CII 2021 Virtual Fall Conference, "Executive Compensation—Where Do ESG Metrics Fit?" after having been appointed to the CII Corporate Governance Advisory Council, which advises the board and staff on trends and best practices in corporate governance. Members of our Responsible Investing team served on the council in 2020, 2018 and 2015.

Emerging Markets Investors Alliance (EMIA)

We're active members of EMIA—we've cohosted the EMIA ESG Conference since 2019 and cohosted the first EMIA APAC ESG Conference in 2021. Also, members of our fixed-income and equities investment teams are active participants in the EMIA Agriculture Working Group, which conducts periodic calls between companies, nonprofits and investors to discuss ESG issues within the agricultural space. In 2021, we participated in the pilot program for the World Wide Fund for Nature deforestation assessment tool, in partnership with EMIA. Members of our fixed-income team serve as Executive Fellows overseeing the Private Sector Programs at EMIA, and they sit on the working group on ESG structures.

FAIRR

Members of AB's fixed-income and equities investment teams are involved with FAIRR. One of our Value Equities Research Analysts contributed to the FAIRR Aquaculture Special Report, which can be found on the FAIRR website. Other AB fixed-income and equities research analysts participate in the FAIRR Working Conditions engagement campaign, which strives to address labor risk in the global protein industry. We measure the effectiveness of these engagements by tracking their results in our proprietary platform, ESIGHT. A Senior Research Analyst on our Concentrated US Equities team contributed his industry insight to FAIRR's report *Feeding Resistance: Antimicrobial Stewardship in the Animal Health Industry* and was a panelist on a podcast to discuss the environmental impact of antimicrobial resistance and the misuse of antibiotics in livestock. In the future, we expect to engage with animal health companies on antimicrobial stewardship through our relationship with FAIRR.

Financial Services Council (FSC) (Australia)

Our CEO for AB in Australia was appointed a director to the FSC Board in October 2019. The FSC has more than 100 members representing Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial-advisory networks and licensed trustee companies. The FSC promotes best practices for the financial-services industry by setting mandatory standards for its members and providing guidance notes to assist in operational efficiency. The FSC's mission is to protect and enhance confidence in a strong, sustainable financial-services sector that serves Australians with integrity. Our Director of Social Research and Engagement joined the FSC ESG working group in October 2019 and has participated in the sub-working group on modern slavery and co-drafted the FSC's guidance note on modern slavery risk assessment and reporting. Our Managing Director, Australia Client Group, joined the investment expertise group in July 2020. Our Director of Strategy—Responsible Investing was a member of the ESG working group from October 2020 to July 2021, during which time she provided significant input in the FSC's response to the Australian Treasury's request for information on greater transparency of proxy advice. The majority of our comments and feedback were included in the submission to the government.

International Corporate Governance Network (ICGN)

Our Director of Corporate Governance is a member of the ICGN's Global Governance Committee, focused on board leadership, fiduciary duties, independence, culture, committee effectiveness, strategy, risk and remuneration. Our Director has been discussing market best practices from a US perspective and is helping form ICGN's stance on global regulatory developments related to corporate governance.

SIFMA

Our Director of Strategy—Responsible Investing and our Director of Environmental Research and Engagement are participants in the SIFMA Asset Management Group ESG Taskforce, which is active in responding to relevant sustainability regulatory and standard-setting issues facing asset managers in the US and Europe. For example, in 2021, the group responded to multiple climate disclosure–related consultations.

SASB

Our Senior Portfolio Manager for AB's Responsible US Equities Portfolio and our Senior Sell-Side Equity Research Analyst for US Foods are members of the SASB Standards Advisory Group, which advises SASB on issues that should be considered in developing corporate disclosures on material ESG issues. AB believes that taking a senior leadership role in developing consistent standards for materiality and disclosure is vitally important for improving market efficiency and capital allocation as well as creating better societal outcomes over the long term.

Themis

Our Director of Social Research and Engagement works closely with Themis, which helps corporate clients and members identify and manage their financial crime risks, through a combination of innovation, insight and intelligence. In March 2021, AB won the Themis Combating Modern Slavery Award in recognition for our work in promoting awareness and action in combating modern slavery in the financial-services sector. We're now sponsoring and participating in the content development of Themis's UK Modern Slavery Digital Learning Tool, which aims to advance the entire financial industry.

