PUBLIC RI REPORT

2021 PILOT

AllianceBernstein

Generated 2022-08-18

About this report

The PRI Reporting Framework helps to build a common language and industry standard for reporting responsible investment activities. **Public RI Reports** provide accountability and transparency on signatories' responsible investment activities and support dialogue within signatories' organisations, as well as with their clients, beneficiaries and other stakeholders.

This **Public RI Report** is an export of the signatory's responses to the PRI Reporting Framework during the 2021 reporting period. It includes the signatory's responses to mandatory indicators, as well as responses to voluntary indicators that the signatory has agreed to make public.

The information is presented exactly as it was reported. Where an indicator offered a multiple-choice response, all options that were available to select from are included for context. While presenting the information verbatim results in lengthy reports, the approach is informed by signatory feedback that signatories prefer that the PRI does not summarise the information.

Context

In consultation with signatories, between 2018 and 2020 the PRI extensively reviewed the Reporting and Assessment processes and set the ambitious objective of launching in 2021 a completely new investor Reporting Framework, together with a new reporting tool.

We ran the new investor Reporting and Assessment process as a pilot in its first year, and such process included providing additional opportunities for signatories to provide feedback on the Reporting Framework, the online reporting tool and the resulting reports. The feedback from this pilot phase has been, and is continuing to be analysed, in order to identify any improvements that can be included in future reporting cycles.

PRI disclaimer

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Senior Leadership Statement (SLS)

Senior leadership statement

Our commitment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S1	CORE	N/A	N/A	PUBLIC	Our commitment	GENERAL

- **Why does your organisation engage in responsible investment?**
- **What is your organisation's overall approach to responsible investment?**
- **What are the main differences between your organisation's approach to responsible investment in its ESG practice and in other practices, across asset classes?**

> AB's mission is to deliver better investment outcomes to our clients through differentiated research insights and innovative portfolio solutions designed to address clients' specific challenges. As an active manager, our insights drive our ability to deliver alpha and design investment solutions. ESG and climate issues are key elements in forming insights and presenting potential risks and opportunities that can impact the performance of the companies and issuers we invest in and the portfolios we build. We take a three-pronged approach to corporate responsibility, responsible investment and ESG integration. First, we focus on being a responsible company. If we ask our portfolio companies and issuers to improve their practices, our own policies and processes need to reflect those aspirations. We continually evaluate our own corporate responsibility practices. Second, we integrate ESG and climate change factors across all actively managed strategies, because these issues can impact investment performance. The foundation of responsible investment and stewardship at AB is generating and integrating ESG and climate research insights into our investment and research processes and actively engaging on these issues. ESG integration is fundamental to our research process. Thinking broadly and deeply about ESG and climate issues, our analysts and investment teams can better identify and quantify risks and opportunities for specific issuers and help create better financial outcomes for our clients. Insights from our stewardship activities are also key to our research process and enable us to influence change. We engage with the companies and issuers in which we invest as well as those we don't currently hold. We also engage with industry bodies, policymakers, academics, regulators, governments and community stakeholder groups. While we develop deeper research insights from this process, we are also able to generate higher and more sustainable risk-adjusted investment returns for our clients. We also believe that, as stewards of our clients' assets, proxy voting is a fundamental responsibility. We vote all active and passive shareholdings and unit holdings in accordance with our proprietary, publicly available Proxy Voting and Governance Policy. Our fixed income team seeks to ensure that investors have protections despite not having the ability to vote or influence issuers through other means afforded to shareholders. We do this through our disciplined credit underwriting process and by conducting in-depth review of and engagement on legal documentation and bond covenants. Third, we've developed a suite of Portfolios with Purpose, which go beyond ESG and climate change integration and engagement to offer diverse solutions for investing with purpose. These solutions include impact strategies, sustainable investment strategies that align with the UN SDGs and goal-based strategies, such as our low-carbon funds.

Annual overview

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S2	CORE	N/A	N/A	PUBLIC	Annual overview	GENERAL

- **Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.**
- **Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. This might involve e.g. outlining your single most important achievement, or describing your general progress, on topics such as the following:**
    - **refinement of ESG analysis and incorporation**
    - **stewardship activities with investees and/or with policy makers**
    - **collaborative engagements**
    - **attainment of responsible investment certifications and/or awards**

> In 2020, we recognized the need to develop a new, more ambitious RI strategy, and restructured our Responsible Investing team accordingly, creating the role of Chief Responsibility Officer and appointing a new Global Head of Responsible Investing, with a combined 45 years of experience as analysts and portfolio managers. We also appointed a Head of Fixed Income Responsible Investing Strategy. We grew the team's capabilities and regional coverage to include a Director of Responsible Investing Strategy, a Director of Corporate Responsibility, a Responsible Investing Communications and Reporting Manager, an ESG Product Specialist, and additional ESG Research Associates and Analysts. We introduced new policies and processes, formalizing our Statement on Controversial Weapons, releasing a Climate Change/TCFD Statement, and issuing our first Global Slavery and Human Trafficking Statement. We further developed proprietary tools, including an ESG materiality map, an ESG research and engagement collaboration portal ESIGHT, our corporate credit ESG ratings platform PRISM, and a modern slavery risk assessment framework. We added additional data sets from MSCI, Sustainalytics, Bloomberg and human rights-related sources, and investment teams deepened their own ESG integration models and ESG ratings processes, and developed climate value-at-risk metrics.

> Our investors held over 12,500 engagements with companies throughout 2020, generating research insights leading to further integration of risks and opportunities, and also influencing change. We furthered our climate change collaboration with the Earth Institute at Columbia University by developing a climate-change curriculum focused on science, legal/regulatory/policy changes, solutions and financial modeling. Over 250 of our investors, executive committee and board of directors—including our CEO and Chairman of the Board—have taken the training program, and we are progressing on the analysis of climate risks within our holdings and in engaging on the need to develop and disclose TCFD-aligned climate risk strategies and decarbonization targets. We co-led two collaborative Climate Action 100+ engagements with Petrobras and Sasol. We also conducted our first broad-based ESG Engagement Campaign, targeting over 350 of our largest holdings on the issues of setting climate risk-related targets and including ESG metrics in executive compensation plans. Over 300 investors participated in modern slavery training, and we joined (as an observer) the Interfaith Center on Corporate Responsibility and KnowTheChain, to engage with apparel and footwear companies to address forced labor in their supply chains and labor risks related to COVID-19.

> We signed three human rights and modern slavery investor statements and became a member of Farm Animal Investment Risk and Return. We worked collaboratively though industry bodies on policy consultations for the development of sustainable taxonomies, product labels, and stewardship principles around the world. We also engaged directly with regulators in the US and South America. We launched four new Portfolios with Purpose investing in UN SDG and low-carbon themes, and raised an additional $2.4 billion in sustainable AUM. Managed Volatility Equities—Green was named Investment Week's Most Innovative ESG Launch, and Sustainable Global Thematic Equities won the Investing in Shared Value Award from the Shared Value Project. Sustainable Global Thematic Equities secured the French Label ISR certification and Sustainable Global Thematic Credit received the LuxFlag..

Next steps

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S3	CORE	N/A	N/A	PUBLIC	Next steps	GENERAL

What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

> We will:
> - Embark on Phase II of our climate change collaboration with the Earth Institute at Columbia University, which will involve in-depth climate research projects co-led by Columbia University scientists and AB portfolio managers and analysts.
>
> - Deepen our ESG integration capabilities. Our ESG and fundamental analysts will conduct joint research to develop or enhance proprietary frameworks and tools that improve investment decisions.
>
> - Extend our Portfolios with Purpose, building out purpose-driven investment solutions in all asset classes.
>
> - Increase our collaboration, collaborative engagement, shareholder and policy advocacy activity to accelerate and steer corporate and regulatory activity on sustainability.

Endorsement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S4	CORE	N/A	N/A	PUBLIC	Endorsement	GENERAL

The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment.

Name	Sharon Fay
Position	Chief Responsibility Officer
Organisation's name	AllianceBernstein

◉ This endorsement is for the Senior Leadership Statement only and is not an endorsement of the information reported by AllianceBernstein in the various modules of the Reporting Framework. The Senior Leadership Statement is simply provided as a general overview of AllianceBernstein's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such, and is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions.

Organisational Overview (OO)

Organisational information

Categorisation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	Signatory category	Multiple, see guidance	PUBLIC	Categorisation	GENERAL

Select the type that best describes your organisation or the services you provide.

(O) Fund management	(1) This is our only (or primary) type
(P) Fund of funds, manager of managers or sub-advised products	(2) This is an additional (secondary) type
(R) Wealth management	(2) This is an additional (secondary) type

Subsidiary information

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries that are also PRI signatories in their own right?

○ (A) Yes
◉ (B) No

Reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 3	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

Indicate the year-end date for your reporting year.

	Month	Day	Year
Reporting year end date:	December	31	2020

Assets under management

All asset classes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 4.1, OO 4.2	N/A	PUBLIC	All asset classes	GENERAL

What were your total assets under management (AUM) at the end of the indicated reporting year? Provide the amount in USD.

(A) AUM of your organisation, including subsidiaries	US$ 686,000,000,000.00
(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission	US$ 0.00
(C) AUM subject to execution, advisory, custody, or research advisory only	US$ 0.00

Asset breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total assets under management at the end of your indicated reporting year.

	Percentage of AUM
(A) Listed equity – internal	10-50%
(B) Listed equity – external	0.0%
(C) Fixed income – internal	10-50%

(D) Fixed income – external	0.0%
(E) Private equity – internal	0.0%
(F) Private equity – external	0.0%
(G) Real estate – internal	0.0%
(H) Real estate – external	0.0%
(I) Infrastructure – internal	0.0%
(J) Infrastructure – external	0.0%
(K) Hedge funds – internal	0-10%
(L) Hedge funds – external	0.0%
(M) Forestry – internal	0.0%
(N) Forestry – external	0.0%
(O) Farmland – internal	0.0%
(P) Farmland – external	0.0%
(Q) Other – internal, please specify:	
> Volatility Management, Money Market & Cash Product	0-10%
(R) Other – external, please specify:	
> Multi-asset Retirement Strategies (standard & custom)	0-10%
(S) Off-balance sheet – internal	0.0%
(T) Off-balance sheet – external	0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.1	CORE	OO 5	Multiple, see guidance	PUBLIC	Asset breakdown	GENERAL

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

	(9) Other
(A) Segregated mandate(s)	10-50%
(B) Pooled fund(s) or pooled investment(s)	>75%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2 LE	CORE	OO 5, OO 5.1	Multiple, see guidance	PUBLIC	Asset breakdown	GENERAL

Provide a further breakdown of your listed equity assets.

	(A) Internal allocation
(1) Passive equity	10-50%
(2) Active – quantitative	0.0%
(3) Active – fundamental	>75%
(4) Investment trusts (REITs and similar publicly quoted vehicles)	0-10%
(5) Other, please specify:	0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2 FI	CORE	OO 5, OO 5.1	Multiple, see guidance	PUBLIC	Asset breakdown	GENERAL

Provide a further breakdown of your fixed income assets.

	(A) Internal allocation
(1) Passive – SSA	0-10%
(2) Passive – corporate	0.0%
(3) Passive – securitised	0.0%
(4) Active – SSA	10-50%
(5) Active – corporate	10-50%
(6) Active – securitised	10-50%
(7) Private debt	0-10%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2 HF	CORE	OO 5, OO 5.1	OO 9 HF, OO 10	PUBLIC	Asset breakdown	GENERAL

Provide a further breakdown of your hedge fund assets.

	(A) Internal allocation
(1) Multi strategy	10-50%
(2) Long/short equity	10-50%
(3) Long/short credit	0.0%

(4) Distressed, special situations and event-driven fundamental	0-10%
(5) Structured credit	10-50%
(6) Global macro	0.0%
(7) Commodity trading advisor	0.0%
(8) Other, please specify:	10-50%

ESG strategies

Listed equity

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6 LE	CORE	OO 5.2 LE	OO 6.1 LE, LE 13	PUBLIC	Listed equity	1

Which ESG incorporation strategy and/or combination of strategies do you apply to your internally managed active listed equity?

	Percentage out of total internally managed active listed equity:
(A) Screening alone	0.0%
(B) Thematic alone	0.0%
(C) Integration alone	50-75%
(D) Screening and integration	25-50%
(E) Thematic and integration	0.0%
(F) Screening and thematic	0.0%
(G) All three strategies combined	0-25%
(H) None	0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6.1 LE	CORE	OO 6 LE	LE 8	PUBLIC	Listed equity	1

What type of screening is applied to your internally managed active listed equity assets?

	Percentage coverage out of your total listed equities where screening strategy is applied
(A) Positive/best-in-class screening only	0.0%
(B) Negative screening only	>75%
(C) A combination of positive/best-in-class and negative screening	0-25%

Fixed income

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6 FI	CORE	OO 5.2 FI	Multiple, see guidance	PUBLIC	Fixed income	1

Which ESG incorporation strategy and/or combination of strategies do you apply to your internally managed active fixed income?

	(1) Fixed income – SSA	**(2) Fixed income – corporate**	**(3) Fixed income – securitised**
(A) Screening alone	0.0%	0.0%	0.0%
(B) Thematic alone	0.0%	0.0%	0.0%
(C) Integration alone	50-75%	0-25%	50-75%
(D) Screening and integration	25-50%	>75%	50-75%
(E) Thematic and integration	0.0%	0.0%	0.0%

(F) Screening and thematic	0.0%	0.0%	0.0%
(G) All three strategies combined	0-25%	0.0%	0.0%
(H) None	0.0%	0.0%	0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6.1 FI	CORE	OO 6 FI	N/A	PUBLIC	Fixed income	1

What type of screening is applied to your internally managed active fixed income?

	(1) Fixed income – SSA	**(2) Fixed income – corporate**	**(3) Fixed income – securitised**
(A) Positive/best-in-class screening only	0.0%	0.0%	0.0%
(B) Negative screening only	0.0%	0.0%	0.0%
(C) A combination of positive/best-in-class and negative screening	>75%	>75%	>75%

Hedge funds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6 HF	CORE	OO 5	HF 10	PUBLIC	Hedge funds	1

Do you conduct negative screening on your hedge fund assets?

◉ **(A) Yes**
○ (B) No

Externally managed assets

Captive relationships

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	OO 5	Multiple, see guidance	PUBLIC	Captive relationships	GENERAL

Does your organisation have a captive relationship with some or all of its external investment managers?

○ (A) Yes
◉ (B) No

Investment consultants

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	OO 5	SAM 1	PUBLIC	Investment consultants	GENERAL

Does your organisation engage investment consultants in the selection, appointment or monitoring of your external investment managers?

○ (A) Yes
◉ (B) No

Stewardship

Listed equity

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 LE	CORE	OO 5, OO 5.2 LE	Multiple, see guidance	PUBLIC	Listed equity	2

Does your organisation conduct stewardship activities for your listed equity assets?

	(1) Engagement on listed equity – active	(2) Engagement on listed equity – passive	(3) (Proxy) voting on listed equity – active	(4) (Proxy) voting on listed equity – passive
(A) Through service providers	☐	☐	☐	☐
(C) Through internal staff	☑	☑	☑	☑
(D) Collaboratively	☑	☑	☐	☐
(E) We did not conduct this stewardship activity	☐	☐	☐	☐

Fixed income

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 FI	CORE	OO 5, OO 5.2 FI	Multiple, see guidance	PUBLIC	Fixed income	2

Does your organisation conduct stewardship activities for your fixed income assets?

	(1) Passive – SSA	(4) Active – SSA	(5) Active – corporate	(6) Active – securitised	(7) Private debt
(A) Through service providers	☐	☐	☐	☐	☐

(C) Through internal staff	☑	☑	☑	☑	☑
(D) Collaboratively	☑	☑	☑	☐	☐
(E) We did not conduct this stewardship activity for this strategy/asset type	☐	☐	☐	☐	☐

Hedge funds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 HF	CORE	OO 5, OO 5.2 HF	Multiple, see guidance	PUBLIC	Hedge funds	2

Does your organisation conduct stewardship activities for your hedge fund assets?

	(1) Engagement	(2) (Proxy) voting
(A) Through service providers	☐	☐
(C) Through internal staff	☑	☑
(D) Collaboratively	☐	☐
(E) We did not conduct this stewardship activity	☐	☐

ESG incorporation

Internally managed assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 10	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Internally managed assets	1

For each internally managed asset class, select whether or not you incorporate ESG into your investment decisions.

	(1) ESG incorporated into investment decisions	(2) ESG not incorporated into investment decisions
(A) Listed equity – passive	◉	○
(C) Listed equity – active – fundamental	◉	○
(D) Listed equity – investment trusts (REITs and similar publicly quoted vehicles)	◉	○
(F) Fixed income – SSA	◉	○
(G) Fixed income – corporate	◉	○
(H) Fixed income – securitised	◉	○
(I) Fixed income – private debt	◉	○
(M) Hedge funds - Multi strategy	◉	○
(N) Hedge funds - Long/short equity	◉	○
(P) Hedge funds - Distressed, special situations and event driven fundamental	◉	○

(Q) Hedge funds - Structured credit	◉	○
(T) Hedge funds - Other	◉	○
(W) Other [as specified]	○	◉

External manager selection

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	External manager selection	1

For each externally managed asset class, select whether or not you incorporate ESG into external manager selection. Your response should refer to the selection of the external managers who managed the relevant asset classes during the reporting year, regardless of when such selection took place.

	(1) ESG incorporated into external manager selection	(2) ESG not incorporated into external manager selection
(K) Other [as specified]	◉	○

External manager appointment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 12	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	External manager appointment	1

For each externally managed asset class, select whether or not you incorporate ESG into external manager appointment. Your response should refer to the appointment of the external managers who managed the relevant asset classes during the reporting year, regardless of when their appointment took place.

	(1) ESG incorporated into external manager appointment	(2) ESG not incorporated into external manager appointment
(K) Other [as specified]	◉	○

External manager monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 13	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	External manager monitoring	1

For each externally managed asset class, select whether or not you incorporated ESG into external manager monitoring during the reporting year.

	(1) ESG incorporated into external manager monitoring	(2) ESG not incorporated into external manager monitoring
(K) Other [as specified]	◉	○

Voluntary reporting

Voluntary modules

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 14	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Voluntary modules	GENERAL

The following modules are voluntary to report on in the separate PRI asset class modules as they account for less than 10% of your total AUM and are under USD 10 billion. Please select if you wish to voluntarily report on the module.

	(1) Yes, report on the module	(2) No, opt out of reporting on the module
(I) Hedge funds	○	◉

The following modules are mandatory to report on as they account for 10% or more of your total AUM or are over USD 10 billion. The ISP (Investment and Stewardship Policy) module is always applicable for reporting.

	(1) Yes, report on the module
ISP: Investment and Stewardship Policy	◉
(A) Listed equity	◉
(B) Fixed income – SSA	◉
(C) Fixed income – corporate	◉
(D) Fixed income – securitised	◉
(E) Fixed income – private debt	◉

ESG/sustainability funds and products

Labelling and marketing

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Labelling and marketing	GENERAL

What percentage of your assets under management in each asset class are ESG/sustainability marketed funds or products, and/or ESG/RI certified or labelled assets? Percentage figures can be rounded to the nearest 5% and should combine internally and externally managed assets.

	Percentage
(A) Listed equity – passive	0.0%
(B) Listed equity – active	0-25%
(C) Fixed income – passive	0.0%
(D) Fixed income – active	0-25%

(H) Hedge funds	0.0%
(K) Other	0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16.1	CORE	OO 16	ISP 52	PUBLIC	Labelling and marketing	GENERAL

What percentage of your total assets (per asset class) carry a formal ESG/RI certification or label? Percentage figures can be rounded to the nearest 5%.

	Coverage of ESG/RI certification or label:
(A) Listed equity	0-25%
(B) Fixed income	0-25%

Climate investments

Asset breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17	CORE	N/A	N/A	PUBLIC	Asset breakdown	GENERAL

What percentage of your assets under management is in targeted low-carbon or climate-resilient investments?

> 0-25%

Other asset breakdowns

Geographical breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

What is the geographical breakdown of your organisation's assets under management by investment destination (i.e. where the investments are located)?

	(1) Listed equity	(2) Fixed income – SSA	(3) Fixed income – corporate	(4) Fixed income – securitised	(5) Fixed income – private debt	(9) Hedge funds
(A) Developed	>75%	>75%	>75%	>75%	>75%	>75%
(B) Emerging	0-25%	0-25%	0-25%	0.0%	0.0%	0.0%
(C) Frontier	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
(D) Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Management by PRI signatories

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 19	CORE	OO 5	N/A	PUBLIC	Management by PRI signatories	GENERAL

What approximate percentage (+/-5%) of your externally managed assets are managed by PRI signatories?

> 0-25%

Fixed income constraints

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 20	CORE	OO 5.2 FI	OO 20.1	PUBLIC	Fixed income constraints	GENERAL

What percentage of your fixed income assets are subject to constraints? The constraints may be regulatory requirements, credit quality restrictions, currency constraints or similar.

	Internal and external fixed income assets subject to constraints
(A) Fixed income – SSA	>75%
(B) Fixed income – corporate	>75%
(C) Fixed income – securitised	>75%
(D) Fixed income – private debt	>75%

Context and explanation

ESG in other asset classes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 34	CORE	Multiple, see guidance	N/A	PUBLIC	ESG in other asset classes	1

Describe how you incorporate ESG into the following asset classes.

	Description

(F) Other – external	We actively consider ESG issues within our multi-asset portfolio construction. When asset allocations are implemented passively, our ability to address these issues directly is limited, though we sometimes seek to overcome this through the use of custom benchmark indices or systematic ESG tilts/screening. Where these allocations are implemented actively, we integrate ESG considerations into the research process and engage with target companies. Across all securities held by AB, we also make use of firm-level active ownership to add value through proxy voting. Where clients invest in customized solutions or segregated mandates, we seek to align the ESG investment policies with those of the client.

ESG not incorporated

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 35	CORE	Multiple, see guidance	N/A	PUBLIC	ESG not incorporated	1, 2

Describe why you currently do not incorporate ESG into your assets and/or why you currently do not conduct stewardship.

	Description
(M) Internally managed: Other	The "Other - internal" category comprises our AUM in volatility management products, money market funds and cash. Given the nature of these assets, ESG incorporation in investment decisions is not applicable.

Investment and Stewardship Policy (ISP)

Responsible investment policy & governance

Responsible investment policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1	CORE	N/A	ISP 1.1, ISP 1.2	PUBLIC	Responsible investment policy	1

Does your organisation have a formal policy or policies covering your approach to responsible investment? Your approach to responsible investment may be set out in a standalone guideline, covered in multiple standalone guidelines or be part of a broader investment policy. Your policy may cover various responsible investment elements such as stewardship, ESG guidelines, sustainability outcomes, specific climate-related guidelines, RI governance and similar.

◉ (A) Yes, we do have a policy covering our approach to responsible investment
○ (B) No, we do not have a policy covering our approach to responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1.1	CORE	ISP 1	Multiple, see guidance	PUBLIC	Responsible investment policy	1

What elements does your responsible investment policy cover? The responsible investment elements may be set out in one or multiple standalone guidelines, or they may be part of a broader investment policy.

☑ (A) Overall approach to responsible investment
☑ (B) Guidelines on environmental factors
☑ (C) Guidelines on social factors
☑ (D) Guidelines on governance factors
☑ (E) Approach to stewardship
☑ (F) Approach to sustainability outcomes
☑ (G) Approach to exclusions
☑ (H) Asset class-specific guidelines that describe how ESG incorporation is implemented
☑ (I) Definition of responsible investment and how it relates to our fiduciary duty
☑ (J) Definition of responsible investment and how it relates to our investment objectives
☑ (K) Responsible investment governance structure

☑ (L) Internal reporting and verification related to responsible investment
☑ (M) External reporting related to responsible investment
☑ (N) Managing conflicts of interest related to responsible investment
☑ (O) Other responsible investment aspects not listed here, please specify:

> Approach to policy advocacy, role in collaborative initiatives, memberships and partnerships, approach to engagement by sector, approach to climate change and its associated risks, approach to modern slavery and its associated risks, integration of ESG metrics into remuneration and KPIs, consideration of ESG factors in securities lending, and how we manage conflicts of interest related to ESG, engagement and proxy voting matters.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1.2	PLUS	ISP 1	N/A	PUBLIC	Responsible investment policy	1

What mechanisms do you have in place to ensure that your policies are implemented in an aligned and consistent way across the organisation?

