



ALLIANCEBERNSTEIN®

AB Global Stewardship Statement and 2024 Report

AB's Statement and Report on
Responsible Investing, Including ESG
Integration, Engagement and Proxy Voting

April 2025

Table of Contents

Introduction.....1

1. About AB3

2. AB’s Governance, Responsible Investing and Stewardship Structure:
 Form Enables Function.....6

3. Responsible Investing Policy Development and Stewardship Implementation.....13

4. Responsible Investing: Integrating Material ESG Considerations
 Throughout the Investment Process..... 17

5. Engaging with Issuers.....28

6. Exercising Voting Rights39

7. Transparency, Disclosure and Reporting.....44

8. AB: A Proactive Member of the Global Investment Community 46

Conclusion.....51

Appendix 52

Introduction

At AllianceBernstein (AB), we have long recognized that material ESG issues can affect the performance of investment portfolios, and that responsible investing and stewardship are intertwined.

To be effective stewards of our clients' assets, we strive to assess, engage on, and integrate material risks and opportunities, including ESG factors, in most of our actively managed strategies (ESG-integrated assets represent 79% of our actively managed assets under management [AUM], as of December 31, 2024).

We're a leading global investment-management firm; our clients trust us to manage their assets in alignment with their investment objectives. We evaluate and monitor the financially material ESG risks and opportunities of our ESG-integrated investments and Portfolios with Purpose, with a focus on delivering better investment outcomes for our clients. We actively engage directly with many of the issuers we invest in, and we're advocates for industry policies that enhance transparency and support investor efforts to better manage financially material ESG risks and opportunities on behalf of our clients.

We also strive to be a responsible company. To us, that means being a good corporate citizen, having integrity in what we do, conserving resources and building a culture where our people thrive. It also means ensuring that our operations are resilient so we can safeguard our business and clients' information. Being a responsible firm underpins our ability to be effective stewards on behalf of our clients.

AB's Global Stewardship Statement and 2024 Report is a comprehensive overview of our activities in responsible investing and asset stewardship.¹ More on our corporate responsibility activities, including our Responsibility Report, can be found on

our [website](#). We begin this statement with our purpose and values, describing how our culture enables both responsible investing and effective investment stewardship. In the following sections, we describe how we set policy, consider financially material ESG risks and opportunities, and serve as active stewards in our investment-management services. We also highlight activities related to policy advocacy and industry participation.

2024

In 2024, we refreshed AB's responsible investing vision and strategy. Our vision—to deliver better outcomes to our clients through rigorous responsible investing research, integration, stewardship and solutions—is underpinned by a four-pillar strategy:

- **Clients:** We will deliver responsibility-focused solutions tailored to meet the needs of our clients.
- **Research:** We will leverage data science and have adopted an industry-based model for the Responsible Investing team to deliver ESG-related investment research to deepen our partnerships with our investment teams.
- **Integration:** We will enhance our stewardship capabilities for existing ESG-integrated strategies while growing our range of ESG-integrated offerings.
- **Data and Technology:** Our strategy will be supported by state-of-the-art data and technology capabilities, including the next iteration of our ESIGHT platform.

¹ Our Stewardship Statement and 2024 Report does not encompass the stewardship activities of AB CarVal, except for those that have been vetted by AB. AB CarVal's Responsible Investing Policy can be found [here](#).

Delivery is well under way for several of these activities. In 2024, the Responsible Investing team began enhancing AB's proprietary materiality map and ESIGHT—our ESG research and collaboration platform. The team also adopted an industry-based model, which has enabled the sharing of deeper research insights with our investment teams. We also continued our award-winning partnership with the Columbia Climate School, producing novel research, education programming and the next iteration of the Climate Change and Investment Curriculum. Finally, we continued to implement our Climate Transition Alignment Framework (CTAF),

which we are using to assess companies' material climate-related risks and opportunities.

Our accomplishments in 2024 reflect our continued ability to carry out our purpose—to pursue insight that unlocks opportunity—through ESG research, integration and client solutions. As we head into 2025, we will continue working toward the activities laid out in our strategy and are excited about delivering outcomes to our clients and stakeholders. We look forward to sharing our achievements throughout the years to come.

1. About AB

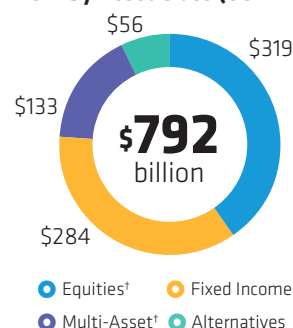
AB is a publicly traded limited partnership, independently operated and majority-owned by Equitable Holdings. We provide diversified investment-management and related services globally to a broad range of clients through our three distribution channels—Institutional, Retail and Private Wealth Management.

- **AB Asset Management.** We are committed to seeking alpha through a combination of our 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 advise high-net-worth clients on planning for—and living with—the complexities that come with wealth. We specialize in addressing challenges that extend well beyond wealth management by offering a vast network of resources personalized to clients' values and needs.

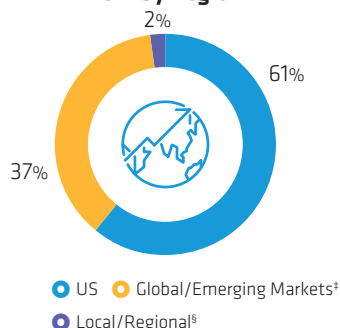
The foundation of our business is high-quality, in-depth research, which we believe gives us a decided edge as we strive to achieve long-term investment success for our clients. Our global investment business spans many disciplines, including capital markets research, fundamental equity, fixed income and quantitative research. We also have experts focused on asset allocation, wealth management and public and private alternative investments in various private debt, real estate, securitization and opportunistic credit specializations. We've built our business model on a strong risk-aware culture, prudent risk-taking and a robust governance framework that continues to evolve within the context of our firm.

DISPLAY 1: ASSETS UNDER MANAGEMENT (AUM)

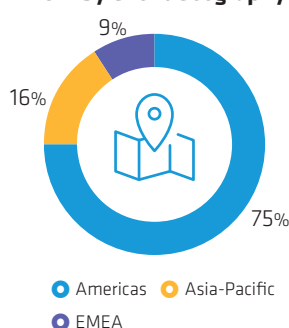
AUM by Asset Class (USD Bil.)*



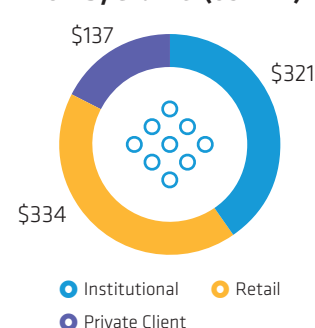
AUM by Region



AUM by Client Geography



AUM by Channel (USD Bil.)



*We manage an additional \$13 billion of equity strategies and \$12 billion of fixed income strategies within Multi-Asset.

†As of December 31, 2024, we reclassified approximately \$65 billion of passive, structured and systematic equity strategies from Multi-Asset to Equities. They were reported in Multi-Asset to align with their Strategic Business Unit.

‡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, 2024 | Source: AB

As of December 31, 2024, AB managed \$792 billion on behalf of our clients (*Display 1, page 3*). The majority of our AUM is composed of ESG-integrated strategies. Non-ESG-integrated strategies such as most passive investments, money-market funds and certain alternative strategies comprise the rest of our AUM.

Our Unifying Framework

Delivering value for our clients begins with a comprehensive view of who we are as a firm and how we work. We have a unifying framework that is composed of four elements—purpose, mission, values and strategy. Together, these elements define how AB delivers value to our clients.

Our purpose—to pursue insight that unlocks opportunity—describes the ethos of our firm. Because we are an active investment manager, differentiated insights drive our ability to deliver alpha and design innovative investment solutions for our clients.

AB's mission is to help our clients define and achieve their investment goals, explicitly stating how we unlock opportunity for our clients. Our clients and their needs come first, always.

Our values illustrate the behaviors and actions that create our strong culture and enable us to meet our clients' needs. Each value inspires us to be better.

- **Invest in One Another:** At AB, there's no "one size fits all" and no mold to break. We celebrate idiosyncrasy and make sure everyone's voice is heard. We seek and include talented people with diverse skills, abilities and backgrounds, who expand our thinking. We encourage all employees to become more complete versions of themselves. A mosaic of perspectives makes us stronger, helping us to nurture enduring relationships and build actionable solutions.
- **Strive for Distinctive Knowledge:** Intellectual curiosity is in our DNA—and part of our way of life. We embrace challenging problems and ask tough questions. We don't settle for easy answers when we seek to understand the world around us—and that's what makes us better investors and partners to our

colleagues and clients. We are independent thinkers who go where the research and data take us. And knowing more isn't the end of the journey: it's the start of a deeper conversation.

- **Speak with Courage and Conviction:** Collegial debate yields conviction, so we challenge one another to think differently. Working together enables us to see all sides of an issue. We stand firmly behind our ideas, and we recognize that the world is dynamic. To keep pace with an ever-changing world and industry, we constantly reassess our views and share them with intellectual honesty. Above all, we strive to seek and speak truth to our colleagues, clients and others as a trusted voice of reason.
- **Act with Integrity—Always:** Although our firm is composed of multiple businesses, disciplines and individuals, we're united by our commitment to be strong stewards for our people and our clients. Our fiduciary duty and an ethical mindset are fundamental to the decisions we make.

Our firmwide strategy—to deliver, diversify and expand, responsibly, in partnership with Equitable Holdings—is how we move our business forward. We strive to deliver improved investment performance and accelerate our organic growth. We are diversifying our global products with innovative offerings across channels, and we are expanding our global distribution footprint, including growing our responsible investing efforts. Equitable Holdings, our majority owner, continues to be a strategic partner in these efforts.

Our Investment Philosophy

We believe that by using differentiated research insights and a disciplined process to build active portfolios, we can achieve strong investment results for our clients over time. We are fully invested in delivering better outcomes for our clients. An important aspect of this philosophy is developing and integrating research on material ESG issues, as well as on our approach to engagement, when in the best interest of our clients. Our global research network, intellectual curiosity and collaborative culture allow us to advance our clients' investment objectives—whether they are seeking 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, capitalization ranges, and investment strategies, including value, growth, quality and core equities
- Actively managed traditional and unconstrained fixed-income strategies, including taxable and tax-exempt strategies
- Actively managed public and private alternative investments, including fundamental and systematically driven strategies, hedge funds, funds of hedge funds, and private debt (e.g., commercial real estate debt, private credit, collateralized loan obligations, asset-backed securities, aircraft leasing and energy transition opportunities)
- Multi-asset services and solutions, including dynamic asset allocation, customized target-date funds and target-risk funds
- Our Portfolios with Purpose, including Sustainable, Impact and Responsible+ (Climate Conscious and ESG Leaders) strategies across various asset classes that address our clients' desire to invest their capital with a dedicated ESG focus while pursuing strong investment returns (more details are provided in [Section 4](#) of this statement)
- Passively managed equity and fixed-income strategies, including index, ESG index and enhanced index strategies

Our Responsible Investment and Stewardship Philosophy

AB became a signatory to the Principles for Responsible Investment (PRI) in 2011. This began our journey to formalize our approach to identifying ways to unlock opportunities for our clients by developing differentiated ESG-related insights and integrating

material ESG considerations throughout most of our actively managed strategies (approximately 79% of AB's actively managed AUM as of December 31, 2024). Stewardship is fundamental to our investment processes.

When in the best interest of our clients, we engage with issuers on material topics. We also engage with other stakeholders, including but not limited to industry bodies, policymakers, academics, regulators, governments, NGOs and community groups.

Through engagements, we glean insight and encourage action. The insight we gain helps us understand issuers' corporate strategies and competitive positioning. We encourage action that can lead to better identification and management of risks and opportunities, strategy, operations and, ultimately, results. Insight and action drive our ability to make decisions and to generate enhanced risk-adjusted investment returns for our clients.

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

The philosophy and principles in this statement apply across the firm. However, our investment capabilities and operations are broad and span several geographies, legal jurisdictions and regulatory environments, so 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 and local laws and regulations.

2. AB's Governance, Responsible Investing 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 fiduciary culture supported by a robust governance structure. Developed by our Legal & Compliance and Risk Management teams, this governance structure 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. Underscoring how seriously we take our fiduciary obligations, employees receive compliance 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.

AB Corporate Governance and Oversight

AB's Board of Directors oversees the strategic direction of the firm. The board has 10 members: an independent chair, five additional independent directors and four affiliated directors, including our Chief Executive Officer (CEO) (*Display 2, page 7*). We believe there can be benefits to having the positions of chairman and CEO split. 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, academics or government officials. Collectively, they have extensive knowledge and capabilities applicable to our business, including expertise in areas such as corporate governance; financial services, including investment management and insurance; operations; strategic planning; and management development. The board has four standing committees: an Executive Committee; an Audit and Risk Committee; a Compensation and Workplace Practices Committee; and a Corporate Governance Committee.

In 2024, Bruce Holley was appointed to the board as well as to the Audit and Risk Committee. Holley is a Managing Director of Alvarez & Marsal's Financial Services Industry practice.

AB's executive officers consist of the President and CEO, Chief Operating Officer (COO), Chief Financial Officer (CFO), Head of the Global Client Group and Private Wealth, Chief People Officer, General Counsel and Corporate Secretary, and Global Head of Investments. Our executive officers maintain primary responsibility for creating and executing the firm's strategy and operations.

The AB Operating Committee comprises Strategic Business Unit (SBU) heads and senior executives whose responsibilities are critical to AB's day-to-day operations and who serve as an advisory council for senior management (*Display 3, page 7*). The committee works to understand the impact of operations, as well as of financial or People initiatives, throughout the firm; identify and debate meaningful opportunities and risks the firm faces; challenge or validate the firm's growth strategy; implement firmwide priorities and drive changes made necessary by the firm's strategy; and hold key firm leaders accountable for investment, operating and financial performance (inclusive of our responsible investing and corporate responsibility strategies). We believe that members of the Operating Committee lead by their words and actions in modeling AB's purpose and values.

In 2024, AB sought ways to better serve our clients, and this includes establishing the role of Global Head of Investments, which is aimed at driving investment performance across asset classes by finding opportunities to develop, deploy and retain talent across the investment organization, fostering greater collaboration and sharing of best practices, leveraging a common infrastructure, and finally, evaluating opportunities to invest in capabilities that deliver better outcomes for clients. The firm also established the role of Chief Artificial Intelligence (AI) Officer, which will guide our work in harnessing the power of AI to enhance AB's investment-research, operational and business procedures, and improve efficiencies across our corporate functions. AB also developed an insurance vertical under the direction of the Chief Investment Officer of Insurance, focusing on developing and executing the continued build-out of AB's insurance business. All of these roles sit on the firm's Operating Committee.

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

DISPLAY 2: AB'S BOARD OF DIRECTORS

| Name | Role/Background | Joined AB Board | Years on AB Board | Ownership Interest |
|--------------------------------|---|-----------------|-------------------|--------------------|
| Independent Chair | | | | |
| Joan Lamm-Tennant | Independent Chair of the Board, AB | 2021 | 4 | Yes |
| Affiliated Directors | | | | |
| Mark Pearson | President and CEO, Equitable Holdings | 2011 | 14 | No |
| Seth Bernstein | President and CEO, AllianceBernstein L.P. | 2017 | 8 | Yes |
| Jeffrey J. Hurd | COO, Equitable Holdings | 2019 | 6 | No |
| Nicholas Lane | President, Equitable Financial Life Insurance Company | 2019 | 6 | No |
| Independent Directors | | | | |
| Daniel G. Kaye | Independent Director, AB | 2017 | 8 | Yes |
| Das Narayandas | Independent Director, AB; Edsel Bryant Ford Professor of Business Administration, Harvard Business School | 2017 | 8 | Yes |
| Charles G. T. Stonehill | Independent Director; Founding Partner, Green & Blue Advisors | 2019 | 6 | Yes |
| Todd Walthall | Independent Director, AB; Chief Growth Officer for Optum Health, Optum | 2021 | 4 | Yes |
| Bruce Holley | Independent Director, AB; Managing Director of Alvarez & Marsal's Financial Services Industry practice | 2024 | 1 | Yes |

As of December 31, 2024 | Source: AB

DISPLAY 3: AB'S OPERATING COMMITTEE

| President and Chief Executive Officer | | | | |
|--|---------------------------------------|--|--|-------------------------|
| Investment and Research Services | | Client Services | Corporate and Fiduciary Services | |
| Global Head of Investments | Head of Equities | Head of Global Client Group and Head of Private Wealth | Chief Operating Officer | Chief Financial Officer |
| Director of Fixed Income | Director of Income Strategies | Head of Client and Advisory, Private Wealth | General Counsel and Corporate Secretary | Chief Risk Officer |
| Head of Multi-Asset and Hedge Fund Solutions | Chief Responsibility Officer | CEO of Asia-Pacific | Head of Global Technology and Operations | Chief Audit Officer |
| Head of Private Alternatives | Chief Artificial Intelligence Officer | Head of Global Business Development Organization | Global Head of Diversity, Equity & Inclusion and Corporate Citizenship | Chief People Officer |
| Chief Investment Officer of Insurance | | CEO of EMEA and Head of EMEA Retail Client Group | Head of Corporate Development | |

As of December 31, 2024 | Source: AB

Responsible Investing and Stewardship Governance and Oversight

To ensure that we have proper oversight and accountability for our responsible investing practices, we've created a robust structure to oversee the day-to-day execution of our responsible investing and stewardship activities.

AB's Chief Responsibility Officer spearheads the development of AB's responsible investing strategy and approach. The Chief Responsibility Officer is also a member of AB's Operating Committee and leads the Responsible Investing SBU.

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

- The **Audit and Risk Committee of our Board of Directors** provides formal oversight for corporate responsibility and responsible investing and receives annual updates on strategic direction. This ensures that members at the highest level of our organization play a role in overseeing our responsibility strategy. The board also approves this Stewardship Statement on an annual basis.
- The **Responsibility Steering Committee**, chaired by our Chief Responsibility Officer, serves as an advisory council to the Responsible Investing team and the Corporate Responsibility team. This committee, which meets quarterly, comprises senior professionals from across AB, giving different businesses within the firm an opportunity to shape AB's approach.
- Our **investment teams**—analysts, portfolio managers and traders—are at the heart of our responsible investing process. In partnership with members of the Responsible Investing team, they engage with issuers, analyze and quantify material ESG factors, and ultimately incorporate this information into their investment decisions. Some investment teams also have a dedicated ESG analyst or specialist. These specialists bring ESG knowledge to bear on a specific asset class or investment strategy.
- Within our investments group, the **Responsible Investing SBU** is a team of subject-matter experts who partner with other investment teams across asset classes to develop ESG research insights and often engage with issuers. The team develops proprietary frameworks and toolsets, manages our strategic ESG-related partnerships and develops training programs. Most team members maintain an industry focus to better partner with our investment teams.