In 2021, we continued to extend our involvement by:

- **Engaging policymakers:**
  - Signing the 2021 Global Investor Statement to Governments on the Climate Crisis
  - Signing the Global Investor Statement in Support of an Effective, Fair and Equitable Global Response to COVID-19
  - Sending a letter to the US Department of Labor on the Notice of Proposed Rulemaking on Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights
  - Sending a letter to the US Securities and Exchange Commission (SEC) on the Notice of Filing Proposed Rule Change to Adopt Listing Rules Related to Board Diversity
  - Sending a letter to the US SEC on Public Input on Climate Change Disclosures
  - Sending a letter to the US SEC on Enhanced Reporting of Proxy Votes by Registered Management Investment Companies; Reporting of Executive Compensation Votes by Institutional Investment Managers
  - Consulting on an ESG-related question in ESMA Consultation on Marketing Communication Guidelines
  - Adding to the SFC Consultation on Management and Disclosure of Climate-related Risks by Fund Managers
  - Adding to the SFC Consultation on Profit Requirement for main board listings
  - Providing feedback on proposed revisions to Hong Kong's stewardship codes
  - Participating in IOSCO Sustainability Taskforce questionnaire on the users and providers of ESG rating and ESG data products
  - Adding to the Taiwan consultation on what should constitute ESG funds and strategies, and what should be included in prospectus disclosures
  - Adding to Joint Consultation Paper (CP) by the European Supervisory Authorities (ESAs) regarding taxonomy-related sustainability disclosures—draft regulatory technical standards (RTS) with regard to the content and presentation of sustainability disclosures pursuant to Article 8(4), 9(6) and 11(5) of Regulation (EU) 2019/2088 (Taxonomy Regulation or TR)
  - Contributing to the ASIFMA's guide: *Investors' ESG Expectations: An Asian Perspective*
  - Contributing to the Proposed Targeted Amendments to the International Financial Reporting Standards (IFRS) Foundation Constitution to Accommodate an International Sustainability Standards Board to Set IFRS Sustainability Standards
  - Consulting on the ASIFMA-ISDA response to the Monetary Authority of Singapore's (MAS) Green Finance Industry Taskforce Consultation on Identifying a Green Taxonomy
  - Consulting on the ICI submission to the European Supervisory Authority (ESA) regarding the Joint Consultation Paper on taxonomy-related sustainability disclosures
  - Consulting on the SIFMA submission to the UK FCA Consultation on Enhancing Climate-related Disclosures by asset managers, life insurers and FCA-regulated pension providers
  - Responding to the ICGN on request for comment on Global Corporate Governance Principals
  - Responding to the Industry Survey for Singapore Stewardship Principles (SSP) for Responsible Investors
  - Consulting on the Revision of Japan's Corporate Governance Code Based on the Proposal of the Council (third set of revisions, pertaining to cash equity market restructuring)
  - Adding to the Bank of England Consultation on Greening the Corporate Bond Purchase Scheme
  - Consulting on the ASIFMA response to the China Securities Regulatory Commission (CSRC) on Guidelines for the Content and Format of Information Disclosure by Companies Offering Securities to the Public
  - Consulting on the SIFMA Submission to the US Securities and Exchange Commission Consultation on Climate-related Financial Disclosures
  - Consulting on the ICI response to the Proposed Targeted Amendments to the International Financial Reporting Standards (IFRS). Foundation Constitution to Accommodate an International Sustainability Standards Board to Set IFRS Sustainability Standards
  - Consulting on the SIFMA Interactions with SEC Chair Gary Gensler and SEC Commissioner Allison Lee on the Climate Change Disclosure Rulemaking
  - Consulting on the SIFMA Submission to the Financial Stability Board on the TCFD's consultation on revised recommendations
  - For our letters to policymakers, please see our website
- **Joining new responsible investing or stewardship-focused organizations, including:**
  - Ceres
  - EMIA
  - Forum of Investors Japan
  - Investors Against Slavery and Trafficking Asia Pacific
  - Japan Stewardship Initiative
  - SIFMA Asset Management Group ESG Taskforce

- TCFD Consortium in Japan
- The IA Climate Change Working Group

- **Deepening our involvement with organizations that we were already members of:**
  - CII's Corporate Governance Advisory Council
  - Joining the AIGCC Paris Aligned Investment Working Group
  - Participating in the Australian FSC's ESG Working Group
  - Co-leading engagements as part of CA100+
  - Participating in the IGCC climate working groups
  - Our Chief Responsibility Officer joined the PRI and World Business Council for Sustainable Development CIO and CFO Taskforce
  - Participating in the CRE Finance Council Sustainability Committee working group on transparency
  - Participating in the PRI Global Policy Reference Group