> To reflect our commitment to responsibility at all levels of our organization, we've created a robust structure to oversee our Corporate Responsibility, Responsible Investing and Stewardship activities. AB's Board of Directors and CEO established the position of Chief Responsibility Officer (CRO) in 2020. This position has direct supervisory control over AB's corporate responsibility and responsible investing efforts. The CRO is also a member of AB's Operating Committee. At AB, many of our investment professionals have a hand in crafting, overseeing and executing our responsible investing strategy, including engagement and proxy voting. • The Audit and Risk Committee of our Board of Directors provides formal oversight for responsibility and responsible investing. • The Responsibility Steering Committee, co-chaired by our CRO and Global Head of Responsible Investing, develops strategy and oversees execution. This committee is composed of senior professionals from across AB. • Our Responsible Investing team of subject-matter experts partners with investors as they develop ESG and climate research insights and engage with issuers. In conjunction with our various ESG and climate working groups, the Responsible Investing team also develops proprietary frameworks and toolsets, manages our strategic ESG and climate partnerships, develops training programs, and executes our proxy votes. • Our Corporate Responsibility team develops our firm's approach to responsibility. The team is responsible for designing and delivering our purpose and values, diversity and inclusion (D&I), sustainability, and corporate philanthropy activities. • Our investors—analysts and portfolio managers—are at the heart of our responsible investing process.

> They engage with issuers, analyze and quantify ESG factors and climate risks, and ultimately incorporate this information in their investment decisions. Some investment teams have a dedicated ESG analyst and also collaborate with the Responsible Investing team. To support the Responsibility Steering Committee, AB has six additional committees crucial to the oversight and implementation of our corporate responsibility, responsible investing and stewardship activities. • Proxy Voting and Governance Committee. This committee includes senior representatives from our equity investment teams, Responsible Investing team, operations, and legal and compliance department. The members establish our Proxy Voting and Governance Policy, oversee proxy voting activities and provide formal oversight of the proxy voting process. They also ensure that our proxy policies and procedures capture our latest thinking, formulate AB's position on new proposals, and consult on votes not covered by our policy. • Controversial Investments Advisory Council. This council consists of senior representatives from across AB and is co-chaired by our CEO and CRO. The council provides a forum for discussion and debate on issues such as controversial weapons, tobacco, private prisons, fossil fuels and international norms. The council discussion both informs specific investment decisions and helps to establish AB policy in these areas. • Asia-Pacific (APAC) Responsible Investing Sub-Committee. This regionally based sub-committee is co-chaired by the Head of Asia Business Development—Equities and a director from the Responsible Investing team.

> It comprises representatives from our investment, sales, client service, risk and compliance teams in the APAC region. This sub-committee ensures that the strategy and policy set by the Responsibility Steering Committee is implemented within the region, and acts as a channel between the Responsibility Steering Committee and our APAC Client Group. • ESG Equity and Fixed Income Committees. These committees include portfolio managers, research analysts and ESG analysts from our active equity and fixed income investment teams. They discuss proprietary investment research conducted by the firm and its integration into our investment processes. The aim is to continuously improve our ESG data and infrastructure as well as our ESG and climate insights. • Diversity Champions Council (DCC). The mission of the DCC is to ensure that D&I remain at the center of AB's culture, policies and practices. The members of the DCC champion and role model D&I by increasing accountability within the strategic business units (SBUs) for hiring, promoting and retaining diverse talent. DCC members help to monitor and review SBU-specific D&I goals and share best practices across the firm. • Operational Risk Operating Committee. This committee oversees AB's climate risks and regularly verifies or provides internal assurance on various reports and practices..

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 2	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	6

Indicate which of your responsible investment policy elements are publicly available and provide links.

☑ **(A) Overall approach to responsible investment. Add link(s):**
https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/2020-Responsible-Investing-Report.pdf
https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/ABGlobalStewardship.pdf
https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/ab-global-stewardship-2020-report.pdf

☑ **(B) Guidelines on environmental factors. Add link(s):**
https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/ABGlobalStewardship.pdf

☑ **(C) Guidelines on social factors. Add link(s):**
https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/ABGlobalStewardship.pdf

☑ **(D) Guidelines on governance factors. Add link(s):**
https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/AB-Proxy-Voting-and-Governance-Policy.pdf

☑ **(E) Approach to stewardship. Add link(s):**
https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/ABGlobalStewardship.pdf

☐ (F) Approach to sustainability outcomes. Add link(s):

☑ **(G) Approach to exclusions. Add link(s):**
https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/ABGlobalStewardship.pdf
https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/Statement_on_Controversial_Weapons.pdf

☑ **(H) Asset class-specific guidelines that describe how ESG incorporation is implemented. Add link(s):**
https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/ABGlobalStewardship.pdf

☑ **(I) Definition of responsible investment and how it relates to our fiduciary duty. Add link(s):**
https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/ABGlobalStewardship.pdf

☑ **(J) Definition of responsible investment and how it relates to our investment objectives. Add link(s):**

https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/ABGlobalStewardship.pdf

☑ **(K) Responsible investment governance structure. Add link(s):**

https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/ABGlobalStewardship.pdf

☑ **(L) Internal reporting and verification related to responsible investment. Add link(s):**

https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/ABGlobalStewardship.pdf

☑ **(M) External reporting related to responsible investment. Add link(s):**

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https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/ABGlobalStewardship.pdf
http://vds.issproxy.com/SearchPage.php?CustomerID=447 https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/2020-Responsible-Investing-Report.pd https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/ab-global-stewardship-2020-report.pdf https://www.alliancebernstein.com/content/dam/global/insights/insights-whitepapers/RR-WHY-EU-0321_FINAL.pdf https://www.alliancebernstein.com/content/dam/alliancebernstein/literature/abii/fund-specific/engagement-report/en/american-growth-esg-engagement-report.pdf
https://www.alliancebernstein.com/content/dam/alliancebernstein/literature/abii/fund-specific/engagement-report/en/china-a-shares-equity-esg-engagement-report.pdf https://www.alliancebernstein.com/content/dam/global/insights/insights-whitepapers/RR-WHY-EU-0321_FINAL.pdf https://www.alliancebernstein.com/content/dam/alliancebernstein/literature/abii/fund-specific/engagement-report/en/concentrated-global-equity-esg-engagement-report.pdf
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https://www.alliancebernstein.com/content/dam/alliancebernstein/literature/abii/fund-specific/engagement-report/en/international-health-care-esg-engagement-report.pdf https://www.alliancebernstein.com/content/dam/alliancebernstein/literature/abii/fund-specific/engagement-report/en/international-technology-esg-engagement-report.pdf
https://www.alliancebernstein.com/content/dam/alliancebernstein/literature/abii/fund-specific/engagement-report/en/low-volatility-esg-engagement-report.pdf https://www.alliancebernstein.com/content/dam/alliancebernstein/literature/abii/fund-specific/engagement-report/en/sustainable-global-thematic-esg-engagement-report.pdf
https://www.alliancebernstein.com/content/dam/alliancebernstein/literature/abii/fund-specific/engagement-report/en/sustainable-us-thematic-esg-engagement-report.pdf.

☑ **(N) Managing conflicts of interest related to responsible investment. Add link(s):**

https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/ABGlobalStewardship.pdf

☑ **(O) Other responsible investment aspects [as specified] Add link(s):**

https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/ab-global-stewardship-2020-report.pdf
https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/Code%20of%20Ethics%202021%20January.pdf

☐ (P) Our responsible investment policy elements are not publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 3	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	1

What percentage of your total assets under management are covered by your policy elements on overall approach to responsible investment and/or guidelines on environmental, social and governance factors?

○ (A) Overall approach to responsible investment
○ (B) Guidelines on environmental factors
○ (C) Guidelines on social factors
○ (D) Guidelines on governance factors

AUM coverage of all policy elements in total:

> >75%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 4	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	1

Which elements does your exclusion policy include?

☑ (A) Legally required exclusions (e.g. those required by domestic/international law, bans, treaties or embargoes)
☑ (B) Exclusions based on our organisation's values or beliefs (e.g. regarding weapons, alcohol, tobacco and/or avoiding other particular sectors, products, services or regions)
☑ (C) Exclusions based on screening against minimum standards of business practice based on international norms (e.g. OECD guidelines, the UN Human Rights Declaration, Security Council sanctions or the UN Global Compact)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 5	CORE	Multiple, see guidance	N/A	PUBLIC	Responsible investment policy	1

What percentage of your total assets under management are covered by your asset class–specific guidelines that describe how ESG incorporation is implemented?

	AUM Coverage:
(A) Listed Equity	>75%
(B) Fixed Income	>75%
(F) Hedge Funds	0.0%

Governance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 6	CORE	N/A	ISP 8	PUBLIC	Governance	1

Do your organisation's board, chief-level staff, investment committee and/or head of department have formal oversight and accountability for responsible investment?

☑ **(A) Board and/or trustees**
☑ **(B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))**
☐ (C) Investment committee
☑ **(D) Other chief-level staff, please specify:**
Chief Responsibility Officer

☑ **(E) Head of department, please specify department:**
Global Head of Responsible Investing

☐ (F) None of the above roles have oversight and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 7	CORE	N/A	ISP 8	PUBLIC	Governance	1

In your organisation, which internal or external roles have responsibility for implementing responsible investment?

☑ (A) Board and/or trustees
☑ (B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))
☐ (C) Investment committee
☑ (D) Other chief-level staff [as specified]
☑ (E) Head of department [as specified]
☑ (F) Portfolio managers
☑ (G) Investment analysts
☑ (H) Dedicated responsible investment staff
☐ (I) Investor relations
☐ (J) External managers or service providers
☐ (K) Other role, please specify:
☐ (L) Other role, please specify:
☐ (M) We do not have roles with responsibility for implementing responsible investment.

People and capabilities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8	CORE	ISP 6, ISP 7	ISP 8.1, ISP 8.2	PUBLIC	People and capabilities	General

What formal objectives for responsible investment do the roles in your organisation have?

	(1) Board and/or trustees	(2) Chief-level staff	(4) Other chief-level staff [as specified]	(5) Head of department [as specified]
(A) Objective for ESG incorporation in investment activities	☐	☐	☑	☑
(B) Objective for contributing to the development of the organisation's ESG incorporation approach	☐	☐	☑	☑

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	☐	☐	☑	☑
(D) Objective for ESG performance	☐	☐	☐	☑
(E) Other objective related to responsible investment [as specified]	☑	☑	☐	☐
(F) Other objective related to responsible investment [as specified]	☐	☐	☑	☑
(G) No formal objectives for responsible investment exist for this role	☐	☐	☐	☐

	(6) Portfolio managers	(7) Investment analysts	(8) Dedicated responsible investment staff
(A) Objective for ESG incorporation in investment activities	☑	☑	☑
(B) Objective for contributing to the development of the organisation's ESG incorporation approach	☑	☑	☑
(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	☑	☑	☑
(D) Objective for ESG performance	☑	☑	☑
(E) Other objective related to responsible investment [as specified]	☐	☐	☑

(F) Other objective related to responsible investment [as specified]	☑	☐	☑
(G) No formal objectives for responsible investment exist for this role	☐	☐	☐

Please specify for "(E) Other objective related to responsible investment".

> In process of establishing responsibility metrics for the operating committee and board

Please specify for "(F) Other objective related to responsible investment".

> Development of Portfolios with Purpose

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8.1	PLUS	ISP 8	N/A	PUBLIC	People and capabilities	General

Describe the key responsible investment performance indicators (KPIs) or benchmarks that your organisation uses to compare and assess the performance of your professionals in relation to their responsible investment objectives.

> Compensation for our investment professionals is designed to align with our mission and values—generating investment outcomes while promoting responsibility and stewardship. Total compensation for our investment professionals is determined by quantitative and qualitative factors. The most significant quantitative component focuses on measures of absolute and relative investment performance in client portfolios for Portfolio Managers and on contribution to that performance for Research Analysts. The qualitative portion is determined by goals at the beginning of the year, with measurement and feedback on how those goals are being achieve provided at regular intervals. Every Portfolio Manager and Analyst has goals that promote the integration of ESG and sustainability in their investment process. The exact goals will vary depending on the individual's role and responsibilities. Typical goals for Portfolio Managers include discussion of ESG or sustainability risks and opportunities at research reviews and integration of these factors in portfolio decision- making. Analysts' goals typically focus on providing assessments of ESG and sustainability factors in their research and recommendations, engaging with issuers for both insight and action on ESG and sustainability topics, and documenting these engagements on our ESIGHT platform.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8.2	CORE	ISP 8	N/A	PUBLIC	People and capabilities	General

Which responsible investment objectives are linked to variable compensation for roles in your organisation?

	RI objectives linked to variable compensation for roles in your organisation:
(1) Board and/or trustees	
(E) Other objective related to responsible investment (as specified in ISP 8 option E)	☐
(2) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))	
(E) Other objective related to responsible investment (as specified in ISP 8 option E)	☑
(4) Other chief-level staff	
(A) Objective for ESG incorporation in investment activities	☑
(B) Objective for contributing to the development of the organisation's ESG incorporation approach	☑
(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	☑
(F) Other objective related to responsible investment (as specified in ISP 8 option F)	☑

(5) Head of department

(A) Objective for ESG incorporation in investment activities	☑
(B) Objective for contributing to the development of the organisation's ESG incorporation approach	☑
(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	☑
(D) Objective for ESG performance	☑
(F) Other objective related to responsible investment (as specified in ISP 8 option F)	☑

(6) Portfolio managers

(A) Objective on ESG incorporation in investment activities	☑
(B) Objective for contributing to the development of the organisation's ESG incorporation approach	☑
(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	☑
(D) Objective for ESG performance	☑
(F) Other objective related to responsible investment (as specified in ISP 8 option F)	☑

(7) Investment analysts

(A) Objective for ESG incorporation in investment activities	☑
(B) Objective for contributing to the development of the organisation's ESG incorporation approach	☑
(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	☑
(D) Objective for ESG performance	☑

(8) Dedicated responsible investment staff

(A) Objective for ESG incorporation in investment activities	☑
(B) Objective for contributing to the development of the organisation's ESG incorporation approach	☑
(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	☑
(D) Objective for ESG performance	☑
(E) Other objective related to responsible investment (as specified in ISP 8 option E)	☑
(F) Other objective related to responsible investment (as specified in ISP 8 option F)	☑
(G) We have not linked any RI objectives to variable compensation	☐

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 9	CORE	N/A	N/A	PUBLIC	People and capabilities	General

How frequently does your organisation assess the responsible investment capabilities and training needs among your investment professionals?

◉ (A) Quarterly or more frequently
○ (B) Bi-annually
○ (C) Annually
○ (D) Less frequently than annually
○ (E) On an ad hoc basis
○ (F) We do not have a process for assessing the responsible investment capabilities and training needs among our investment professionals

Strategic asset allocation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 10	CORE	N/A	ISP 10.1	PUBLIC	Strategic asset allocation	1

Does your organisation incorporate ESG factors into your strategic asset allocation?

☑ (A) We incorporate ESG factors into calculations for expected risks and returns of asset classes
☑ (B) We specifically incorporate physical, transition and regulatory changes related to climate change into calculations for expected risks and returns of asset classes
☐ (C) No, we do not incorporate ESG considerations into our strategic asset allocation
☐ (D) Not applicable, we do not have a strategic asset allocation process

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 10.1	CORE	ISP 10	N/A	PUBLIC	Strategic asset allocation	1

For what proportion of assets do you incorporate ESG factors into your strategic asset allocation process?

(A) We incorporate ESG factors into calculations for expected risks and returns of asset classes	(2) for the majority of our assets
(B) We specifically incorporate physical, transition and regulatory changes related to climate change into calculations for expected risks and returns of asset classes	(2) for the majority of our assets

Stewardship

Stewardship policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 11	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship policy	2

What percentage of your assets under management does your stewardship policy cover?

(A) Listed equity	>75%
(B) Fixed income	>75%
(F) Hedge funds	>75%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 12	CORE	ISP 1.1	ISP 12.1	PUBLIC	Stewardship policy	2

Which elements does your organisation's stewardship policy cover? The policy may be a standalone guideline or part of a wider RI policy.

☑ (A) Key stewardship objectives
☑ (B) Prioritisation approach of ESG factors and their link to engagement issues and targets
☑ (C) Prioritisation approach depending on entity (e.g. company or government)
☑ (D) Specific approach to climate-related risks and opportunities
☑ (E) Stewardship tool usage across the organisation, including which, if any, tools are out of scope and when and how different tools are used and by whom (e.g. specialist teams, investment teams, service providers, external investment managers or similar)
☑ (F) Stewardship tool usage for specific internal teams (e.g. specialist teams, investment teams or similar)
☐ (G) Stewardship tool usage for specific external teams (e.g. service providers, external investment managers or similar)
☑ (H) Approach to collaboration on stewardship
☑ (I) Escalation strategies
☑ (J) Conflicts of interest
☑ (K) Details on how the stewardship policy is implemented and which elements are mandatory, including how and when the policy can be overruled
☑ (L) How stewardship efforts and results should be communicated across the organisation to feed into investment decision-making and vice versa
☐ (M) None of the above elements are captured in our stewardship policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 12.1	PLUS	ISP 12	N/A	PUBLIC	Stewardship policy	2

Describe any additional details related to your stewardship policy elements or your overall stewardship approach.

> In 2020, we redeveloped our RI Policy, Engagement Policy, and responses to various global stewardship principles into a Stewardship Statement because we recognize the importance of the relationship and connectivity between our RI strategy, our governance processes and our RI approach. We strive to be a responsible business to effectively influence change in the organizations we invest in and engage with, so our stewardship policy also includes the following best practices by various global stewardship codes and principles including those issued by the ICGN, Japan and the UK FRC: - AB's Mission and Responsibility: our investment, RI and stewardship philosophy - AB's Governance, Responsibility and Stewardship Structure: our role as a fiduciary, corporate governance and oversight structure, team resourcing - Responsibility, Responsible Investing, Stewardship Policy Development and Implementation: our focus on our clients, the oversight and development process of our responsibility related policies - Responsible Investing: Integrating ESG and Climate Considerations Throughout the Investment Process: reflecting client needs, ESG integration process, our approach to exclusions and screening - Engaging with Issuers: our engagement philosophy, why/how we engage, who we engage with, the types of engagement we conduct, focus areas and prioritization process, documentation process, escalation process and conflicts management approach - Exercising voting rights: our voting and governance philosophy - Transparency, Disclosure and Reporting: where clients can access our various policies, reports and statements, the breadth of our firmwide, fund-specific and client-directed reporting and disclosure - AB a Proactive Member of the Global Investment Community: membership, participation and activity in RI, Stewardship, Governance and Climate Change- related organizations

Stewardship policy implementation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 13	CORE	ISP 1.1	N/A	PUBLIC	Stewardship policy implementation	2

How is your stewardship policy primarily applied?

○ (A) It requires our organisation to take certain actions
◉ (B) It describes default actions that can be overridden (e.g. by investment teams for certain portfolios)
○ (C) It creates permission for taking certain measures that are otherwise exceptional
○ (D) We have not developed a uniform approach to applying our stewardship policy

Stewardship objectives

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 15	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship objectives	2

For the majority of assets within each asset class, which of the following best describes your primary stewardship objective?

	(1) Listed equity	(2) Fixed income	(6) Hedge funds
(A) Maximise the risk–return profile of individual investments	○	○	○
(B) Maximise overall returns across the portfolio	○	○	○
(C) Maximise overall value to beneficiaries/clients	◉	◉	◉
(D) Contribute to shaping specific sustainability outcomes (i.e. deliver impact)	○	○	○

Stewardship prioritisation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 16	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship prioritisation	2

What key criteria does your organisation use to prioritise your engagement targets? For asset classes such as real estate, private equity and infrastructure, you may consider this as key criteria to prioritise actions taken on ESG factors for assets, portfolio companies and/or properties in your portfolio. Select up to 3 options per asset class from the list.

	(1) Listed equity	(2) Fixed income	(6) Hedge funds
(A) The size of our holdings in the entity or the size of the asset, portfolio company and/or property	☑	☑	☑
(B) The materiality of ESG factors on financial and/or operational performance	☑	☑	☑
(C) Specific ESG factors with systemic influence (e.g. climate or human rights)	☑	☑	☑
(D) The ESG rating of the entity	☐	☐	☐
(E) The adequacy of public disclosure on ESG factors/performance	☐	☐	☐
(F) Specific ESG factors based on input from clients	☐	☐	☐
(G) Specific ESG factors based on input from beneficiaries	☐	☐	☐
(H) Other criteria to prioritise engagement targets, please specify:	☑	☑	☐

(I) We do not prioritise our engagement targets	☐	☐	☐

Please specify for "(H) Other criteria to prioritise engagement targets".

> Opportunities provided through collaborative initiatives

Stewardship methods

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 17	PLUS	Multiple, see guidance	N/A	PUBLIC	Stewardship methods	2

Please rank the methods that are most important for your organisation in achieving its stewardship objectives. Ranking options: 1 = most important, 5 = least important.

(A) Internal resources (e.g. stewardship team, investment team, ESG team or staff)	1
(B) External investment managers, third-party operators and/or external property managers (if applicable)	We do not use this method
(C) External paid services or initiatives other than investment managers, third-party operators and/or external property managers (paid beyond a membership fee)	4
(D) Informal or unstructured collaborations with peers	3
(E) Formal collaborative engagements (e.g. PRI-coordinated collaborative engagements, Climate Action 100+, the Initiative Climat International (iCI) or similar)	2

Collaborative stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 18	CORE	Multiple, see guidance	ISP 18.1	PUBLIC	Collaborative stewardship	2

Which of the following best describes your organisation's default position, or the position of the service providers/external managers acting on your behalf, with regards to collaborative stewardship efforts such as collaborative engagements?

◉ (A) We recognise that stewardship suffers from a collective action problem, and, as a result, we actively prefer collaborative efforts
○ (B) We collaborate when our individual stewardship efforts have been unsuccessful or are likely to be unsuccessful, i.e. as an escalation tool
○ (C) We collaborate in situations where doing so would minimise resource cost to our organisation
○ (D) We do not have a default position but collaborate on a case-by-case basis
○ (E) We generally do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 18.1	PLUS	ISP 18	N/A	PUBLIC	Collaborative stewardship	2

Describe your position on collaborating for stewardship.

> While AB has robust practices and policies to conduct our own stewardship activities, we need to stay current on best practices, evolving principles, frameworks and regulatory developments. We can also influence these areas by advocating for progress with issuers, regulators and others. We view offering opinions, advice and comments to regulators, advocacy organizations and industry bodies as a critical part of our role as part of our stewardship program.
>
> In addition to the PRI, we have joined a number of other organizations focused on RI, and chair, lead, participate in or guide working groups and collaborative activities. These include organizations aimed at establishing RI principles, setting corporate governance and stewardship best practices, encouraging enhanced integration and disclosure, and providing data, information, tools and support that enable the aforementioned activities. Our memberships and partnerships include SASB, ACGA, CII, ICGN, ISG, CMI, CDP, IGCC, AIGCC, CBI, Climate Action 100+ (we co-led two engagements in 2020 and added a third in 2021), ASIFMA, As You Sow, FAIRR, CCLA's Find It, Fix It, Prevent It initiative, and Investors Against Slavery and Trafficking APAC.
>
> We also seek out partnerships beyond the investment management community where we feel that outside expertise and collaboration will enhance our RI and stewardship activities. To better understand and incorporate the impact of climate change more thoroughly into our investment process, we have partnered with the Columbia University Earth Institute to co-create the Climate Science and Portfolio Risk curriculum that addresses the basic science of climate change, the policy/legal/regulatory aspects, climate change solutions and how to translate climate change into financial impact. We have trained over 250 investors and are pivoting our collaboration to focus on research that will impact our investment process. We are now rolling this syllabus out to clients.

Escalation strategies

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 19	PLUS	Multiple, see guidance	N/A	PUBLIC	Escalation strategies	2

Which of these measures did your organisation, or the service providers/external managers acting on your behalf, use most frequently when escalating initial stewardship approaches that were deemed unsuccessful?

	(1) Listed equity	(2) Fixed income	(3) Hedge funds
(A) Collaboratively engaging the entity with other investors	☑	☑	☐
(B) Filing/co-filing/submitting a shareholder resolution or proposal	☐	☐	☐
(C) Publicly engaging the entity (e.g. open letter)	☐	☐	☐
(D) Voting against the re-election of one or more board directors	☑	☐	☑
(E) Voting against the chair of the board of directors	☑	☐	☑
(F) Voting against the annual financial report	☐	☐	☐
(G) Divesting or implementing an exit strategy	☑	☑	☑
(H) We did not use any escalation measures during the reporting year. Please explain why below	☐	☐	☐

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 20	CORE	Multiple, see guidance	N/A	PUBLIC	Escalation strategies	2

If initial stewardship approaches were deemed unsuccessful, which of the following measures are excluded from the potential escalation actions of your organisation or those of the service providers/external managers acting on your behalf?

	(1) Listed equity	(2) Fixed income	(3) Hedge funds
(A) Collaboratively engaging the entity with other investors	☐	☐	☐
(B) Filing/co-filing/submitting a shareholder resolution or proposal	☐	☐	☐
(C) Publicly engaging the entity (e.g. open letter)	☐	☐	☐
(D) Voting against the re-election of one or more board directors	☐	☐	☐
(E) Voting against the chair of the board of directors	☐	☐	☐
(F) Voting against the annual financial report	☐	☐	☐
(G) Divesting or implementing an exit strategy	☐	☐	☐
(H) We do not have any restrictions on the escalation measures we can use	☑	☑	☑

Alignment and effectiveness

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 21	PLUS	Multiple, see guidance	N/A	PUBLIC	Alignment and effectiveness	2

Describe how you coordinate stewardship across your organisation to ensure that stewardship progress and results feed into investment decision-making and vice versa.