AB Responsible Investing Team: 2024 Updates

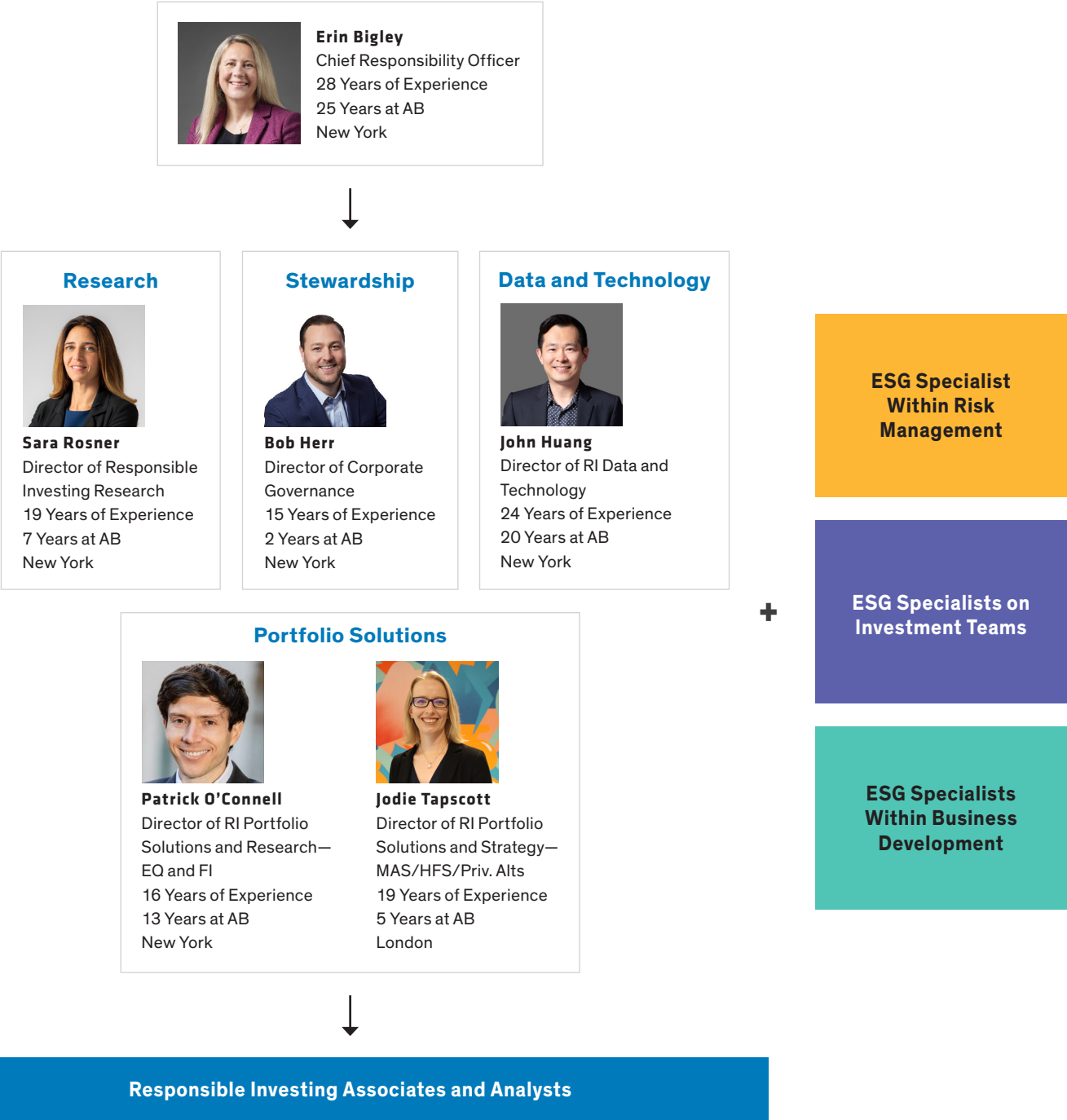
The responsible investing landscape continues to evolve, and the Responsible Investing team continues to evolve alongside it. In 2024, the Responsible Investing team adopted an industry model that aims to drive stronger partnerships with and deliver valuable support to our investment teams. Throughout the year, we thought deeply about how we can further position ourselves to better serve these teams and our clients. *Display 4 (page 9)* details the Responsible Investing team's structure, effective January 1, 2025. The team is composed of four subteams focused on our research, stewardship, solutions and data. Considering the ever-growing interconnectedness between environmental and social factors, our Responsible Investing research team's centralized approach will allow us to maintain a robust pipeline of thematic ESG research and bolster the industry specialization of the team. We also developed a workstream primarily focused on developing responsible investing solutions across asset classes, including ESG integration processes, frameworks and tools, and reporting.

Our colleagues focused on corporate responsibility will now align themselves with other strategic initiatives as we implement our corporate responsibility strategy and prepare for growing ESG regulatory requirements around corporate disclosure.

To support our Responsible Investing efforts, AB has additional committees that are crucial to the oversight and implementation of our responsible investing and stewardship activities:

- **Proxy Voting and Governance Committee.** This committee meets at least three times annually and includes senior representatives from Investments, Legal and Operations teams. Through constructive debate, this committee establishes our policy, oversees proxy voting activities and provides formal oversight of the proxy-voting process. It also ensures that our proxy policies and procedures capture our latest thinking, formulates AB's position on new proposals, and consults on votes that are contentious or not covered by our policy.
- **Controversial Investments Advisory Council (CIAC).** This council meets periodically as needed, consists of senior representatives from across AB, and is cochaired 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 provides advice and guidance to the investment teams related to controversial investments. Specifically, the council is responsible for establishing general approaches and procedures to mitigate conflicts and risks associated with controversial investments.

DISPLAY 4: AB'S RESPONSIBLE INVESTING TEAM



As of January 1, 2025 | Source: AB

- **Asia-Pacific (APAC) Responsibility Steering Committee.**

This regionally based subcommittee aims to meet periodically and is cochaired by the Head of Equity Business Development—Asia-Pacific and our Head of ESG Strategy—Japan. Its principal function is to provide governance and direction regarding responsible investing topics, events and initiatives relevant to activities in the APAC region, and to stay current on the rapid ESG-related regulatory changes across the region that affect our firm strategy, products and risk management. Its cross-SBU membership represents the interests of the firm and of individual SBUs in understanding firmwide responsible investing initiatives, and it enables members to provide feedback on global or regional strategies and our responses to regulation across the region.

- **Risk-Management Team.** This team oversees AB's operational and investment-related risks, ensuring that the firm has effective operational processes to manage client investment portfolios and the firm's corporate activities.
 - Our **corporate business continuity strategy**, which is aligned with the ISO 22301 standard, is designed to allow business-critical functions to continue during significant disruptions, including those caused by severe weather and other climate-related phenomena. The goal is to enable us to continue serving our clients effectively. Developing our business-resumption strategies involves analysis, planning, implementation, maintenance, testing and awareness. Testing verifies the resources and requirements needed to recover business-critical functions and operate them in accordance with recovery specifications. Plans are continually updated to minimize recovery time. Business response plans for each office include mobilization procedures, notification guidelines, call trees and other pertinent business information. They also include plans for crisis-management and executive management personnel to coordinate command and control.

- **Responsibility Risk Oversight Committee (R-ROC).**

The R-ROC is responsible for the review and prioritization of investment and operational risks and projects required to support the firm's responsible investing and corporate responsibility operations processes. The R-ROC provides senior-management oversight of the effective implementation of responsible investment frameworks applicable to AllianceBernstein L.P., its investment products, SBUs and subsidiary entities globally. Additional local requirements may also apply and be considered (where appropriate, supported by local expert committees that report to the R-ROC).

Assessing Our Responsible Investing Governance Structure

We continue to evaluate how our responsible investing governance structure supports our stewardship obligations, working to fill potential gaps in skill sets and representation across SBUs (*Display 5,*

page 11). We strive to include a variety of perspectives on the above committees and teams to encourage constructive discourse that can lead to improved governance.

We believe that having senior leaders directly responsible for responsible investing policy and implementation and fostering broad participation across AB ensures that responsible investing is infused throughout our work. Feedback from clients also 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 adequately supports our stewardship activities, and we're always striving to improve.

Managing Conflicts of Interest

As a fiduciary, we have a duty of loyalty 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, we mitigate and manage those that may arise in relation to the services that we or our affiliates provide.

As an investment manager, we must always act in our clients' best interests. AB employees are required to follow our Code of Business Conduct and Ethics, which summarizes our values, ethical standards and commitment to addressing any 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 as they arise, to bring any related questions or concerns to the Global Head of Compliance & Associate General Counsel or Conflicts Officer. 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 Global Head of Compliance & Associate General Counsel 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.

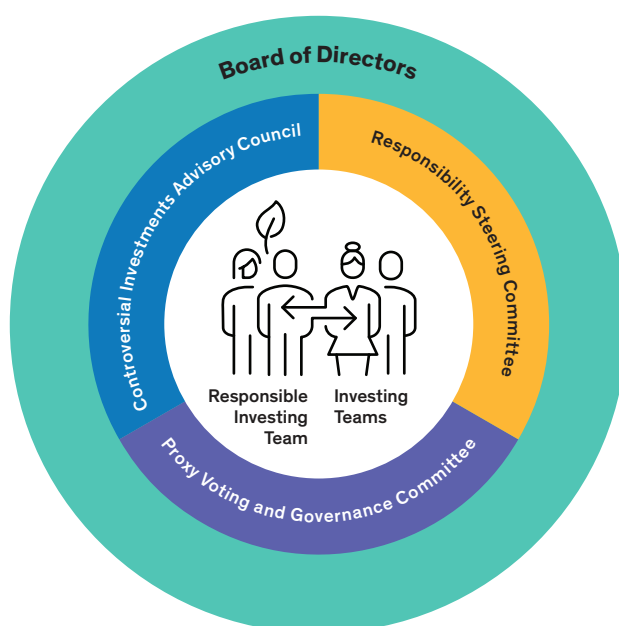
While we don't believe that AB faces any conflicts that pose material risks to our clients' interests, the following are examples of potential conflicts inherent in our structure and activities:

- **Acting for more than one client.** We operate most services for many clients. This means that a portfolio manager 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 one client 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 the 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.

DISPLAY 5: RESPONSIBLE INVESTING GOVERNANCE STRUCTURE



- **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 the 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 Governance 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 and entertainment.** Our employees may give gifts and entertainment to clients and other third parties or receive them from 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 employ our Policy and Procedures for Giving and Receiving Gifts and Entertainment 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 a variety of 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. And 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 position in the securities issued by those firms as investments for client portfolios, which may be significant. Sanford C. Bernstein & Co. and Bernstein Institutional Services are affiliated broker-dealers we

may use. 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 make voting decisions in our clients' best financial 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, 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 with an AB Conflicts Officer if our proposed vote is contrary to our Proxy Voting and Governance Policy. Recognizing the link between engagement and voting, our Proxy Voting and Governance Policy describes how we identify, monitor and manage conflicts related to voting. 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.

There were no material conflicts of interest in 2024 that the firm has not disclosed or taken steps to mitigate.

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 or 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. Responsible Investing Policy Development and Stewardship Implementation

Developing and implementing our responsible investing policy, including stewardship practices, is a firmwide effort, with broad involvement and participation from our Responsible Investing team 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 the 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 prefunding calls to understand the client's desires and needs (including stewardship requirements) and to ensure that specific guidelines are reviewed, documented and coded in our compliance systems. As part of our client-onboarding process for clients who include specific ESG requirements within their Investment Management Agreements, members of our Responsible Investing team, ESG Specialists within Risk Management, investment teams, and Business Development and clients discuss and agree upon the clients' ESG requirements to help ensure client ESG expectations are aligned with the product and AB's capabilities. After onboarding, we have ongoing discussions with clients to provide relevant ESG-related data, information, and stewardship reporting and to ensure that we are meeting our clients' needs and expectations.

Policy and Statement Development

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

Our Chief Responsibility Officer works to develop our multiyear responsible investing strategy in conjunction with members of the Responsible Investing team, Responsibility Steering Committee and investment teams.

Our ESG-related policies and statements and their governance are listed below.

- This **Global Stewardship Statement and Report** is approved by our Board of Directors and reviewed by the Responsibility

Steering Committee. This statement includes an overview of our approach to ESG integration, engagement, proxy voting and governance, controversial investments, and conflict management. It's reviewed and approved annually and complies with the requirements of the Shareholder Rights Directive II (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 **Responsible Investing Policy** is overseen by the Responsibility Risk Oversight Committee and reviewed and approved annually. It is a formalized, succinct policy document covering our approach to ESG integration, engagement, escalation, regulation and product classification.
- 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 the evolving proxy-voting landscape. This policy also considers corporate governance frameworks provided by regulators, and our expectations may go beyond the common local practices in certain instances. More details on our Proxy Voting and Governance Policy are provided in [Section 6](#) of this statement.
- Our **Climate Change Statement & Task Force on Climate-related Financial Disclosures (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 approved by our Board of Directors and reviewed by our Responsibility Steering Committee. Our TCFD Report also responds to the United Kingdom Financial Conduct Authority's climate-related financial disclosure requirements applicable to our UK entity. The board of our UK entity approves the report.

- 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. This statement is approved by our Board of Directors as well as by the local boards of certain entities. It is also reviewed annually by the Responsibility Steering Committee. It responds to the requirements outlined in both the UK Modern Slavery Act and the Australian Modern Slavery Act.
- Our **Statement on Controversial Weapons** is maintained by the Controversial Investments Advisory Council and is prepared by Legal & Compliance in partnership with the Responsible Investing team. It is reviewed and updated on an as-needed basis as our stance on controversial issues from the perspective of our clients, investors, employees and other stakeholders evolves. The statement complies with various national laws and international conventions prohibiting investment in cluster munitions and antipersonnel landmine manufacturers.
- Our **Sustainability Accounting Standards Board (SASB) Disclosures** 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.

Many of these statements and policies and their corresponding reports are available on our website.

Policy Implementation

Responsible investing strategy and policy implementation occurs throughout the firm.

- Our investment teams—analysts, portfolio managers and traders—are at the heart of our stewardship activities. Our large global research teams and history of deep fundamental research give us detailed knowledge of the companies and issuers that we invest in. Investors understand their sectors and issuers and conduct detailed research on the issues that are most material and relevant to an investment decision. Investors monitor their investments and issuers on an ongoing basis to ensure that performance and strategy are consistent with the investment thesis. The teams typically lead engagements with management and other stakeholders. They are ideally positioned to obtain information to make improved investment decisions and encourage issuers to take action to make decisions that could enhance value for our clients. Investment teams are involved in our proxy analysis and voting processes.
- Our Responsible Investing team members partner with our investment teams to conduct ESG-related research, develop

frameworks, and prepare for and conduct engagements on material ESG factors.

- 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, documentation and note-taking, risk and compliance governance, training, and emerging regulations.

Remuneration for AB Professionals

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

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

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

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

Review and Audit of Stewardship Activities

Our statements, policies and procedures are regularly reviewed by our Responsible Investing team and relevant committees. We consider feedback from our clients and investors and compare our policies with best practices outlined by such organizations as the PRI, ICGN and various stewardship codes.

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

- **Reviews of our responsible investing process.** Our Responsibility Risk Oversight Committee reviews, analyzes and makes determinations regarding ESG-related regulations that affect AB's global business. Our ESG Compliance Program serves as an internal assurance mechanism, as we review a sampling of ESG investment notes for reasonableness in ESIGHT and PRISM, our proprietary credit rating and scoring system, to evidence our stewardship. Our Responsible Investing, Risk Management and Compliance teams review and approve investment strategies for ESG integration and perform ongoing monitoring by conducting periodic reviews of the ESG analysis and integration process for approved actively managed strategies to ensure that client and marketing disclosures properly reflect actual activities. The following ESG integration or Portfolios with Purpose practices are documented and undergo routine audits and periodic assessments:
 - Documentation of ESG integration or focus at each applicable stage of a strategy's distinct investment process
 - Interactive initial review of a strategy's process, involving the investment team, the Responsible Investing team, Compliance and Risk Management
 - Maintenance of a list of approved ESG-integrated and Portfolios with Purpose strategies, and periodic reassessments, at least annually
 - Routine audits of each team's research and process to assess reasonableness
- **Risk oversight of firm, fund and client restrictions on securities.** We maintain a Client Guideline Management (CGM) team, independent from our portfolio-management teams and with a separate reporting line up through our Operations organization. Our CGM team is responsible for the initial coding of client guidelines into our pre- and posttrade compliance systems and for the ongoing monitoring of each client portfolio relative to its own guidelines. We use various pretrade compliance systems depending upon the specific strategy. Before we begin managing

an account, the requested guidelines as well as procedures and frequency of review are mutually agreed upon with our Legal & Compliance Department, risk-management teams, and portfolio-management teams. The working group holds regular meetings during which newly onboarded accounts and their guidelines are discussed, and any manual compliance monitoring requirements identified. For accounts with guidelines that cannot be automated (requiring manual compliance monitoring), the team discusses the specific guidelines in detail and collectively develops an approach satisfactory to everyone.

- **Review of our proxy-voting process.** A dedicated team, independent of AB's Investment Stewardship team, reviews each vote to ensure that the Investment Stewardship team has voted in line with AB's policy. Our voting process is reviewed periodically by our Internal Audit team.
- **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 Public Transparency Report. Members of our Responsible Investing team as well as our Legal & Compliance team review our global responsibility-related statements and reports to improve alignment with global codes, standards and best practices. We have also initiated an external assurance process for our operational emissions data, which are included in our Climate Change Statement & TCFD Report, and will continue to assure these data as we improve and expand the collection and tracking of our energy usage, supply chains and financed emissions.

Managing Service Providers

The ESG-related data space is evolving rapidly, and the Responsible Investing team monitors and reviews our current and potential ESG-related third-party data and service providers to evaluate which data/services can best support our integration and stewardship activities.

Our Vendor Risk Management Committee (VRMC), which is a sub-committee of our Operational Risk Oversight Committee, provides firmwide oversight of our vendor relationships. We maintain a formal Vendor Code of Conduct that outlines our expectations of our vendors generally. AB's Vendor Risk Management Program includes (but is not limited to) the following activities to monitor and review our third-party data and service providers: (1) Inherent Risk Questionnaires and Due Diligence Questionnaires (DDQs) to make sure the risks associated with the service providers are appropriately identified and managed; (2) review of vendor risk events/defects by the VRMC to discuss how they reflect on vendor

performance/controls; and (3) where available, vendor System and Organization Controls reports are reviewed to understand the controls that protect delivery of the service we consume.

In addition to these vendor risk-management practices, the Responsible Investing team does the following to monitor ESG-related third-party data services: (1) we typically have annual meetings with service providers on their offerings; and (2) when a service provider does not fulfill expectations or is at risk of not doing so, we perform due diligence to understand why they are having challenges. On a monthly basis, our market data team also tracks the reports of all data users by service, cost and cost center. 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.

Although we do not outsource our ESG research, integration, engagement or proxy-voting activities, we subscribe to a variety of external data sources that are among the many sources of information we may use in our activities and decisions. These primarily include ESG ratings and data providers, including carbon

and climate-risk data providers, and corporate governance and proxy research services. We take reasonable steps to verify that the vendors to which we have significant subscriptions are independent, based on the relevant facts and circumstances.

For our proxy-related service provider, we typically conduct due diligence to review our vendor's conflict-management procedures, regulatory compliance, operational efficiency and business continuity 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. These research materials are used for informational purposes alongside company filings, and AB's voting decisions are always guided by AB's Proxy Voting and Governance Policy.

We add new data sources where we see the opportunity to integrate better or additional information that can enhance the investment decisions we make on behalf of our clients.