- **Publishing thought leadership, including white papers, articles, blogs and videos on topics across ESG issues and asset classes (not everything is available in all regions, but most can be found on our website):**
  - *ESG in Action: Improving Climate Change Models for Investments*
  - *How Shopping—and Investing—Might Be Enabling Modern Slavery*
  - *How to Choose a Sustainable Equity Portfolio*
  - *The Green Transition: Implication of the European Recovery Plan*
  - *Will the Energy Sector Evolve or Devolve?*
  - *Five Things Investors Should Know About Hydrogen*
  - *ESG Prescriptions for Issuers of Emerging-Market Sovereign Debt*
  - *Delivering a Net-Zero World—on Time*
  - *Beyond Renewables, Low-Carbon Investing Eyes Energy Efficiency*
  - *Responsible Returns: Investing for a Better World*
  - *ESG in Action: Stakeholder Focus Expands Proxy-Voting Agendas*
  - *Is Bitcoin ESG-Friendly for Equity Investors?*
  - *Understanding Your Bond Portfolio's Carbon Footprint*
  - *Sovereign ESG Insights March 2021*
  - *Making Sense of ESG Bond Structures*
  - *Deciphering China's 2060 Carbon-Neutral Plan*
  - *ESG in Action: Investing Lessons from Climate School, Class of 2021*
  - *ESG Managers to High-Yield Issuers: Don't Stand Still*
  - *Cutting the Gordian Knot: How ESG Integration Can Help Solve Challenges to Investing in Emerging-Market Corporates*
  - *Carbon Handprints: A Climate-Positive Framework for Equity Investors*
  - *What Are Bond Investors Thinking? Their Three Top Concerns*
  - *Sovereign ESG Insights July 2021*
  - *Investing for Purpose in the Time of COVID-19 and Beyond*
  - *China's Green Reforms to Clean Up Dirty Industries Creates Opportunity*
  - *How Populism May Sway Policies in Emerging Markets*
  - *Hidden Dangers: Navigating Climate Risk in CMBS*
  - *The Great Pivot: Climate Action and the Finance Sector*
  - *ESG in Action: Encouraging Effective Executive Pay Structures*
  - *Fixed-Income Outlook: Zen and the Art of Bond Investing*
  - *Equity Outlook: Know Your Investment Edge in Uncertain Markets*
  - *Modern Slavery Risk: The Investor's View*
  - *Sustainable Investing Through the Supply Chain: Electric Vehicles*
  - *Our Vision for the Future*
  - *Sustainability and Investing: Lessons Learned in the Pandemic Era*
  - *Do You Know Your Bond Portfolio's Carbon Footprint?*
  - *A Framework for Mapping Modern Slavery Risk in Investment Portfolios*
  - *Global Transition to Renewable Energy Is a Complex ESG Journey*
  - *Quality Businesses for Normal and Extreme Times*
  - *Making ESG Second Nature in Asset Allocation*
  - *Low-Carbon Investing Needs an Active Eye on Quality*
  - *The Synthetic Biology Revolution: Investing in the Science of Sustainability*
  - *Four ESG Myths About Emerging-Market Corporates*
  - *Modern Slavery: How Investors Can Help the Victims*

- *From Sustainability Skills to Radical Collaboration: Themes from COP26*
- *Key Signs on the Road to Net Zero*
- *Our Net-Zero Journey: Creating a Credible Commitment*
- *Impact Investing: Addressing Local Needs with Precision and Purpose*
- *Climate Change: The Commodities Dimension*
- *Bond Investors Can Help Hold Companies Accountable Post-COP26*