> Our coordination begins with the sharing of research insights, engagement meeting outcomes, and in-house views and ratings on our proprietary ESIGHT and PRISM platforms. ESIGHT is our internal collaboration platform that integrates ESG issuer assessments, engagements and third-party research from MSCI and Sustainalytics, where teams can access and share information about issuer's ESG practices. It also offers a knowledge center that applies data-analytics to provide aggregated top-down ESG trend analysis at the industry, sector, country and portfolio level. PRISM is our fixed-income corporate credit rating and scoring system that allows analysts to share views on individual issuers in a consistent, comparable and quantifiable way across industries, credit-rating categories and geographies. We also have a country/sovereign level ESG risk evaluation tool to score countries on 20 ESG factors that feed into our economist's fundamental country perspectives. Analysts use the information in ESIGHT and PRISM to discuss learnings and share engagement outcomes. Where it is clear that many investors across AB want to speak to a company on a similar topic, our central Investor Relations team coordinates group engagement sessions, often with Responsible Investing team staff providing specialist input. To boost collaboration across asset classes, we have an ESG Fixed Income Research working group, and an ESG Equity Research working group where over 20 sector analysts from various regions, styles and market caps convene.

> These groups meet bi-monthly, set a common qualitative and quantitative ESG research agenda and share approaches to thinking about various ways to integrate ESG considerations into valuation models, earnings forecasts, and discount factors. For example, our Global Core team has developed a way to incorporate the outcomes of climate value at risk and scenario analysis into penalties on their cost of capital and shared this methodology at a recent ESG Equity Research meeting. In 2020, we launched our first coordinated thematic Engagement Campaign. Rather than engaging for insight, we engaged for action. Our equity research analysts, portfolio managers and chief investment officers engaged with over 350 of our largest equity holdings, representing the majority of our active equity holdings that don't have the ESG and climate criteria we're seeking. We focused on ESG metrics in executive compensation plans and climate-risk goals and disclosures. By asking companies to include ESG metrics in executive compensation, we're asking companies to prioritize ESG goals in their operations, ideally driving positive change across industries. Aligning incentives with material ESG issues delivers long-term value to companies and AB's shareholders.

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

Stewardship examples

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 22	PLUS	Multiple, see guidance	N/A	PUBLIC	Stewardship examples	2

Describe stewardship activities that you participated in during the reporting year that led to desired changes in the entity you interacted with. Include what ESG factor(s) you engaged on and whether your stewardship activities were primarily focused on managing ESG risks and opportunities or delivering sustainability outcomes.

	(1) Engagement type	**(2) Primary goal of stewardship activity**
(A) Example 1	a) Internally (or service provider) led	c) Both managing ESG risks and delivering outcomes
(B) Example 2	a) Internally (or service provider) led	b) Delivering sustainability outcomes
(C) Example 3	a) Internally (or service provider) led	c) Both managing ESG risks and delivering outcomes

	(3) The ESG factors you focused on in the stewardship activity	**(4) Description of stewardship activity and the desired change(s) you achieved**
(A) Example 1	We had targeted an US-based manufacturing company as part of our thematic engagement campaign due to its lack of carbon-emission or climate-change targets. Ongoing engagements with the company revealed a recognition of the importance of the topic and a willingness to take concrete steps to address the issue.	At our first meeting, we shared our benchmarking of the company and peer companies and articulated why addressing carbon and employee safety would be important for the company over the long term. The company's controller agreed to raise the matter with the board. Follow-up meetings showed that the company had made considerable progress, including incorporating ESG metrics related to employee engagement and safety in executive compensation. The company has also engaged a consultant to establish its baseline carbon emissions, with the hopes of crafting an improvement plan and upgrading its disclosure in 2021.

(B) Example 2	We had targeted a different US-based manufacturing company as part of our thematic engagement campaign due to its lack of any ESG metrics in executive compensation. Our engagement revolved around the company's historical practice of focusing compensation only on financial metrics; we articulated why we felt that aligning incentives with material ESG issues related to workplace safety, minimizing waste and reducing energy usage delivers long-term value to the company and AB's shareholders.	The company recently announced expanded sustainability goals centered on "product, planet and people" for 2030 and is in the process of establishing key performance indictors (KPIs) in support of those goals. We encouraged management to formally reflect these KPIs in executive compensation. **(response continued in row below)**
		Management intends to have board-level oversight for the sustainability program, and the compensation committee is discussing developing ESG targets for executives for 2022. Our engagement revealed that the company will set targeted and time-bound KPIs in support of its sustainability goals and show progress against them in a transparent way, including in its first sustainability report in mid-2021. We were encouraged by the progress the company is making..
(C) Example 3	We engaged with management and the board of directors of an Australia-based beverage bottling company on the issues of climate change and modern slavery.	The CEO informed us that our engagement was a key catalyst for the company to sign up to go carbon neutral by 2040, stating that "AB has consistently provided us with valuable perspectives and constructive challenge on ESG and climate change, during our regular shareholder meetings and through engagement with our senior executive team. The insights they provided supported our decision to commit to a net-zero carbon emissions by 2040 ambition across all operations, including an additional goal to reach 100% renewable electricity for Australia and New Zealand by 2025." The company's executives had initially proposed 2050 as an ambitious goal, but the board used our engagement to persuade them to accelerate to 2040. **(response continued in row below)**

The company's goals will also include ones related to modern slavery, packaging, water and sugar..

Engaging policymakers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23	CORE	N/A	Multiple, see guidance	PUBLIC	Engaging policymakers	2

How does your organisation, or the external investment managers or service providers acting on your behalf, engage with policymakers for a more sustainable financial system?

☑ (A) We engage with policymakers directly
☐ (B) We provide financial support, are members of and/or are in another way affiliated with third-party organisations, including trade associations and non-profit organisations, that engage with policymakers
☐ (C) We do not engage with policymakers directly or indirectly

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23.1	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers	2

What methods do you, or the external investment managers or service providers acting on your behalf, use to engage with policymakers for a more sustainable financial system?

☑ (A) We participate in "sign-on" letters on ESG policy topics. Describe:

> We participate in 'sign-on" letters on ESG policy topics that we feel align with our approach to responsible investing and promote initiatives or practices that we feel will both encourage responsible behavior and are in the best interest of producing long-term positive financial outcomes for our clients. Two such examples in 2020 are The Know the Chain statement on Forced Labor and CCLA's Find it Fix It Prevent It initiative on Modern Slavery.

☑ (B) We respond to policy consultations on ESG policy topics. Describe:

> We respond to policy consultations where we believe we have valuable input that can help shape future policy in a direction that promotes responsible investing that aligns with the best long-term interest of our clients. Among other consultations, in 2020 we responded to consultations from the US Department of Labor the SEC, the EU, the FSA of Japan, and ASIFMA or and HKIFA-led consultations in Asia.

☑ (C) We provide technical input on ESG policy change. Describe:

> Similar to the above, where we feel we have valuable input that can enhance or improve proposed policies for the long-term interests of our clients, we will provide technical input. In 2020, we provided technical input, both on our own and through the ICI on aspects of the proposed EU Taxonomy and the EU Sustainable Financial Disclosure Regulation.

☑ (D) We proactively engage financial regulators on financial regulatory topics regarding ESG integration, stewardship, disclosure or similar. Describe:

> We will occasionally pro-actively engage with regulators when they are not seeking input where we feel we have valuable input that can enhance or improve regulation in a direction that is in the best long-term interests of our clients. For instance, we provided proactive feedback to regulators in Brazil on stewardship issues regarding perpetual supervoting shares.

☑ **(E) We proactively engage regulators and policymakers on other policy topics. Describe:**

> We will occasionally pro-actively engage with regulators when they are not seeking input where we feel we have valuable input that can enhance or improve regulation in a direction that is in the best long-term interests of our clients. For instance, we helped write an investor letter to the Texas Railroad Commissions, and Oil & Gas Regulator, urging action on flaring regulation.

☑ **(F) Other methods used to engage with policymakers. Describe:**

> We have, where asked, appeared in person before regulators to provide advice. In late 2019, our now-Global Head of Responsible Investing spoke before the Investment Advisory Committee of the SEC on ESG integration and data.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23.2	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers	2

Do you have governance processes in place (e.g. board accountability and oversight, regular monitoring and review of relationships) that ensure your policy activities, including those through third parties, are aligned with your position on sustainable finance and your commitment to the 6 Principles of the PRI?

◉ **(A) Yes, we have governance processes in place to ensure that our policy activities are aligned with our position on sustainable finance and our commitment to the 6 Principles of the PRI. Describe your governance processes:**

> In 2020, the AB Board created the role of Chief Responsibility Officer (CRO) to oversee the responsible investing and corporate responsibility activities of the firm. The CRO sits on the Operating Committee, which is AB's leadership team, and reports through our CEO to the Board's Audit and Risk Committee who governs the responsible investing and corporate responsibility programs across the firm. Our CRO appointed a new Global Head of Responsible Investing and a new Head of Fixed Income Responsible Investing Strategy, and AB has invested significantly in the firm's resources and capabilities to hire a 12-person Responsibility team encompassing RI strategy, policy, ESG research, engagement, proxy voting, corporate responsibility, community relations, and communication and reporting, and established new governance and oversight structures. AB also established a Responsibility Steering Committee co-chaired by the CRO and Global Head, as well as a Controversial Investments Advisory Council. We have a Proxy Voting and Governance Committee, ESG Equity and Fixed Income Committees, and an APAC Responsible Investing Sub-Committee. Our Operational Risk Operating Committee oversees our climate risks and ESG-related assurance activities. The RI team reports to the Responsibility Steering Committee on a monthly basis, to the aforementioned committees either monthly or quarterly, and to the Operating Committee every four months. Regular communication flow is in place between the CEO, CRO and Global Head, and the broader leadership team. In addition to this, many of the investment teams have appointed or hired dedicated ESG research analysts who are supported by the specialists on the RI team, and our service providers are required to be reviewed regularly, taking into account their capacity, competency, conflicts and independence.

○ (B) No, we do not have these governance processes in place. Please explain why not:

Engaging policymakers – Policies

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 24	CORE	ISP 23	ISP 24.1	PUBLIC	Engaging policymakers – Policies	2

Do you have policies in place that ensure that your political influence as an organisation is aligned with your position on sustainable finance and your commitment to the 6 Principles of the PRI?

◉ **(A) Yes, we have a policy(ies) in place. Describe your policy(ies):**

> https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/ABPoliticalInfluenceStatement2021.pdf

○ (B) No, we do not a policy(ies) in place. Please explain why not:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 24.1	CORE	ISP 24	N/A	PUBLIC	Engaging policymakers – Policies	2

Is your policy that ensures alignment between your political influence and your position on sustainable finance publicly disclosed?

◉ **(A) Yes. Add link(s):**

> https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/ABPoliticalInfluenceStatement2021.pdf

○ (B) No, we do not publicly disclose this policy(ies)

Engaging policymakers – Transparency

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 25	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers – Transparency	2

During the reporting year, did your organisation publicly disclose your policy engagement activities or those conducted on your behalf by external investment managers/service providers?

☑ **(A) We publicly disclosed details of our policy engagement activities. Add link(s):**

> https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/ab-global-stewardship-2020-report.pdf

☐ (B) We publicly disclosed a list of our third-party memberships in or support for trade associations, think-tanks or similar that conduct policy engagement activities with our support or endorsement. Add link(s):
☐ (C) No, we did not publicly disclose our policy engagements activities during the reporting year. Explain why:
☐ (D) Not applicable, we did not conduct policy engagement activities

Climate change

Public support

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 26	CORE	N/A	N/A	PUBLIC	Public support	General

Does your organisation publicly support the Paris Agreement?

◉ **(A) Yes, we publicly support the Paris Agreement Add link(s) to webpage or other public document/text expressing support for the Paris Agreement:**

> https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/AB-Climate-Change-Statement.pdf

○ (B) No, we currently do not publicly support the Paris Agreement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 27	CORE	N/A	N/A	PUBLIC	Public support	General

Does your organisation publicly support the Task Force on Climate-Related Financial Disclosures (TCFD)?

◉ **(A) Yes, we publicly support the TCFD Add link(s) to webpage or other public document/text expressing support for the TCFD:**

> https://www.fsb-tcfd.org/supporters/

○ (B) No, we currently do not publicly support the TCFD

Governance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 28	CORE	N/A	N/A	PUBLIC	Governance	General

How does the board or the equivalent function exercise oversight over climate-related risks and opportunities?

☑ **(A) By establishing internal processes through which the board or the equivalent function are informed about climate-related risks and opportunities. Specify:**

> Our board agenda has included updates on our climate strategy, including initiatives and work around managing climate-related risk and opportunity in both our operations and investments. In 2019, AB's board held formal discussions around climate risk and the Audit Committee undertook a new mandate to oversee climate risk and presents to the board regularly on this topic. In addition, ahead of approving AB's debut TCFD Climate Statement, several members of AB's board, including the Chairman, attended in 2020 AB's proprietary "Climate Science and Portfolio Risk" training that AB developed and executed in conjunction with Columbia University's Earth Institute.

☑ **(B) By articulating internal/external roles and responsibilities related to climate. Specify:**

> Climate risk is subject to a multi-layered governance model that works up from our investment and operational teams through our Risk Management team and ultimately the Board of Directors—via our Audit and Risk Committee. Our Risk Management team identifies, monitors and assesses climate risk, reviewing firmwide standards to ensure that we adhere to those standards at both the investment and operational levels. The team also ensures that we address aggregate risk exposures, including climate risk. From an investment perspective, the Risk Management team utilizes the Investment Risk Oversight Committee (IROC) to ensure that investment teams demonstrate their climate-risk assessments and management process. The IROC also advises the teams and challenges their approaches. In addition, through AB's Operational Risk Oversight Committee (OROC), the Risk Management team oversees firmwide operational risks, including internal processes, infrastructure, staffing, information security and physical footprint. The OROC also monitors and evaluates AB's carbon footprint, sustainability efforts and business continuity, as well as management's plans to reduce climate-change impact on our business operations. The Risk Management team reports on these efforts to the Audit and Risk Committee. Audit and Risk Committee's primary role is to oversee firm risk and adapt our risk-management framework to evolving trends, such as climate change, and to changes in the industry, our business and the regulatory environment. The Audit and Risk Committee regularly reports on these risks to the Board of Directors.

☑ **(C) By engaging with beneficiaries to understand how their preferences are evolving with regard to climate change. Specify:**

AB engages daily with a range of private, retail and institutional clients, through unilateral meetings, industry forums, proprietary AB events and initiatives, due diligence requests and requests for proposals processes to understand their preferences, concerns and drivers around climate change and investing. Our biggest clients are universal owners whose portfolios often reach across markets and asset classes. This means one issuer's climate performance can often impact other issuers in our clients' portfolios. We believe that this dynamic provides a significant opportunity for AB as an active manager to address climate risks and opportunities throughout a value chain, while the perpetual engagement and feedback from clients shapes our delivery of research and products to help our clients, and their beneficiaries, achieve their specific climate and financial goals. The Board approves our annual TCFD statement, which summarizes the client perspective and demand on climate and investing and receives regular updates from executives and other senior leaders across the firm on this issue. In addition, the Board is comprised of several directors who are affiliated with Equitable Holdings, the majority owner of AB and one of our firm's largest clients. These directors provide perspective and context on a range of issues, including responsible investment and climate change.

☑ **(D) By incorporating climate change into investment beliefs and policies. Specify:**

Climate risks and opportunities can have a sizable impact on investment performance, so we focus intently on integrating them into our research and investing process. Our fundamental analysts and economists assess climate risk for equity and debt issuers, reviewing climate strategy, potential environmental liabilities, greenhouse gas emissions, and the political and regulatory backdrop. If aspects of an issuer's past, current or expected climate-related risks or behaviors are material to its future expected returns, analysts incorporate them into research reviews, short-, medium- and long-term forecasts of risks and opportunities, and ultimately, investment decisions. AB's portfolio managers ensure that climate risks and opportunities are appropriately assessed in the context of their specific investment strategies, some of which focus on identifying issuers with innovative products and services that will make a positive impact in adapting to, and mitigating, climate change. This approach is outlined and further explained in our publicly available Climate Change/TCFD Statement: https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/AB-Climate-Change-Statement.pdf and our Stewardship Statement https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/ABGlobalStewardship.pdf which are reviewed and approved annually by the board.

☑ **(E) By monitoring progress on climate-related metrics and targets. Specify:**

AB's board reviews and approves our annual TCFD-aligned Climate Statement, which summarizes the AB's progress against climate-related metrics and targets within our operations and investments across portfolios, asset classes, regions and sectors.

☐ (F) By defining the link between fiduciary duty and climate risks and opportunities. Specify:
☐ (G) Other measures to exercise oversight, please specify:
☐ (H) The board or the equivalent function does not exercise oversight over climate-related risks and opportunities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 29	CORE	N/A	N/A	PUBLIC	Governance	General

What is the role of management in assessing and managing climate-related risks and opportunities?

☑ **(A) Management is responsible for identifying climate-related risks/opportunities and reporting them back to the board or the equivalent function. Specify:**

In conjunction with the IROC, OROC and Audit and Risk Committees (see response to ISP 28 B), the Responsibility Steering Committee identifies climate-related risks and opportunities, and collaborates with a variety of senior leaders, other working groups and internal stakeholders to develop a responsive strategy and oversee execution of AB's climate strategy. This committee, which is co-chaired by our Chief Responsibility Officer and Global Head of Responsible Investing, is composed of senior professionals from across AB's investment and management teams, including Equities, Fixed Income, Legal and Compliance, Business Development, Marketing and other professionals. Our Chief Responsibility Officer and Global Head of Responsible Investing are among the management and executive leaders that regularly report to the Board of directors on AB's Responsible Investing and Climate efforts, including the activity of the Responsibility Steering Committee as well as other relevant initiatives that are aimed at managing the firm's climate-related risks and opportunities.

☑ **(B) Management implements the agreed-upon risk management measures. Specify:**

In parallel with the Risk Management team's efforts, AB's Responsibility Steering Committee seeks to engage these internal stakeholders on how they address climate risks and opportunities in their respective business units and asset classes. The committee, comprising senior AB investors and managers, sets controls and procedures for integrating climate risk and opportunities at the management level; shares information on climate-change trends, research and training; and monitors and manages AB's response to regulatory updates. This year, the Responsibility Steering Committee is focused on regulatory developments in Europe, where climate-change legislation has produced regimes and frameworks that will impact our business, clients and portfolio companies. AB's Chief Responsibility Officer (CRO) leads the Responsibility Committee. The CRO, a position created in early 2020, oversees corporate responsibility and responsible investing, which includes leading AB's climate-change strategy, response and investment integration. Each of these is part of the CRO's overarching role to ingrain corporate responsibility and responsible investing into AB's business activities—and to ensure the approach is aligned firmwide. The CRO regularly reports on these activities, including climate-risk and opportunities, to the CEO and to the Board.

☑ **(C) Management monitors and reports on climate-related risks and opportunities. Specify:**

Our CEO is briefed on our climate initiatives and activities through one-on-one discussions and at Operating Committee meetings. In addition, the heads of our strategic business units are also briefed and are key in driving our efforts within their respective business units. Our CIOs, department heads and portfolio managers are ultimately responsible for ensuring that climate-related issues are addressed by the analysts. Our analysts evaluate climate-related issues as part of their research assessment, focusing on each issuers climate strategy, the political and regulatory backdrop, potential environmental liabilities and greenhouse gas emissions. Several of our CIOs seek investment opportunities in issuers that are focusing on addressing climate issues, including investing in renewable energy and projects to support a low carbon economy. In addition to broadly integrating climate risks and opportunities across our actively managed debt and equity strategies, we also provide monitoring and reporting against specific climate metrics for products that have climate-oriented goals and targets, such as our Global Core Low Carbon strategy, our Managed Volatility Equities—Green strategy and our Sustainable Global Thematic Credit portfolio. We also regularly work with clients to provide bespoke climate reporting and monitoring upon request.

☑ **(D) Management ensures adequate resources, including staff, training and budget, are available to assess, implement and monitor climate-related risks/opportunities and measures. Specify:**

The scale, depth and breadth of potential climate impacts on our investments and operations is large—and so is the impact on climate that we can have as investors. That's why we've deployed more dedicated resources to address this critical issue. In addition to creating the Chief Responsibility Officer, Global Head of Responsible Investing and Head of Fixed Income Responsible Investing roles, we've added a Director of Environmental Research and Engagement to our Responsible Investing team. This director works closely with our investment teams across asset classes to research, analyze and engage on climate with issuers globally. She also manages our relationship with Columbia University's Earth Institute that focuses on developing and executing research and training for investment professionals in climate science, policy, management, justice and other issues. The director co-chairs our ESG Research, Training and Thought Leadership Committee, which brings together AB's leaders and managers to develop and execute internal training, research, climate-change scenario analysis and thought leadership on climate and other environmental issues. In addition to the significant growth in the headcount on the Responsible Investing team at AB, the firm has also supported the demands to further integrate climate considerations into investment processes by onboarding new data and research into our systems. In late 2019, we began working with Sustainalytics to integrate their ESG Risk Ratings, which include several climate metrics and complement services from AB's existing providers, into our systems to provide investors with an additional view on climate risk and opportunities at the issuer and portfolio levels.

☑ **(E) Other roles management takes on to assess and manage climate-related risks/opportunities, please specify:**

In addition to contributing to internal efforts and initiatives to manage climate-related risks and opportunities, management and executive leaders at AB play a significant role in advancing our partnerships with external organizations that enhance the understanding and management of this issue both at AB and within the wider investment management industry. Examples of this effort include our work with Columbia University's Earth Institute on developing the Climate Science and Portfolio Risk Curriculum, as well as our work with the Investor Group on Climate Change (IGCC), the Asian Investor Group on Climate Change and AB representation on standard- setting bodies under the Sustainable Accounting Standards Board (SASB), the PRI and other working groups within the Investor Group on Climate Change (IGCC). In addition, management has made significant contributions to identifying, evaluating and implementing climate-related data from third-party ESG data and research providers, particularly as it relates to climate scenario analysis.

☐ (F) Our management does not have responsibility for assessing and managing climate-related risks and opportunities

Strategy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 30	CORE	N/A	Multiple, see guidance	PUBLIC	Strategy	General

Which climate-related risks and opportunities has your organisation identified within its investment time horizon(s)?

☑ **(A) Specific financial risks in different asset classes. Specify:**

AB considers a range of climate-related risks across asset classes and time horizons. For example, for fixed- income investments in commercial mortgage-backed securities (CMBS) with exposure to certain locations, we may consider shorter-term acute physical risks such as the underlying assets' exposure to, and management of, costs stemming from extreme weather and natural disasters. A longer-term example is the consideration of a transportation company's exposure to carbon pricing, taxes and other regimes in its operating and consumer jurisdictions and how these increased compliance or operating costs could impact cash flows for the life of an equity investment. Likewise, opportunities presented by a changing climate also occur across a spectrum of investment horizons, asset classes and sectors, from shorter- term opportunities in alternative meat producers to longer-term investments in renewables and sovereigns with significant green infrastructure spending.

☑ **(B) Specific sectors and/or assets that are at risk of being stranded. Specify:**

AB acknowledges that climate change is a pervasive risk across regions, asset classes and sectors. However, certain sectors, and the value chains that they depend on or support, are more imminently vulnerable to stranded asset risk than others. These include energy, utilities, transportation and real assets, sectors which align strongly with the sector focus of the Climate Action 100+ initiative, of which AB is a lead investor on several engagements. For example, increasing degrees of regulation around environmental management and carbon pricing and taxes combined with a decline in oil and gas prices will likely make unconventional reserves, as well metallurgic and thermal coal-related assets, economically unviable. In the short-term, we have already seen oil and gas majors begin to write -down certain assets due at least in part to these factors. AB also considers the wider risk of climate change on local, state, country and regional economies as part of our assessment of current and prospective investments in sovereigns, quasi-sovereigns, state, municipal and other government-related debt instruments and as critical context for our equity investments. While municipalities, states, countries and the agencies and companies that they own or operate are not likely to become "stranded assets" in the traditional definition and of themselves, the physical and transitional impacts of a changing climate present severe monetary and fiscal challenges for these entities as they try to balance broader economic growth with demands for climate- change mitigation and adaptation. While many of these risks will likely come to fruition over years and decades, we also observe this phenomenon today – whereby certain low-lying coastal states, cities or countries may be unable to garner the historic levels of insurance coverage or investor interest and capital due to concerns over the revenue and cost impacts associated with sea-level rise and increasing frequency of severe weather.

☑ **(C) Assets with exposure to direct physical climate risk. Specify:**

Physical risk of climate change occurs from direct investments in tangible assets, such as infrastructure and real estate, as well as indirectly through investments in companies, countries, states, counties, cities and related government-backed agencies and the facilities and assets they need and use to operate and grow. Physical risks include more frequent and severe risks that are acute, such as bigger wildfires and stronger storms. There are chronic climate-change risks, too, including rising sea levels and intensifying droughts. These tangible risks can directly impact issuers' properties and facilities.