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

AB focuses intently on our clients and their needs, which includes achieving a desired level of investment exposure, risk and return within a given time horizon.

Analyzing and assessing current and prospective investments through the lens of long-term value creation often allows us to achieve strong financial outcomes while reducing risk, due to a thorough analysis of the factors that will affect an investment through the investment horizon and beyond. Investment horizons vary by asset class and investment opportunity, but can range from a few months to many years.

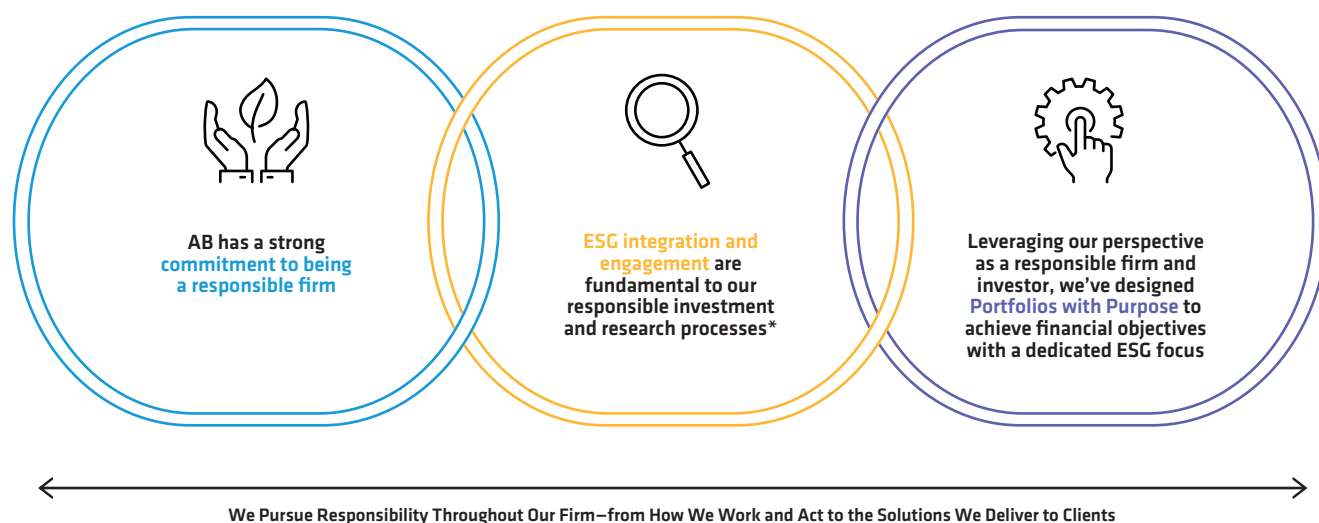
AB has long recognized that material ESG risks and opportunities can affect the performance of investments, and we have worked to formalize the integration of material ESG factors into our investment processes where relevant.

We take a three-pronged approach to responsibility (*Display 6*).

First, we focus on being a responsible firm. By preparing our business for sustainable success, we better position ourselves to unlock opportunity for our clients. These activities are covered in our Responsibility Report, which can be found on our [website](#).

Second, ESG integration and engagement are fundamental to our responsible investment and research processes. We integrate material ESG factors into most of our actively managed strategies because these issues can affect investment performance. Thinking broadly and deeply about ESG factors helps our analysts and investment teams better identify and quantify risks and opportunities

DISPLAY 6: AB'S APPROACH TO RESPONSIBILITY



*We integrate material ESG factors into most of AB's actively managed strategies (79% of our actively managed AUM, as of December 31, 2024). AB engages issuers when it believes the engagement is in the best financial interest of its clients.

As of December 31, 2024 | Source: AB

and create better financial outcomes for our clients. AB also engages issuers when it believes the engagement is in the best financial interest of its clients. As of December 31, 2024, ESG-integrated assets represented \$555 billion, or approximately 79% of our firm's actively managed AUM (which includes \$27 billion, or 3%, from our Portfolios with Purpose). The remaining \$237 billion was primarily invested in alternative, passive or money-market strategies.

Third, our Portfolios with Purpose aim to achieve financial objectives with a dedicated ESG focus. Each Portfolio with Purpose falls into one of three categories:

1. Impact Portfolios seek to make a positive and measurable social or environmental impact.
2. Sustainable Portfolios invest in issuers that seek to address environmental or social factors, whether through their products, services or practices.
3. Responsible+ Portfolios include Climate Conscious strategies, which focus on a climate theme, or ESG Leaders, which focus on ESG practices that we deem to be best-in-class.

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 responsible investing preferences and help them meet their governance and regulatory obligations. This takes place in a variety of ways, including by:

- Customizing investment guidelines to align with clients' preferences
- Providing transparency on engagement and voting activities
- Implementing, monitoring and transparently reporting specific portfolio-level ESG screens or restrictions
- Reporting additional agreed ESG metrics for insight and research purposes
- Helping them meet the applicable regulatory requirements and compiling portfolio-specific documentation
- Providing communications and thought leadership on key investment and industry matters
- Occasionally providing training to clients' in-house staff and stakeholders
- Developing new investment strategies based on market demand and specific client interests

Representatives from our clients' organizations and AB's Responsible Investing team, Business Development, Risk Management and relevant investment teams collaborate to develop 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, continue to meet their needs, and may be adapted in response to client feedback.

In these review meetings, any feedback regarding engagement is either received directly by or reported to the appropriate portfolio managers for implementation. We seek 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. As each client's reporting requirements differ, we work closely together to ensure we provide the information they require, in a format that best meets their needs. By increasing transparency in this way, we allow our clients to better assess how we are managing in line with their best interests. Additionally, should reasons pertaining to AB's responsible investing approach or stewardship activities ever be cited as contributing to a client's decision to terminate its 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 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.

We strive to stay up to date with our clients and their stakeholders, particularly on ESG matters. We do this to enhance our clients' and advisors' understanding of their investments and to motivate them to question and engage with their managers. This education includes publishing thought leadership, conducting teach-ins and developing curricula 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.

Exclusions, Inclusions and Screening

At AB, we employ screening in a variety of ways, depending on factors such as client preferences, the investment strategy's objectives or regulation.

AB applies negative or exclusionary screens 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 pretrade and posttrade compliance systems, which then restrict those securities from the clients' accounts.

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 ESG characteristics. We use inclusionary screening as a starting

point to identify investment candidates, and then conduct robust research and analysis to make our final investment decisions.

Our Portfolios with Purpose apply a multitude of additional ESG and carbon-related screens appropriate to their investment strategies. The exact specifics of these screens are detailed in each strategy's regional product disclosure documentation.

We screen investments in private prisons on a revenue basis for most of our active public equity and fixed income strategies. We have discussed and debated the business model and the conflicts therein, investment risk, litigation risks, and whether the companies' policies are at odds with international norms and our own Global Slavery and Human Trafficking Statement and Report. As a result, we do not currently have any exposure to companies deriving significant revenue from private prisons, as they present too great an investment risk to our clients, in our view. Any investment team wishing to initiate a long position in our actively managed strategies requires explicit written approval from AB's Controversial Investments Advisory Council.

We exclude investments in cannabis on a revenue basis for most of our active public equity and fixed income strategies, due to various US federal laws and regulatory restrictions. We permit our investment professionals to short-sell such companies.

Throughout most actively managed investment strategies, we monitor for United Nations (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 sources are historical in nature; many breaches occurred several years in the past, and it may be 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 our selected 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 and compliance divisions, has implemented a process to ensure that this research is completed.

At a regional level, we recognize that companies involved in controversial weapons manufacture (antipersonnel land mines, cluster munitions, munitions made with depleted uranium, and chemical, biological or incendiary weapons) are facing growing regulatory and client scrutiny. As a result of certain Luxembourg regulations, certain products issued by AllianceBernstein (Luxembourg) S.à r.l., a wholly owned subsidiary

of AllianceBernstein L.P., arrange for the screening of companies globally for their corporate involvement in antipersonnel land mines, cluster munitions, munitions made with depleted uranium, and chemical, biological or incendiary weapons. Where such corporate involvement has been verified, the policy is to not permit the product to invest in securities issued by such companies.

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 we work with our service provider to ensure that the screening for AB funds remains up to date.

A Deep Dive into ESG Integration

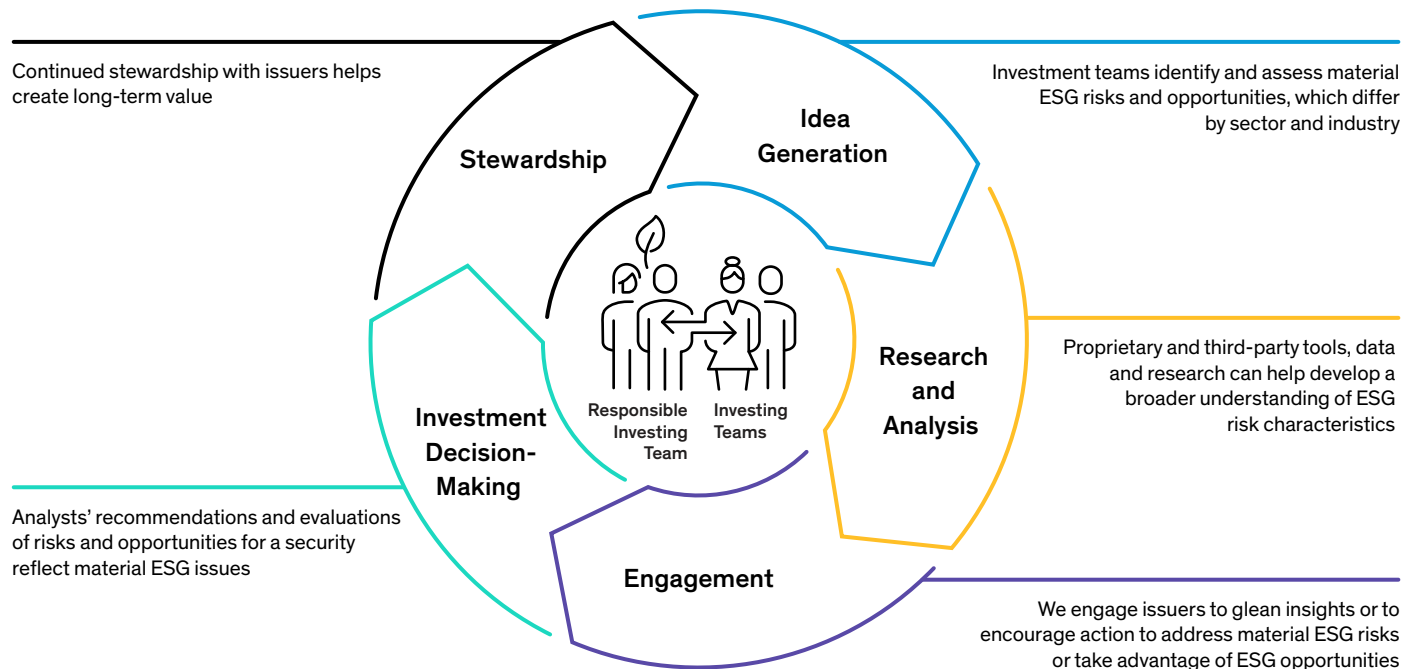
Our investors are at the heart of AB's ESG integration processes. They partner with our dedicated responsible investing professionals to integrate material ESG factors throughout their research and investment processes. We strive to integrate material ESG factors into most of our actively managed strategies.

For AB to consider a strategy to be ESG integrated, material ESG factors should be addressed at each applicable stage of the investment process—from idea generation to research, and from engagement to investment decision-making to continued stewardship (*Display 7, page 20*). By considering material 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 Responsible Investing team and Risk-Management team, verifies that strategies are integrating material ESG factors robustly at each stage.

The integration process starts with equipping our investors with the education, tools and processes to enable them to understand, research and integrate material ESG issues—and identify and respond to market-wide and systemic risks.

- **Proprietary platforms.** To augment third-party data and toolsets, we've developed proprietary research and collaboration tools to strengthen ESG research and engagement and to systematize integration throughout the firm—including our proprietary ESIGHT platform for ESG research and collaboration and PRISM 3.0 for credit ratings and scoring. More details on ESIGHT and PRISM 3.0 are provided in [Section 5](#) of this statement.
- **Third-party data and research.** AB's investors have access to a range of data services that enable them to gain a broad understanding of the ESG 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, Sustainalytics

DISPLAY 7: ESG INTEGRATION THROUGHOUT THE INVESTMENT PROCESS



We integrate material ESG factors into most of AB's actively managed strategies (79% of our actively managed AUM, as of December 31, 2024). AB engages issuers when it believes the engagement is in the best financial interest of its clients.

As of December 31, 2024 | Source: AB

Controversies Research, Sustainalytics or MSCI UN Global Compact data, ISS Research, ISS ESG Controversial Weapons Research, CDP Worldwide, Luxembourg Green Exchange, Moody's RMS, Moody's Helios, Revelio Labs, Investortools, HIP Investor, Impact Cubed, S&P Global Trucost and Glass Lewis corporate governance and proxy research. We view these third-party data sources as part of fundamental 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 regularly evaluates our slate of current and new data providers to ensure that our investors have access to the most relevant data. We review third-party sources periodically, 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. We provide investors with multiple ESG data sources when feasible. We don't believe that third-party ratings are sufficient to fully analyze an issuer's material ESG risks and opportunities, but the data underlying ratings can provide a starting point for our analysts as they begin to conduct their own research and engagement processes.

- **Strategic partnerships with world-class institutions.** AB has collaborated on climate change with the Columbia Climate School since 2019. Our investors partner with Columbia scientists and faculty to develop training and research on topics that may affect our investments. We embed that knowledge across AB investment teams through training sessions, such as launching the second iteration of the Climate Change and Investment Curriculum for our investment teams. Finally, we share the insights from these partnerships with our clients and external stakeholders through programming, thought leadership and reporting.
- **Ongoing training programs.** In addition to our flagship climate change curriculum, we offer ongoing ESG training to investment staff on an as-needed basis. We offer training on external data, systems and tools, as well as educational sessions across a suite of topics, including engagements, modern slavery, corporate governance, sector-specific themes and integrating ESG into portfolio decision-making. We include an ESG module in our annual compliance training.
- **Global participation in developing ESG-related intellectual property, frameworks, tools and systems.** In addition to our dedicated Responsible Investing team, AB personnel across

regions and departments participate in one or more ESG working groups centered on generating deeper ESG research insights within each asset class, developing new products and responding to various regulatory changes. In 2024, we continued to work with external organizations on research, policy advocacy and shaping best practices on a variety of ESG factors.

Analysts take ownership of the material ESG issues, identifying, researching, 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 consideration of material ESG issues. Materiality differs by sector and industry. For example, how a company or issuer manages its water consumption and treats wastewater could present material ESG and financial risks for food and beverage companies. For financial firms, however, cybersecurity risks around data security and privacy concerns might take precedence.

AB utilizes a proprietary ESG materiality map—developed by the Responsible Investing team and over 120 analysts—that covers more than 40 ESG issues and spans almost 70 subsectors. In our view, a consistent framework for identifying and assessing material ESG risks and opportunities ensures we make better informed investment decisions and ultimately can enable us to deliver better investment outcomes. In 2024 we began a review of this proprietary tool, aiming to refresh existing material issue definitions, enhance it with new and emerging ESG factors, and incorporate innovative data sources and proprietary insights within it.

Our investors engage with issuers on these material ESG risks and opportunities. Engagement is an important part of our investment process and is frequently executed in partnership with AB's investors and the Responsible Investing SBU. Each year, analysts engage with leaders of public and private companies and noncorporate entities, including municipalities, supranationals and sovereign issuers. In 2024, we logged around over 11,460 individual meetings with issuers.² More details on our engagements are provided in [Section 5](#) of this statement.

Investors document their ESG-related research and engagement findings and conclusions. We believe that it's important to integrate material ESG factors into fundamental research. By documenting and sharing data and research insights across investment teams, we can leverage our ESG integration efforts throughout the firm. To put momentum behind this effort, we've enhanced our tools and platforms—ESIGHT and PRISM 3.0—to foster better ESG risk and opportunity assessment, documentation, integration and collaboration within and across investment platforms.

Investment teams then integrate material ESG factors into their decision-making process, where applicable. Putting our investors at

the heart of our stewardship activity enables us to integrate material ESG factors throughout the investment process, leading to better consideration of these issues in the investment decisions for most of our actively managed strategies.

For strategies approved as ESG Integrated, portfolio managers include material ESG risks and opportunities in their investment evaluations and decisions from the outset. The effect of ESG analysis on cash flows, credit ratings or discount rates can influence investment decisions and position sizing. We consider material ESG factors in alignment with the investment time horizons of our strategies, which may vary by asset class and investment opportunity but can range from a few months to a few years. For example, a portfolio invested in short-duration bonds may consider an investment time horizon of less than one year, while some equity portfolios might have an investment time horizon of multiple years. Because ESG is integrated throughout the investment process, there's no need to reconcile differing ESG and fundamental analyses from separate, parallel ESG and fundamental evaluations.

Integration in Action: Environmental Factors

Climate Change

Climate change remains a research focus for AB because it can create both material risks and opportunities for our investee companies and financial markets more broadly. We seek to consider the material climate change-related risks and opportunities of the issuers we invest in, which can help generate long-term value for our clients. AB's climate strategy is grounded in deep research and integration, elevated by engagement and stewardship with issuers, facilitated by data and tools, and draws on expertise from academic and industry partners, such as our relationship with the Columbia Climate School.

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 material 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, addressed the basic science of climate change; the policy, legal and regulatory implications; technology and engineering; and ways 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.

² Multiple AB analysts may have attended a single meeting.

Climate-Related Financial Disclosures

Transparency, disclosure and reporting to our clients is an important component of stewardship and responsibility. AB has been reporting on climate-related financial disclosures, in line with the recommendations of the TCFD, for several years. Below you will find a snapshot of our approach.

Governance

The oversight of climate risk at AB involves a multilayered governance model that extends upward from our investment and operational teams through AB's risk-management team and Operating Committee and ultimately to the Board of Directors—via our Audit and Risk Committee.

Strategy

AB's five-pillar approach draws on expertise from academic and industry partners; facilitates education; works alongside deep research and integration; promotes active stewardship through engagement, proxy voting and policy advocacy; and provides investment solutions.

Risk Management

We utilize a "Three Lines Model" for investment and operational risk management, where first-line risk is owned by SBUs, second-line risk is overseen by control functions, and third-line risk ownership and oversight are validated by audit. AB's approach to second-line climate risk management is to embed climate risks into our second-line control functions, including both Risk Management and Compliance.

Metrics and Targets

AB has a 2030 Climate Action Plan, which is featured in our annual Climate Change Statement & TCFD Report. We are working with our clients to understand their specific climate-related goals and to provide a variety of methodologies, strategies and solutions to help them achieve those goals. Lastly, we disclose our operational carbon footprint on our [website](#), and aim to achieve operational net zero by 2050 across our Scope 1 and 2 carbon emissions.

In 2024, we took our investment teams through the next iteration of the curriculum, including sessions focused on physical climate risk, biodiversity finance, and climate and geopolitics. This curriculum gave our investment teams the opportunity to learn about the latest climate science and research that underpins economies, businesses and societies. Meanwhile, Columbia scientists can learn more about the investment process, helping them deliver more decision-useful information to companies, communities and governments.