- **Speaking at conferences and webinars, including, but not limited to**:
  - BNP ESG Webinar (US)
  - Bradesco Challenges and Opportunities of ESG Investing Webinar (Brazil)
  - Columbia University Practicum in Innovative Sustainability Leadership Webinar (US)
  - Willis Towers Financial Institutions' Role in a Changing Climate Webinar (US)
  - OOI Equity Perspective on Equity, Diversity & Inclusions Conference (US)
  - Credit Suisse CS Financial-Services Conference: ESG Panel (US)
  - Harvard University Roundtable (US)
  - AB Basics of Corporate Governance Education (Global)
  - CFA Australia Future of Sustainable Investing Webinar (Australia)
  - Brown University Future of Sustainable Investing Conference (US)
  - AB/Nexus Maximize Your Impact: Activating Investments Across Asset Classes Webinar (US)
  - J.P. Morgan Fixed Income Sustainable Investing—ESG's Next Frontier Conference (US)
  - Harvard University Corporate Governance Roundtable (US)
  - Fireside Chat/Webinar—AllianceBernstein and Columbia University Webinar (UK)
  - ASIFMA China Capital Markets Week Conference (Hong Kong)
  - ASIFMA China Capital Markets Week—China's ESG Focus and Requirements Panel (China)
  - Women in Asset Management: The S Factor in ESG Webinar (UK)
  - AB IQ: Reassessing Portfolio Diversification in a Pandemic Recovery Webinar (US)
  - CEFC The Green Room: Why Is Climate Scenario Analysis an Important Consideration for Investors? Webinar (Australia)
  - AB Nashville Climate Summit: The Science Conference (US)
  - AB Nashville Climate Summit: Impact on Business Conference (US)
  - AB Nashville Climate Summit: Environmental Justice Conference (US)
  - AB Nashville Climate Summit: The Local Issues Conference (US)
  - SEI/Duke SEI/Duke Climate Discussion Conference (US)
  - Stockbrokers and Financial Advisers Association SFAAA Conference 2021—Sustainable Finance Conference (Australia)
  - MS Inaugural Virtual Japan Summit Conference (Japan)
  - ASIFMA ESG & Sustainable Finance Week Conference (Hong Kong)
  - Informa Connect Sustainability and Impact Investor Forum Conference (EU)
  - BNP Paribas Women in Sustainable Finance: Gender Equality Webinar (France)
  - Reuters North America ESG Investment Conference—Green Bonds, Social Bonds and Sustainability-Linked Bonds in Emerging Markets Conference (US)
  - Fund Business Risk and Performance Summit Conference (Australia)
  - Reuters ESG Investment North America 2021 Conference (US)
  - IMAS SFDR Webinar (Singapore)
  - CREFC Building a Better Future Conference: Achieving ESG Objectives in CRE Conference (US)
  - The Asset: What ESG Means for Funds Webinar (Hong Kong)
  - AB WLC Leadership Summit: Connecting Your Purpose Conference (Global)
  - Fixed-Income Leaders Summit: Evaluating the Latest and Greatest ESG and Impact Investing Initiatives Conference (US)
  - Girls Who Invest ESG & Impact Panel Webinar (US)
  - FAIRR Launch of Thematic Report on Antimicrobial Resistance Webinar (US)
  - EMIA APAC ESG Conference (Hong Kong)
  - Sina Finance ESG Global Leaders Summit Conference (China)
  - Finanz und Wirtschaft ESG Conference (Switzerland)

- AB ESG in Practice: The Power of Engagement to Drive Positive Change Webinar (EMEA)
- Nikkei Sustainable Future of Asset-Management Industry Conference (Japan)
- FAIRR Feeding Resistance, Part 1 Podcast (US)
- l'AGEFI Forum ESG & Impact Investing 2021 Conference (France)
- Columbia Climate School: *The Great Pivot: Climate Action and the Finance Sector* Conference (Global)
- Gitterman: The Great Repricing: Translating Climate Change into Investment Action Conference (Global)
- CII Fall Conference: Where Do ESG Metrics Fit? Conference (US)
- Corporate Board Member Boardroom Summit—How to Win Executive Pay Conference (US)
- The Asset: Taiwan Investment Webinar: Transitioning to a Green Future Webinar (Hong Kong)
- Investment Week Sustainable & ESG Market Briefing Conference (UK)
- AB Net-Zero Roundtable: AB & Columbia Roundtable (Global)
- World Investor Week/IOSCO: ESG in the Time of Post-COVID-19 Webinar (Taiwan)
- PRI WBCSD CIO-CFO Taskforce Webinar (Global)
- Nasdaq/WSJ Panel: The Growing Importance of Developing a Climate Strategy Conference (US)
- UBS: Sustainable Investing Perspective—Climate Change Podcast (Global)
- American Geographic Society: Access to Capital—Driving More Equitable Outcomes Conference (US)
- mBank ESG Warsaw 2021 Conference (Poland)
- MondoInvestor: Forum Fund Selector Conference (Italy)
- Bloomberg OneData ESG Day
- Morningstar Sustainable Symposium Conference (Japan)
- PCAOB ESG Panel Conference (US)
- Wall Street Friends Responsible Investing Conversation Webinar (US)
- Benefits Canada Investment Innovation Conference (Canada)
- Finanz und Wirtschaft ESG Webinar (Switzerland)
- AB RI in Latin America (EWG/ERG) Education (US)
- Columbia Center on Global Energy Policy: Energy Workshop on ESG: Is the Current ESG Investing Framework Applicable for NOCs? Conference (US)
- CII and NYU Governance Bootcamp: Engagement on Climate and Diversity Conference (US)
- The Asset: Taiwan Investment Rebuilding Economies Through Sustainable Bonds and Loans Conference (Hong Kong)
- Society for Corporate Governance Human Capital Management Conference (US)
- 100 Women in Finance: The Global Reset: Responding to Climate Change Conference (US)
- Goldman Sachs Global Sustainability Forum Conference (US)
- UBS Global Emerging Markets Conference (US)
- EMIA EM ESG Conference (US)
- Credit Agricole Global Sustainable Banking Conference (US)
- JB Press World Conference (Japan)