☑ **(D) Assets with exposure to indirect physical climate risk. Specify:**

In addition to considering direct physical impacts, AB's portfolio managers and assets also assess the indirect physical impacts of climate change. Indirect physical impacts can affect businesses and governments by disrupting supply chains and interrupting operations. Indirect physical impacts are especially prominent as the trend of globalization continues to grow, and companies, governments and other agencies that we invest in increasingly shift their operations, markets and other dependencies toward multinational models. In our view, the disruption stemming from the COVID-19 pandemic provided some important precedent and historical analogue for investors considering potential impacts of indirect physical climate risk from the global to local contexts. As we see it, better understanding these risks—issuer by issuer and location by location—will give us an investment edge across sectors and asset classes.

☑ **(E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios. Specify:**

Climate change poses sizable risks for investment managers, but it also creates exciting opportunities to invest in firms that will thrive by delivering solutions to climate change and its broad impact on the world. These investments span the economic value chain, from transport and power-generation and industrial equipment to carbon-capture technology and low-carbon consumer products and services. And an issuer's potential advantages from climate change vary within climate scenarios. For example, a miner of lithium, which is a key component of electric vehicle batteries, will likely have more opportunities and wider markets for its products in a scenario that aligns with an orderly transition to less than 1.5-degree Celsius temperature increase by 2050 versus a scenario whereby global temperatures increase by 4 degrees or more in that timeframe. In addition to considering opportunities stemming from climate change across our actively managed equities and fixed- income strategies, AB has designed a platform of Portfolios with Purpose to meet growing demand for solutions to address climate change and deliver financial returns. These strategies include low-carbon portfolios, carbon-neutral portfolios and investments in issuers delivering solutions for adapting to and mitigating climate change.

☑ **(F) Specific sectors and/or assets that contribute significantly to achieving our climate goals. Specify:**

Climate change poses sizable risks for investment managers, but it also creates exciting opportunities to invest in firms that will thrive by delivering solutions to climate change and its broad impact on the world. These investments span the economic value chain, from transport and power-generation and industrial equipment to carbon-capture technology and low-carbon consumer products and services and an issuer's potential advantages from climate change vary within climate scenarios. For example, traditional protein production is a significant source of methane, a greenhouse gas that is 28 times more powerful than carbon when it comes to accelerating global warming. Alternative protein producers that focus on non-animal products provide a significant opportunity to mitigate adverse climate impacts stemming from our global food systems. In addition to considering opportunities stemming from climate change across our actively managed equities and fixed- income strategies, AB has designed a platform of Portfolios with Purpose to meet growing demand for solutions to address climate change and deliver financial returns. These strategies include low-carbon portfolios, carbon-neutral portfolios and investments in issuers delivering solutions for adapting to and mitigating climate change.

☑ **(G) Other climate-related risks and opportunities identified. Specify:**

We recognize that our biggest clients are universal owners whose portfolios often reach across markets and asset classes. This means one issuer's climate performance can often impact other companies in our clients' portfolios. As an active manager, engaging with management teams and proxy voting on climate change issues are unique ways to add value to and strengthen relationships with clients. Engagement is critical to our research process: analysts conduct thousands of visits and meetings each year to better understand the strategies, performance and risks of issuers we're considering—or currently—investing in. Targeted, direct engagement with companies is intended to reduce issuers' footprints, emissions and exposure to physical and transition risk. By extension, this also does the same for portfolios of companies. During engagements, we convey to senior executives how emissions affect their capital costs—and how we incorporate this information into our investment analysis. This dialogue creates an incentive for firms to reduce emissions by reallocating capital to lower-carbon projects. Proxy voting is also critical to understanding how issuers are addressing climate change—and it creates a forum for us to advocate for needed changes. AB is a strong supporter of climate-related shareholder proposals. In 2020, we supported 77% of these proposals in the US, including those focused on adopting goals for reducing greenhouse gas emissions as well as for improving disclosure and management of climate-related issues. We've designed a platform of Portfolios with Purpose to meet growing demand for solutions to address climate change and deliver financial returns. These strategies include low-carbon portfolios, carbon-neutral portfolios and investments in issuers delivering solutions for adapting to and mitigating climate change. We continue to evaluate, research and develop new products to help our clients achieve their specific ESG and financial goals.

☐ (H) We have not identified specific climate-related risks and opportunities within our organisation's investment time horizon

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 30.1	CORE	ISP 30	N/A	PUBLIC	Strategy	General

For each of the identified climate-related risks and opportunities, indicate within which investment time-horizon they were identified.

	(1) 3–5 months	(2) 6 months to 2 years	(3) 2–4 years	(4) 5–10 years
(A) Specific financial risks in different asset classes [as specified]	☑	☑	☑	☑
(B) Specific sectors and/or assets that are at risk of being stranded [as specified]	☐	☐	☐	☐
(C) Assets with exposure to direct physical climate risk [as specified]	☑	☑	☑	☑
(D) Assets with exposure to indirect physical climate risk [as specified]	☑	☑	☑	☑
(E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios [as specified]	☑	☑	☑	☑
(F) Specific sectors and/or assets that contribute significantly to achieving our climate goals [as specified]	☑	☑	☑	☑
(G) Other climate-related risks and opportunities identified [as specified]	☑	☑	☑	☑

	(5) 11–20 years	(6) 21–30 years	(7) >30 years
(A) Specific financial risks in different asset classes [as specified]	☐	☐	☐
(B) Specific sectors and/or assets that are at risk of being stranded [as specified]	☑	☑	☐
(C) Assets with exposure to direct physical climate risk [as specified]	☐	☐	☐
(D) Assets with exposure to indirect physical climate risk [as specified]	☐	☐	☐
(E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios [as specified]	☐	☐	☐
(F) Specific sectors and/or assets that contribute significantly to achieving our climate goals [as specified]	☐	☐	☐
(G) Other climate-related risks and opportunities identified [as specified]	☑	☑	☑

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 31	CORE	N/A	N/A	PUBLIC	Strategy	General

Which climate-related risks and opportunities has your organisation identified beyond its investment time horizon(s)?

☑ **(A) Specific financial risks in different asset classes. Specify:**

AB's investment teams have a wide variety of approaches, with differing exit strategies, turnover rates and valuation targets. However, the net impact of our firm-wide investments is that we are generally perennially invested in the world's largest and frequent issuers. Therefore, collectively, we regularly evaluate current and prospective investments beyond the horizon of a specific strategy or product. In addition, although the chronic physical and transition impacts of, and opportunities presented by, climate change may go beyond our investment horizons, we acknowledge the need to be cognizant of these risks and opportunities because it can impact valuation today. For example, although we may not intend to hold a municipal or real asset-backed security until its maturity, the market's perception of climate risk to that asset over the life of the instrument could have an impact on the issuer's ability to service its debt in the future and thus also influence the bond's pricing, yield, valuation, etc.

☑ **(B) Specific sectors and/or assets that are at risk of being stranded. Specify:**

AB's investment teams have a wide variety of approaches, with differing exit strategies, turnover rates and valuation targets. However, the net impact of our firm-wide investments is that we are generally perennially invested in the world's largest and frequent issuers. Therefore, collectively, we regularly evaluate current and prospective investments beyond the horizon of a specific strategy or product. In addition, although the chronic physical and transition impacts of, and opportunities presented by, climate change may go beyond our investment horizons, we acknowledge the need to be cognizant of these risks and opportunities because it can impact valuation today. AB acknowledges that climate change is a pervasive risk across regions, asset classes and sectors. However, certain sectors, and the value chains that they depend on or support, are more vulnerable to stranded asset risk than others and that this risk frequently occurs beyond our investment time horizon. These include energy, utilities, transportation and real assets, sectors which align strongly with the sector focus of the Climate Action 100+ initiative, of which AB is a lead investor on several engagements. For example, increasing degrees of regulation around environmental management and carbon pricing and taxes combined with a decline in oil and gas prices will likely make unconventional reserves, as well metallurgic and thermal coal-related assets, economically unviable over the next several decades. In the short-term, we have already seen oil and gas majors begin to write down certain assets due at least in part to these factors.

☑ **(C) Assets with exposure to direct physical climate risk. Specify:**

AB's investment teams have a wide variety of approaches, with differing exit strategies, turnover rates and valuation targets. However, the net impact of our firm-wide investments is that we are generally perennially invested in the world's largest and frequent issuers. Therefore, collectively, we regularly evaluate current and prospective investments beyond the horizon of a specific strategy or product. In addition, although the chronic physical and transition impacts of, and opportunities presented by, climate change may go beyond our investment horizons, we acknowledge the need to be cognizant of these risks and opportunities because it can impact valuation today. Physical risk of climate change occurs from direct investments in tangible assets, such as infrastructure and real estate, as well as indirectly through investments in companies, countries, states, counties, cities and related government-backed agencies and the facilities and assets they need and use to operate and grow. Physical risks include more frequent and severe risks that are acute, such as bigger wildfires and stronger storms. There are chronic physical risks, too, including rising sea levels and intensifying droughts. These tangible risks that occur both within and outside of AB's various investment horizons can directly impact issuers' properties and facilities and their capacity to service debt, access capital markets and realize long-term strategy and growth.

☑ **(D) Assets with exposure to indirect physical climate risk. Specify:**

AB's investment teams have a wide variety of approaches, with differing exit strategies, turnover rates and valuation targets. However, the net impact of our firm-wide investments is that we are generally perennially invested in the world's largest and frequent issuers. Therefore, collectively, we regularly evaluate current and prospective investments beyond the horizon of a specific strategy or product. In addition, although the chronic physical and transition impacts of, and opportunities presented by, climate change may go beyond our investment horizons, we acknowledge the need to be cognizant of these risks and opportunities because it can impact valuation today. In addition to considering direct physical impacts, AB's portfolio managers and assets also assess the indirect physical impacts of climate change. Indirect physical impacts can affect businesses and governments by disrupting supply chains and interrupting operations. Indirect physical impacts are especially prominent as the trend of globalization continues to grow, and companies, governments and other agencies that we invest in increasingly shift their operations, markets and other dependencies toward multinational models. Given the interconnection of financial and operational ecosystems, it is critical to understand the current and potential impacts of indirect physical risk. In our view, the disruption stemming from the COVID-19 pandemic provided some important precedent and historical analogue for investors considering potential impacts of indirect physical climate risk from the global to local contexts. As we see it, better understanding these risks—issuer by issuer and location by location—will give us an investment edge across sectors and asset classes.

☑ **(E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios. Specify:**

AB's investment teams have a wide variety of approaches, with differing exit strategies, turnover rates and valuation targets. However, the net impact of our firm-wide investments is that we are generally perennially invested in the world's largest and frequent issuers. Therefore, collectively, we regularly evaluate current and prospective investments beyond the horizon of a specific strategy or product. In addition, although the chronic physical and transition impacts of, and opportunities presented by, climate change may go beyond our investment horizons, we acknowledge the need to be cognizant of these risks and opportunities because it can impact valuation today. Climate change poses sizable risks for investment managers, but it also creates exciting opportunities to invest in firms that will thrive by delivering solutions to climate change and its broad impact on the world. These investments span the economic value chain, from transport and power-generation and industrial equipment to carbon-capture technology and low-carbon consumer products and services and an issuer's potential advantages from climate change vary within climate scenarios. For example, a miner of lithium, which is a key component of electric vehicle batteries, will likely have more opportunities and wider markets for its products in a scenario that aligns with an orderly transition to less than 1.5-degree Celsius temperature increase by 2050 versus a scenario whereby global temperatures increase by 4 degrees or more in that timeframe. In addition to considering opportunities stemming from climate change across our actively managed equities and fixed- income strategies, AB has designed a platform of Portfolios with Purpose to meet growing demand for solutions to address climate change and deliver financial returns. These strategies include low-carbon portfolios, carbon-neutral portfolios and investments in issuers delivering solutions for adapting to and mitigating climate change.

☑ **(F) Specific sectors and/or assets that contribute significantly to achieving our climate goals. Specify:**

AB's investment teams have a wide variety of approaches, with differing exit strategies, turnover rates and valuation targets. However, the net impact of our firm-wide investments is that we are generally perennially invested in the world's largest and frequent issuers. Therefore, collectively, we regularly evaluate current and prospective investments beyond the horizon of a specific strategy or product. In addition, although the chronic physical and transition impacts of, and opportunities presented by, climate change may go beyond our investment horizons, we acknowledge the need to be cognizant of these risks and opportunities because it can impact valuation today. Climate change poses sizable risks for investment managers, but it also creates exciting opportunities to invest in firms that will thrive by delivering solutions to climate change and its broad impact on the world. These investments span the economic value chain, from transport and power-generation and industrial equipment to carbon-capture technology and low-carbon consumer products and services and an issuer's potential advantages from climate change vary within climate scenarios. For example, traditional protein production is a significant source of methane, a greenhouse gas that is 28 times more powerful than carbon when it comes to accelerating global warming. Alternative protein producers that focus on non-animal products provide a significant opportunity to mitigate adverse climate impacts stemming from our global food systems. In addition to considering opportunities stemming from climate change across our actively managed equities and fixed income strategies, AB has designed a platform of Portfolios with Purpose to meet growing demand for solutions to address climate change and deliver financial returns. These strategies include low-carbon portfolios, carbon-neutral portfolios and investments in issuers delivering solutions for adapting to and mitigating climate change.

☑ **(G) Other climate-related risks and opportunities identified, please specify:**

We recognize that our biggest clients are universal owners whose portfolios often reach across markets and asset classes. This means one issuer's climate performance can often impact other companies in our clients' portfolios. As an active manager, engaging with management teams and proxy voting on climate change issues are unique ways to add value to and strengthen relationships with clients. Engagement is critical to our research process: analysts conduct thousands of visits and meetings each year to better understand the strategies, performance and risks of issuers we're considering—or currently—investing in. Targeted, direct engagement with companies is intended to reduce issuers' footprints, emissions and exposure to physical and transition risk. By extension, this also does the same for portfolios of companies. During engagements, we convey to senior executives how emissions affect their capital costs—and how we incorporate this information into our investment analysis. This dialogue creates an incentive for firms to reduce emissions by reallocating capital to lower-carbon projects. Proxy voting is also critical to understanding how issuers are addressing climate change—and it creates a forum for us to advocate for needed changes. AB is a strong supporter of climate-related shareholder proposals. In 2020, we supported 77% of these proposals in the US, including those focused on adopting goals for reducing greenhouse gas emissions as well as for improving disclosure and management of climate-related issues. We've designed a platform of Portfolios with Purpose to meet growing demand for solutions to address climate change and deliver financial returns. These strategies include low-carbon portfolios, carbon-neutral portfolios and investments in issuers delivering solutions for adapting to and mitigating climate change. We continue to evaluate, research and develop new products to help our clients achieve their specific ESG and financial goals.

☐ (H) We have not identified specific climate-related risks and opportunities beyond our organisation's investment time horizon

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 32	PLUS	N/A	N/A	PUBLIC	Strategy	General

Describe the impact of climate-related risks and opportunities on your organization's investment strategy, products (where relevant) and financial planning.

> AB's strategy for addressing climate risk and opportunity encompasses our investment strategy and the operational aspects of our business. We dimension how climate change can affect different geographies, economies, industries and companies, then factor those risks and opportunities into fundamental research and investment decisions. Approaching climate change from the perspectives of physical and transitional risk helps us think through a broad array of potential implications. We evaluate how physical and transitional risks will directly impact issuers' properties and facilities and indirectly affect businesses by disrupting supply chains and interrupting operations. Transitional risk stems from policy and regulatory changes, new technologies, and shifting financial and consumer markets as the world moves toward decarbonization. To get an accurate handle on these risks, we anticipate how evolving government policies, consumer preferences and company behaviors will impact our investment theses. Mark-to-market risk is a major concern in the transition to a low-carbon world. So, addressing transitional risk also requires that we understand how other investors are assessing climate risk. Litigation and reputation risk stemming from corporate action or inaction on climate change are less-appreciated transitional risks, but they're already influencing company valuations in the fossil-fuel sector and beyond. We recognize that our biggest clients are universal asset owners whose portfolios often reach across markets and asset classes.

> This means one issuer's climate performance can often impact other companies in our clients' portfolios. As an active manager, engaging management teams and proxy voting on climate- change issues are unique ways to add value to and strengthen relationships with clients. Engagement is critical to our research process: analysts conduct thousands of visits and meetings each year to better understand the strategies, performance and risks of issuers we're considering—or currently—investing in. Targeted, direct engagement with companies is intended to reduce issuers' footprints, emissions and exposure to physical and transition risk. By extension, this also does the same for portfolios of companies. Proxy voting is also critical to understanding how issuers are addressing climate change—and it creates a forum for us to advocate for needed changes. AB is a strong supporter of climate-related shareholder proposals. In 2020, we supported 77% of these proposals in the US, including those focused on adopting goals for reducing greenhouse gas emissions as well as for improving disclosure and management of climate-related issues. We also conduct climate-change scenario analysis, which starts by modelling global climate-change simulations, flowing through to local climate-model projections. Combining these local climate projections with anticipated policy decisions and the associated responses across the economy can drive projections of economic and financial market outcomes over decades.

> Our Managed Volatility Equities—Green team in Australia, for example, has evaluated climate transition and physical risks and opportunities for every stock in the S&P/ASX 200, under 1.5- and 3-degree Celsius warming scenarios. These scenarios were deployed to enhance portfolio construction and stock selection, to estimate climate value at risk, and to focus corporate engagement on key climate issues. Our partnership with climate scientists at Columbia University's Earth Institute extends to scenario analysis of the broader universe of assets. To lead our thinking, we've formed a cross-asset-class working group, with input from Columbia University scientists. In 2021, we selected a third-party vendor to help accelerate the build-out of climate scenario analysis of assets across AB. We've designed a platform of Portfolios with Purpose to meet growing demand for solutions to address climate change and deliver financial returns. These strategies include low-carbon portfolios, carbon-neutral portfolios and investments in issuers delivering solutions for adapting to and mitigating climate change. We continue to evaluate, research and develop new products to help our clients achieve their specific ESG and financial goals. For high-net-worth clients, we manage a small number of fossil fuel–free accounts, and we can apply positive screening in separately managed accounts, looking for issuers demonstrating clear leadership in managing climate-related risks and opportunities. The ultimate goal is more resilient investments and better outcomes for clients and the world..

Strategy: Scenario analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 33	CORE	N/A	ISP 33.1	PUBLIC	Strategy: Scenario analysis	General

Does your organisation use scenario analysis to assess climate-related investment risks and opportunities? Select the range of scenarios used.

☑ (A) An orderly transition to a 2°C or lower scenario
☑ (B) An abrupt transition consistent with the Inevitable Policy Response
☑ (C) A failure to transition, based on a 4°C or higher scenario
☑ (D) Other climate scenario, specify:

> We conducted bottom-up climate scenario analysis on the issuer universe pertaining to our Managed Volatility Equities—Green equity strategy, with a view toward enhancing portfolio construction and stock selection by quantifying, and engaging on, climate risks and opportunities. The initial assessment for the strategy's approach is focused on discerning the Climate Value at Risk for investments under two scenarios: a 1.5-degree warming scenario and a 3.2-degree warming scenario. This exercise has resulted in developing several metrics spread across physical and transition risk, as well as opportunities, that are analyzed at the sector, and subsequently, issuer levels. Climate scenario analysis is incorporated into our Managed Volatility Equities—Green investment process through review of metrics as described in the initial assessment. This exercise is ongoing and facilitates identification and quantification of impacts within an issuer's operations, financial statements and business models. These results, which also quantify the percentage of a stock's market capitalization at risk from climate change, are then integrated into our portfolio construction and stock selection process. The climate scenario analysis process informs the strategy's active ownership strategy, by helping the team to identify opportunities for portfolio companies to improve practices around managing risk or capitalizing on potential opportunities stemming from climate change. The team also uses information derived from its scenario analysis and engagement activities on climate change to inform its proxy voting on portfolio companies. AB, as a firm, generally supports shareholder proposals related to climate change reporting and disclosure and considers other climate change-related proxy items on a case-by-case basis as outlined in our publicly available Proxy Voting and Governance Policy.

☐ (E) We do not use scenario analysis to assess climate-related investment risks and opportunities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 33.1	PLUS	ISP 33	N/A	PUBLIC	Strategy: Scenario analysis	General

Describe how climate scenario analysis is used to test the resilience of your organisation's investment strategy and inform investments in specific asset classes.

☑ (A) An orderly transition to a 2°C or lower scenario

The impacts of climate change will be with us for decades and even centuries, but there's a lot less certainty about the specific paths of economic and environmental outcomes. This uncertainty underscores how important scenario analysis is in helping us envision and better understand a realistic range of paths for both the near and distant future. Climate-change scenario analysis starts by modelling global climate change simulations, flowing through to local climate-model projections. Combining these local climate projections with anticipated policy decisions and the associated responses across the economy can drive projections of economic and financial market outcomes over decades. We've made important strides in this area. Our partnership with climate scientists at Columbia University's Earth Institute extends to scenario analysis of the broader universe of assets. To lead our thinking, we formed a cross-asset-class working group, with input from Columbia University scientists. After conducting a year-long request for proposal process with select third-party vendors, we engaged MSCI's Carbon Delta and are currently in the process of implementing the offering into our systems and processes among a pilot program of portfolios, with a view toward accelerating the build-out of climate scenario analysis of assets across AB. We are currently testing these pilot portfolios along a range of physical and transition scenario, from potential temperature increase of 1.5°C to more than 3°C. This exercise will advance our efforts to systematically identify and define climate risks and their impact on our investments and operations over the short, medium and long terms.

☑ **(B) An abrupt transition consistent with the Inevitable Policy Response**

The impacts of climate change will be with us for decades and even centuries, but there's a lot less certainty about the specific paths of economic and environmental outcomes. This uncertainty underscores how important scenario analysis is in helping us envision and better understand a realistic range of paths for both the near and distant future. Climate-change scenario analysis starts by modelling global climate change simulations, flowing through to local climate-model projections. Combining these local climate projections with anticipated policy decisions and the associated responses across the economy can drive projections of economic and financial market outcomes over decades. We've made important strides in this area. Our partnership with climate scientists at Columbia University's Earth Institute extends to scenario analysis of the broader universe of assets. To lead our thinking, we formed a cross-asset-class working group, with input from Columbia University scientists. After conducting a year-long request for proposal process in 2020 with select third-party vendors, which included testing a series of our portfolios from various asset classes across a number of scenarios that included the Inevitable Policy Response, we engaged MSCI's Carbon Delta. We are currently in the process of implementing the offering into our systems and processes among a pilot program of portfolios, with a view toward accelerating the build-out of climate scenario analysis of assets across AB. We are currently testing these pilot portfolios along a range of physical and transition scenario, from potential temperature increase of 1.5°C to more than 3°C. This exercise will advance our efforts to systematically identify and define climate risks and their impact on our investments and operations over the short, medium and long terms.

☑ **(C) A failure to transition, based on a 4°C or higher scenario**

The impacts of climate change will be with us for decades and even centuries, but there's a lot less certainty about the specific paths of economic and environmental outcomes. This uncertainty underscores how important scenario analysis is in helping us envision and better understand a realistic range of paths for both the near and distant future. Climate-change scenario analysis starts by modelling global climate change simulations, flowing through to local climate-model projections. Combining these local climate projections with anticipated policy decisions and the associated responses across the economy can drive projections of economic and financial market outcomes over decades. We've made important strides in this area. Our partnership with climate scientists at Columbia University's Earth Institute extends to scenario analysis of the broader universe of assets. To lead our thinking, we formed a cross-asset-class working group, with input from Columbia University scientists. After conducting a year-long request for proposal process in 2020 with select third-party vendors, which included testing a series of our portfolios from various asset classes across a number of scenarios that included the Business-as-Usual scenario, we engaged MSCI's Carbon Delta. We are currently in the process of implementing the offering into our systems and processes among a pilot program of portfolios, with a view toward accelerating the build-out of climate scenario analysis of assets across AB. We are currently testing these pilot portfolios along a range of physical and transition scenario, from potential temperature increase of 1.5°C to more than 3°C. This exercise will advance our efforts to systematically identify and define climate risks and their impact on our investments and operations over the short, medium and long terms.

☑ **(D) Other climate scenario**

> We conducted bottom-up climate scenario analysis on the issuer universe pertaining to our Managed Volatility Equities—Green equity strategy, with a view toward enhancing portfolio construction and stock selection by quantifying, and engaging on, climate risks and opportunities. The initial assessment for the strategy's approach is focused on discerning the Climate Value at Risk for investments under two scenarios: a 1.5-degree warming scenario and a 3.2-degree warming scenario. This exercise has resulted in developing several metrics spread across physical and transition risk, as well as opportunities, that are analyzed at the sector, and subsequently, issuer levels. Climate scenario analysis is incorporated into our Managed Volatility Equities—Green investment process through review of metrics as described in the initial assessment. This exercise is ongoing and facilitates identification and quantification of impacts within an issuer's operations, financial statements and business models. These results, which also quantify the percentage of a stock's market capitalization at risk from climate change, are then integrated into our portfolio construction and stock selection process. The climate scenario analysis process informs the strategy's active ownership strategy, by helping the team to identify opportunities for portfolio companies to improve practices around managing risk or capitalizing on potential opportunities stemming from climate change. The team also uses information derived from its scenario analysis and engagement activities on climate change to inform its proxy voting on portfolio companies. AB, as a firm, generally supports shareholder proposals related to climate change reporting and disclosure and considers other climate change-related proxy items on a case-by-case basis as outlined in our publicly available Proxy Voting and Governance Policy.

Risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 34	PLUS	ISP 30	N/A	PUBLIC	Risk management	General

Which risk management processes do you have in place to identify and assess climate-related risks?

☑ **(A) Internal carbon pricing. Describe:**

> Our fundamental research analysts have primary responsibility for incorporating ESG factors, including carbon pricing, into the research process. CIOs/portfolio managers are responsible for overseeing the integration of ESG factors, including carbon pricing, into our investment processes, and ensuring that potential ESG issues are appropriately identified, raised, researched, and addressed. Assessing carbon risk can be challenging, given the lack of reporting standards and general transparency. In an effort to gain insight, we regularly engage with issuers on issues related to carbon risk and climate scenario analysis inputs, such as carbon pricing, taxes and other regulations, and encourage them to provide more detailed, relevant disclosures when warranted. AB believes that the cost of carbon, and the regulatory mechanisms driving it in various jurisdictions, is going to evolve. However, some of the credit analysts in our Fixed Income organization follow energy companies closely and helps us frame the cost of carbon. We also have explicitly included carbon pricing, and the cost of carbon, into the climate risk-focused curriculum we have implemented with Columbia University, described throughout this survey. We also note that our firm manages some equity strategies, notably our Managed Volatility Equities—Green, or "Green Alpha" Strategy, that incorporate a price of carbon. We are currently evaluating how we can leverage this approach systematically in our other strategies across asset classes and regions. Managed Volatility Equities—Green targets low-volatility stocks which tend to have lower emissions. During stock selection for Managed Volatility Equities—Green, a carbon price is applied to the emissions of the underlying company, thereby favouring companies with lower emissions. By doing this, the emissions associated with the portfolio can be reduced to 90% less than those of the index.

☑ **(B) Hot spot analysis. Describe:**

> AB's analysts and portfolio managers review a variety of resources and information in order to identify, raise, research and address climate risks and opportunities in their investment processes. These resources include financial and sustainability reports, sell-side, academic and scientific research as well as a variety of information and data gathered from providers and engagements with management, board directors and other stakeholders. Through this analysis, our investors identify and prioritize the most material climate issues for their respective investment strategies. One result of this type of analysis is AB's development of proprietary industry-based materiality maps, which involved relevant industry analysts throughout the firm globally identifying and defining the most material ESG issues, including climate change issues, for their respective areas of coverage. These materiality maps for 77 industries are available to all of our portfolio managers and analysts on AB's proprietary ESG knowledge sharing platform ESIGHT and are intended to guide their research and engagement process at the issuer and portfolio level.

☑ **(C) Sensitivity analysis. Describe:**

In 2020, our Board of Directors approved and published AB's first TCFD-aligned Climate Statement. As part of this exercise, we put together a working group, led by our Director of Environmental Research and Engagement and composed of senior investors and risk management colleagues across asset classes and Columbia faculty, to research climate scenario analysis and identify potential products and services that facilitate systematic climate scenario analysis of tens of thousands of issuers and securities across our global equities and fixed- income holdings. As part of this year-long process, we analyzed a number of portfolios across asset classes, reviewing how changes in several variables impact scenario analysis results. Adjustments in these variables, including policy and regulatory scenarios, physical risk and economic growth determinants, as well as factors around the evolution of technology solutions, altered the resiliency and the value at risk of the tested portfolios and the risks and opportunities associated with various issuers. In 2021, we selected a third-party vendor to help accelerate the build-out of climate scenario analysis of assets across AB and will continue to use this analysis to understand the risks and opportunities to our investments stemming from climate change across a range of variables, time horizons and scenarios. In addition, our analysts and portfolio managers regularly engage with companies and issuers to understand and validate their inputs and variables to climate scenario analysis with a view toward improving incorporation of climate risk and opportunities into investment decisions.

☑ **(D) TCFD reporting requirements on external investment managers where we have externally managed assets. Describe:**

Where we use external managers in our multi-asset platform, particularly within our UK retirement business, we engage with asset managers on responsible investment and seek to understand their policies and approaches to managing climate-related risks and opportunities. Ultimately, we aim to make appointments to managers who adopt best practice and have policies that closely align with AB's own responsible investing policy and climate strategy. We discuss with external managers their own corporate ESG policies, including their implementation and perspective on the TCFD framework. Our request for proposals and due diligence process for external managers include questions around broad ESG processes and UN PRI signatory status. Discussion of TCFD disclosures and reporting forms an indirect part of our engagement and due diligence on responsible investment with current and prospective external managers.

☑ **(E) TCFD reporting requirements on companies. Describe:**

AB portfolio managers and analysts regularly engage with companies and issuers across asset classes, geographies and sectors on their current or planned reporting against the TCFD recommendations. In 2020, we launched our first coordinated Thematic Engagement Campaign. Rather than engaging for insight, we engaged for action. Our research analysts, portfolio managers and chief investment officers engaged with over 350 of our largest equity holdings, representing the majority of our active holdings that don't have the ESG and climate criteria we're seeking. We focused on ESG metrics in executive compensation plans, and climate risk goals and disclosures. By asking companies to include ESG metrics in executive compensation, we're asking companies to prioritize ESG goals in their operations, ideally driving positive change across industries. Aligning incentives with material ESG issues delivers long-term value to companies and AB's shareholders.

☑ **(F) Other risk management processes in place, please describe:**

We started monitoring climate-related metrics in 2017 and are currently evaluating how this can be integrated into our overall risk management strategy. In 2019, AB led a panel discussion at the Buyside Risk Management Forum with a focus on the role of risk management and chief responsibility officers in integrating climate risk into the risk management process. Several professionals from our risk management group participated in a Climate Risk and Portfolio Management training in 2019 that we developed with Columbia University's Earth Institute. These colleagues are actively working with internal and external stakeholders to formally factor climate risk into the organization's risk management strategy.

☐ (G) We do not have any risk management processes in place to identify and assess climate-related risks

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 35	PLUS	Multiple, see guidance	N/A	PUBLIC	Risk management	General

In which investment processes do you track and manage climate-related risks?

☑ **(A) In our engagements with investee entities, and/or in engagements conducted on our behalf by service providers and/or external managers. Describe:**

> Engagement is critical to our research process: analysts conduct thousands of visits and meetings each year to better understand the climate strategies, performance and risks of issuers we're considering—or currently—investing in. Targeted, direct engagement is intended to reduce issuers' footprints, emissions and exposure to physical and transition risk. By extension, this also does the same for our portfolio holdings. During engagements, we convey to senior executives and officials how emissions affect their capital costs—and how we incorporate this information, in addition to direct and indirect physical risks, into our investment analysis. This dialogue creates an incentive for issuers to reduce emissions by reallocating capital to lower-carbon projects and to review the physical risk of climate to assets and value chains. From our perspective, this is a more effective incentive for issuers than producing sustainability reports or disclosure statements. Engagement activity applies to all of our actively managed equities and fixed income portfolios globally, as well as our businesses focused on alternative assets.

☑ **(B) In (proxy) voting conducted by us, and/or on our behalf by service providers and/or external managers. Describe:**

> Proxy voting is also critical to understanding how issuers are addressing climate change—and it creates a forum for us to advocate for needed changes. AB is a strong supporter of climate-related shareholder proposals. In 2020, we supported 71% of these proposals in the US, including those focused on adopting goals for reducing GHG emissions as well as for improving disclosure and management of climate-related issues. In addition, our publicly available Proxy Voting and Governance Policy includes specific language on consideration of climate-related shareholder proposals that helps guide our voting decisions. Proxy voting activity applies to all of our actively managed equities globally.

☑ **(C) In our external investment manager selection process. Describe:**

> Where we use external managers in our multi-asset platform, particularly within our UK retirement business, we engage with asset managers on responsible investment and seek to understand their policies and approaches to managing climate-related risks and opportunities. Ultimately, we aim to make appointments to managers who adopt best practice and have policies that closely align with AB's own responsible investing policy and climate strategy. We discuss with external managers their own corporate ESG policies, including their implementation and perspective on the TCFD framework. Our request for proposals and due diligence process for external managers include questions around broad ESG processes and UN PRI signatory status. Discussion of TCFD disclosures and reporting forms an indirect part of our engagement and due diligence on responsible investment with current and prospective external managers.

☑ **(D) In our external investment manager monitoring process. Describe:**

> Where we use external managers in our multi-asset platform, particularly within our UK retirement business, we engage with asset managers on responsible investment and seek to understand their policies and approaches to managing climate-related risks and opportunities. Ultimately, we aim to make appointments to managers who adopt best practice and have policies that closely align with AB's own responsible investing policy and climate strategy. We discuss with external managers their own corporate ESG policies, including their implementation and perspective on the TCFD framework. Our request for proposals and due diligence process for external managers include questions around broad ESG processes and UN PRI signatory status. Discussion of TCFD disclosures and reporting forms an indirect part of our engagement and due diligence on responsible investment with current and prospective external managers.

☐ (E) In the asset class benchmark selection process. Describe:

☑ **(F) In our financial analysis process. Describe:**

Climate risks and opportunities can have a sizable impact on performance, so we focus intently on integrating them into our financial analysis. Our fundamental analysts and economists assess climate risk for equity and debt issuers, reviewing climate strategy, potential environmental liabilities, GHG emissions, and the political and regulatory backdrop. If aspects of an issuer's past, current or expected climate-related risks or behaviors are material to its future expected returns, analysts incorporate these into research reviews, short-, medium- and long-term forecasts of risks and opportunities, and ultimately, investment decisions. AB's portfolio managers ensure that climate risks and opportunities are appropriately assessed in the context of their specific investment strategies, some of which focus on identifying issuers with innovative products and services that will make a positive impact in adapting to, and mitigating, climate change.

☑ (G) Other investment process(es). Describe:

In addition to integrating climate metrics and other ESG factors into our investment process, our Portfolios with Purpose have their own ways to measure climate-related risk and opportunity. For example, our Sustainable Thematic equity and fixed-income strategies evaluate the impact they're having on achieving the United Nations Sustainable Development Goals (SDGs), which include SDG 13: Climate Action. Our Managed Volatility Equities—Green strategy focuses on helping Australian-listed companies reduce their emissions, contributing to Australia's effort to meet its Paris Agreement obligations. In addition, our Global Low Carbon product aims to have 90% less emissions on a portfolio level basis compared to its benchmark.

☐ (H) We are not tracking and managing climate-related risks in specific investment processes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 36	PLUS	N/A	N/A	PUBLIC	Risk management	General

How are the processes for identifying, assessing and managing climate-related risks incorporated into your organisation's overall risk management?

☑ (A) The risk committee or the equivalent function is formally responsible for identifying, assessing and managing climate risks. Describe:

Climate risk is subject to a multi-layered governance model that works up from our investment and operational teams through our Risk Management team and ultimately the Board of Directors—via our Audit and Risk Committee. The Audit and Risk Committee's primary role is to oversee firm risk and adapt our risk-management framework to evolving trends, such as climate change, and to changes in the industry, our business and the regulatory environment. The Audit and Risk Committee regularly reports on these risks to the Board of Directors.

☑ (B) Climate risks are incorporated into traditional risks (e.g. credit risk, market risk, liquidity risk or operational risk). Describe:

Our Risk Management team identifies, monitors and assesses climate risk, reviewing firmwide standards to ensure that we adhere to those standards at both the investment and operational levels. The team also ensures that we address aggregate risk exposures, including climate risk.

From an investment perspective, the Risk Management team utilizes the Investment Risk Oversight Committee (IROC) to ensure that investment teams demonstrate their climate-risk assessments and management process. The IROC also advises the teams and challenges their approaches. In addition, through AB's Operational Risk Oversight Committee (OROC), the Risk Management team oversees firmwide operational risks, including internal processes, infrastructure, staffing, information security and physical footprint. The OROC also monitors and evaluates AB's carbon footprint, sustainability efforts and business continuity, as well as management's plans to reduce climate-change impact on our business operations.

☑ (C) Climate risks are prioritised based on their relative materiality, as defined by our organisation's materiality analysis. Describe:

At the organizational level, the Audit and Risk Committee's primary role is to oversee firm risk and adapt our risk-management framework to evolving trends, such as climate change, and to changes in the industry, our business and the regulatory environment. The Audit and Risk Committee regularly reports on these risks to the Board of Directors. In addition, at the investment level, AB's analysts and portfolio managers identify and prioritize the most material climate issues for their respective sectors, industries, companies and portfolios. One result of this type of analysis is AB's development of proprietary industry-based materiality maps, which involved relevant industry analysts throughout the firm globally identifying and defining the most material ESG issues, including climate change issues, for their respective areas of coverage. These materiality maps for 77 industries are available to all of our portfolio managers and analysts on AB's proprietary ESG knowledge sharing platform ESIGHT and are intended to prioritize their research and engagement process at the issuer and portfolio level.

☐ (D) Executive remuneration is linked to climate-related KPIs. Describe:

☑ **(E) Management remuneration is linked to climate-related KPIs. Describe:**

To encourage the integration of climate considerations into our research and investment processes, we've incorporated ESG metrics into each AB investment professional's individual goals. We've also incorporated explicit responsible investing/ESG goals into the professional-development plans of a growing number of employees. During the performance-review process, progress against those goals will directly impact compensation. Bernstein Research, meanwhile, set explicit 2020 ESG publishing targets, which are embedded in analysts' incentive metrics.

☐ (F) Climate risks are included in the enterprise risk management system. Describe:

☑ **(G) Other methods for incorporating climate risks into overall risk management, please describe:**

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. Contingencies enable clients to access their funds and securities through alternative methods managed by AB.

☐ (H) Processes for identifying, assessing and managing climate-related risks are not integrated into our overall risk management

Metrics and targets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 37	PLUS	N/A	ISP 37.1	PUBLIC	Metrics and targets	General

Have you set any organisation-wide targets on climate change?

☑ **(A) Reducing carbon intensity of portfolios**

☑ **(B) Reducing exposure to assets with significant climate transition risks**

☑ **(C) Investing in low-carbon, energy-efficient climate adaptation opportunities in different asset classes**

☐ (D) Aligning entire group-wide portfolio with net zero

☑ **(E) Other target, please specify:**

In 2020 we conducted a targeted engagement campaign during which we engaged with 116 of our largest owned listed equities that did not have GHG emissions-reduction goals. We asked companies to formally commit to establishing emissions-reduction goals and associated disclosures for 2021. We will evaluate whether companies have committed to these goals during the 2022 proxy season, and will escalate our engagement if goals still have not been set.

☐ (F) No, we have not set any climate-related targets

Metrics and targets: Transition risk

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 38	PLUS	N/A	ISP 38.1	PUBLIC	Metrics and targets: Transition risk	General

What climate-related metric(s) has your organisation identified for transition risk monitoring and management?

☑ (A) Total carbon emissions
☑ (B) Carbon footprint
☑ (C) Carbon intensity
☑ (D) Weighted average carbon intensity
☐ (E) Implied temperature warming
☐ (F) Percentage of assets aligned with the EU Taxonomy (or similar taxonomy)
☐ (G) Avoided emissions metrics (real assets)
☑ (H) Other metrics, please specify:

> In 2020 we conducted a targeted engagement campaign during which we engaged with 116 of our largest owned companies that did not have GHG emissions-reduction goals. We asked companies to formally commit to establishing emissions-reduction goals and associated disclosures for 2021. We will evaluate whether companies have committed to these goals during the 2022 proxy season and will escalate our engagement if goals still have not been set.

☐ (I) No, we have not identified any climate-related metrics for transition risk monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 38.1	PLUS	ISP 38	N/A	PUBLIC	Metrics and targets: Transition risk	General

Provide details about the metric(s) you have identified for transition risk monitoring and management.

	(1) Coverage of AUM	(2) Purpose
(A) Total carbon emissions	(2) for the majority of our assets	To understand potential transitional risk exposure at issuer and portfolio levels.
(B) Carbon footprint	(2) for the majority of our assets	To understand potential transitional risk exposure at the portfolio level.
(C) Carbon intensity	(2) for the majority of our assets	Measures the efficiency of a portfolio

(D) Weighted average carbon intensity	(2) for the majority of our assets	Supports comparison of emissions across companies of different sizes and in different industries.
(H) Other metrics [as specified]	(3) for a minority of our assets	To engage for action.
	(3) Metric unit	**(4) Methodology**
(A) Total carbon emissions	Proportion of an issuer's CO2e commensurate with our ownership stake. This can also be aggregated up to the portfolio level.	We use MSCI's Carbon Metrics data
(B) Carbon footprint	The carbon emissions of a portfolio per USD million invested.	We use MSCI's Carbon Metrics data
(C) Carbon intensity	The total carbon emissions of the portfolio or the issue normalized by investor's proportion of USD million of portfolio sales.	We use MSCI's Carbon Metrics data
(D) Weighted average carbon intensity	The sum product of the constituent weights and their respective carbon intensities.	We use MSCI's Carbon Metrics data
(H) Other metrics [as specified]	The presence of emissions reductions targets at the issuer level in our largest positions	We use MSCI data, corporate disclosures and engagement to determine and engage on emissions reductions targets

	(5) Disclosed value
(A) Total carbon emissions	Tons of CO2e
(B) Carbon footprint	Tons of CO2e
(C) Carbon intensity	Tons of CO2e
(D) Weighted average carbon intensity	Tons of CO2e
(H) Other metrics [as specified]	The presence of emissions reductions targets

Metrics and targets: Physical risk

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 39	PLUS	N/A	ISP 39.1	PUBLIC	Metrics and targets: Physical risk	General

What climate-related metric(s) has your organisation identified for physical risk monitoring and management?

☑ (A) Weather-related operational losses for real assets or the insurance business unit
☑ (B) Proportion of our property, infrastructure or other alternative asset portfolios in an area subject to flooding, heat stress or water stress
☑ (C) Other metrics, please specify:

> AB's economists and analysts developed our proprietary Sovereign ESG Scoring Framework, a dynamic online platform that collates and leverages ESG data from a variety of non-traditional sources to provide our investors with exclusive insight into the ESG performance, risks and opportunities associated with more than 100 countries. This includes physical risks from climate change such as ecosystem vitality.

☑ (D) Other metrics, please specify:

> AB's economists and analysts developed our proprietary Sovereign ESG Scoring Framework, a dynamic online platform that collates and leverages ESG data from a variety of non-traditional sources to provide our investors with exclusive insight into the ESG performance, risks and opportunities associated with more than 100 countries. This includes physical risks from climate change such as environmental health.

☐ (E) We have not identified any metrics for physical risk monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 39.1	PLUS	ISP 39	N/A	PUBLIC	Metrics and targets: Physical risk	General

Provide details about the metric(s) you have identified for physical risk monitoring and management.

	(1) Coverage of AUM	(2) Purpose
(A) Weather-related operational losses for real assets or the insurance business unit	(3) for a minority of our assets	To understand changes to the costs and potential changes in the value of assets presented by acute physical risks stemming from climate change.
(B) Proportion of our property, infrastructure or other alternative asset portfolios in an area subject to flooding, heat stress or water stress	(3) for a minority of our assets	To understand changes to the costs and potential changes in the value of assets presented by acute physical risks stemming from climate change.

(C) Other metrics [as specified]	(3) for a minority of our assets	To understand the impact of climate change on a sovereign's natural and environmental resources, and the communities and institutions that depend on these resources.
(D) Other metrics [as specified]	(3) for a minority of our assets	To understand the impact of climate change on a sovereign's natural and environmental resources, and the communities and institutions that depend on these resources.
	(3) Metric unit	**(4) Methodology**
(A) Weather-related operational losses for real assets or the insurance business unit	Catastrophic risk insurance costs	Monitor and engage portfolio companies on the costs, and changes thereof, of catastrophic risk insurance.
(B) Proportion of our property, infrastructure or other alternative asset portfolios in an area subject to flooding, heat stress or water stress	Catastrophic risk insurance costs	Monitor and engage portfolio companies on the costs, and changes thereof, of catastrophic risk insurance.
(C) Other metrics [as specified]	Susceptibility to Natural Disasters	N/A
(D) Other metrics [as specified]	Ecosystem Vitality	N/A

	(5) Disclosed value
(A) Weather-related operational losses for real assets or the insurance business unit	Cost in USD Millions
(B) Proportion of our property, infrastructure or other alternative asset portfolios in an area subject to flooding, heat stress or water stress	Cost in USD Millions
(C) Other metrics [as specified]	N/A
(D) Other metrics [as specified]	N/A

Sustainability outcomes

Set policies on sustainability outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 40	CORE	ISP 1.1	N/A	PUBLIC	Set policies on sustainability outcomes	1, 2

Where is your approach to sustainability outcomes set out? Your policy/guideline may be a standalone document or part of a wider responsible investment policy.

☑ (A) Our approach to sustainability outcomes is set out in our responsible investment policy
☐ (B) Our approach to sustainability outcomes is set out in our exclusion policy
☑ (C) Our approach to sustainability outcomes is set out in our stewardship policy
☑ (D) Our approach to sustainability outcomes is set out in asset class–specific investment guidelines
☑ (E) Our approach to sustainability outcomes is set out in separate guidelines on specific outcomes (e.g. the SDGs, climate or human rights)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 41	CORE	ISP 1.1	N/A	PUBLIC	Set policies on sustainability outcomes	1, 2

Which global or regionally recognised frameworks do your policies and guidelines on sustainability outcomes refer to?

☑ (A) The SDG goals and targets
☑ (B) The Paris Agreement
☑ (C) The UN Guiding Principles on Business and Human Rights
☑ (D) The OECD Guidelines for Multinational Enterprises, including guidance on Responsible Business Conduct for Institutional Investors
☐ (E) Other frameworks, please specify:
☐ (F) Other frameworks, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 42	PLUS	ISP 1.1	N/A	PUBLIC	Set policies on sustainability outcomes	1, 2

What are the main reasons that your organisation has established policies or guidelines on sustainability outcomes? Select a maximum of three options.

☐ (A) Because we understand which potential financial risks and opportunities are likely to exist in (and during the transition to) an SDG-aligned world
☑ **(B) Because we see it as a way to identify opportunities, such as through changes to business models, across supply chains and through new and expanded products and services**
☑ **(C) Because we want to prepare for and respond to legal and regulatory developments, including those that may lead to stranded assets**
☐ (D) Because we want to protect our reputation and licence-to-operate (i.e. the trust of beneficiaries, clients and other stakeholders), particularly in the event of negative sustainability outcomes from investments
☐ (E) Because we want to meet institutional commitments on global goals (including those based on client or beneficiaries' preferences), and communicate on progress towards meeting those objectives
☑ **(F) Because we consider materiality over longer time horizons to include transition risks, tail risks, financial system risks and similar**
☐ (G) Because we want to minimise negative sustainability outcomes and increase positive sustainability outcomes of investments

Identify sustainability outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 43	CORE	N/A	Multiple, see guidance	PUBLIC	Identify sustainability outcomes	1

Has your organisation identified the intended and unintended sustainability outcomes from any of its activities?

○ (A) No, we have not identified the sustainability outcomes from our activities
◉ **(B) Yes, we have identified one or more sustainability outcomes from some or all of our activities**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 44	CORE	ISP 43	ISP 44.1	PUBLIC	Identify sustainability outcomes	1

What frameworks/tools did your organisation use to identify the sustainability outcomes from its activities? Indicate the tools or frameworks you have used to identify and map some or all of your sustainability outcomes.

☑ (A) The UN Sustainable Development Goals (SDGs) and targets
☑ (B) The Paris Agreement
☑ (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
☑ (D) The OECD Guidelines for Multinational Enterprises, including guidance on Responsible Business Conduct for Institutional Investors
☑ (E) The EU Taxonomy
☐ (F) Other taxonomies (e.g. similar to the EU Taxonomy), please specify:
☐ (G) Other framework/tool, please specify:
☐ (H) Other framework/tool, please specify:
☐ (I) Other framework/tool, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 44.1	CORE	ISP 44	N/A	PUBLIC	Identify sustainability outcomes	1

At what level(s) did your organisation identify the sustainability outcomes from its activities?

☐ (A) At the asset level
☐ (B) At the economic activity level
☑ (C) At the company level
☐ (D) At the sector level
☐ (E) At the country/region level
☐ (F) At the global level
☐ (G) Other level(s), please specify:
☐ (H) We do not track at what level(s) our sustainability outcomes were identified

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 45	CORE	ISP 43	SO 1	PUBLIC	Identify sustainability outcomes	1

How has your organisation determined your most important sustainability outcome objectives?