AB Investors Team Up with Columbia Experts

AB and Columbia University continue to collaborate in an ongoing effort to bridge the gap between finance and climate science, with a focus on helping investors to build understanding and awareness of the opportunities and risks inherent in the shift to a lower-carbon economy and the physical impacts of a warming world.

AB and Columbia faculty and academics also worked to better evaluate the physical risks posed by climate change, particularly in the US. Many sectors and assets are exposed to risks from natural disasters, particularly those intensified or catalyzed by climate change. Existing tools that apply geospatial data to inform hazard risk may lack the necessary level of detail, exclude certain climate and weather data, or have accessibility issues.

AB investment teams partnered with the National Center for Disaster Preparedness (NCDP) at the Columbia Climate School to address these challenges. The NCDP focuses on the readiness of governmental and nongovernmental systems, the complexities of population recovery, the power of community engagement and the risks of human vulnerability.

Through this collaboration, AB and Columbia updated the NCDP's US Natural Hazards Index (NHI) tool, which was designed in 2017 to help US households prepare for emergencies. The index has also been deployed by businesses (e.g., the banking industry and those who manage municipal bond ratings). After having upgraded and added new data on hazards from extreme weather and natural disasters and on social vulnerability in 2023, the focus in 2024 was to enhance the NHI tool by developing forward-looking scenario projections for four of the NHI's most impactful hazards. This forward-looking insight can help investors better deploy capital and make more informed risk-adjusted investment decisions. Once implemented, the tool is designed to enhance investors' ability to engage with issuers to ensure that they are taking the necessary action to address the risks from physical climate risk.

AB–Columbia Student Collaboration on Climate Finance

In addition to education and research, this collaboration is intended to help shape the next generation of investment professionals striving to manage the material risks stemming from climate change and develop new solutions. In 2024, we hosted a Climate Finance Research trainee in our central Responsible Investing team to focus on a range

of projects, including: (1) assessing and engaging with issuers under AB's proprietary CTAF; (2) enhancing our approach to assessing physical risk; and (3) assisting in the evolution of our biodiversity risk matrix. Through this work, the trainee gained practical experience in incorporating climate change considerations into financial decisions.

Our Approach to Net Zero

For our investments, AB's approach to net zero is client-driven and entails working with our clients to understand their specific climate-related goals and to provide a variety of methodologies, strategies and solutions to help them achieve those goals.

This effort is supported by the development of our proprietary CTAF, whose purpose is to systematically assess high-impact issuers on material climate-related transition risks and opportunities (*Display 8*). This framework is designed to identify specific areas of climate risk and opportunity for issuers in high-impact industries and to signal where our investors should focus their engagement with these issuers over the long term to help ensure that they are preparing their businesses to be successful in a lower-carbon economy, which is in the best interests of our clients. High-impact issuers comprise companies that have particularly material risks and opportunities from the transition to a lower-carbon economy. Our central Responsible Investing team partners with our equity and fixed-income investment teams to assess these high-impact issuers using the companies' approach to climate transition risk management. These assessments then provide a basis for engagement with the issuers.

Our Climate Transition Dashboard informs our CTAF assessments and allows our investors to easily view, compare and explore current climate change-related data across our actively managed equities and fixed-income strategies (*Display 9, page 24*).

The dashboard enables AB investors to more effectively and efficiently integrate material climate change risks into the investment process. The dashboard presents users with dozens of data points, including historical absolute and intensity Scope 1 and 2 emissions; relative change in weighted average carbon intensity (WACI) over time; implied temperature rise; revenues and financing aligned to the climate transition; and climate-related commitments and targets.

Biodiversity

Biodiversity is defined as the variability among all living organisms and the ecological complexes of which they are a part, including diversity among species and of ecosystems. Biodiversity and abiotic resources—the nonliving components of the natural world, such as land, water, air and minerals—form natural capital, which enables ecosystem services. Ecosystem services provide the foundation for global economic activity to thrive and create the building blocks that generate value to businesses. Biodiversity is highly interrelated with climate change and is an emerging area of responsible investing research at AB. Nature-related risks and opportunities have become

DISPLAY 8: CLIMATE TRANSITION ALIGNMENT FRAMEWORK (CTAF)

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

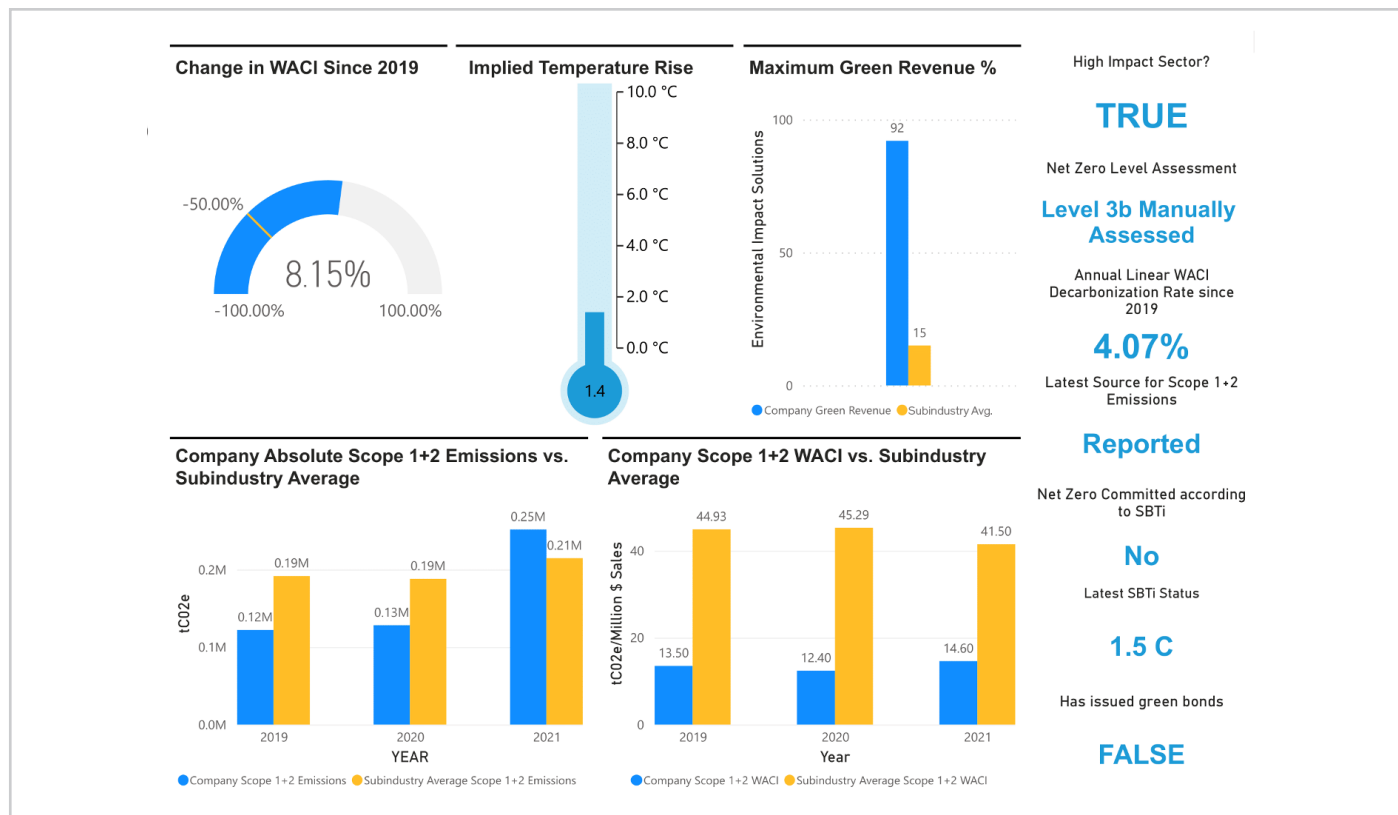
Source: AB

more apparent to our investments and will continue to increase as climate change and other pressures worsen. Additionally, several jurisdictions have put into effect biodiversity-related regulations, creating compliance and supply chain risks for certain sectors, and clients are increasingly focused on the topic.

Over the course of 2024, AB's Responsible Investing Research team brought in external biodiversity experts and data providers to continue building upon the prior year's efforts to enhance AB's institutional knowledge and expand the firm's capacity to address nature-related risks and opportunities. From an implementation perspective, the Responsible Investing team updated AB's Biodiversity Risk Matrix with quantitative data based on the team's efforts to survey nature-related data vendors (*Display 10, page 25*). An industry's position in the matrix can help investors identify potential nature-related risks and high-risk sub-industries. The matrix can help prioritize not only industries for research but also issuers, including those that investors may wish to engage with directly to explore issuer-specific biodiversity risks and opportunities. In 2024, AB held 48 engagements across 45 companies that discussed biodiversity.

We did extensive research on biodiversity risks and opportunities in 2024, including for our white paper, [Biodiversity in the Balance: How Nature Poses Investment Risks and Opportunities](#), which lays out our analytical approach aimed at incorporating nature-related risks and opportunities in our research and investment processes. Our thought leadership pieces explore many facets of biodiversity, including water, agriculture and deforestation.

DISPLAY 9: CLIMATE TRANSITION DASHBOARD—ISSUER EXAMPLE



Current analysis does not guarantee future results.

As of December 31, 2024 | Source: Bloomberg, CDP Worldwide, FactSet, MSCI and AB

Integration in Action: Social Factors

In 2024, AB continued to focus on its three social factor research priorities: a Changing World (e.g., human capital and digitalization), a Just World (e.g., modern slavery and a Just Transition) and a Healthy World (e.g., access to medicine). Researching these topics and addressing them in our investment process, when financially material, can unlock opportunity for our clients. One of our educational sessions zeroed in on the intersection of artificial intelligence (AI) and ethics. Our findings can be found in our blog, [“AI Ethics and Regulation: How Investors Can Navigate the Maze.”](#) We also offer some focused engagement questions for investors to ask the management and boards of AI-related companies regarding the risks and opportunities that AI may pose for them.

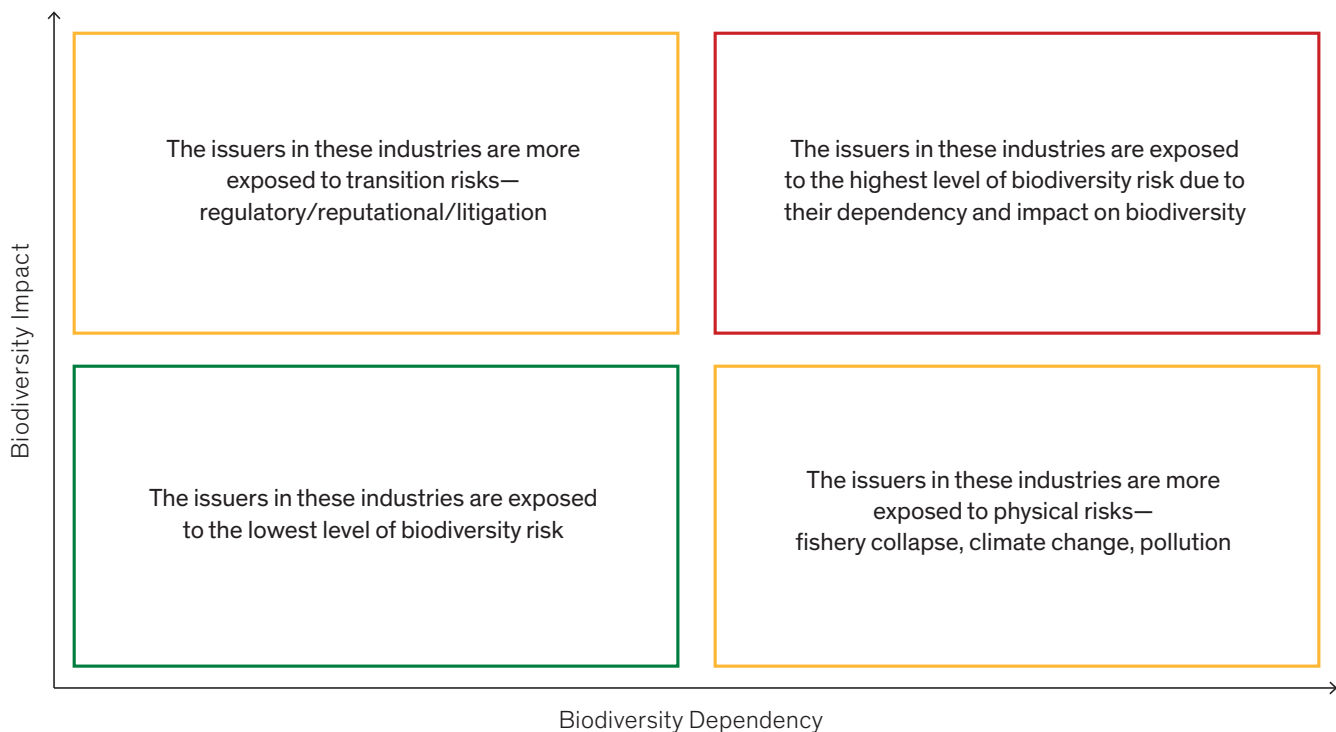
Modern Slavery

At AB, we’ve considered the material social risks of our investments for many years, with a focus on modern slavery and forced labor.

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. Our Modern Slavery Risk Assessment matrix enables us to assign a risk rating based on a company’s potential level of exposure to modern slavery in its operations and supply chain. Specifically, it measures companies’ exposure to high-risk-to-people factors, including vulnerable populations and high-risk geographies, products and services, and business models. Using the matrix, 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. As of December 31, 2024, we assigned a risk exposure rating to over 930 unique issuers.

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. Once we understand

DISPLAY 10: MAPPING BIODIVERSITY RISK AMONG SECTORS AND COMPANIES



Source: Natural Capital Finance Alliance, [ENCORE \(Exploring Natural Capital Opportunities, Risks and Exposure\)](#) (2022)

a company's modern slavery risk-exposure profile, we strive to understand how the company is managing modern slavery risks. In 2024, we conducted 28 broad engagements on modern slavery with 23 distinct issuers. We have developed a proprietary best-practices framework in collaboration with many leading corporations, expert organizations (such as the Mekong Club and Be Slavery Free), academics and social auditors to support AB investment teams with their engagements. Using this framework, we evaluate companies' governance frameworks, risk identification, action plans 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 continued learning and improvement. With the framework, our analysts are able to consistently evaluate companies and have a basis for engagements.

We are also an active member of Investors Against Slavery and Trafficking Asia Pacific (IAST APAC), an investor-led, multistakeholder collaborative initiative that was established to engage with companies in the APAC region to promote effective action in finding, fixing, and preventing labor exploitation and modern slavery in the operations

and supply chains of investee companies. We sit on the initiative's data working group that developed a set of core metrics for modern slavery action, disclosure, collection and publication. This has been based on extensive consultation with a broad set of stakeholders. As next steps, the group will be engaging with ESG research providers to improve the information provided to investors based on the identified metrics.

In summary, we believe that reducing the risk of modern slavery in portfolios requires a long-term commitment and a willingness to innovate—striving to continually improve processes to identify, assess and act.

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

- [Global Slavery and Human Trafficking Statement and Report](#)
- [“The Connection Between Climate Change and Modern Slavery”](#)
- [“Unlocking the Investment Potential of ‘S’ in ESG: The Key? More Research and Data on Social Issues”](#)
- [“Modern Slavery in Mining Looms as a Key Risk to Investors”](#)

Just Transition

Climate change isn't just an environmental risk. Climate change can also pose great risks to people, communities and organizations—from how we live to how we travel to where we work. No industry, function or sector will likely remain untouched. Most importantly, these changes are happening now and are likely to accelerate rapidly in the coming years as the energy transition takes place within the context of increasingly volatile weather patterns. In short, a Just Transition entails transitioning to a lower-carbon economy in a way that considers the economic impacts and is not disruptive of the social fabric of economies.

Investors often neglect the interconnections between climate change and social factors. Thus, rethinking existing frameworks can enhance investors' risk assessments of issuers. In 2024, AB developed a Just Transition Index, which scores countries across a range of indicators. Informed by past policy lessons from coal transitions already under way in Germany, Poland, the UK and the US, the index includes indicators such as a country's overall level of macroeconomic development and the locations of its mines, the makeup of its labor and energy markets, government policy commitment to a Just Transition, and the ability to finance it. A Just Transition is a complex and long-term challenge, and a consistent approach backed by solid fundamental qualitative research offers investors a practical way of identifying key areas for engagement. Our approach to this challenge can be found in our blog, [“Just Transition and Emerging Markets: Weighing the Risks.”](#)

Approach to Stewardship by AB Private Alternatives Teams Commercial Real Estate Debt (CRED)

AB CRED strives to deliver attractive risk-adjusted returns via solutions-oriented, relationship-focused US commercial real estate financings where we act as a reliable source of capital and provide certainty of execution to borrowers through all market environments. To address the material ESG risks and opportunities to which US commercial real estate is exposed, AB CRED has formalized its approach to consistently integrating material ESG factors at each applicable step of its investment process.

AB CRED's ESG integration process is designed to consider whether any identified ESG risks are material to the making of an investment—and this is the same approach that is applied to AB CRED's traditional and long-standing due diligence practices. ESG factors are a part of AB CRED'S ESG investment due diligence review, including the review of a property's energy efficiency, GHG emissions, transitional risks, physical risks and legal risks.

The AB CRED loan origination deal teams begin their due diligence process upon the execution of a deal term sheet or letter of intent with a prospective borrower. At that time, included with other informational requests, the borrower is provided with the AB CRED ESG Questionnaire, which is designed to draw out the details of a borrower's (a) social and governance policies; (b) environmental accreditations and certifications (i) at the deal level, existing or to be obtained as part of an asset-level business plan, and (ii) at the corporate level; and (c) property and business plan—specific environmental, social, legal and regulatory considerations. The team then engages the borrower to further understand its policies and practices. AB CRED utilizes tools acquired from Moody's on a deal-by-deal, property-specific basis to further understand the borrower's GHG emissions as well as its transitional and physical risks. The team also works with third parties to research applicable ESG laws and regulations (both current and proposed), and works with borrowers to bring them up to compliance or help maintain compliance. The net results are presented via AB CRED's ESG scoring system, which is included in its Investment Committee Memorandum along with a qualifying narrative of any risks and mitigants, as applicable. The information gathered also serves as a basis for future measurement and monitoring and presents the team with tools for engagement with borrowers and/or clients.

European Commercial Real Estate Debt (ECRED)

AB's ECRED strategy is ESG-integrated, and uses a principles-based ESG research, scoring and monitoring process for the borrowers to whom it lends. Material ESG issues are taken into consideration from the initial investment sourcing opportunity to screening, underwriting, execution and monitoring. The ECRED team members continually deepen their knowledge and understanding of how to evaluate ESG opportunities and underwrite ESG risks.

At the first stage of sourcing/screening an investment opportunity, ECRED team members are asked to consider if there are material ESG issues that should be flagged, and these are documented together with other material investment considerations relating to each investment opportunity.