- **In 2021, AB was recognized for its work in responsible investing by receiving the following awards and designations:**
  - AB received a Morningstar ESG Commitment Level of Advanced
  - AB's Sustainable US Thematic Equities fund won the Citywire US Offshore Award
  - AB received the Themis Combating Modern Slavery Award
  - AB's Sustainable Global Thematic Credit Fund won *Investment Week's* Best Sustainable & ESG Bond Fund
  - AB's Sustainable Thematic Equities Team won Investment Week's Best Sustainable & ESG Research Team

Conclusion

At AB, we're fully 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 at all levels of our firm—from how we work and act to the solutions that we design for clients.

Appendix

Alignment with the ICGN Global Stewardship Principles	
PRINCIPLE 1: Internal governance: the foundation of effective stewardship 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.	Section 2 AB's Governance, Responsibility and Stewardship Structure: Form Enables Function
PRINCIPLE 2: Developing and implementing stewardship policies Investors should develop and implement stewardship policies that outline the scope of their responsible investment practices.	Section 1 AB's Purpose, Mission and Values Section 3 Responsibility, Responsible Investing, and Stewardship Policy Development and Implementation
PRINCIPLE 3: Monitoring and assessing investee companies Investors should exercise diligence in monitoring companies held in investment portfolios and in assessing new companies for investment.	Section 5 Responsible Investing: Integrating ESG and Climate Considerations Throughout the Investment Process Section 6 Engaging with Issuers
PRINCIPLE 4: Engaging companies and investor collaboration 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.	Section 6 Engaging with Issuers
PRINCIPLE 5: Exercising and protecting voting rights 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.	Section 7 Exercising Voting Rights
PRINCIPLE 6: Promoting long-term value creation and integration of environmental, social and governance (ESG) factors 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.	Section 5 Responsible Investing: Integrating ESG and Climate Considerations Throughout the Investment Process Section 6 Engaging with Issuers Section 7 Exercising Voting Rights Section 9 AB: A Proactive Member of the Global Investment Community
PRINCIPLE 7: Meaningful transparency, disclosure and reporting 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.	Section 8 Transparency, Disclosure and Reporting

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 6 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 7 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 5 Responsible Investing: Integrating ESG and Climate Considerations Throughout the Investment Process Section 6 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 5 Responsible Investing: Integrating ESG and Climate Considerations Throughout the Investment Process Section 6 Engaging with Issuers Section 7 Exercising Voting Rights Section 8 Transparency, Disclosure and Reporting Section 9 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 7 Exercising Voting Rights Section 8 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 7 Exercising Voting Rights Section 8 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 5 Responsible Investing: Integrating ESG and Climate Considerations Throughout the Investment Process Section 8 Transparency, Disclosure and Reporting Section 9 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 5.

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 5 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 5 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 7 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 AB Corporate Responsibility Section 5 Responsible Investing: Integrating ESG and Climate Considerations Throughout the Investment Process Section 6 Engaging with Issuers Section 9 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 8 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 5 Responsible Investing: Integrating ESG and Climate Considerations Throughout the Investment Process Section 8 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 5 Responsible Investing: Integrating ESG and Climate Considerations Throughout the Investment Process Section 6 Engaging with Issuers Section 7 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 5 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 6 Engaging with Issuers

PRINCIPLE 10: Signatories, where necessary, participate in collaborative engagement to influence issuers.	Section 6 Engaging with Issuers, see Collaborative Engagement Section 9 AB: A Proactive Member of the Global Investment Community
PRINCIPLE 11: Signatories, where necessary, escalate stewardship activities to influence issuers.	Section 6 Engaging with Issuers, see Policy for Escalating Issues, Policy Advocacy Section 9 AB: A Proactive Member of the Global Investment Community
PRINCIPLE 12: Signatories actively exercise their rights and responsibilities.	Section 7 Exercising Voting Rights Section 8 Transparency, Disclosure and Reporting

The AllianceBernstein L.P. Board of Directors approved this statement and report, which constitutes AB's Global Stewardship Statement and Report for the fiscal year ended December 31, 2021, on February 16, 2022.

By Seth Bernstein
For and on behalf of AllianceBernstein L.P.
Director, President and CEO

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