☐ (A) Identifying sustainability outcomes that are closely linked to our core investment activities
☐ (B) Consulting with key clients and/or beneficiaries to align with their priorities
☑ (C) Assessing the potential severity (e.g. probability and amplitude) of specific negative outcomes over different timeframes
☑ (D) Focusing on the potential for systemic impacts (e.g. due to high level of interconnectedness with other global challenges)
☑ (E) Evaluating the potential for certain outcome objectives to act as a catalyst/enabler to achieve a broad range of goals (e.g. gender or education)
☑ (F) Analysing the input from different stakeholders (e.g. affected communities, civil society or similar)
☐ (G) Understanding the geographical relevance of specific sustainability outcome objectives
☑ (H) Other method, please specify:

> Applying a materiality lens to the ESG and climate risks faced by our investee companies

☐ (I) We have not yet determined our most important sustainability outcome objectives

Transparency & Confidence-Building Measures

Information disclosed – ESG assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 46	CORE	OO 16	N/A	PUBLIC	Information disclosed – ESG assets	6

For the majority of your ESG/sustainability marketed funds or products, and/or your ESG/RI certified or labelled assets, what information about your ESG approach do you (or the external investment managers/service providers acting on your behalf) include in material shared with clients, beneficiaries and/or the public? The material may be marketing material, information targeted towards existing or prospective clients or information for beneficiaries.

☑ (A) A commitment to responsible investment (e.g. that we are a PRI signatory)
☑ (B) Industry-specific and asset class–specific standards that we align with (e.g. TCFD, or GRESB for property and infrastructure)
☑ (C) Our responsible investment policy (at minimum a summary of our high-level approach)
☑ (D) A description of our investment process and how ESG is considered

☑ (E) ESG objectives of individual funds
☐ (F) Information about the ESG benchmark(s) that we use to measure fund performance
☑ (G) Our stewardship approach
☑ (H) A description of the ESG criteria applied (e.g. sectors, products, activities, ratings and similar)
☑ (I) The thresholds for the ESG criteria applied in our investment decisions or universe construction
☑ (J) A list of our main investments and holdings
☑ (K) ESG case study/example from existing fund(s)
☐ (L)We do not include our approach to ESG in material shared with clients/beneficiaries/the public for the majority of our ESG/sustainability marketed funds or products, and/or our ESG/RI certified or labelled assets

Client reporting – ESG assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 48	CORE	Multiple, see guidance	N/A	PUBLIC	Client reporting – ESG assets	6

What ESG information is included in your client reporting for the majority of your ESG/sustainability marketed funds or products, and/or your ESG/RI certified or labelled assets?

☑ (A) Qualitative analysis, descriptive examples or case studies
☑ (B) Quantitative analysis or key performance indicators (KPIs) related to ESG performance
☑ (C) Progress on our sustainability outcome objectives
☑ (D) Stewardship results
☑ (E) Information on ESG incidents, where applicable
☐ (F) Analysis of ESG contribution to portfolio financial performance
☐ (G) We do not include ESG information in client reporting for the majority of our ESG/sustainability marketed funds or products, and/or our ESG/RI certified or labelled assets

Information disclosed – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 49	CORE	N/A	N/A	PUBLIC	Information disclosed – All assets	6

For the majority of your total assets under management, what information about your ESG approach do you (or the external managers/service providers acting on your behalf) include in material shared with clients, beneficiaries and/or the public? The material may be marketing material, information targeted towards existing or prospective clients or information for beneficiaries.

☑ (A) A commitment to responsible investment (e.g. that we are a PRI signatory)
☑ (B) Industry-specific and asset class–specific standards that we align with (e.g. TCFD, or GRESB for property and infrastructure)

☑ (C) Our responsible investment policy (at minimum a summary of our high-level approach)
☑ (D) A description of our investment process and how ESG is considered
☐ (E) ESG objectives of individual funds
☐ (F) Information about the ESG benchmark(s) that we use to measure fund performance
☑ (G) Our stewardship approach
☑ (H) A description of the ESG criteria applied (e.g. sectors, products, activities, ratings and similar)
☑ (I) The thresholds for the ESG criteria applied in our investment decisions or universe construction
☑ (J) A list of our main investments and holdings
☑ (K) ESG case study/example from existing fund(s)
☐ (L) We do not include our approach to ESG in material shared with clients/beneficiaries/the public for the majority of our assets under management

Client reporting – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 50	CORE	Multiple, see guidance	N/A	PUBLIC	Client reporting – All assets	6

What ESG information is included in your client reporting for the majority of your assets under management?

☑ (A) Qualitative ESG analysis, descriptive examples or case studies
☐ (B) Quantitative analysis or key performance indicators (KPIs) related to ESG performance
☐ (C) Progress on our sustainability outcome objectives
☑ (D) Stewardship results
☑ (E) Information on ESG incidents where applicable
☐ (F) Analysis of ESG contribution to portfolio financial performance
☐ (G) We do not include ESG information in client reporting for the majority of our assets under management

Frequency of client reporting – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 51	CORE	Multiple, see guidance	N/A	PUBLIC	Frequency of client reporting – All assets	6

For the majority of each asset class, how frequently do you report ESG-related information to your clients?

(A) Listed equity	(1) Quarterly
(B) Fixed income	(4) On an ad hoc basis or upon request

(F) Hedge funds	(4) On an ad hoc basis or upon request

Confidence-building measures

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 52	CORE	OO 16.1	Multiple, see guidance	PUBLIC	Confidence-building measures	6

What verification has your organisation had regarding the information you have provided in your PRI Transparency Report this year?

☐ (A) We received third-party independent assurance of selected processes and/or data related to our responsible investment processes, which resulted in a formal assurance conclusion
☐ (B) We conducted a third-party readiness review and are making changes to our internal controls/governance or processes to be able to conduct an external assurance next year
☑ **(C) The internal audit function team performed an independent audit of selected processes/and or data related to our responsible investment processes reported in this PRI report**
☐ (D) Our board, CEO, other C-level equivalent and/or investment committee has signed off on our PRI report
☑ **(E) Some or all of our funds have been audited as part of the certification process against a sustainable investment/RI label**
☐ (F) We conducted an external ESG audit of our ESG/sustainability marketed funds or products (excluding ESG/RI certified or labelled assets)
☐ (G) We conducted an external ESG audit of our holdings to check that our funds comply with our RI policy (e.g. exclusion list or investee companies in portfolio above certain ESG rating)
☐ (H) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
☑ **(I) Responses related to our RI practices documented in this report have been internally reviewed before submission to the PRI**
☐ (J) None of the above

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 56	CORE	OO 14, ISP 52	N/A	PUBLIC	Confidence-building measures	6

What responsible investment processes and/or data were audited by internal auditors/outsourced internal auditors?

(A) Investment and stewardship policy	(3) Processes and related data assured
(C) Listed equity	(3) Processes and related data assured
(D) Fixed income	(3) Processes and related data assured

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 57	PLUS	ISP 52	N/A	PUBLIC	Confidence-building measures	6

Provide details about the internal audit process regarding the information provided in your PRI Transparency Report.

> Internal Audit (IA) completed a review on April 23, 2021 to provide an independent validation of AB's responsible investment (RI) activities as represented in a required report submission ('RI Transparency Report') to the United Nations Principles for Responsible Investment (UNPRI), an organization where AB is a registered signatory. The scope and nature of our work was limited to validation of sampled processes and activities as represented by AB against prescribed indicators within the PRI reporting framework to provide a limited level of assurance of these representations. Based on the work performed, nothing has come to our attention to suggest that the indicators are not represented appropriately in all material respects.
>
> The representations in the RI Transparency Report cover AB's RI processes to integrate Environment, Social and Governance factors into its investment and decision-making processes, within the prescribed framework established by PRI for RI activities by signatories. When a signatory obtains independent validation, the signatory is to disclose the level of assurance achieved (i.e., either reasonable (high) or limited (moderate), as defined) for those indicators validated, and to note such within the 'closing module' section of the RI Transparency Report. IA provided 'limited assurance' and listed the applicable indicators to which such assurance applies within the closing module of the RI Transparency Report.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 58	CORE	ISP 52	N/A	PUBLIC	Confidence-building measures	6

Who has reviewed/verified the entirety of or selected data from your PRI report?

(A) Board and/or trustees	(4) report not reviewed
(B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))	(4) report not reviewed
(C) Investment committee	(4) report not reviewed
(D) Other chief-level staff, please specify: Chief Responsibility Officer	(3) parts of the report
(E) Head of department, please specify: Global Head of Responsible Investing	(1) the entire report
(F) Compliance/risk management team	(1) the entire report
(G) Legal team	(4) report not reviewed
(H) RI/ ESG team	(1) the entire report
(I) Investment teams	(4) report not reviewed

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 59	CORE	ISP 52	N/A	PUBLIC	Confidence-building measures	6

Which of the following ESG/RI certifications or labels do you hold?

☐ (A) Commodity type label (e.g. BCI)
☐ (B) GRESB
☐ (C) Austrian Ecolabel (UZ49)
☐ (D) B Corporation
☐ (E) BREEAM
☐ (F) CBI Climate Bonds Standard
☐ (G) EU Ecolabel
☐ (H) EU Green Bond Standard
☐ (I) Febelfin label (Belgium)
☐ (J) FNG-Siegel Ecolabel (Germany, Austria and Switzerland)
☐ (K) Greenfin label (France)
☐ (L) ICMA Green Bond Principles
☑ **(M) Le label ISR (French government SRI label)**
☐ (N) Luxflag Climate Finance
☐ (O) Luxflag Environment
☑ **(P) Luxflag ESG**
☐ (Q) Luxflag Green Bond
☐ (R) Luxflag Microfinance
☐ (S) National stewardship code (e.g. UK or Japan), please specify:
☐ (T) Nordic Swan Ecolabel
☐ (U) Other SRI label based on EUROSIF SRI Transparency Code (e.g. Novethic), please specify:
☐ (V) People's Bank of China green bond guidelines
☐ (W) RIAA (Australia)
☐ (X) Towards Sustainability label (Belgium)
☐ (Y) Other, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 62	PLUS	ISP 52	N/A	PUBLIC	Confidence-building measures	6

Describe your organisation's approach to ensuring that your responsible investment processes are implemented as per your policies and guidelines. In your description please include the frequency of ensuring that your processes follow stated policies and include the choice of ESG fund audit, internal audit function and/or third-party external assurance.

> IA has completed the PRI Transparency Report Validation review for the past four years to validate AB is following stated policies and ESG considerations are integrated in all of our investment processes. Additionally In 2020, IA completed a review of AB's Proxy Voting Process. This review focused on a) proxy research activities; b) proxy voting and adherence to the AB Proxy Voting Policy; c) oversight by the Proxy Voting Committee; and d) oversight of Institutional Shareholder Services (ISS), a third-party service provider. There were no issues identified during this review.
>
> In September 2021, IA will be performing an audit to ensure AB is complying with The European Union's new Sustainable Finance Disclosure Regulation (SFDR) – also known as the Disclosure Regulation – which comes into effect in March 2021. IA will review the processes and controls to comply with this regulation and the completeness and accuracy of disclosures, and monitoring for updates where disclosures need to be newly applied or updated.

Listed Equity (LE)

Pre-investment phase

Materiality analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1	CORE	OO 10	LE 1.1	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify material ESG factors across listed equities?

	(1) Passive equity	(3) Active – fundamental	(4) Investment trusts (REITs and similar publicly quoted vehicles)
(A) Yes, we have a formal process to identify material ESG factors for all of our assets	○	◉	◉

(B) Yes, we have a formal process to identify material ESG factors for the majority of our assets	○	○	○
(C) Yes, we have a formal process to identify material ESG factors for a minority of our assets	◉	○	○
(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their own discretion	○	○	○
(E) No, we do not have a formal process to identify material ESG factors	○	○	○

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1.1	CORE	LE 1	N/A	PUBLIC	Materiality analysis	1

How does your current investment process incorporate material ESG factors?

	(1) Passive equity	(3) Active - Fundamental	(4) Investment Trusts (REITs and similar publicly quoted vehicles)
(A) The investment process incorporates material governance factors	☑	☑	☑
(B) The investment process incorporates material environmental and social factors	☑	☑	☑
(C) The investment process incorporates material ESG factors beyond our organisation's typical investment time horizon	☐	☑	☑

(D) The investment process incorporates the effect of material ESG factors on revenues and business operations	☐	☑	☑

Long-term ESG trend analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 2	CORE	OO 10	N/A	PUBLIC	Long-term ESG trend analysis	1

Do you continuously monitor a list of identified long-term ESG trends related to your listed equity assets?

	(1) Passive equity	(3) Active – fundamental	(4) Investment trusts (REITs and similar publicly quoted vehicles)
(A) We monitor long-term ESG trends for all assets	○	◉	◉
(B) We monitor long-term ESG trends for the majority of assets	○	○	○
(C) We monitor long-term ESG trends for a minority of assets	○	○	○
(D) We do not continuously monitor long-term ESG trends in our investment process	◉	○	○

ESG incorporation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3	CORE	OO 10	LE 3.1	PUBLIC	ESG incorporation	1

How does your financial modelling and equity valuation process incorporate material ESG risks?

	(1) Passive equity	(3) Active – fundamental	(4) Investment trusts (REITs and similar publicly quoted vehicles)
(A) We incorporate governance-related risks into financial modelling and equity valuations	☐	☑	☑
(B) We incorporate environmental and social risks into financial modelling and equity valuations	☐	☑	☑
(C) We incorporate environmental and social risks related to companies' supply chains into financial modelling and equity valuations	☐	☑	☑
(D) ESG risk is incorporated into financial modelling and equity valuations at the discretion of individual investment decision-makers, and we do not track this process	☐	☐	☐
(E) We do not incorporate ESG risks into our financial modelling and equity valuations	☑	☐	☐

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3.1	CORE	LE 3	N/A	PUBLIC	ESG incorporation	1

In what proportion of cases do you incorporate the following material ESG risks into your financial modelling and equity valuation process?

(3) Active - Fundamental

(A) We incorporate governance-related risks into financial modelling and equity valuations	(1) in all cases
(B) We incorporate environmental and social risks into financial modelling and equity valuations	(1) in all cases
(C) We incorporate environmental and social risks related to companies' supply chains into financial modelling and equity valuations	(1) in all cases

(4) Investment Trusts (REITs and similar publicly quoted vehicles)

(A) We incorporate governance-related risks into financial modelling and equity valuations	(1) in all cases
(B) We incorporate environmental and social risks into financial modelling and equity valuations	(1) in all cases
(C) We incorporate environmental and social risks related to companies' supply chains into financial modelling and equity valuations	(1) in all cases

Assessing ESG performance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4	CORE	OO 10	LE 4.1	PUBLIC	Assessing ESG performance	1

What information do you incorporate when you assess the ESG performance of companies in your financial modelling and equity valuation process?

	(1) Passive equity	(3) Active – fundamental	(4) Investment trusts (REITs and similar publicly quoted vehicles)
(A) We incorporate information on current performance across a range of ESG metrics	☐	☑	☑
(B) We incorporate information on historical performance across a range of ESG metrics	☐	☑	☑
(C) We incorporate information enabling performance comparison within a selected peer group across a range of ESG metrics	☐	☑	☑
(D) We incorporate information on ESG metrics that may impact or influence future corporate revenues and/or profitability	☐	☑	☑
(E) We do not incorporate ESG factors when assessing the ESG performance of companies in our financial modelling or equity valuation	☑	☐	☐

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4.1	CORE	LE 4	N/A	PUBLIC	Assessing ESG performance	1

In what proportion of cases do you incorporate the following information when assessing the ESG performance of companies in your financial modelling and equity valuation process?

(3) Active – fundamental

(A) We incorporate information on current performance across a range of ESG metrics	(1) in all cases
(B) We incorporate information on historical performance across a range of ESG metrics	(1) in all cases
(C) We incorporate information enabling performance comparison within a selected peer group across a range of ESG metrics	(1) in all cases
(D) We incorporate information on ESG metrics that may impact or influence future corporate revenues and/or profitability	(1) in all cases

(4) Investment trusts (REITs and similar publicly quoted vehicles)

(A) We incorporate information on current performance across a range of ESG metrics	(1) in all cases
(B) We incorporate information on historical performance across a range of ESG metrics	(1) in all cases
(C) We incorporate information enabling performance comparison within a selected peer group across a range of ESG metrics	(1) in all cases
(D) We incorporate information on ESG metrics that may impact or influence future corporate revenues and/or profitability	(1) in all cases

ESG incorporation in portfolio construction

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 5	PLUS	OO 10	N/A	PUBLIC	ESG incorporation in portfolio construction	1

Outline one best practice or innovative example where ESG factors have been incorporated into your equity selection and research process.

> We have developed a proprietary framework to assess companies' modern slavery exposure. We focus on four key risk factors: 1) vulnerable populations, 2) high-risk geographies, 3) high-risk products and services, and 4) high-risk business models. Incorporating our fundamental research into these risk factors and leveraging third-party information as a guide, we map companies across a matrix that suggests the level of modern slavery exposure—from low to high—in each company's business operations and supply chains. Companies that have higher exposure in both their operations and supply chains are our highest engagement priorities—though not our only focus. Companies that are less exposed may be lower engagement priorities, but they're not risk-free: a domestic insurer, for example, might be exposed to modern slavery risk through migrant labor supplied by an office-cleaning contractor. This is a key point in assessing modern slavery risk: it must be a company-by-company exercise. Our research, for example, might single out a manufacturer from its peer group and assign it to a different square altogether.

> We have also identified best practices for how companies can reduce modern slavery risk. We have identified five criteria that, together, might be considered a benchmark for corporate best practices on modern slavery: 1) Governance framework - What steps are the board and senior management taking—through policies and procedures, culture and values—to align the business with the goal of reducing modern slavery risk? 2) Risk identification - The criminal and covert nature of modern slavery practices makes this a difficult and delicate task—but a critical one. How well does the firm understand the challenge, and how robust are the techniques and processes it uses to identify the risk? 3) Action plan to reduce risks - Is the plan a realistic solution to reduce risk to people within the company's operations and supply chains? Does the company appropriately and effectively train and empower employees and suppliers to identify and reduce risks? 4) Action plan effectiveness - To what extent have the company's actions reduced risk, and how are the board and senior executives measuring progress? What procedures are in place to ensure that follow-up actions are implemented and monitored? 5) Future improvement - For many companies, the road to reducing modern slavery risk will be long and through unfamiliar territory. The best firms will be able to evaluate their progress each step of the way and make changes with an eye toward continuously improving their performance against each of the four previous criteria.

> We formalize our assessment of a company's modern slavery risk in a detailed scorecard that shows both where the company falls on the operations/supply chain exposure matrix and how we rank the company on our best-practices criteria.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6	CORE	OO 10	LE 6.1	PUBLIC	ESG incorporation in portfolio construction	1

How do ESG factors influence your portfolio construction?

	(1) Passive equity	(3) Active – fundamental	(4) Investment trusts (REITs and similar publicly quoted vehicles)
(A) The selection of individual assets within our portfolio is influenced by ESG factors	☑	☑	☑
(B) The holding period of individual assets within our portfolio is influenced by ESG factors	☑	☑	☑
(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors	☑	☑	☑
(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process	☐	☐	☐
(E) Other expressions of conviction (please specify below)	☐	☐	☐
(F) The portfolio construction or benchmark selection does not explicitly include the incorporation of ESG factors	☐	☐	☐

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6.1	CORE	LE 6	N/A	PUBLIC	ESG incorporation in portfolio construction	1

In what proportion of cases did ESG factors influence your portfolio construction?

(1) Passive equity

(A) The selection of individual assets within our portfolio is influenced by ESG factors	(3) in a minority of cases
(B) The holding period of individual assets within our portfolio is influenced by ESG factors	(3) in a minority of cases
(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors	(3) in a minority of cases

(3) Active – fundamental

(A) The selection of individual assets within our portfolio is influenced by ESG factors	(1) in all cases
(B) The holding period of individual assets within our portfolio is influenced by ESG factors	(1) in all cases
(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors	(1) in all cases

(4) Investment trusts (REITs and similar publicly quoted vehicles)

(A) The selection of individual assets within our portfolio is influenced by ESG factors	(1) in all cases
(B) The holding period of individual assets within our portfolio is influenced by ESG factors	(1) in all cases
(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors	(1) in all cases

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 7	PLUS	OO 10	N/A	PUBLIC	ESG incorporation in portfolio construction	1

Please provide two examples of how ESG factors have influenced weightings and tilts in either passive or active listed equity.

	Provide examples below:
(A) Example 1:	Prior to initiating a position in one Mexican industrials company, we engaged with management to better understand the company's strategy and business fundamentals and to address our concerns that the company had poor ESG and climate practices as evidenced by low third-party ESG ratings. We believed these ratings were incorrect in that they appeared to be based on outdated, incorrect and non-disclosed information. Our engagement confirmed our research findings that the company was in fact paying close attention to ESG and climate issues. First, a growing part of the company's business is directly in CleanTech—15% of revenues are in precision irrigation, which reduces water waste in agriculture while improving yields substantially. Another 33% of revenues are in the company's infrastructure pipe business, of which a growing portion is in "smart pipes," which contain sensors to detect leaks and pinpoint leak locations, reducing water waste and potentially the amount of street repairs needed after repairing the leak. **(response continued in row below)**
	While management had turned over in the last year (CEO, CFO, business unit heads and investor relations) the team is now much more focused on performing in line with ESG metrics. The new CEO is focused on integrating the businesses, and driving sales and profitability. There is also a new director of ESG, whose responsibility is to set ESG policy, measure the company's progress and disclose that progress. The ESG metrics the company now has in place include: reduce greenhouse gas emissions (tons); reduce waste generated (tons); increase women in management (%); upskill the workforce (hours spent on education and training); provide innovative solutions ($ spent on R&D); and, ROIC (%). This engagement improved our perception of the company's ESG practices, and we felt comfortable moving forward with an investment..

(B) Example 2:	In late 2019, ongoing monitoring of our position in a Japanese electronics company revealed news articles linking child labor in mica mining in Madagascar to a trading company supplying the company we were invested in. Our initial conversations with management revealed that it had questioned the supplier: it assured the company that it was complying with procurement guidelines that prohibit child labor, and that the mica supplied to the company wasn't sourced from Madagascar. We had hoped for a more comprehensive response, so we embarked on a series of engagements with the company about raw materials sourcing for both mica and cobalt, a much more significant input for the company. Our Director of Social Research and Engagement worked closely with AB analysts and portfolio managers to research and design the engagements. In 2020, we met with various officials in the company's legal, procurement and corporate social responsibility areas. While the company's basic procurement policy was relatively comprehensive, our engagement revealed several areas for improvement. **(response continued in row below)**
	Escalated issues were shared within narrow silos at the firm, inhibiting widespread action. Incomplete supply-chain mapping focused auditing efforts only on first-tier suppliers. And those auditing procedures rely heavily on checklists and good faith instead of direct audits, third-party verification and conversations with workers offsite. Based on these conversations, we felt that the investment risk in the company was elevated. As a result, we reduced or sold positions across all portfolios. We continue to engage with management on these issues and are encouraging the company to take action to correct what we perceive as deficiencies..

ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 8	CORE	OO 6.1 LE	N/A	PUBLIC	ESG risk management	1

What compliance processes do you have in place to ensure that your listed equity assets subject to negative exclusionary screens meet the screening criteria?

☑ (A) We have an independent committee that oversees the screening implementation process, but only for our ESG/sustainability labelled funds that are subject to negative exclusionary screening
☑ (B) We have an independent committee that oversees the screening implementation process for all of our listed equity assets that are subject to negative exclusionary screening
☑ (C) We have an independent committee that verifies that we have correctly implemented pre-trade checks in our internal systems to ensure no execution is possible without their pre-clearance
☐ (D) Other, please specify:
☐ (E) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens

Post-investment phase

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 9	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

Do your regular reviews incorporate ESG risks?

	(1) Passive equity	(3) Active – fundamental	(4) Investment trusts (REITs and similar publicly quoted vehicles)
(A) Our regular reviews include quantitative information on material ESG risks specific to individual listed equities	☐	☐	☐
(B) Our regular reviews include aggregated quantitative information on material ESG risks at a fund level	☐	☐	☐

(C) Our regular reviews only highlight fund holdings where ESG ratings have changed	☐	☐	☐
(D) We do not conduct regular reviews. Risk reviews of ESG factors are conducted at the discretion of the individual fund manager and vary in frequency	☑	☑	☑
(E) We do not conduct reviews	☐	☐	☐

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 10	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

Do you regularly identify and incorporate ESG incidents into the investment process for your listed equity assets?

	(1) Passive equity	(3) Active – fundamental	(4) Investment trusts (REITs and similar publicly quoted vehicles)
(A) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into all of our investment decisions	○	◉	◉
(B) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into the majority of our investment decisions	○	○	○
(C) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into a minority of our investment decisions	○	○	○
(D) Yes, we have an ad hoc process in place for identifying and incorporating ESG incidents	○	○	○

(E) Other	◉	○	○
(F) We currently do not have a process in place for regularly identifying and incorporating ESG incidents into our investment decision-making	○	○	○

Performance monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 11	PLUS	OO 10	N/A	PUBLIC	Performance monitoring	1

Provide an example of an ESG factor that your organisation incorporated into your equity valuation or fund construction and describe how that affected the returns of those assets.