If an investment opportunity enters underwriting, the ECRED team collects and assesses the material ESG information relevant to that investment opportunity. For investment opportunities originated by ECRED, the team instructs third-party advisors to provide and/or evaluate specific data (when relevant) and seeks ESG information by way of a standardized ESG questionnaire from the borrower. The team may also agree to ESG-related key performance indicators

(KPIs) with the borrower, if appropriate. Similar to other KPI-linked debt structures, ECRED looks to incentivize borrowers to achieve various sustainability goals that we believe are in the best interests of our clients by offering lower interest rates upon the achievement of said goals (such as receiving specific certificates), while also structuring adverse consequences in case agreed KPIs are not met.

The sourced ESG data is then used to populate a standardized environmental and social scoring system. That information is distilled into, and forms part of, the investment memorandum, which is at the heart of the presentation of an investment opportunity to the ECRED Investment Committee.

Following a positive investment decision from the ECRED Investment Committee, agreement on KPIs in the finance documents (if appropriate), and the provision of capital, ECRED monitors the compliance of the borrower with its obligations and takes appropriate action through engagement and step-ups if necessary.

Approach to Stewardship by AB Multi-Asset Solutions

AB's Multi-Asset Solutions (MAS) team undertakes quantitative and fundamental investment research to create and actively manage solutions that combine a broad range of asset allocation, asset class, manager selection, execution selection and security selection capabilities into client outcome-oriented investment solutions. In support of this objective, the team also develops systematic security selection strategies that can both complement its own solutions and be made available as stand-alone investment products for AB's clients.

As a client-focused global team, MAS offers a variety of investment solutions with differing levels of ESG integration leveraging a wide variety of implementation and execution mechanisms, including active and passive investing, internal and external management, fundamental and quantitative styles, and fund, exchange-traded-fund and separately-managed-account structures invested in physical and synthetic instruments. Some strategies include no consideration of ESG factors; some consider ESG factors at the asset-allocation and asset-class level; some integrate material ESG considerations into manager selection, benchmark selection, monitoring and ongoing asset stewardship; and some have a "Sustainable" label and thus integrate ESG factors and sustainability considerations at the security level.

In 2024, the UK Customized Retirement Strategy team continued to deepen its ESG integration approach and developed its climate road map, consistent with their fiduciary duty. Where external managers are selected and used within these solutions, the MAS team integrates material ESG considerations 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 Responsible Investing team and conducts regular due diligence meetings throughout the year with each third-party manager, focusing on four separate areas: corporate responsibility, investment stewardship, ESG integration and product innovation.

Approach to Stewardship by AB Hedge Fund Solutions

AB's Hedge Fund Solutions team manages a variety of systematic, liquid alternative strategies informed by quantitative investment research, and offers a variety of multistrategy hedge funds managed by a subteam of single-strategy fundamental hedge fund portfolio managers. Similar to the MAS team, the strategies managed by AB's Hedge Fund Solutions team invest across the spectrum—from not considering ESG factors, to incorporating them in various investment universe screens or portfolio construction processes, to integrating them at all relevant steps of the investment process.

An example is AB's Merger Arbitrage strategy. Through research conducted by the Responsible Investing team in partnership with the portfolio managers of the quantitative Event Driven and Merger Arbitrage strategies, AB has identified a variety of ESG factors that can influence the success or failure of a merger or acquisition, and that can contribute to deal volatility during the holding period of these investment strategies. Integrating factors such as accounting quality, product governance, data governance and business ethics—as well as various material ESG controversies such as environmental incidents, product recalls, or employee health and safety issues—into deal selection, transaction sizing and portfolio positioning processes has enabled the team to improve downside risk management of the deals, subsequently improving risk-adjusted return.

5. Engaging with Issuers

Because we're an active investment manager, engaging stock and bond issuers on material financial issues—including ESG risks and opportunities—is important to our responsible research and investment processes. When it is in our clients' best financial interest, we engage with issuers through ongoing, open dialogue. All engagements are conducted from a fiduciary perspective in accordance with relevant market regulations and frameworks. We operate as a "passive" investor (i.e., not an activist investor) for the purposes of the SEC's Regulation 13D-G.

Engagement helps us better understand issuers, protect shareholders' and bondholders' interests, and encourage management teams to address material ESG risks or take advantage of ESG opportunities.

Because engagement is 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 research and outcomes.

This section on our engagement policy describes how we engage, why 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 section also discusses how we identify and resolve potential engagement conflicts of interest. We implement our engagement approach globally, across regions, equities, debt and other capital structures.³ Our engagements are broadly similar across funds, asset classes and geographies, as the impact of material 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.

Which AB Professionals Engage with Issuers?

Our engagement policy applies firmwide. Investment professionals from any of our investment teams, including our Responsible Investing team, may engage with issuers on material risk factors. By leveraging our investors' diverse expertise and AB's broad research footprint, we believe that we can better understand issues and engage more effectively. Our investment teams may also collaborate internally on engagements 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, investor relations, and other employees or executives to share our perspectives or 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 selling a position. 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 or questionnaires.

Why We Engage

We engage with issuers for two main reasons: to generate research insights (e.g., to learn more about an issuer's corporate strategies and competitive positioning) or for action (e.g., to encourage issuers to better address material risks or take advantage of opportunities, in our clients' best interests). We believe that as active managers, our position can generate enhanced risk-adjusted returns through our engagement with issuers.

Information from engagements informs our analysis and investment decisions, with a view toward providing better outcomes for our clients. Engagement is 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 risks and opportunities, including ESG factors. Engagement also provides opportunities for issuers to give valuable feedback to AB analysts.

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 short-, medium- and long-term risks and opportunities, including material ESG considerations.

³ References to AB in this policy apply to AllianceBernstein L.P. and our European entities—AllianceBernstein Limited, AllianceBernstein (Luxembourg) S.à r.l. and CPH Capital—for the purposes of the European SRD II.

By engaging, we believe 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 analysis and investment decisions.

ISSUER: BOOKING HOLDINGS | SECTOR: CONSUMER DISCRETIONARY | ASSET CLASS: EQUITIES

Booking Holdings is an American-based global online travel company. We met with the corporate counsel and ESG lead to discuss the company's Travel Sustainable program and progress toward its goal of having 50% sustainable bookings by 2027. Being a travel company, the issuer is exposed to the material transition and physical climate-related risks and opportunities.

In the travel booking process, hotels can be labeled as "sustainable" to consumers, helping them make a decision that aligns with their preferences. Booking Holdings previously had over 500,000 sustainable lodging listings based on supplier self-reported metrics. Due to regulatory scrutiny, the company began requiring third-party certifications for sustainable bookings—which we believe to be a more rigorous methodology that can prevent greenwashing. This

shift decreased the number of sustainable listings to only 16,000. The company is now working with hotels to increase penetration by providing educational resources that amplify awareness of third-party certifications, thus lowering the barrier to entry for suppliers. Suppliers pay for their own certifications, so the action is unlikely to be a logistical or financial burden on Booking Holdings.

Management noted that it has seen good adoption of third-party certifications, and the number of sustainable bookings is again accelerating in a way that instills confidence in their credibility. The company continues to evaluate what attributes are most valuable to consumers and validate whether sustainability is driving bookings. We will continue to monitor the issuer's efforts.

ISSUER: ENEL | SECTOR: ENERGY | ASSET CLASS: FIXED INCOME

Enel is an Italian multinational manufacturer and distributor of electricity and gas that benefits from its scale and geographical diversification, which is further supported by stable earnings from regulated networks and contracted generation. AB credit research analysts engaged with Enel to understand how it plans to address and mitigate material risks. Specifically, we wanted to learn more about its sustainability-linked bond (SLB) strategy and future issuance plans and gain deeper insight into the company's renewable deployment and capital allocation and an update on ongoing disposal as part of its strategy.

We learned that Enel missed its FY 2023 emissions targets, triggering a coupon step-up in FY 2025. The company explained that missing its target was due to Italy's emergency decree to use coal due to a limited supply of gas, triggered by the ongoing Russia-Ukraine war. The company stated that it is willing to pay the coupon step-up, while adding that it expects to meet its SLB targets in FY 2024. Management further added that although the step-up would result in an €80 million payout over the lifetime of the bonds, paying it would underscore Enel's credibility regarding its SLB and its efforts to meet its targets. Enel confirmed its target to close all of its remaining coal plants by 2027. When asked about further issuance of SLBs, Enel indicated its interest in continuing to issue sustainability bonds in the future and added that the SLB's KPI and guidelines align with the company's long-term strategy to provide affordable and clean energy.

When asked about its renewable deployment and capital allocation, Enel stated that although there has been no change in its overall

renewable capital expenditure plan, it is expected to be more conservative than before due to higher rates, politics and increased volatility in the levelized cost of energy. Enel further clarified that it would be selective in its investments in renewables, to make sure they are value accretive. Enel is also focused on repowering and battery energy storage systems to improve system flexibility and load management with total capacity, which is expected to increase from 52 GW in 2023 to 73 GW in 2026. The company expects 73% of its capital expenditure investments to be incurred from solar and wind by 2026. Enel is aiming to be the industry leader in the renewables market, with a disciplined approach and major investment in distribution networks through developed markets. The company already has the largest renewable asset base in North America. Enel also plans to focus its capital expenditure in Europe, Brazil, Chile and Colombia, with about €2.3 billion expected to be spent on consolidated capacity in FY 2024. Going forward, Enel plans to add partners for its renewable projects, thus lowering its capital needs and increasing capital optimization.

Enel also provided an update on its ongoing disposal as part of its overall strategy. Its Italy disposal is strategic and will be done by year-end, and the company's broader disposal is on track, with a total of €10.4 billion in proceeds expected by the end of FY 2024, of which €4.5 billion is to be received by the end of June. Enel's goal is to be funds-from-operations neutral, so cash inflows match its capital expenditure.

Following the engagement, we better understand where Enel stands in relation to its SLB targets, its commitment to the SLB market as well as its goal to continue to issue debt with ambitious KPIs.

Ayala Land is the largest property developer in the Philippines and owns and manages a mix of residential developments, shopping centers, offices, and hotels and resorts among other its businesses, which include a small arm in food services. Food services businesses are particularly exposed to a variety of material supply chain risks, including but not limited to reputational or legal risks, increased supply costs or lowered demand for products. In our most recent engagement with management at Ayala Land, we discussed the company's position on the use of caged eggs in its supply chain, as its usage has increased the risk of reputational damage for the company.

From our discussion, we learned that Ayala Land is taking proactive steps toward cage-free sourcing. First, the company has taken significant steps toward sourcing cage-free eggs. Hotels, including Seda BGC, Fairmont, Raffles Hotels & Resorts, and Holiday Inn & Suites Makati, procure 100% of their eggs from cage-free producers. Other hotel properties, such as those in Makati, Manila

Bay, Vertis North and Nuvali, source at least 50% of their eggs from cage-free producers. Second, management discussed supply chain challenges: the company operates in multiple locations and the availability of cage-free egg supply in some areas is limited. This reflects broader issues in the country's food supply chain; the challenge is widespread across hospitality groups in the Philippines and is not unique to Ayala Land. Finally, management voiced its commitment to sustainability and quality and to providing sustainable and high-quality food for hotel patrons.

In our view, management is actively working toward increasing its use of cage-free eggs and improving its overall animal welfare policies. We also believe that Ayala Land has taken the appropriate steps to address the issue and is committed to further improvements. We intend to continue to engage with the company on this topic and monitor progress.

ISSUER: FAST RETAILING | SECTOR: CONSUMER DISCRETIONARY | ASSET CLASS: EQUITIES

Fast Retailing is a Japanese multinational retail holding company and operates more than 2,400 UNIQLO stores worldwide. Fast Retailing is considered a major player in fast fashion, which, in our view, could have adverse impacts on the consumption of raw materials and create product waste. Apart from algorithm-based demand forecasting, which has improved the accuracy of sales planning, increased use of recycled materials and better control of discounts have added over 2% to its gross and operating profit margins in the last fiscal year.

We met with a member of the Investor Relations (IR) team to better understand the potential environmental and social impacts of fast fashion and discuss the company's efforts around its product and materials recycling. Management noted that considering UNIQLO a fast fashion brand can be misleading—noting that, while its clothing is considered basic, it is also high quality and made to be worn over a long period of time and for different occasions. The company reiterated that sustainable sourcing is also important in addition to responsible procurement. The use of low-GHG-emission recycled materials reached 18.2% across its 2024 products, up from 8.5% in

its 2023 products. Recycled polyesters now account for over 47% of polyester items. However, not all materials can be recycled, as some present hurdles. Development of a new framework to clarify the qualitative and quantitative standards for each material began in FY 2024. The formulation of standards for cotton materials will be completed by the end of this fiscal year and applied to production for FY 2026. Regenerative cotton has been preemptively added to the list of sustainable materials for this fiscal year.

The company's RE.UNIQLO program allows customers to donate used UNIQLO clothing at stores where possible. Items are either recycled into new products or materials or donated to support refugees in collaboration with the UN Refugee Agency, among other nongovernmental organizations. Nonapparel items are recycled as material for automotive adhesives or thermal materials for company buildings and stores. We learned that early efforts are also under way to recycle down feathers from coats and jackets.

As investors, we are encouraged by the company's effort in recycling its products and will monitor the progress of its programs.

Engaging for Action

Engagement helps us support our clients' interests by enabling us to share our research assessment with issuers to better address material ESG risks or take advantage of ESG opportunities, with the aim of enhancing investment outcomes. Discussions focus on material issues, with the goal of encouraging firms to make decisions with a long-term view that is in the best interest of our clients.

ENGIE Energía Chile is an energy company that focuses primarily on low-carbon services and power generation. We recently engaged with ENGIE Energía Chile to discuss the framework of a proposed green bond. In April 2024, the utility company issued \$500 million in 6.375% senior unsecured green notes due in 2034.

During our engagement, we learned that structured under the parent company ENGIE's green framework, the net bond proceeds will be fully allocated in the financing of renewable energy projects, battery energy storage systems (BESS) and power transmission lines, with a look-back period of two years and annual reporting until bond proceeds have been fully allocated. AB also encouraged ENGIE Energía Chile to disclose progress on BESS in reporting in a bid to reaffirm the parent company's leadership in best practices.

This suggestion was given in particular due to the growing focus on developing batteries in the north of Chile as a hedge against the variability of spot prices from day to night due to the lack of sufficient transmission capacity to service a large solar power supply.

The company's management is also working with authorities on designing a battery market structure where there currently isn't one that can provide stability to the Chilean power grid, requiring the company to materially ramp up thermal power generation during night hours amid the intermittency of renewables and curtailment issues. The company is leveraging lessons learned from the parent company's experiences in other jurisdictions, such as the US, Europe and Australia, as it navigates this lengthy process that could require new regulation, incentives and agreement between market players.

ISSUER: KERING | SECTOR: CONSUMER DISCRETIONARY | ASSET CLASS: EQUITIES

Kering is a French multinational company specializing in luxury goods. In a prior engagement from 2023, we encouraged the company to improve its disclosure surrounding its zero deforestation commitment, including which nongovernmental organizations and communities receive support, and how regions where its supply chains operate and protected hectares are correlated. We also encouraged general progress on some of its established initiatives, such as water management and ongoing exploration of filtration systems. As background, in June 2023, the EU's regulation on deforestation-free products went into effect. The EU had also more recently voted to adopt the Nature Restoration Law. Both policies address the impacts of business activities on biodiversity and signal the increasing importance of monitoring and managing a company's impact. The textile and apparel industries rely on biodiversity for raw materials and can feature environmentally intensive processes.

In 2024, we engaged with members of Kering's IR and Sustainability teams to follow up on the previous engagement, and we also looked to gain a deeper understanding of where Kering is with its environmental initiatives more broadly. We learned that Kering's sustainability initiatives are developed at the corporate level by teams focused on defining strategy, developing programs, managing data and reporting. Experts, such as those with PhDs in biodiversity, sit on some of these centralized teams. Upon setting corporate-level targets, each House (each brand owned by Kering), which has its own sustainability team, is charged with cascading the targets throughout its operations, and presents the corporate-level teams with road maps to get there. For example, the corporate-level team might set a climate-related science-based target and ask each House to define a decarbonization pathway, for which some might feature transportation and some might emphasize raw materials. The corporate-level team and dedicated House sustainability teams collectively monitor the road maps.

For supply chain management, Kering takes a top-down approach, which includes contractually obligating its Tier 1 suppliers to align with Kering's Code of Ethics and Sustainability Principles. Before entering a contract, Kering conducts a comprehensive audit to ensure compliance. Kering also limits sourcing based on geographic risks. For example, Kering will not source bovine leather from Brazil, owing to deforestation risk, nor from Bangladesh, owing to animal welfare and human rights risks. From the bottom up, Kering has a material innovation lab in Milan, which scouts for innovative suppliers and maintains a database of alternative suppliers that operate in compliance with Kering Standards. Kering also operates a regenerative fund for nature to support the transition from conventional to regenerative production of key commodities, such as cotton, wool and leather. Kering is exploring how to scale production, such as securing materials on time and in the right quantity, both of which remain a hurdle. It targeted 100% alignment with the Kering Standards across its raw materials by 2025. At the time of engagement, Kering had achieved 75% alignment. While some raw materials are on track to achieve 100%, others, like cashmere and silk, may not reach the 2025 target, due in large part to lack of availability in the global market. For example, approximately 25% of the global silk supply is certified, whereas 40% of Kering's silk supply is certified.

Kering also set a target to have zero microfiber leakage by 2030. The company continues to partner with the Microfibre Consortium and is piloting an industrial-scale microfiber filtration system, further reducing regulatory risk in that regard.

Overall, we believe that Kering has strengthened its zero deforestation commitment and is reducing regulatory risk. We will follow up next year.

We recently engaged with the World Bank to continue a previous conversation on the structuring of an impact bond to fund the reforestation of the Amazon rainforest.

The US\$225-million, nine-year-term Amazon Reforestation-Linked Bond is the largest World Bank outcome bond ever priced and provides investors with a coupon that includes a fixed guaranteed component and a variable component linked to the generation of carbon removal units (CRUs) from reforestation projects in the Amazon rainforest regions of Brazil. It is also the first bond linking investors' financial returns to the removal of carbon from the atmosphere, differing from past transactions, which were linked to the sale of carbon credits from avoided emissions.

The bond has an innovative blended-finance structure, with part of the bond's coupon tied to the number of trees grown, leading to tons of carbon dioxide (CO₂) pulled out of the air (creating CRUs). While the bond is 100% principal protected, as all US\$225 million goes directly to support the World Bank's sustainable development activities globally, investors in the bond will forgo a portion of the ordinary coupon payments. Equivalent amounts will instead be

provided to support the reforestation activities of Mombak, a Brazilian company that will use these funds to acquire or enter into partnerships with landowners in the Amazon rainforest to reforest the land with native tree species. This in turn can enhance biodiversity and foster socioeconomic development in local communities.

The bond is structured so that the generated CRUs will be purchased through an agreement by a CRU off-taker (Microsoft), and a portion of the revenue generated from this sale will be paid to bondholders in the form of CRU-linked interest, in addition to the minimum guaranteed coupon that the World Bank will pay investors. The bond also offers potential financial benefits compared with other World Bank bonds of similar maturity, if the projects and monetization of high-quality CRUs are generated as expected.

The innovative use of CRUs in this outcome bond structure introduces a new model for mobilizing private capital to support reforestation finance.

The AB team recognizes that although there are challenges in the carbon market, engaging to understand these creative structures can help generate attractive risk-adjusted returns for clients.

Types of Engagement

We engage with issuers in several ways: through fundamental engagement (including thematic and proxy-voting engagement), collaborative engagement and policy advocacy.

Fundamental Engagement

We engage directly with issuers and stakeholders as part of our fundamental research and investment process for equities, fixed income and other asset classes. Constructive engagements create a channel to discuss topics such as strategy, business operations and ESG 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 may 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 the 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 material ESG factors. For example, when engaging as a fixed-income investor, 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.

Thematic Engagement

We sometimes identify engagement themes that are common across many issuers; for example, climate transition risk or modern slavery risk. In these cases, developing a framework to engage with issuers on these material ESG risks or opportunities can be beneficial.

To assist our fundamental equity and corporate credit analysts, our Responsible Investing team has developed a proprietary CTAF with the goal of identifying companies that are acutely exposed to climate transition risks and opportunities, and it is engaging with these issuers to ensure that they are preparing their businesses to be successful in a lower-carbon economy. Through the CTAF, we have identified issuers across more than 20 high-impact industries in our actively managed corporate credit and equities strategies. High-impact issuers are those that fall within an industry where companies generally have particularly material risks and opportunities from the transition to a lower-carbon economy. The framework is designed to identify specific areas of material risks and opportunities for these high-impact issuers and to signal where our investors should focus their engagements with these issuers for progress, when materially relevant for our clients. We assess issuers from Level 0 to Level 5 in terms of emissions disclosure, emissions-reduction targets, plans to meet those targets and execution on the issuers' plans over the long term.

After having launched the framework to our investment teams, together we carried out assessments and engagements with 44 issuers over the course of 2024.

EOG Resources is an American energy company and is considered high-impact within our CTAF, which we define as having particularly material risks and opportunities from the transition to a lower-carbon economy. Using AB's framework, we assessed the issuer as Level 1+, which indicates that a company demonstrates awareness of the material risks and opportunities posed by the energy transition, but has not sufficiently disclosed how it will address such material risks and opportunities. Thus, we looked to engage EOG Resources to understand how it will address and mitigate such material risks.

We met with EOG Resource's Head of Sustainability, Director of Stakeholder Relations and Communications, and the VP of Investor

Relations. We learned that while EOG Resources has committed to net zero by 2040 for its Scope 1 and 2 emissions, the company has not included Scope 3 emissions in the commitment, which likely constitutes more than 90% of the company's overall emissions footprint. The company has already achieved its Scope 1 and 2 and methane emissions intensity interim targets, and no other targets have since been set.

While the issuer does not have any additional decarbonization targets, it broadly outlines three methods through which it intends to achieve net zero by 2040, including reducing emissions, capturing released gases and offsetting remaining emissions.

AB created an engagement-oriented coal framework (which applies to our holdings that derive more than 20% of their revenues from thermal coal power generation or thermal coal extraction) within most of our long-only active equity and credit strategies. The framework is intended to help our investment teams evaluate the investment risk presented by these issuers and whether we are being adequately compensated for potentially taking such risk on behalf of our clients.

Glencore is a multinational commodity trading and mining company headquartered in Switzerland. The company generates more than 20% of its revenue from coal power generation or coal mining, which exposes it to particularly material risks and opportunities from the transition to a lower-carbon economy. Thermal coal plays a significant role in the company's financials. As of the first half of 2024, it reported US\$2.7 billion in revenue from its thermal coal business, with assets primarily located in South America and South Africa.

The company previously had a thermal coal production cap, which was removed due to shareholder confusion and the anticipation of a gradual decrease in thermal coal production in line with its carbon-reduction targets. The company does not expect the phasedown of its coal business to be linear and does not commit to reducing production in line with any specific scenario or pathway due to uncertainties in the global energy transition, particularly in Asia and developing markets. Glencore plans to continue selective brownfield coal extensions or expansions at existing mines, expecting a market for thermal coal for the remaining life of these mines. This view is supported by the International Energy Agency (IEA)'s latest World Energy Outlook 2023. Glencore stated that it intends to participate in the coal market as long as there is demand and it remains economically viable.

The company measures and discloses Scope 1, 2 and 3 emissions, and has set targets to reduce these emissions by 15% by 2026 and by 50% by 2035, compared with a 2019 baseline. It also has a net zero ambition for Scope 1, 2 and 3 emissions produced in its industrial business by 2050, subject to supportive policy. However, none of these targets are Science Based Targets initiative certified. Glencore has a commitment to reducing coal production in its existing coal portfolio in accordance with its emissions-reduction targets. Since 2019, the company has introduced a set of industrial

emissions-reduction targets that include Scope 3 emissions, mainly associated with thermal coal revenue. It has seen decreased production of coal and is not progressing greenfield thermal coal investments. The company does not currently use carbon credits or offsets but may consider them post-2040 if clean energy technologies and carbon capture technologies are not significantly adopted. This approach does not align with the IEA Net Zero 2040 phaseout of unabated thermal coal for electricity generation.

Glencore's strategic risks, including the transition to a low-carbon economy, are overseen by the board, which monitors overall risk exposure and evaluates risk appetite. The management team is responsible for implementing the risk-management program in accordance with the UK Corporate Governance Code. However, the company does not have a dedicated committee or subcommittee responsible for overseeing and managing climate risks and opportunities. At the 2023 annual general meeting (AGM), 30% of shareholders voted against the board's 2022 climate report. However, the company received 90% shareholder support for its 2024–2026 Climate Action Transition Plan. Glencore has an internal Climate Change Taskforce, led by the CEO and overseen by the board of directors, which delivers its climate strategy and addresses progress on climate commitments. The board has identified potential impacts from a transition to a low-carbon economy, including the imposition of new regulations and policies on fossil fuels, import duties/carbon taxes in customer markets, increased costs for energy and other resources, levies and taxes related to GHG emissions, and impacts on operating permits and licenses.

We encouraged Glencore to disclose a quantitative emissions-reduction plan. AB will continue to engage with Glencore to ensure that the material climate risks related to its coal phasedown process are properly managed and mitigated.

Proxy-Voting Engagement

We also engage with issuers as part of our proxy-voting process. While we're strong shareholder advocates, supporting robust corporate governance structures, shareholder rights and transparency for both AB and the companies and issuers we research and invest in, we do not seek to exert control over the issuers during engagements. For issuers in client portfolios, we have 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 we believe they are not acting 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 and make informed voting decisions.

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. For more information, please see our Proxy Voting and Governance Policy.

Collaborative Engagement

We sometimes join non-AB investors, asset owners and/or industry organizations on engagements. This can happen when we've independently arrived at the same conclusion as other managers/investors and believe that collaboration might help address specific issues.

The purpose of collaborating is (1) to escalate and improve access to an issuer that is not responding to a 1:1 engagement; (2) to engage with an issuer we may not have engaged with before on a material topic; or (3) to improve effectiveness and efficiency for issuers and investors when seeking similar improvements in shareholder outcomes. However, we don't share our investment or voting intentions or agree to act in concert with other fund managers, activist investors or other large shareholders.

In December 2022, AB joined PRI's newly launched Advance initiative—a collaborative stewardship initiative on human rights and social issues. Human rights-related issues, such as modern slavery, community health and safety, and mine site-level security management, can expose mining companies to material operational, regulatory and reputational risks. As part of the initiative, AB co-leads engagements with the mining company Freeport-McMoRan. In 2024, AB continued to participate in meetings with the company, focusing on addressing the material human rights risks impacting its business. For example, failure to maintain a social license to operate and maintain positive community sentiment can lead to operational disruptions, legal challenges, and reputational damage. To that end,

we have engaged with Freeport-McMoRan on its approaches to community and stakeholder management, including how the company establishes and maintains a legitimate grievance mechanism that is accountable for the fair conduct of grievance processes and ensures the accessibility of such grievance mechanisms to stakeholder groups for whose use they are intended.

Policy Advocacy Engagement

We engage with governments, regulators and other drivers of public policy when we believe it is 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 investment impacts or stewardship concerns related to existing or proposed regulatory changes, including to share classes, reporting requirements or the treatment of ESG risks. We publish some of our letters to policymakers on our website. For more information on our political advocacy, spending and activity, please see our [Statement on Political Influence](#).

Prioritizing Areas for Engagement

Because we're global investors, we engage on a wide variety of strategic, financial and material ESG-related topics. We determine these focus topics for engagements through our proprietary materiality map, guidance from third-party data providers and industry standard-setters like the SASB, and client feedback. Our list has evolved over time to reflect changes in the market and includes, but is not limited to, the topics in *Display 11 (page 35)*.

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 within certain sectors using our proprietary AB materiality map and industry-recognized frameworks. We also consider the company's or issuer's size and the magnitude of the ESG risks or opportunities identified, 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 financial impact, and conduct company-led engagements when a firm reaches out to us to discuss an issue.

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 risk or opportunity considerations, our analysts document the purpose of the engagement, the ESG topics discussed and the outcome in our proprietary ESIGHT system.

DISPLAY 11: FOCUS AREAS FOR ESG ENGAGEMENTS

| ENVIRONMENTAL | SOCIAL | GOVERNANCE |
|--|---|---|
| <ul style="list-style-type: none"> ○ Biodiversity and Land Use ○ Carbon Emissions ○ Climate Change Vulnerability ○ Climate Transition Plans ○ Opportunities in Clean Technology ○ Opportunities in Green Buildings ○ Opportunities in Renewable Energy ○ Packaging Waste ○ Product Carbon Footprint ○ Resource Management ○ Supply Chain—Environmental ○ Toxic Emissions and Hazardous Waste ○ Water Management | <ul style="list-style-type: none"> ○ Diversity, Equity and Inclusion ○ Employee Health and Safety ○ Financial Product Safety ○ Human Capital Development ○ Labor Management ○ Modern Slavery ○ Opportunities in Financial Inclusion ○ Opportunities in Healthcare ○ Privacy and Data Security ○ Product Safety and Quality ○ Responsible Investment ○ Stakeholder Engagement ○ Supply Chain—Social | <ul style="list-style-type: none"> ○ Accounting ○ Board Composition ○ Board Independence ○ Business Ethics ○ Combined CEO and Chair ○ Corruption and Instability ○ Crisis Management ○ Entrenched Board ○ International Norms ○ One Share One Vote ○ Organizational Culture ○ Pay ○ Right to Call Special Meetings |

Source: AB

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 and proprietary ESG ratings for the teams that create them.

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/issuer, industry or portfolio, and it documents engagement statistics, examples and outcomes that we can share with our clients. In 2024, we began development of the next generation of ESIGHT. Enhancements will include a library of hundreds of potentially material ESG factors, displayed in a manner that will aid investment teams in identifying leaders or laggards and trends to enhance the engagement process. These ESIGHT 2.0 factors are being sourced from a wide range of sources, including nongovernmental organizations, governments, internal AB frameworks and third-party vendors.

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 analysts' 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. Issuers are evaluated on multiple dimensions and assigned specific ESG scores, which are used in credit underwriting. 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. AB fixed-income analysts, portfolio managers and traders can access PRISM's ESG scores in real time.

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

Engagement is a critical channel for our investment teams to monitor issuers' strategies, 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.

Approach to Escalating Issues

Most direct, ongoing engagement is productive. All engagements are conducted from a fiduciary perspective in accordance with relevant market regulations and frameworks. We operate as a "passive" investor (i.e., not an activist investor) for the purposes of the SEC's Regulation 13D-G. Engagements often clarify an issuer's strategy and practices and potentially spur change that can lead to shareholder value creation.

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:

1. Introduce the issue(s)
2. Obtain management's views and rationale
3. Identify suggested change(s)/action(s) and rationale
4. 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 decision isn't aligned with our clients' best interests, we can escalate by communicating AB's stance more directly on key issues, conveying the gravity of our concern or encouraging the issuer to take action. We may take one or more of the following actions:

- By writing a private letter to the board and/or management team
- By voting against relevant board members (e.g., the committee chair or incumbent board members) at the next AGM
- By sharing our views with other investors and/or stakeholders
- By publishing a public letter stating our views
- By reducing our position, selling the security or declining to refinance

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.

Conflicts of Interest

More details on our conflict-of-interest and insider-trading policies are provided in [Section 2](#) of this statement.

ISSUER: DIGICEL | SECTOR: TELECOMMUNICATIONS | ASSET CLASS: FIXED INCOME

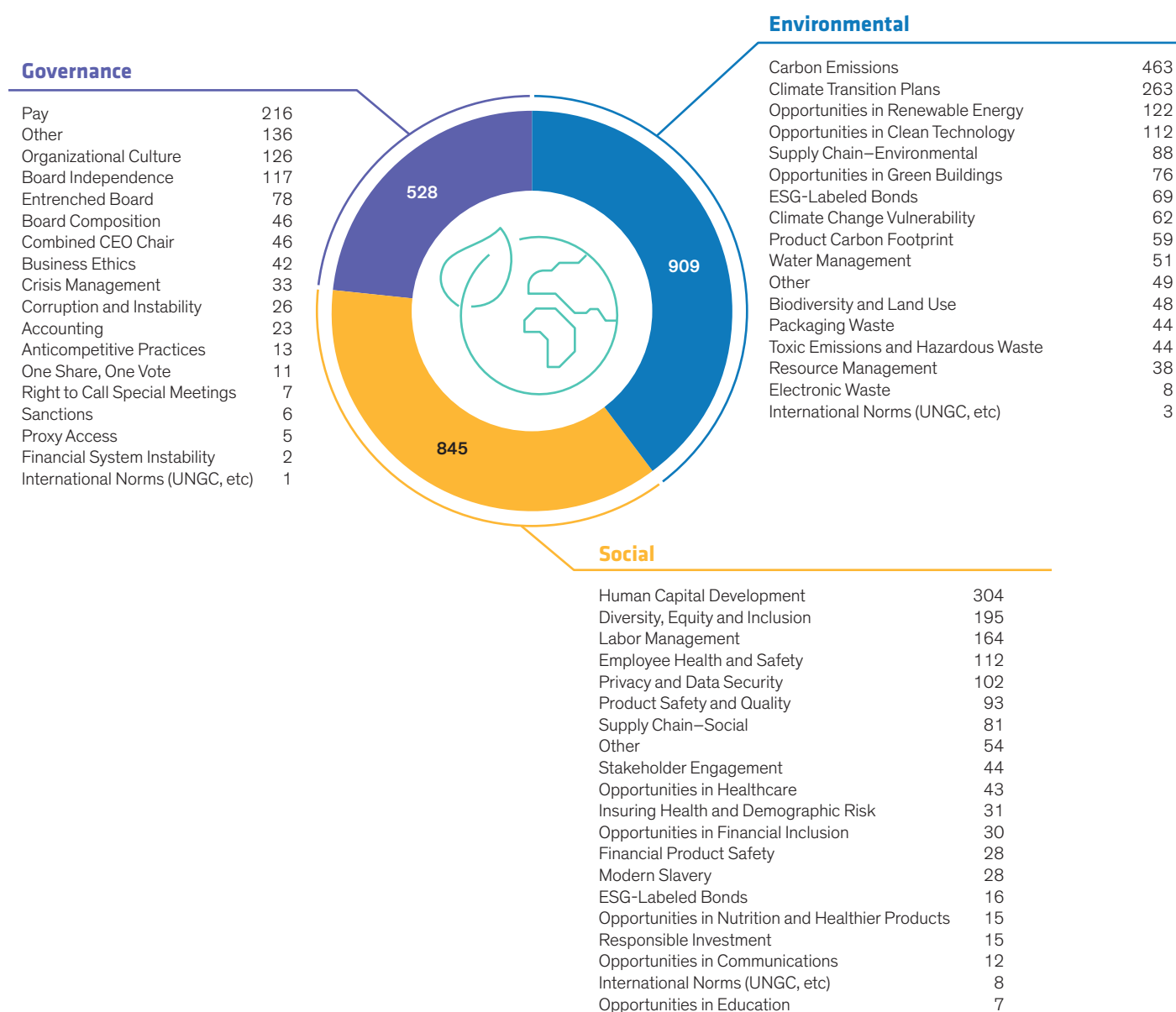
Digicel is a Caribbean-based telecommunications company that provides a range of services including mobile phone services, broadband internet and cable television. We have been monitoring the issuer for several years and concluded that the issuer's expected return profile did not compensate us for the weak governance practices and thus, we divested. Namely, Digicel underwent

numerous restructurings, changes in management and other governance challenges. Following our divestment, we learned that the US Department of Justice initiated an investigation for potential violations of the Foreign Corrupt Practices Act, which could be material to the company's financial condition.

Engaging on ESG Factors: 2024 Updates

Analysts documented 3,915 separate ESG discussion topics across 1,440 engagements with 1,156 unique issuers across regions in ESIGHT (*Display 12* and *Display 13*, page 38).

DISPLAY 12: ENGAGEMENTS BY ESG PILLAR

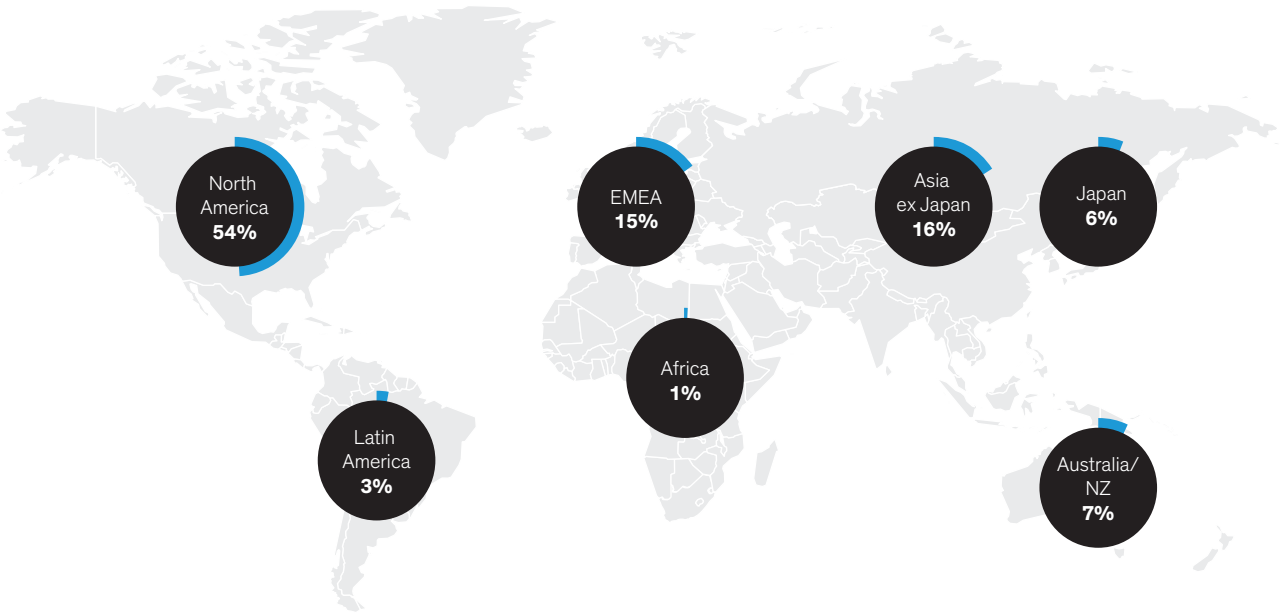


AB engages issuers when it believes the engagement is in the best financial interest of its clients.