	Provide examples below:
(A) Example from your active listed equity:	The extensive research conducted by our commodities team gave us conviction that copper was undervalued. Strong secular demand, driven by global electrification and electric vehicle penetration combined with aging mines, deteriorating grades and few unexploited resources indicated an emerging supply/demand imbalance. Typically, when seeking equity issuers that would benefit from rising copper prices, we prefer quality companies with long copper reserve lives and low-cost assets. One issuer that fit those characteristics was a Mexican mining company. However, deep research into the company's ESG credentials surfaced issues that caused concern. Governance issues included an entrenched board. A series of toxic spills stretching back a number of years has led to environmental numerous fines. **(response continued in row below)**

	Social issues also surfaced. Poor relations with union had historically resulted in numerous costly strikes. The reputational issues stemming from poor environmental and labor relations also created a lack of trust with the local communities around the mines. Despite these issues, the company's stock traded at a premium to its peers. In addition to the perceived low-cost and long-line mines, one key reason was the expected growth stemming from a new project in Peru that still required permitting. Our research and engagements focused on dimensioning the extent of the issue, and engaging with the company to evaluate its approach to addressing the issues. Repeated engagements with the issuer over a number of years revealed a lack of acknowledgement of the issues and a lack of progress in addressing them. **(response continued in row below)**
	Our assessment of the company's new mine in Peru revealed a profound lack of support for the mine in the local community and a growing negative view among key government officials. Our research and scenario analysis incorporated downside to cash flows from further environmental fines and to our assessment that the new mine would not be permitted. Integrating these ESG impacts into our assessment made the stock quite expensive relative to peers. Our concerns over the ESG practices of the company combined with the valuation led us to avoid buying it. Over the past two years, some of these downside scenarios have played out. The Peruvian mine has not received its permits. In addition, the Mexican government is pursuing new mining legislation aimed at improving mine safety; the company is being particularly targeted by the government. As a result, the company's valuation has decline relative to peer copper miners..
(B) Example from your passive listed equity:	All our passive ESG listed equity mandates are based on third-party indices, which we replicate exactly, so returns are equivalent to that of the third-party benchmarks.

Passive equity

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 12	CORE	OO 10	N/A	PUBLIC	Passive equity	1

What percentage of your total passive listed equity assets utilise an ESG index or benchmark?

> 0-25%

Reporting/Disclosure

Sharing ESG information with stakeholders

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 13	CORE	OO 6 LE	N/A	PUBLIC	Sharing ESG information with stakeholders	6

How do you ensure that clients and/or beneficiaries understand ESG screens and their implications?

	(1) for all of our listed equity assets subject to ESG screens	(2) for the majority of our listed equity assets subject to ESG screens	(3) for a minority of our listed equity assets subject to ESG screens	(4) for none of our assets subject to ESG screens
(A) We publish a list of ESG screens and share it on a publicly accessible platform such as a website or through fund documentation	◉	○	○	○
(B) We publish any changes in ESG screens and share them on a publicly accessible platform such as a website or through fund documentation	○	○	◉	○

(C) We outline any implications of ESG screens, such as deviation from a benchmark or impact on sector weightings, to clients and/or beneficiaries	○	◉	○	○

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 14	CORE	OO 10	N/A	PUBLIC	Sharing ESG information with stakeholders	6

What ESG information is covered in your regular reporting to stakeholders such as clients or beneficiaries?

(1) Passive equity

(A) Our regular stakeholder reporting includes qualitative examples of engagement and/or ESG incorporation	4) In none of our stakeholder reporting
(B) Our regular stakeholder reporting includes quantitative ESG engagement data	4) In none of our stakeholder reporting
(C) Our regular stakeholder reporting includes quantitative ESG incorporation data	4) In none of our stakeholder reporting

(3) Active – fundamental

(A) Our regular stakeholder reporting includes qualitative examples of engagement and/or ESG incorporation	2) In the majority of our regular stakeholder reporting
(B) Our regular stakeholder reporting includes quantitative ESG engagement data	2) In the majority of our regular stakeholder reporting
(C) Our regular stakeholder reporting includes quantitative ESG incorporation data	2) In the majority of our regular stakeholder reporting

(4) Investment trusts (REITs and similar publicly quoted vehicles)

(A) Our regular stakeholder reporting includes qualitative examples of engagement and/or ESG incorporation	2) In the majority of our regular stakeholder reporting

(B) Our regular stakeholder reporting includes quantitative ESG engagement data	2) In the majority of our regular stakeholder reporting
(C) Our regular stakeholder reporting includes quantitative ESG incorporation data	2) In the majority of our regular stakeholder reporting

Stewardship

Voting policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 15	CORE	OO 9 LE	LE 15.1, LE 16	PUBLIC	Voting policy	2

Does your organisation have a publicly available (proxy) voting policy? (The policy may be a standalone policy, part of a stewardship policy or incorporated into a wider RI policy.)

◉ **(A) Yes, we have a publicly available (proxy) voting policy Add link(s):**
https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/AB-Proxy-Voting-and-Governance-Policy.pdf

○ (B) Yes, we have a (proxy) voting policy, but it is not publicly available
○ (C) No, we do not have a (proxy) voting policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 15.1	CORE	OO 9 LE, LE 15	N/A	PUBLIC	Voting policy	2

What percentage of your listed equity assets does your (proxy) voting policy cover?

(A) Actively managed listed equity covered by our voting policy	(12) 100%
(B) Passively managed listed equity covered by our voting policy	(12) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 16	CORE	LE 15	N/A	PUBLIC	Voting policy	2

Does your organisation's policy on (proxy) voting cover specific ESG factors?

☑ **(A) Our policy includes voting guidelines on specific governance factors Describe:**

> AB's policy covers, but is not limited to, the following governance factors: board and director elections, executive compensation, capital changes, anti-takeover provisions, auditor elections, and shareholder access.

☑ **(B) Our policy includes voting guidelines on specific environmental factors Describe:**

> AB's policy covers, but is not limited to, the following environmental factors: climate risk, nuclear waste, deforestation, packaging & recycling, renewable energy, environmental linked compensation, sustainability disclosure, and genetically altered or engineered food & pesticides.

☑ **(C) Our policy includes voting guidelines on specific social factors Describe:**

> AB's policy covers, but is not limited to, the following social factors: animal welfare, charitable contributions, human rights, workplace diversity, and gender pay equity.

☐ (D) Our policy is high-level and does not cover specific ESG factors Describe:

Security lending policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 18	CORE	OO 9 LE	LE 18.1, LE 18.2	PUBLIC	Security lending policy	2

Does your organisation have a public policy that states how voting is addressed in your securities lending programme? (The policy may be a standalone guideline or part of a wider RI or stewardship policy.)

◉ **(A) We have a public policy to address voting in our securities lending programme. Add link(s):**

> https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/AB-Proxy-Voting-and-Governance-Policy.pdf
> https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/ABGlobalStewardship.pdf

○ (B) We have a policy to address voting in our securities lending programme, but it is not publicly available
○ (C) We rely on the policy of our service provider(s)
○ (D) We do not have a policy to address voting in our securities lending programme
○ (E) Not applicable, we do not have a securities lending programme

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 18.1	CORE	LE 18	N/A	PUBLIC	Security lending policy	2

How is voting addressed in your securities lending programme?

○ (A) We recall all securities for voting on all ballot items
○ (B) We always recall all holdings in a company for voting on ballot items deemed important (e.g. in line with specific criteria)
◉ **(C) We always recall some securities so that we can vote on their ballot items (e.g. in line with specific criteria)**
○ (D) We maintain some holdings so that we can vote at any time
○ (E) We recall some securities on an ad hoc basis so that we can vote on their ballot items
○ (F) We empower our securities lending agent to decide when to recall securities for voting purposes
○ (G) Other, please specify:
○ (H) We do not recall our securities for voting purposes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 18.2	CORE	LE 18	N/A	PUBLIC	Security lending policy	2

What exclusions do you apply to your organisation's securities lending programme?

☐ (A) We do not lend out shares of companies that we are engaging with either individually or as a lead or support investor in collaborative engagements
☐ (B) We do not lend out shares of companies if we own more than a certain percentage of them
☑ **(C) We do not lend out shares of companies in jurisdictions that do not ban naked short selling**
☐ (D) We never lend out all our shares of a company to ensure that we always keep voting rights in-house
☐ (E) Other, please specify:
☐ (F) We do not exclude any particular companies from our securities lending programme

Shareholder resolutions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 19	CORE	OO 9 LE	N/A	PUBLIC	Shareholder resolutions	2

Which of the following best describes your decision-making approach regarding shareholder resolutions, or that of your service provider(s) if decision-making is delegated to them?

◉ **(A) In the majority of cases, we support resolutions that, if passed, are expected to advance progress on the underlying ESG factors or on our stewardship priorities**
○ (B) In the majority of cases, we support resolutions that, if passed, are expected to advance progress on the underlying ESG factors but only if the investee company has not already committed publicly to the action requested in the proposal
○ (C) In the majority of cases, we only support shareholder resolutions as an escalation tactic when other avenues for engagement with the investee company have not achieved sufficient progress
○ (D) In the majority of cases, we support the recommendations of investee company management by default
○ (E) In the majority of cases, we do not vote on shareholder resolutions

Pre-declaration of votes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 20	CORE	OO 9 LE	N/A	PUBLIC	Pre-declaration of votes	2

How did your organisation or your service provider(s) pre-declare votes prior to AGMs/EGMs?

☐ (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system
☐ (B) We pre-declared our voting intentions publicly (e.g. through our own website) Link to public disclosure:
☐ (C) We pre-declared our voting intentions publicly through the PRI's vote declaration system, including the rationale for our (proxy) voting decisions where we planned to vote against management proposals or abstain
☐ (D) We pre-declared our voting intentions publicly, including the rationale for our (proxy) voting decisions where we planned to vote against management proposals or abstain Link to public disclosure:
☐ (E) Prior to the AGM/EGM, we privately communicated our voting decision to investee companies in cases where we planned to vote against management proposals or abstain
☑ **(F) We did not privately or publicly communicate our voting intentions**
☐ (G) We did not cast any (proxy) votes during the reporting year

Voting disclosure post AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 21	CORE	OO 9 LE	LE 21.1	PUBLIC	Voting disclosure post AGM/EGM	2

Do you publicly report your (proxy) voting decisions, or those made on your behalf by your service provider(s), in a central source?

◉ **(A) Yes, for >95% of (proxy) votes Link:**
> http://vds.issproxy.com/SearchPage.php?CustomerID=447

○ (B) Yes, for the majority of (proxy) votes Link:
○ (C) Yes, for a minority of (proxy) votes 1) Add link and 2) Explain why you only publicly disclose a minority of (proxy) voting decisions:
○ (D) No, we do not publicly report our (proxy) voting decisions Explain why you do not publicly report your (proxy) voting decisions:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 21.1	CORE	LE 21	N/A	PUBLIC	Voting disclosure post AGM/EGM	2

In the majority of cases, how soon after an investee's AGM/EGM do you publish your voting decisions?

○ (A) Within one month of the AGM/EGM
◉ **(B) Within three months of the AGM/EGM**
○ (C) Within six months of the AGM/EGM
○ (D) Within one year of the AGM/EGM
○ (E) More than one year after the AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 22	CORE	OO 9 LE	LE 22.1	PUBLIC	Voting disclosure post AGM/EGM	2

Did your organisation and/or the service provider(s) acting on your behalf communicate the rationale for your voting decisions?

☑ **(A) In cases where we voted against management recommendations or abstained, the rationale was provided privately to the company**
☑ **(B) In cases where we voted against management recommendations or abstained, the rationale was disclosed publicly**
☐ (C) In cases where we voted against management recommendations or abstained, we did not communicate the rationale
☐ (D) We did not vote against management or abstain

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 22.1	CORE	LE 22	N/A	PUBLIC	Voting disclosure post AGM/EGM	2

Indicate the proportion of votes where you and/or the service provider(s) acting on your behalf communicated the rationale for your voting decisions.

(A) In cases where we voted against management recommendations or abstained, the rationale was provided privately to the company	(1) 1–10%
(B) In cases where we voted against management recommendations or abstained, the rationale was disclosed publicly	(1) 1–10%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 23	CORE	OO 9 LE	LE 23.1	PUBLIC	Voting disclosure post AGM/EGM	2, 5

Did your organisation and/or the service provider(s) acting on your behalf communicate the rationale for your voting decisions when voting against a shareholder resolution proposed/filed by a PRI signatory?

☑ **(A) In cases where we voted against a shareholder resolution proposed/filed by a PRI signatory, the rationale was disclosed publicly**
☐ (B) In cases where we voted against a shareholder resolution proposed/filed by a PRI signatory, the rationale was not disclosed publicly
☐ (C) We did not vote against any shareholder resolution proposed/filed by a PRI signatory

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 23.1	CORE	LE 23	N/A	PUBLIC	Voting disclosure post AGM/EGM	2, 5

Indicate the proportion of votes where you and/or the service provider(s) acting on your behalf communicated the rationale for your voting decisions.

(A) In cases where we voted against a shareholder resolution proposed/filed by a PRI signatory, the rationale was disclosed publicly	(1) 1–10%

Alignment & effectiveness

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 24	PLUS	OO 9 LE	N/A	PUBLIC	Alignment & effectiveness	2

How are you contributing to the integrity of the end-to-end voting chain and confirmation process?

> In some markets, administrative issues beyond our control may occasionally prevent our votes cast from reaching the issuer. On our part, AB plans to engage with industry associations such as CII and ACGA to identify proactive ways that we can work with regulators and exchanges to help resolve this issue across our industry. We handle impediments to voting in following ways: • Share Blocking Markets: Proxy voting on companies domiciled in certain countries requires "share blocking." During this blocking period, shares that will be voted at the meeting cannot be sold until the meeting has taken place and the shares are returned to the clients' custodian banks. We may determine that the value of exercising our vote is outweighed by the detriment of not being able to sell the shares during this period. • Missing Power-of-Attorney or other Administrative Issues: Some markets require periodic renewals of the Powers of Attorney agreements that our clients must provide to local agents prior to implementing our voting instructions. If our client has not renewed or filed these agreements prior to the voting deadline, we unfortunately would not be able to vote those shares on their behalf. • Securities Are Out on Loan: In some cases, for our Funds and commingled vehicles, we may engage in a stock lending program, and we do not always recall stock for voting purposes to retain liquidity. For institutional assets, clients determine whether to participate in a stock lending program with their custodians. We are not able to vote securities that are on loan under these types of arrangements. For voting issues that may have a significant impact on the investment, we may request that clients or custodians recall securities that are on loan if we determine that the benefit of voting outweighs the costs and lost revenue to the client or fund and the administrative burden of retrieving the securities.

Example

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 25	PLUS	OO 9 LE	N/A	PUBLIC	Example	2

Provide examples of the most significant (proxy) voting activities that your organisation and/or the service provider acting on your behalf carried out during the reporting year.

	Provide examples below:
(A) Example 1:	Voted for a shareholder proposal asking an international healthcare equipment company to report on lobbying payments and policy. We generally vote in favor of proposals requesting more disclosure of political contributions and lobbying expenses, including those paid to trade organizations and political action committees, whether at the federal, state or local levels, as these proposals may increase transparency. The company has disclosed the committees and employees at the company responsible for overseeing lobbying activity but doesn't disclose actual spending in the 37 states it lobbies in, with the exception of California (where disclosure is mandatory). Lobbying is a highly material issue for the company, given that the firm is a top lobbyist among medical-device companies, so we believe that further disclosure would help reduce risk. **(response continued in row below)**

	Enhanced disclosure would allow shareholders to assess if the company is being consistent in its public rhetoric and lobbying activities. Ultimately, this proposal isn't binding, and the company can amend its lobbying disclosures however it chooses. The proposal asks for information that the company is already collecting, so reporting shouldn't be overly burdensome—and several of the company's peers provide more robust disclosure..
(B) Example 2:	Voted for a shareholder proposal at a large apparel retail company, asking the firm to report on the reduction of its chemical footprint. We generally support climate-related proposals, while taking into account the materiality of the issue and whether the proposed information would provide added benefit to shareholders. In this case, the company lagged its industry peers, all of which disclose safer chemical policies. We recognize the company's efforts to address relevant risks by providing necessary training, exploring opportunities in product mix and researching approaches to chemical policies, but public disclosure on the company's specific commitments to chemical management—including how it's addressing priority chemical lists—would allow shareholders to assess the risks and effectiveness of current management.
(C) Example 3:	Voted for a shareholder proposal asking a home improvement retailer to prepare an employment diversity report and to report on diversity policies. Diversity is important in assessing board quality; it promotes the consideration of a wider range of perspectives in both strategy and risk management. That's why we generally support shareholder proposals calling for reports and disclosure on workplace diversity, while also taking into account firms' existing policies and procedures and whether the requested information would increase the benefit to shareholders. In this case, the company is already reporting the requested data; reporting in commonly used categories would help shareholders compare diversity across time and the industry.

Fixed Income (FI)

Pre-investment phase

Materiality analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1	CORE	OO 10	FI 1.1	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify material ESG factors for its fixed income assets?

	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) Yes, we have a formal process to identify material ESG factors for all of our assets	◉	◉	○	○
(B) Yes, we have a formal process to identify material ESG factors for the majority of our assets	○	○	◉	◉
(C) Yes, we have a formal process to identify material ESG factors for a minority of our assets	○	○	○	○
(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their own discretion	○	○	○	○
(E) No, we do not have a formal process to identify material ESG factors	○	○	○	○

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1.1	CORE	FI 1	N/A	PUBLIC	Materiality analysis	1

How does your current investment process incorporate material ESG factors?

	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) The investment process incorporates material governance factors	☑	☑	☑	☑
(B) The investment process incorporates material environmental and social factors	☑	☑	☑	☑
(C) The investment process incorporates material ESG factors beyond our organisation's typical investment time horizon	☐	☐	☐	☐
(D) The investment process incorporates the effect of material ESG factors on revenues and business operations	☑	☑	☑	☑

ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2	CORE	OO 10	FI 2.1	PUBLIC	ESG risk management	1

How are material ESG factors incorporated into your portfolio risk management process?

	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto	☑	☑	☑	☑

(B) Companies, sectors, countries and currency are monitored for changes in ESG exposure and for breaches of risk limits	☐	☐	☐	☐
(C) Overall exposure to specific ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on individual issuers' sensitivity to these factors	☐	☐	☐	☐
(D) Other method of incorporating ESG factors into risk management process, please specify below:	☐	☐	☐	☐
(E) We do not have a process to incorporate ESG factors into our portfolio risk management	☐	☐	☐	☐

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2.1	CORE	FI 2	N/A	PUBLIC	ESG risk management	1

For what proportion of your fixed income assets are material ESG factors incorporated into your portfolio risk management process?

(1) SSA

(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto	(1) for all of our assets

(2) Corporate

(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto	(1) for all of our assets

(3) Securitised

(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto	(1) for all of our assets

(4) Private debt

(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto	(1) for all of our assets

ESG incorporation in asset valuation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3	CORE	OO 10	FI 3.1	PUBLIC	ESG incorporation in asset valuation	1

How do you incorporate the evolution of ESG factors into your fixed income asset valuation process?

	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) We incorporate it into the forecast of cash flow, revenues and profitability	☑	☑	☑	☑
(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer	☑	☑	☑	☑
(C) We do not incorporate the evolution of ESG factors into our fixed income asset valuation process	☐	☐	☐	☐

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3.1	CORE	FI 3	N/A	PUBLIC	ESG incorporation in asset valuation	1

In what proportion of cases do you incorporate the evolution of ESG factors into your fixed income asset valuation process?

(1) SSA

(A) We incorporate it into the forecast of cash flow, revenues and profitability	(1) in all cases

(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer	(1) in all cases
(2) Corporate	
(A) We incorporate it into the forecast of cash flow, revenues and profitability	(1) in all cases
(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer	(1) in all cases
(3) Securitised	
(A) We incorporate it into the forecast of cash flow, revenues and profitability	(2) in the majority of cases
(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer	(2) in the majority of cases
(4) Private debt	
(A) We incorporate it into the forecast of cash flow, revenues and profitability	(1) in all cases
(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer	(1) in all cases

Performance monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 4	PLUS	OO 5.2 FI, OO 10	N/A	PUBLIC	Performance monitoring	1

Provide an example of an ESG factor that your organisation incorporated into your fixed income valuation or portfolio construction and describe how that affected the returns of those assets.

Example:

(A) Example from your active management strategies:	The AB Sustainable Global Thematic Credit Strategy (SGTC) seeks to generate superior financial returns through investments that benefit society and the environment. The Strategy embeds sustainability in all aspects of its approach, including a top-down thematic framework that identifies an investment universe that is aligned with the UNSDGs, bottom-up proprietary fundamental ESG research to select sustainable securities and engagement with issuers on material ESG concerns. Unlike many other sustainable investment strategies, SGTC's investable universe is solely based on the UNSDGs. We map alignment of the 169 targets to individual products and services. Mapping out a framework that connects the UNSDGs with the private sector requires digging deeper than the 17 UNSDGs themselves. While the UNSDGs offer simplicity, we do not feel they are detailed enough to serve as an investment foundation. Instead, we evaluated the 169 UNSDG sub-targets that exist underneath the 17 primary UNSDGs. These sub-targets are much more detailed and, in our view, are key to unlocking the UNSDGs' investment potential. **(response continued in row below)**
	After carefully evaluating each individual sub-target, the next step is to classify each into one of two categories: policy or private sector. Our research found that 106 of the targets presented private-sector opportunities, while the remainder are more appropriately addressed by policymakers. For those in the private-sector group, we identified the specific products and services that contribute to the subtargets' achievement. It is a thoughtful and rigorous analysis critical to developing an investment strategy. For example, UNSDG target 7.2 calls for increasing the use of renewable energy globally. We outlined 12 diverse groups of products, including batteries, construction materials and power generation equipment, which all contribute toward reaching this goal. This step also facilitates another important plank of a sustainable investing plan: exclusions. It allows the Investment Team to identify products that are not aligned with the UNSDGs in industries such as tobacco, alcohol, for-profit prisons, weapons, pornography or gambling. **(response continued in row below)**

	Furthermore, we use this step to underweight sectors that are needed to keep society functioning but also conflict with the achievement of the UNSDGs. One such example is "traditional" or fossil-fuel based energy, which is needed for a variety of daily activities including transportation, but also conflicts with the achievement of Goal 7: Affordable and Clean Energy and Goal 13: Climate Action. Accordingly, SGTC maintains a structural underweight to the traditional energy sector. Our underweight to the traditional energy sector was one of the key drivers of SGTC outperformance in 2020. The strategy delivered a return that was 2% above the Bloomberg Barclays Global Corporate index. During the early days of the COVID-19 pandemic oil futures slipped into the negative as demand plummeted. The energy sector underperformed the broad corporate market delivering negative excess returns of -19.34% during the month of March. Despite some subsequent recovery in demand and in turn oil prices, the sector underperformed for the year posting negative excess returns of -4.3%..
(B) Example from your passive management strategies:	Our passive fixed income portfolio returns closely track those of their benchmark indexes. Our engagement practices within active portfolios are also relevant for our passive portfolios, and our passive ownership rounds out our overall exposure to an issuer and may make the issuer more amenable to engaging with us. For example, we actively engage with the mortgage agencies (e.g., Fannie Mae, Freddie Mac), and the resulting insights/actions may benefit both our active and passive mortgage portfolios.

ESG incorporation in portfolio construction

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 5	CORE	OO 10	FI 5.1	PUBLIC	ESG incorporation in portfolio construction	1

How do ESG factors influence your portfolio construction?

	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) The selection of individual assets within our portfolio is influenced by ESG factors	☑	☑	☑	☑

(B) The holding period of individual assets within our portfolio is influenced by ESG factors	☑	☑	☑	☑
(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors	☑	☑	☑	☑
(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process	☐	☐	☐	☐
(E) Other expressions of conviction, please specify below:	☐	☐	☐	☐
(F) The portfolio construction or benchmark selection does not explicitly include the incorporation of ESG factors	☐	☐	☐	☐

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 5.1	CORE	FI 5	N/A	PUBLIC	ESG incorporation in portfolio construction	1

In what proportion of cases do ESG factors influence your portfolio construction?

(1) SSA

(A) The selection of individual assets within our portfolio is influenced by ESG factors	(1) in all cases
(B) The holding period of individual assets within our portfolio is influenced by ESG factors	(2) in the majority of cases
(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors	(2) in the majority of cases

(2) Corporate

(A) The selection of individual assets within our portfolio is influenced by ESG factors	(1) in all cases
(B) The holding period of individual assets within our portfolio is influenced by ESG factors	(2) in the majority of cases
(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors	(2) in the majority of cases

(3) Securitised

(A) The selection of individual assets within our portfolio is influenced by ESG factors	(2) in the majority of cases
(B) The holding period of individual assets within our portfolio is influenced by ESG factors	(2) in the majority of cases
(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors	(2) in the majority of cases

(4) Private debt

(A) The selection of individual assets within our portfolio is influenced by ESG factors	(1) in all cases
(B) The holding period of individual assets within our portfolio is influenced by ESG factors	(2) in the majority of cases
(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors	(2) in the majority of cases

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 6	PLUS	OO 10	N/A	PUBLIC	ESG incorporation in portfolio construction	1

Please provide two examples of how ESG factors have influenced weightings and tilts in either passive or active fixed income.