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

As of December 31, 2024 | **Source:** AB

DISPLAY 13: ENGAGEMENTS BY REGION



Numbers may not sum due to rounding.
As of December 31, 2024 | **Source:** AB

6. Exercising Voting Rights

Philosophy

We actively exercise our right to vote proxies, and we have a robust rules- and principles-based global in-house Proxy Voting and Governance Policy and process that are applicable to our voting activities across geographies. We make investment and proxy-voting decisions in our clients' best financial interests. We support strong corporate governance structures, shareholder rights and transparency.

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

We also have a weekly reconciliation process to identify missed and failed votes due to operational challenges, including administrative requirements from different markets or issuers that may prevent us from voting.

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 also evaluate each agenda item carefully and will vote against management where appropriate.

We encourage corporate action on material ESG risks and opportunities. We take these factors into consideration when voting. In addition, our policy 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 the policy 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. However, in limited circumstances, we may publish our vote intentions on certain proposals in advance of select shareholder meetings. We do not predispose our vote intentions on mergers and acquisition activity.

AB considers every vote to be significant, and in the spirit of full transparency, our proxy votes are posted on our public website on a regular basis (business day plus one after the AGM/extraordinary general meeting [EGM]).

2024 Policy: Updates

The Proxy Voting and Governance Committee is responsible for monitoring evolving market best practices and investor expectations on corporate governance. Such duty includes an annual review of AB's own Proxy Voting and Governance Policy. Over the course of 2024, we worked to enhance our policy with updates that will be implemented in 2025. These updates were discussed by the committee and approved in the first quarter of 2025.

The changes made to the policy are noted below.

The policy has been reformatted to adopt a more principles-based approach, moving away from the proposal-by-proposal format to focus on the broader themes of director elections, compensation, auditors, transactions and special situations, shareholder rights, and material environmental and social issues. This policy is intended to be broadly applicable across a range of management and shareholder proposals related to these topics. In this reformatting, we have removed specific references to many individual proposals that were either no longer relevant, uncommon, or otherwise addressed in our updated policies. These updates will not significantly change the application and interpretation of the policy from a voting perspective. Material updates to the policy include the following:

Director Elections

- Replaced individual proposals with the broader themes of Director Elections, Majority Vote Standard, Board Leadership, Classified Board, Board Capacity and Board Composition
- Removed the "Controlled Company Exemption" from our director-independence expectations

Compensation

- Replaced individual proposals with the broader themes of Executive Compensation, Equity Compensation Plans and Director Compensation

Auditors

- Replaced individual proposals with a single broad-based policy applicable across auditor-related proposals

Transactions and Special Situations

- Created a Transactions and Special Situations policy detailing our voting approach to the broader themes of Transactions, Restructurings, Mergers and Acquisitions, Shareholder Activism and Shareholder Rights Plans

Shareholder Rights

- Renamed the former “Shareholder Access and Voting Proposals” section to “Shareholder Rights” and replaced individual proposals with the broader themes of Capital Structure, Proxy Access, Majority Vote Standard for Charter and Bylaw Amendments, Special Meetings and Written Consent

Material Environmental and Social Issues

- Replaced individual proposals with the broader themes of Climate, Biodiversity, Political Spending and Human Capital Management

Process

Our Investment Stewardship 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 implementation are closely aligned and integrated. In evaluating proxy issues and determining how to vote a specific item for a significant AB holding, the Investment Stewardship 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 Investment Stewardship 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 contentious 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

our 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 issuers 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 our holdings by an external proxy service, ISS, is available to our research analysts. We may review further information from our other third-party research providers. These research materials are used for informational purposes alongside company filings, and AB's voting decisions are always guided by AB's Proxy Voting and Governance Policy.

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

Loaned Securities

Many of our clients have entered into securities-lending arrangements with agent lenders to generate additional revenue. We will not be able to vote securities that are on loan under these types of arrangements. However, for AB-managed funds, the agent lenders have standing instructions to recall all securities on loan systematically in a timely manner on a best-effort basis in order for AB to vote the proxies on those previously loaned shares.

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. The 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 reviews of and engagements on legal covenants and bond indentures, which dictate the 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 insights from Covenant Review and Octus, third-party services that review and analyze 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 pandemic, we worked proactively with stressed companies to propose potential amendments 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, which 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, International Monetary Fund and other bondholders) when we see a potential deterioration in governance. Additionally, we are a member of multiple investor alliances that work to coordinate responses and actions by the investment community to ensure that rights and values are protected.

2024 Proxy Voting: Shareholder Proposals

While the majority of ESG-focused shareholder proposals are put forward in the US, we apply the same framework to vote all shareholder proposals globally, in alignment with AB's mission to deliver better investment outcomes to our clients.

The 2024 proxy season was marked by a few distinct themes, including climate, DEI, political spending and shareholder rights, as well as an emerging focus on artificial intelligence, workers' rights and board governance. More broadly, we noted more polarizing views on ESG issues, a rise in environmental shareholder proposals and a sharper focus on holding directors accountable for governance concerns.

How We Voted in 2024

In 2024, we voted on 107,974 total management and shareholder proposals across 10,753 companies globally. We voted at 99% of the company meetings eligible (*Display 14, page 42*, and *Display 15, page 43*). The 1% accounts for cases where we were not able to exercise our vote, generally due to unreasonable operational hurdles imposed by custodians or issuers in certain markets. We vote all our proxies internally; we do not outsource this activity.

2024 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, composition, capacity and overall effectiveness of company governance. In 2024 we voted against 14% of management director proposals.

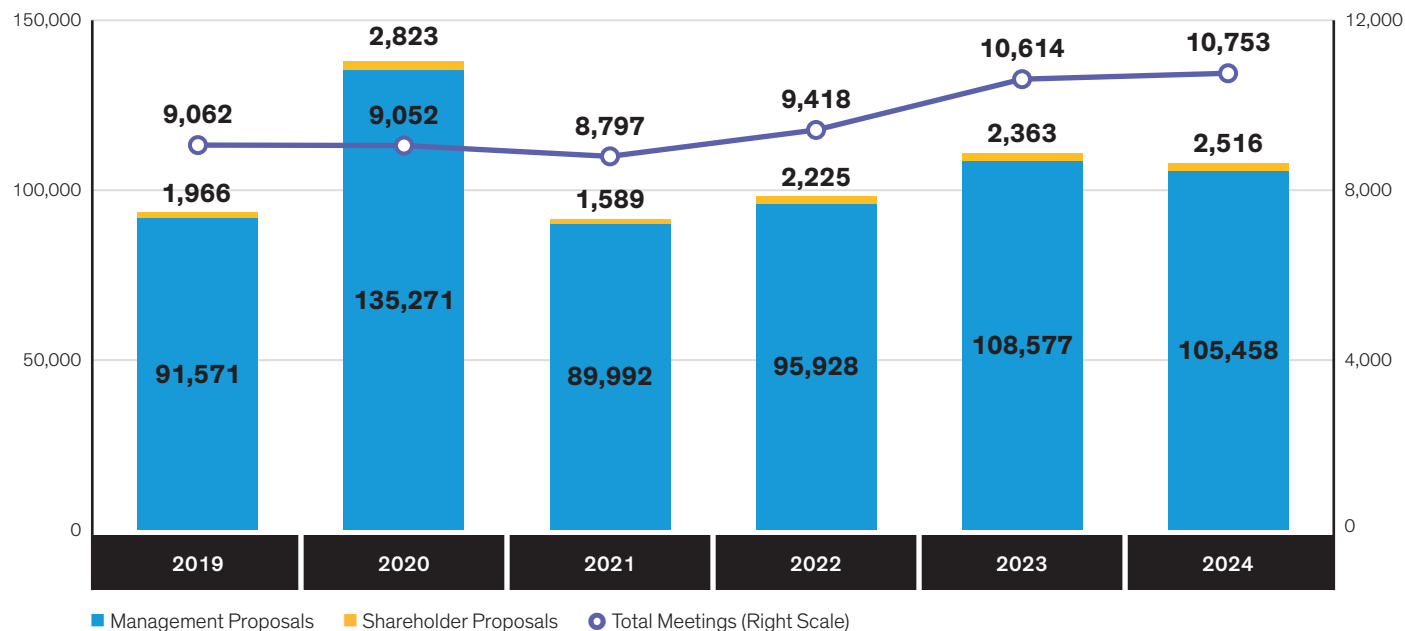
Votes against shareholder resolutions. AB's commitment to maximizing the value of clients' portfolios as shareholder advocates informs how we analyze shareholder proposals. Rather than automatically supporting all shareholder proposals that mention an ESG issue, we evaluate whether the requests will actually enhance shareholder value for our clients and whether or not a proposal promotes genuine improvement that will lead to more comprehensive risk and opportunity management for a business. Our evaluation of a shareholder proposal that addresses an ESG issue considers (among other things) the following core factors:

- Materiality of the mentioned ESG issue for the company's business
- The company's current practice, policy and framework
- Prescriptiveness of the shareholder proposal; i.e., whether the demand of the shareholder unreasonably restricts management from conducting its business
- Context of the 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(s) with which they are associated
- How the proposal adds value for shareholders

In 2024, our votes against shareholder resolutions based on the aforementioned framework included the following:

- AB voted against a shareholder proposal at Amazon.com, requesting that the company establish a board committee on artificial intelligence. The proposal can be considered overly prescriptive, as we believe that the company should retain its discretion in establishing its oversight structure. It is worth noting that the company has taken significant steps to strengthen its disclosure and oversight of AI, as evidenced by its support for the White House's voluntary AI commitments, participation in the AI Safety Summit in the UK, membership in the US's Artificial Intelligence Safety Institute Consortium, and publishing its AWS Responsible AI Policy in 2023. The company's audit committee is responsible for overseeing risk assessment and risk-management policies, and it is therefore reasonable for the audit committee to manage AI risk. Considering the company's general alignment with peers and current efforts relating to AI risk oversight, we opposed the proposal. We will continue to engage with the company to discuss continued progress on managing AI risks and opportunities.

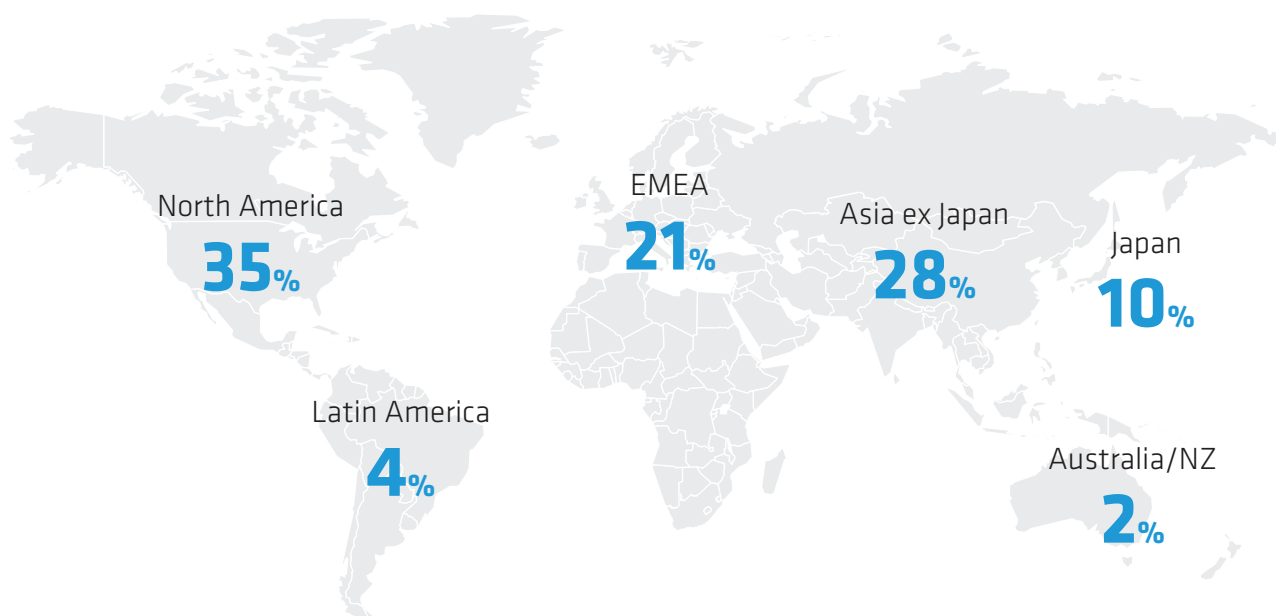
DISPLAY 14: HOW WE VOTED IN 2024



As of December 31, 2024 | Source: AB

- We opposed a shareholder proposal at Alphabet Inc., asking the company to report on climate risk in retirement plan options. We do not view the proposal as being necessary, as the company already offers multiple choices for investments within its retirement plan, which is overseen by an internal committee and an external consultant. Moreover, there is strict fiduciary oversight over retirement plans, and the company's employees are able to invest in options even outside the plans the company offers. The proposal's request to consider climate risks and emissions in the retirement investment plan appears to be overly narrow, and it is unclear how the requested report would be beneficial for shareholders. Absent any material concerns with the company's practices regarding retirement plans, AB did not support the proposal. We will continue to engage with the company on its oversight of climate risk.
 - AB supported a shareholder proposal at Netflix, asking the company to publish a report on its use and oversight of AI. As the company expands its applications and integration of AI throughout the business, and regulations pertaining to AI continue to develop, it has become increasingly important that the company disclose its principles and risk oversight framework for AI. Specifically, information on how the company is managing its risks around consistency, biases, discrimination, retention, cybersecurity and IP would allow shareholders to better assess its policies/practices. The requested report does not appear overly prescriptive or burdensome.
 - AB supported a shareholder proposal at Bank of America, asking the company to report on its clean energy supply financing ratio. The requested ratio is defined as the proportion of a financial institution's total lending or investment portfolio that is allocated to environmentally sustainable projects or assets. At the time of the meeting, JPMorgan Chase, Citigroup and the Royal Bank of Canada had already committed to providing this disclosure.
- Votes for shareholder resolutions.** We also voted in favor of many shareholder proposals, including the following examples on AI, clean energy supply financing ratio, and lobbying payments:

DISPLAY 15: A GLOBAL EFFORT—WHERE WE VOTED IN 2024



As of December 31, 2024 | Source: AB

The clean energy supply financing ratio would be value additive to shareholders in allowing us to assess the company's climate transition progress, and the request did not appear to be overly burdensome. We believe that banks aligning their activities with their climate goals are better prepared to manage risks associated with the global energy transition, as well as capitalize on related opportunities. We will continue to engage with the company on its role in the global energy transition, and encourage the company to disclose material information that would benefit shareholders.

- We voted in favor of a shareholder proposal at Wells Fargo, requesting that the company publish a report on its lobbying payments and policy, including both direct and indirect lobbying. We believe that increased transparency in political contributions and lobbying expenses is essential for ensuring accountability and promoting responsible corporate citizenship. At the time of the meeting, while the company provided some disclosure around its management oversight of direct and indirect lobbying, it did not provide information on its state lobbying efforts, payments to all of its trade associations or its public policy priorities, nor did

it provide detailed information on payments to or affiliations with 501(c)(4) groups. Enhanced transparency would help shareholders understand potential reputational risks to the company if trade associations lobby against its stated values. Considering the gaps in the company's lobbying disclosure, and the benefit of additional transparency to shareholders, AB supported the proposal.

Votes abstained from or not taken. AB strives to vote all shares for which we have voting rights. We typically vote ~99% of those shares, and 2024 was no different. Typical reasons that we don't vote include when shares are missing powers of attorney or are subject to security lending, share blocking, or burdensome operational requirements that we didn't receive in a timely manner. All AB votes in 2024 were aligned with our Proxy Voting and Governance Policy. All of AB's proxy votes are double-checked in a two-tiered approach. Votes are reviewed in real time by our Operations team to verify that the executed votes are in line with our policy. Votes are also sampled and reviewed on a monthly basis by the members of the Investment Stewardship team to ensure their compliance with our policy.

7. Transparency, Disclosure and Reporting

We view transparency, disclosure and our reporting to clients as paramount to effective stewardship and responsibility. We strive to be transparent in what we do, from our philosophy and policies to our investment process and outcomes. This transparency is manifested in both our disclosures and reporting.

AB Policies and Statements

We make most of our firmwide stewardship policies and statements available on our website so that any stakeholder can access them. These documents include:

- Our Global Stewardship Statement and Report
- Our Proxy Voting and Governance Policy, along with our Corporate Governance Advancement Expectations in Japan
- Our Climate Change Statement & TCFD Report
- Our Global Slavery and Human Trafficking Statement and Report
- Our Statement on Controversial Weapons

We also have a number of internal responsible investing–related policies and frameworks, including but not limited to compliance ESG procedures.

AB Reports and Disclosures

We provide stakeholders with access to several different AB reports on our website, including the following:

- **Engagement reports.** These include but are not limited to our quarterly, semiannual or annual summaries of engagement activities pertaining to individual investment strategies.
- **Product outcome reports.** Produced for some of our Portfolios with Purpose, these reports detail portfolio-level ESG metrics and how portfolios align with the UN Sustainable Development Goals or other ESG frameworks.

- **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 Public Transparency Report and our PRI Assessment Report are available on our website.
- **Proxy-voting records.** We support transparency in issuer disclosure and similarly disclose our own voting records. AB publicly discloses our full proxy-voting records on our public website on business day plus one after the AGM/EGM. We also disclose voting rationales for select votes for many of our portfolios.
- **SASB disclosures.** We report our asset-management and custody activities across accounting metrics, as defined by SASB.
- **ESG-related regulatory reporting.** AB's investment capabilities span several legal jurisdictions and regulatory environments, and we are required to report in line with ESG-related regulations where applicable. This includes national and/or regional regulatory requirements that may affect both AB as an entity and AB's product-specific offerings. In response to the increase in ESG reporting and disclosure requirements, AB publishes entity- and product-level disclosures in line with these requirements, resulting in increased transparency to investors. This reporting includes but is not limited to disclosing information on the ESG characteristics of AB's products or reporting on how certain ESG characteristics of a product may have performed on a periodic basis.

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. Depending on the type of report, the Responsible Investing team, Client Reporting team, investment teams and/or business development teams may be 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 available to our clients includes the following:

- **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 select votes. Our Investment Stewardship 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, which include examples of how we analyzed and engaged with issuers in their portfolios. Our Client Response Center oversees this process, helping to ensure that reporting is consistent and clear across portfolios and clients.
- **ESG-related metrics.** We may work with clients to provide regular ESG reporting, which may include key ESG metrics such as portfolio-level ESG ratings based on third-party data and/or proprietary ESG scoring. Reports may also include carbon-related metrics detailing portfolio financed emissions or climate change scenario analyses. Members of our Global Client Group provide these reports.

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

While AB has robust practices and policies to integrate stewardship and responsible investing within our own activities, the world of investing is complex and moves fast. We strive to stay current on best practices, on evolving principles and changing frameworks, and on regulatory developments.

We also seek to promote a well-functioning market and address systemic risks, such as material climate risks. To support these efforts, AB is a proactive and participating member of the global investment community.

AB maintains a formal sign-off framework for approval when looking to sign or join any type of global, regional, or sectoral ESG-related initiative and vets regulated funds impacted through the necessary fund boards and management companies. In 2024, we developed an annual survey for our largest ESG memberships and partnerships. It includes questions around the organization's strategy alignment, governance, data privacy and security, and the use of AI. The responses are then shared with the Responsibility Steering Committee and inform our decisions on whether to continue partnering with these organizations.

Responsible Investing Organizations

We joined the PRI in 2011 and began formalizing our approach to ESG integration and responsible investing based on the organization's principles. In 2024, we joined the PRI's Human Rights and Social Issues Reference Group. The aim of the reference group is to serve as a reflection point for the PRI's work programs on human rights and social issues, inclusive of their global policy work. The reference group will serve as a platform where signatories can participate in information exchanges through workshops and meetings convened by the PRI, bringing in expert stakeholders where relevant. In addition to the PRI, we are a member of a number of other organizations focused on responsible investing. These include organizations aimed at setting corporate governance best practices, encouraging enhanced integration and disclosure, and providing data, information, tools and support that can enable the aforementioned activities. By working closely with these organizations, we aim to address material ESG risks in the market. AB is a member of the following organizations:



Stewardship and Governance Organizations

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



ICGN



Council of Institutional Investors®
The voice of corporate governance

Environmental-Related Organizations

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



Initiatives, Frameworks and Codes

We have signed or joined the following initiatives, frameworks and codes:

- Investors Against Slavery and Trafficking Asia Pacific
- Principles for Financial Action for the 21st Century (AllianceBernstein Japan Ltd. is a signatory)
- Japan Stewardship Code
- KnowTheChain Investor Statement: Investor Expectations on Addressing Forced Labor in Global Supply Chains
- Stewardship Principles for Institutional Investors in Taiwan
- UK Stewardship Code
- Task Force on Nature-Related Financial Disclosures Forum

Collaborating with Asset Managers, Asset Owners and Other Industry Participants

AB participates with other industry players in several ways, including:

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

AB also seeks out partnerships beyond the investment-management community when we think that outside expertise can 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 an important 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 (ICI), Managed Funds Association and regional organizations, such as the Asia Securities Industry & Financial Markets Association (ASIFMA) and the Australian Financial Services Council (FSC).

Coming together often brings diverse viewpoints, creates greater alignment between members, and can result in driving regulatory 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.

Addressing Systemic and Marketwide Risks

AB has a variety of forums to surface, discuss and address both systemic and marketwide risks, including the CIAC, R-ROC and Investment Heads Committee.

Russia/Ukraine

On March 4, 2022, AB made the decision, from both an investment and a sanctions risk perspective, to no longer permit any new purchases of Russian or Belarusian securities or permit any increases in existing exposure, given the speed at which sanctions have been changing and the unknown and unquantifiable risks such changes could represent.

On June 6, 2022, the Office of Foreign Assets Control updated its sanctions guidance to include FAQ 1054, which clarifies that US persons are prohibited from purchasing either new or existing debt and equity securities issued by an entity in the Russian Federation. We have been and will remain in compliance with all applicable sanctions requirements related to Russia and Ukraine.

We have a country-level trading system of restrictions in place that will flag the purchase of any Russian, Belarusian or Ukrainian securities. We have included Ukraine for the purpose of capturing any securities that may originate from the Donetsk and Luhansk regions. We may also prohibit the purchase of any derivative security where we determine that there is substantial investment exposure to Russia, or the purchase of a security that may derive a predominant amount of revenue from Russia. AB will not cause or permit the purchase or sale of a security that would be prohibited by the terms of any applicable sanction.

Promoting Well-Functioning Markets: 2024 Updates

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.

ASIFMA

AB regularly participates in discussions with our peers in ASIFMA to advance regulatory efforts in Asia regarding responsible investing. AB has consulted on several pieces of ASIFMA's responses to legislation. Additionally, AB has also contributed to ASIFMA's research, including a paper on investors' expectations on labor practices, and spoke at an ASIFMA training session in 2022 on sustainable finance and ESG in Asia.

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. Our Director of Corporate Governance currently serves on the CII Corporate Governance Advisory Council.

Emerging Markets Investors Alliance (EMIA)

We're active members of EMIA, cohosting the EMIA ESG Conference since 2019 and the first EMIA APAC EM ESG Conference in 2021. In 2024, the conference discussed topics such as enhancing labeled bond standards, financing a Just Transition, methane emissions from extractive industries, AI and technology, decarbonization in Brazil, and biodiversity next steps. Members of our fixed-income and equities investment teams are active participants in the EMIA Agriculture Working Group, which conducts periodic calls among companies, nonprofits and investors to discuss ESG issues within the agricultural space. AB employees serve as Executive Fellows overseeing the private sector programs at EMIA, and they sit on the working group on ESG structures.

FAIRR Initiative

Members of AB's fixed-income and equities investment teams are involved with the FAIRR Initiative. Some AB fixed-income and equities research analysts participate in the FAIRR Working Conditions Engagement, 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.

Financial Services Council (FSC)

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 financials sector that serves Australians with integrity. Our CEO in Australia is a member of the FSC Board Committee, and a Managing Director in Australia joined the investment expert group in July 2020.

Japan Investment Trusts Association (JITA)

AB was again appointed as a member of the working group on ESG investment, set up by JITA in 2023, and continued to play an active role in the group's discussions on disclosures, ESG fund categorizations and stewardship activities. AB has also held several meetings with senior officials of the Financial Services Agency and the Ministry of Economy, Trade and Industry to exchange views on various issues surrounding ESG investment, particularly those from an active manager's perspective, including ESG integration and fiduciary duty.

One Planet Asset Managers (OPAM)

The One Planet Sovereign Wealth Fund (OPSWF) Network was launched by French president Emmanuel Macron in 2018. Its objective is to integrate material climate change risks and to invest into a smooth transition to a low-emissions economy. AB joined the OPAM initiative in 2022. OPAM was launched by asset-management members to support the sovereign wealth members of OPSWF in their implementation of the OPSWF Climate Framework. Each year, we attend the annual summits hosted by the OPSWF secretariat, which bring together members from around the world to engage in meaningful dialogue about promoting long-term value creation and sustainable market outcomes.

Principles for Responsible Investment (PRI)

AB currently participates in the PRI Advance initiative and the Collaborative Sovereign Engagement on Climate Change (Australian pilot). Additionally, members of our Responsible Investing team sit on PRI's Sustainable Systems Investment Managers Reference Group's Steering Committee, the Sovereign Debt Advisory Committee, the Human Rights and Social Issues Reference Group, and the Global Policy Reference Group.

Securities Industry and Financial Markets Association (SIFMA)

Our Director of Responsible Investing Research is a participant in the SIFMA Asset Management Group ESG Task Force, which is active in responding to relevant sustainability regulatory and standard-setting issues that asset managers in the US and Europe face. For example, in 2021, the group responded to multiple climate disclosure-related consultations.

In 2024, we continued to extend our involvement by:

- Engaging policymakers, including but not limited to:
 - IFRS Consultation on Asset Manager Climate Reporting (APAC)
 - IIGCC Consultation on the UK Stewardship Code (UK)
 - IA Roundtable on the UK Stewardship Code (UK)
 - Engaged on SFDR level 2—RTS update through the European Fund and Asset Management Association (EFAMA; Europe)
 - Engaged on ESMA Fund Naming Rules through EFAMA and ALFI (Europe)
 - Joined in industry working groups related to CSRD through EFAMA and ALFI (Luxembourg)
 - Joined in IA working groups on SDR
 - Participated in the PRI's Collaborative Sovereign Engagement on Climate Change with the Australian government (Australia)
 - Consulted on the Australian Sustainability Reporting Standards through the FSC (Australia)
 - Participated in the Australian Securities and Investments Commission's Consultation on Sustainability Reporting Regulatory Guidelines through the FSC (Australia)
 - Engaged on the Australia Sustainable Finance Roadmap through the FSC (Australia)

For our letters to policymakers, please see our [website](#).

- Joining new responsible investing or stewardship-focused organizations, including:
 - Taskforce on Nature-Related Financial Disclosures Forum
- Deepening our involvement with organizations that we were already members of, including:
 - Sitting on the IA's Sustainability & Responsible Investment Committee
 - Participating in the EMIA, including the Agriculture & Extractives and Sovereign Decarbonization working groups
 - Enhancing the Natural Hazards Index Tool and launching the second Climate Change and Investment Curriculum for our investors with Columbia Climate School
 - Participating in Ceres's Paris Aligned Investment Working Group
 - Joining the IIGCC's Adaptation and Resilience working group

- Joining the Ceres Carbon Asset Risk Working Group
- Participating in PRI's Advance initiative
- Attending the Ceres Land Use and Climate Working Group
- Attending the Ceres Investor Network Policy Working Group
- Attending the Ceres Banks Working Group
- Publishing thought leadership, including white papers, articles, blogs and videos on topics such as the following across ESG issues and asset classes (not everything below is available in all regions, but most can be found on our website):
 - [ESG Opportunities: Emerging Markets and Biodiversity](#)
 - [The Weather Is Changing for Climate-Focused Investors](#)
 - [Nurturing Nature: Why Investors Should Care About Biodiversity](#)
 - [Breaking the ESG Barrier: Empowering Credit Investors Through Better and Faster Data](#)
 - [Climate-Focused Investing: Two Approaches for Equity Portfolios](#)
 - [Investing with Impact: How Municipal Bonds Are Leading the Way](#)
 - [Governance Matters: The Proof Is in the Proxy](#)
 - [How Mega-Forces Will Reshape the Macro Regime and Investing](#)
 - [Just Transition and Emerging Markets: Weighing the Risks](#)
 - [Responsible Investing: Four Themes to Follow in 2024](#)
 - [Office Space: Looking Past the Doom and Gloom](#)
 - [AI Ethics and Regulation: How Investors Can Navigate the Maze](#)
 - [What You Didn't Know About European Offices](#)
 - [Private Credit Outlook: The Heat Is On](#)
 - [ESG-Labeled Bonds: Quality over Quantity](#)
 - [Getting Ahead of Climate Transition Risks and Opportunities](#)
 - [PRISM: Unlocking the Power of ESG Data](#)
 - [Thematic Investing: More Than Just a Good Story: Strategies and Best Practices for Equity Portfolios](#)
 - [As Climate Change Gets Hyperphysical, Investors Should Too](#)
 - [The Hidden Hazard in Climate Portfolios: Equity Concentration Risk](#)
 - [What Does the US Election Result Mean for Europe?](#)
 - [Human Rights and Portfolio Risk: Why Investors Should Think Big](#)
 - [Pets, Pop and Sin Stocks: Not Every Fad Is a Thematic Portfolio](#)

- Speaking at conferences and webinars, including but not limited to:
 - Bloomberg and US SIF Sustainable Finance Regulations Roundtable (US)
 - Environmental Finance Sustainability Data America Conference (US)
 - Diligent Market Intelligence Proxy Season Preview panel (US)
 - Columbia University's Sustainable Investing Research Initiative Blended Finance Decisionmakers Roundtable Discussion (US)
 - Columbia University and Man Group Event on Defining Climate Impact in Investment Portfolios (US)
 - Energy Council New York Energy Capital Assembly Advisory Board (US)
 - S&P Global ESG in Credit Ratings (Virtual)
 - Ceres Methane Abatement Financing Taskforce (Virtual)
 - TSAM, The Summit for ESG: European Sustainable Investment Lens—Lessons Learned from Across the Pond to Inform Your Future Regulatory Planning (US)
 - EMIA ESG Engagement Conference (UK)
 - HSBC, The Association of Corporate Treasurers Treasury Forum 2024 (UK)
 - Government Institutions Pension Fund Responsible Investment Forum: Bond Safari on Rhinos, Turtles & Renewable Energy (Namibia)
 - Center on Global Energy Policy Navigating the Nexus of Energy, Climate, and National Security (US)
 - S&P Global Sustainable Investor Client Council (Canada)
 - CDP Assessing Progress on Energy Transition and Evaluating Transition (US)
 - Equilibrium Capital Roundtable on Climate Adaptation and Resilience Solutions (US)
 - WBCSD Nature4Climate—From Ambition to Action: Deforestation-Free Finance for Climate and Nature Goals (US)
 - Ceres Accelerating Investor Action: Transition Planning for a Just and Sustainable Economy (US)
 - HSBC Sustainable Finance and Nature Breakfast at COP16 (Colombia)
 - Access to Medicine Foundation 2024 Index Launch (US)
 - PwC ESG Day (Luxembourg)
 - EY Wealth & Asset Management Market Pulse Event (Luxembourg)
 - UCITS & AIFMD Luxembourg 2024 (Luxembourg)
- In 2024, AB received the following awards and designations in recognition for its work in responsible investing:
 - Financial Communications Society Portfolio Awards Digital Collateral—2022 Responsibility Report
 - Financial Communications Society Portfolio Awards Data and Tools—Columbia and AB Climate Academy 2.0
 - ESG Investing Awards Most Innovative ESG Initiative: Natural Capital—NHI tool and Galapagos bond
 - ESG Investing Awards Most Innovative ESG Initiative: Climate—Columbia and AB Climate Academy 2.0
 - Investment Week Sustainable Investment Awards Best Sustainable Investment Education Initiative—Columbia and AB Climate Academy 2.0
 - Investment Week Sustainable Investment Awards Group of the Year for ESG Integration—Fixed Income Responsible Investing
 - Environmental Finance Sustainable Company Awards Sustainability Report of the Year—Municipal Impact Report 2023

Conclusion

In 2024 we remained steadfast in our commitment to delivering better outcomes for our clients. Our efforts in responsible investing and investment stewardship continued to focus on materiality. This includes educating our investment teams on how to better mitigate material ESG risks and take advantage of material opportunities, researching the prominent and emerging material ESG topics at the

forefront of investors' minds, and enhancing our data capabilities to elevate our ability to deliver novel thought leadership, engage with issuers, create efficiencies in our investment processes and deliver solutions to clients. Looking ahead, as we continue to execute on our responsible investing strategy in 2025, we look forward to sharing our results next year.

Appendix

Alignment with the ICGN Global Stewardship Principles

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

Alignment with the Japan Stewardship Code (2020 Revision)

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| PRINCIPLE 1: Institutional investors should have a clear policy on how they fulfill their stewardship responsibilities and publicly disclose it. | <p>Section 1 About AB</p> <p>Section 3 Responsible Investing Policy Development and Stewardship Implementation</p> <p>Section 5 Engaging with Issuers</p> |
| 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. | <p>Section 2 AB's Governance, Responsible Investing and Stewardship Structure: Form Enables Function; see "Managing Conflicts of Interest"</p> <p>Section 3 Responsible Investing Policy Development and Stewardship Implementation</p> <p>Section 6 Exercising Voting Rights</p> |
| PRINCIPLE 3: Institutional investors should monitor investee companies so that they can appropriately fulfill their stewardship responsibilities with an orientation towards the sustainable growth of the companies. | <p>Section 1 About AB</p> <p>Section 2 AB's Governance, Responsible Investing and Stewardship Structure: Form Enables Function; see "Managing Conflicts of Interest"</p> <p>Section 4 Responsible Investing: Integrating Material ESG Considerations Throughout the Investment Process</p> <p>Section 5 Engaging with Issuers</p> |
| 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. ⁴ | <p>Section 4 Responsible Investing: Integrating Material ESG Considerations Throughout the Investment Process</p> <p>Section 5 Engaging with Issuers</p> <p>Section 6 Exercising Voting Rights</p> <p>Section 7 Transparency, Disclosure and Reporting</p> <p>Section 8 AB: A Proactive Member of the Global Investment Community</p> |
| PRINCIPLE 5: Institutional investors should have a clear policy on voting and disclosure of voting activity. The policy on voting should not be comprised only of a mechanical checklist; it should be designed to contribute to the sustainable growth of investee companies. | <p>Section 6 Exercising Voting Rights</p> <p>Section 7 Transparency, Disclosure and Reporting</p> |
| 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. | <p>Section 6 Exercising Voting Rights</p> <p>Section 7 Transparency, Disclosure and Reporting</p> |
| 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. | <p>Section 2 AB's Governance, Responsible Investing and Stewardship Structure: Form Enables Function</p> <p>Section 3 Responsible Investing Policy Development and Stewardship Implementation</p> <p>Section 4 Responsible Investing: Integrating Material ESG Considerations Throughout the Investment Process</p> <p>Section 7 Transparency, Disclosure and Reporting</p> <p>Section 8 AB: A Proactive Member of the Global Investment Community</p> |
| 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. | <p>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. More details on this process are provided in Section 4.</p> |

⁴ To comply with the Japan Stewardship Code revision of clause 4-2, we have updated our [Proxy Voting and Governance Policy](#).

Alignment with the UK Stewardship Code

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| 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 About AB Section 4 Responsible Investing: Integrating Material ESG Considerations Throughout the Investment Process |
| PRINCIPLE 2: Signatories' governance, resources and incentives support stewardship. | Section 2 AB's Governance, Responsible Investing and Stewardship Structure: Form Enables Function Section 3 Responsible Investing Policy Development and Stewardship Implementation Section 4 Responsible Investing: Integrating Material ESG 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, Responsible Investing and Stewardship Structure: Form Enables Function Section 6 Exercising Voting Rights |
| PRINCIPLE 4: Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system. | Section 2 AB's Governance, Responsible Investing and Stewardship Structure: Form Enables Function Section 4 Responsible Investing: Integrating Material ESG Considerations Throughout the Investment Process Section 5 Engaging with Issuers Section 8 AB: A Proactive Member of the Global Investment Community |
| PRINCIPLE 5: Signatories review their policies, assure their processes and assess the effectiveness of their activities. | Section 3 Responsible Investing Policy Development and Stewardship Implementation Section 7 Transparency, Disclosure and Reporting |
| PRINCIPLE 6: Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them. | Section 1 About AB Section 4 Responsible Investing: Integrating Material ESG Considerations Throughout the Investment Process Section 7 Transparency, Disclosure and Reporting |
| PRINCIPLE 7: Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfill their responsibilities. | Section 4 Responsible Investing: Integrating Material ESG Considerations Throughout the Investment Process Section 5 Engaging with Issuers Section 6 Exercising Voting Rights |
| PRINCIPLE 8: Signatories monitor and hold to account managers and/or service providers. | Section 3 Responsible Investing Policy Development and Stewardship Implementation Section 4 Responsible Investing: Integrating Material ESG Considerations Throughout the Investment Process |
| PRINCIPLE 9: Signatories engage with issuers to maintain or enhance the value of assets. | Section 5 Engaging with Issuers |

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| PRINCIPLE 10: Signatories, where necessary, participate in collaborative engagement to influence issuers. | Section 5 Engaging with Issuers; see “Collaborative Engagement” Section 8 AB: A Proactive Member of the Global Investment Community |
| PRINCIPLE 11: Signatories, where necessary, escalate stewardship activities to influence issuers. | Section 5 Engaging with Issuers; see “Approach to Escalating Issues” and “Policy Advocacy Engagement” Section 8 AB: A Proactive Member of the Global Investment Community |
| PRINCIPLE 12: Signatories actively exercise their voting rights and responsibilities. | Section 6 Exercising Voting Rights Section 7 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, 2024, on or by April 30, 2025.

A handwritten signature in black ink that reads "Seth Bernstein". The signature is written in a cursive, flowing style.

By Seth Bernstein

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

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