	Please provide examples below:
(A) Example 1:	Green Bond Issuance: Members of our credit research team met with the CFO, IR and communications heads to evaluate a private automaker's inaugural green bond. Our objective was to evaluate the issuer's clean-tech investment plan and governance structure. In terms of clean tech, the issuer is earmarking potential proceeds from a green bond to help fund capital expenditures and operating expenses associated with developing battery electric vehicles (BEV). The company is targeting 50% of its unit sales to be BEV by 2025. The company is planning to sell its assets associated with internal combustion engines to its parent company, leaving the issuer solely focused on zero emission vehicles over the longer term. **(response continued in row below)**
	The issuer will publish a green financing instrument report on an annual basis that will detail the allocation of proceeds as well as quantify key metrics including carbon dioxide emissions avoided, percentage reduction in tailpipe emissions, number of BEV cars sold and percentage of BEV cars in the overall mix. On governance, we've had past concerns about related-party transactions between the issuer and other companies in the parent company's structure. The issuer has licensed a number of technologies to a 50/50 joint venture (JV) between itself and the parent company. We learned that the issuer intends to sell its internal combustion engine assets to the parent company in the near term. We have serious concerns about these transactions. **(response continued in row below)**

	The JV is problematic as it uses the issuer's technology to create a new brand of BEV, which will compete with the issuer. The transfer of assets raises concerns that the issuer will be overly dependent on its parent company for supply over the medium term. The company also mentioned that its equity owner is considering merging the issuer with another company in the parent company's structure. This could be credit enhancing, but, given that the the other company will still own substantial assets, it does not completely clear up the picture. Following the meeting, we decided not to invest in the issuer's inaugural green bond issuance and we changed our proprietary ESG ratings based on information gleaned during this engagement; we raised our environmental rating on the issuer due to the company's aggressive shift to electric vehicles and lowered our governance rating due to the substantial concerns we have with the related-party transactions..
(B) Example 2:	We have engaged with a major forestry company in Brazil that is a a large bond issuer numerous times over the years to better understand its environmental policy and practices. In late 2019, forest fires in the Amazon rainforest spiked to multiyear highs and the Brazilian forestry sector was vilified in the international press. We successfully encouraged company management to become more transparent and tell their side of the story—that wood is only harvested from planted forests, the company favors stricter regulation on land use near the Amazon and large tracks of owned land are kept as undeveloped natural forest. As a result, the public narrative shifted and the company came to be viewed as a good corporate citizen while the government of Brazil remained in the negative limelight. **(response continued in row below)**
	We then advocated for the company to issue a bond tied to its superior environmental track record. In September 2020, the company issued a 3.75% 2031 sustainably linked bond, with a coupon that increases to 4.0% if, by 2025, the company is not able to lower its carbon dioxide emissions per ton of pulp produced. We believe the structure of this security is a model of aligning incentives whereby a company benefits from a lower cost of capital if it achieves its environmental goals, and so AB participated in this new bond issue and was given a favorable allocation because of our help guiding the issuance. We think it's also worth noting that the company has best-in-class carbon emissions and that its 2025 target will help the company maintain environmental leadership amongst its global peers..

ESG incorporation in assessment of issuers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 7	CORE	OO 10	N/A	PUBLIC	ESG incorporation in assessment of issuers	1

When assessing issuers'/borrowers' credit quality, how does your organisation incorporate material ESG risks in the majority of cases?

	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) In the majority of cases, we incorporate material governance-related risks	○	○	○	○
(B) In addition to incorporating governance-related risks, in the majority of cases we also incorporate material environmental and social risks	◉	◉	◉	◉
(C) We do not incorporate material ESG risks for the majority of our credit quality assessments of issuers/borrowers	○	○	○	○

ESG performance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 8	CORE	OO 10	N/A	PUBLIC	ESG performance	1

In the majority of cases, how do you assess the relative ESG performance of a borrower within a peer group as part of your investment process?

	(1) SSA	(2) Corporate	(3) Securitised
(A) We use the relative ESG performance of a borrower to adjust the internal credit assessments of borrowers by modifying forecasted financials and future cash flow estimates	☐	☑	☐
(B) We use the relative ESG performance of a borrower to make relative sizing decisions in portfolio construction	☐	☐	☐
(C) We use the relative ESG performance of a borrower to screen for outliers when comparing credit spreads to ESG relative performance within a similar peer group	☐	☐	☐
(D) We consider the ESG performance of a borrower only on a standalone basis and do not compare it within peer groups of other benchmarks	☑	☐	☑
(E) We do not have an internal ESG performance assessment methodology	☐	☐	☐

ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 9	CORE	OO 10	FI 9.1	PUBLIC	ESG risk management	1

For your corporate fixed income, does your organisation have a framework that differentiates ESG risks by issuer country and sector?

☑ (A) Yes, it differentiates ESG risks by country/region (for example, local governance and labour practices)
☑ (B) Yes, it differentiates ESG risks by sector
☐ (C) No, we do not have a framework that differentiates ESG risks by issuer country/region and sector

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 9.1	CORE	FI 9	N/A	PUBLIC	ESG risk management	1

For what proportion of your corporate fixed income assets do you apply your framework for differentiating ESG risks by issuer country/sector?

	(1) for all of our corporate fixed income assets	(2) for the majority of our corporate fixed income assets	(3) for a minority of our corporate fixed income assets
(A) We differentiate ESG risks by country/region (for example, local governance and labour practices)	◉	○	○
(B) We differentiate ESG risks by sector	◉	○	○

Private debt

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 10	CORE	OO 10	FI 10.1	PUBLIC	Private debt	1

Indicate how your organisation incorporates ESG factors when selecting private debt investments during the due diligence phase.

☑ (A) We use a qualitative ESG checklist
☑ (B) We assess quantitative ESG data, such as energy consumption, carbon footprint and gender diversity
☐ (C) We require that the investment has its own ESG policy
☑ (D) We hire specialised third parties for additional ESG assessments
☑ (E) We require the review and sign-off of our ESG due diligence process by our investment committee or the equivalent function
☑ (F) Other method of incorporating ESG into the selection of private debt during due diligence (please specify below):
☐ (G) We do not incorporate ESG factors when selecting private debt during the due diligence phase

Please specify "(F) Other method of incorporating ESG into selection of private debt during due diligence".

> We use the same process for rating E, S, and G and the same weighting process as for public securities.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 10.1	CORE	FI 10	N/A	PUBLIC	Private debt	1

In what proportion of cases do you incorporate ESG factors when selecting private debt investments during the due diligence phase?

	(1) in all cases	(2) in the majority of cases	(3) in a minority of cases
(A) We use a qualitative ESG checklist	◉	○	○
(B) We assess quantitative ESG data, such as energy consumption, carbon footprint and gender diversity	◉	○	○
(D) We hire specialised third parties for additional ESG assessments	◉	○	○
(E) We require the review and sign off of our ESG due diligence process by our investment committee, or the equivalent function	◉	○	○
(F) Other method of incorporating ESG into the selection of private debt during due diligence	◉	○	○

Securitised products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 11	CORE	OO 10	N/A	PUBLIC	Securitised products	1

How do you incorporate ESG factors into the financial analysis of securitised products?

◉ (A) We analyse ESG risks and returns for both the issuer or debtor and the underlying collateral or asset pool
○ (B) We perform ESG analysis that covers the issuer or debtor only
○ (C) We perform ESG analysis that covers the underlying collateral or asset pool only
○ (D) We do not incorporate ESG factors into the financial analysis of securitised products

Post-investment phase

ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 12	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

Do your regular reviews incorporate ESG risks?

	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) Our regular reviews include quantitative information on material ESG risks specific to individual fixed income assets	☐	☐	☐	☐
(B) Our regular reviews include aggregated quantitative information on material ESG risks at a fund level	☐	☐	☐	☐
(C) Our regular reviews only highlight fund holdings where ESG ratings have changed	☐	☐	☐	☐

(D) We do not conduct regular reviews. Risk reviews of ESG factors are conducted at the discretion of the individual fund manager and vary in frequency	☑	☑	☑	☑
(E) We do not conduct reviews that incorporate ESG risks	☐	☐	☐	☐

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 13	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

Do you regularly identify and incorporate ESG incidents into the investment process for your fixed income assets?

	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into all of our investment decisions	○	◉	○	○
(B) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into the majority of our investment decisions	○	○	○	○
(C) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into a minority of our investment decisions	○	○	○	○
(D) Yes, we have an ad hoc process in place for identifying and incorporating ESG incidents	◉	○	◉	◉
(E) We do not have a process in place for regularly identifying and incorporating ESG incidents into our investment decision-making	○	○	○	○

Time horizons

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 14	CORE	OO 10	N/A	PUBLIC	Time horizons	1

In the majority of cases, how does your investment process account for differing time horizons of holdings and how they may affect ESG factors?

	(1) SSA	(2) Corporate	(3) Securitised
(A) We take into account current risks	☑	☑	☑
(B) We take into account medium-term risks	☑	☑	☑
(C) We take into account long-term risks	☑	☑	☑
(D) We do not take into account differing time horizons of holdings and how they may affect ESG factors	☐	☐	☐

Long-term ESG trend analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 15	CORE	OO 10	N/A	PUBLIC	Long-term ESG trend analysis	1

Do you continuously monitor a list of identified long-term ESG trends related to your fixed income assets?

	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) We monitor long-term ESG trends for all of our assets	◉	◉	◉	◉

(B) We monitor long-term ESG trends for the majority of our assets	○	○	○	○
(C) We monitor long-term ESG trends for a minority of our assets	○	○	○	○
(D) We do not continuously monitor long-term ESG trends in our investment process	○	○	○	○

Passive

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 16	CORE	OO 5.2 FI, OO 10	N/A	PUBLIC	Passive	1

What percentage of your total passive fixed income assets utilise an ESG index or benchmark?

> 0.0%

Examples of leading practice

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 17	PLUS	OO 10	N/A	PUBLIC	Examples of leading practice	1 to 6

Describe any leading responsible investment practices that you have adopted for some or all of your fixed income assets.

Description per fixed income asset type:

(A) SSA	Sovereign ESG Scoring Framework: AB's economists have long performed in-depth fundamental research on all sovereign issuers, and their research has always included analysis of what are now labelled "E, S, and G" factors. In particular, this comprehensive fundamental analysis evaluated how ESG issues may affect a country's ability to meet its payment obligations today as well as how those factors may affect that ability in the future. Given the outsized importance of political analysis in sovereign debt investing, our economists have always placed significant emphasis on "G" (governance) considerations. In 2019, AB introduced a proprietary ESG Scoring Framework for sovereign issuers to formalize our research and analysis in this area, and to assist our economists with their research. The framework creates a baseline score for more than 100 countries based on more than 20 E, S and G factors, which then feeds into our economists' overall fundamental country scores. **(response continued in row below)**
	Currently, the model covers 113 global sovereign issuers, each of which are scored from 0-100 (100 being the best) on material ESG factors. The overall score for each sovereign issuer is a weighted average of the three sub-sector scores, with E factors comprising a 20% weight, S factors comprising a 30% weight, and G factors comprising a 50% weight. These weighted average ESG scores then form part of our overall fundamental scoring system, which evaluates other key credit metrics, including but not limited to debt levels, currency reserves, external competitiveness, balance of payments, fiscal balance and real GDP growth. Our Sovereign ESG model uses a panel model, which enables us to conduct time series analysis with the data to assess how country scores are improving or deteriorating. The model also uses simple averages rather than z-scores, meaning we are more easily able to deconstruct the output of the model to see what is driving the overall ESG score; this also makes any qualitative fundamental adjustments easier to conceptualize and standardize globally. **(response continued in row below)**

E, S and G scores are determined the following: E: The two primary themes driving a sovereign issuer's E score are "susceptibility to natural hazards" and "sustainability." Examples of sustainability factors our economists evaluate are the vitality of the sovereign's ecosystem, the effect of the environment on human health, and the country's prioritization and use of renewable energy consumption. S: The two primary themes driving a sovereign issuer's S score are "freedom and fundamental rights" and "human development and equality." Freedom and fundamental rights issues our economist analyze include the sovereign's criminal justice and civil justice systems, approach to civil liberties, the freedom of the press in the country, and how it treats the political rights of its citizens. Human development and quality issues include gender inequality in the country, the risks to its citizens of human conflict, social progress, and the social vulnerability of its citizens. G: The two primary themes driving a sovereign issuer's G score are "corruption and government power" and "law and order." Examples of corruption/government power factors our economists evaluate include the presence/absence of corruption in the country along with the perceptions of corruption, the constraints the country imposes on government power, how open the government is, and budget transparency. Within law and order, our economists evaluate the country's legal system (including property rights), judicial independence, and whether it has effective regulatory enforcement..

(B) Corporate	For corporate issuers, our credit analysts use a uniform framework (PRISM) to determine an issuer's creditworthiness, evaluating the issuer along three major paths: 1) Business Profile—including industry trends, competitive positioning, and a company's operational acumen; 2) Financial Policy and Structure—including debt management, event risks, liquidity profile, and covenants and legal structure; 3) ESG considerations—taking into account sector-specific material risks. Within each area, analysts evaluate numerous risk factors using a scale of 0 (riskiest) to 10 (least risky). Our analysts use these scores to assign credit ratings to each tranche of a company's debt: 1) Current Rating: representing current credit profile; 2) Forward Rating: representing base-case three-year forward credit profile, assuming no changes to corporate governance/structure; 3) Downside and Upside Ratings: representing downside/upside three-year forward credit profiles, assuming business downturn/upturn and contemplated credit-negative/positive changes in governance/structure. ESG scores directly contribute to these current and forward-looking ratings, thereby directly influencing security selection. As an input and resource for their ESG assessments (but not the sole determinant), our analysts have access to ESG research from MSCI. **(response continued in row below)**
	Our assessment of the materiality of ESG issues may differ based on the nature of the industry and issuer. Within PRISM, ESG scores reflected the weighted average of our proprietary, sector specific E, S and G weights along with a suggested scoring framework developed by our global analyst team. This allows us to ensure that scores are comparable across the platform while measure material risks within each sector. For example, for Exploration and Production, within the energy sector, we view environmental factors, like carbon intensity and transition plans as key considerations, assigning the highest weight to E, with a suggested score range toward the low end of our 0-10 range. In contrast, S and G areas pose greater risks (and opportunities) than E to Banks and they thus carry much higher weightings banks ESG scores. **(response continued in row below)**

	A low (or high) ESG score may lower (or raise) the issuer's current/forward rating, particularly if it is to the low or high end of the sector-specific suggested scoring range. As these current/forward ratings are compared to our quantitative forecasts and to market pricing, a notching down or up of ratings can affect both the fit and relative attractiveness of a security in portfolio construction. Importantly, as PRISM captures our analysts' views in digital format; the risk factor scoring and financial forecast underlining our ratings and investment thesis are accessible to all investors globally. Available for each credit across ratings cohort, sector and region further facilitates broader top-down and cross-sector analysis. Lastly, being digitized facilitates PRISM's interoperability with other quantitative research and portfolio construction tools..
(C) Securitised	During 2020 we established formal ESG scoring frameworks for most major subsectors of the securitized market–ABS, CMBS, CLOs and CRTs. There are guiding principles that are common to each framework, address E, S and G components, and assign weights based on their materiality. The framework employs scores that range from 0-10 (0 being the riskiest), which is consistent with our other fixed-income scoring. Within CMBS, we believe the primary ESG risk is in the underlying collaterals' exposure to natural hazards, which can result in permanent property damage not covered by insurance and/or cash flow impacts due to business interruptions. To assess this risk across the ~20,000 properties within the conduit and single-borrower markets, we utilize data from Risk Management Solutions, a company that specializes in evaluating catastrophe risk for insurance and reinsurance companies. We evaluate each loan and deal's exposure to elevated natural hazard risk. For G, we focus on potential conflicts of interest if/when the special servicer is also the controlling class representative on a deal. From a social perspective we evaluate where (primary, secondary or tertiary markets) loans are being made within the CMBS deals. We view CRTs as supportive of the US housing market, generally resulting in a favorable ESG score. Within CRTs, the weightings among E, S and G factors are relatively balanced, with a slightly higher weighting on G. **(response continued in row below)**

G scores will vary based on the legal and structural variations across issuers and over time. Considerations include: rigor in origination and underwriting, timeliness in delivering payments; willingness to work with investors to mitigate risk and openness to negotiation; deal structure (e.g., REMIC viewed more favorably vs non-REMIC structures given better tax treatment and reduced counterparty risk; actual loss vs. fixed severity deals can materially change loss projections); and jurisdictional/regulatory risks (e.g., the GSE regulators' support for the CRT market can vary over time). From as S perspective, we score deals based on their percentage of lending to affordable housing. E risks within CRTs are lower than commercial mortgage deals given greater geographic diversity but can be challenging to quantify given the large number of loans and the lack of property-level detail which is only available at the zip code level. For ABS, S factors are paramount and receive the highest weighting in our scoring framework. ABS deals generally score highly on S factors, since they facilitate the provision of credit to consumers. Scores will vary based on factors including the aggressiveness of the lender and the lender's diligence in offering loan modifications/extensions. G considerations include rigor in origination and underwriting, timeliness in delivering payments, quality of underlying collateral and other legal/structural factors, recognizing that the sector is heavily regulated. E considerations are less prominent since the underlying collateral is generally mobile in case of a disaster; we focus on the geographical diversification of the underlying pool as well as the type of assets in the pool. **(response continued in row below)**

Loan composition within a CLO deal can change, so we focus on evaluating ESG factors at the manager level. Our criteria to evaluate ESG for CLO managers is based on data, methodology and application. When it comes to data, we score managers based on what ESG data they utilize and the breadth of that data coverage across their investment universe. For methodology, we score managers based on how their ESG data translates into fundamental research recommendations, e.g., does the manager adjust their internal credit ratings based on ESG factors? In terms of application, we score managers based on how their ESG evaluations influence investment decisions and whether any ESG screens are employed. For Agency MBS, we do not maintain formal scores, but we do consider ESG factors. MBS issued and guaranteed by Fannie Mae and Freddie Mac rate highly in our view from an ESG perspective. Our primary concern is G within these GSEs. After significant governance deficiencies before the 2008 Global Financial Crisis, these agencies have reformed themselves under the conservatorship of the FHFA and now exhibit solid corporate governance in our view. From an S perspective, the agencies support mortgage lending to underserved communities through their Duty to Serve program commitments—through which they promote mortgage lending to low-/medium-income borrowers for manufactured housing, rural housing and affordable housing preservation. From an E perspective, both are active in green financing to promote more environmentally sustainable housing markets. We believe that the strengthening of regulation around the GSEs should prevent governance slippages, but we engage with policy makers both as a firm and through trade associations to ensure these commitments to ESG remain strong..

(D) Private debt	For private debt, our credit analysts use a uniform framework (PRISM) to determine an issuer's creditworthiness, evaluating the issuer along three major paths: 1) Business Profile—including industry trends, competitive positioning, and a company's operational acumen; 2) Financial Policy and Structure—including debt management, event risks, liquidity profile, and covenants and legal structure; 3) ESG considerations—taking into account sector specific material risks. Within each area, analysts evaluate numerous risk factors using a scale of 0 (riskiest) to 10 (least risky). Our analysts use these scores to assign credit ratings: 1) Current Rating: representing current credit profile; 2) Forward Rating: representing base-case three-year forward credit profile, assuming no changes to corporate governance/structure; 3) Downside and Upside Ratings: representing downside/upside three-year forward credit profiles, assuming business downturn/upturn and contemplated credit-negative/positive changes in governance/structure. ESG scores directly contribute to these current and forward-looking ratings, thereby directly influencing security selection. As an input and resource for their ESG assessments (but not the sole determinant), our analysts have access to ESG research from MSCI. **(response continued in row below)**
	Our assessment of the materiality of ESG issues may differ based on the nature of the industry and issuer. Within PRISM, ESG scores reflected the weighted average of our proprietary, sector specific E, S and G weights along with a suggested scoring framework developed by our global analyst team. This allows us to ensure that scores are comparable across the platform while measure material risks within each sector. For example, for Exploration and Production, within the energy sector, we view environmental factors, like carbon intensity and transition plans as key considerations, assigning the highest weight to E, with a suggested score range toward the low end of our 0-10 range. In contrast, S and G areas pose greater risks (and opportunities) than E to Banks and they thus carry much higher weightings banks ESG scores. **(response continued in row below)**

A low (or high) ESG score may lower (or raise) the issuer's current/forward rating, particularly if it is to the low or high end of the sector specific suggested scoring range. As these current/forward ratings are compared to our quantitative forecasts and to market pricing, a notching down or up of ratings can affect both the fit and relative attractiveness of a security in portfolio construction. Importantly, as PRISM captures our analysts' views in digital format, the risk factor scoring and financial forecast underlining our ratings and investment thesis are accessible to all investors globally. Available for each credit across ratings cohort, sector and region further facilitates broader top down and cross sector analysis. Lastly, being digitized facilitates PRISM's interoperability with other quantitative research and portfolio construction tools..

Thematic bonds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 18	PLUS	OO 6 FI	FI 18.1	PUBLIC	Thematic bonds	1

What proportion of your total thematic investments are labelled green bonds, social bonds and/or sustainability bonds by the issuers in accordance with the four ICMA Social/Green Bond Principles?

	Proportion out of total thematic fixed income investments:
(A) Proportion of green/SDG bonds linked to environmental goals	>75%
(B) Proportion of social/SDG bonds linked to social goals	0-25%
(C) Proportion of sustainability/SDG bonds (i.e. combination of green and social bonds linked to multiple SDG categories)	0-25%
(D) None of the above	0-25%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 18.1	PLUS	FI 18	N/A	PUBLIC	Thematic bonds	3

What proportion of your social, green and/or sustainability labelled bonds has been subject to an independent review arranged by the issuer?

(A) Second-party opinion	(4) 51–75%
(B) Third-party assurance	(4) 51–75%
(C) Green bond rating	(4) 51–75%
(D) Climate Bonds Certification according to the Climate Bonds Standard	(4) 51–75%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 19	CORE	OO 6 FI	N/A	PUBLIC	Thematic bonds	1

How do you determine which non-labelled thematic bonds to invest in?

☑ (A) By reviewing the bond's use of proceeds
☑ (B) By reviewing companies' ESG targets
☑ (C) By reviewing companies' progress towards achieving ESG targets
☐ (D) We do not invest in non-labelled thematic bonds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 20	CORE	OO 6 FI	N/A	PUBLIC	Thematic bonds	1, 2, 6

What action do you take in the majority of cases where proceeds of a thematic bond issuer are not allocated to the original plan?

☑ (A) We engage with the issuer
☐ (B) We alert regulators
☐ (C) We alert thematic bond certification agencies
☐ (D) We sell the security
☐ (E) We publicly disclose the breach
☐ (F) We blacklist the issuer
☐ (G) Other action, please specify:
☐ (H) We do not take any specific actions when proceeds from bond issuers are not allocated in accordance with the original plan

Reporting/Disclosure

ESG screens

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 21	CORE	OO 6 FI	N/A	PUBLIC	ESG screens	6

How do you ensure that clients and/or beneficiaries understand ESG screens and their implications?

(A) We publish a list of ESG screens and share it on a publicly accessible platform such as a website or through fund documentation Voluntary URL link(s) to list of ESG screens: > https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/Statement_on_Controversial_Weapons.pdf	(1) for all of our fixed income assets subject to ESG screens
(B) We publish any changes in ESG screens and share it on a publicly accessible platform such as a website or through fund documentation Voluntary URL link(s) to ESG screen changes:	(4) for none of our assets subject to ESG screens
(C) We outline any implications of ESG screens, such as deviation from a benchmark or impact on sector weightings, to clients and/or beneficiaries	(4) for none of our assets subject to ESG screens

Engagement

Engaging with issuers/borrowers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 22	CORE	OO 9 FI	FI 22.1	PUBLIC	Engaging with issuers/borrowers	2

At which stages does your organisation engage with issuers/borrowers?

	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) At the pre-issuance/pre-deal stage	☑	☑	☑	☑
(B) At the pre-investment stage	☑	☑	☑	☑
(C) During the holding period	☑	☑	☑	☑
(D) At the refinancing stage	☑	☑	☑	☑
(E) When issuers/borrowers default	☑	☑	☑	☑

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 22.1	PLUS	FI 22	N/A	PUBLIC	Engaging with issuers/borrowers	2

Describe your approach to engagement.

Engagement approach per fixed income asset type or general description for all your fixed income engagement:

(A) Description of engagement approach for all of our fixed income	We directly engage with issuers and stakeholders as part of our research/investment process. Engagement lets us share our philosophy and corporate governance values, and effect positive change with issuers. Engagement augments our internal research and provides us insights into issuer strategy/competitive positioning. Engagements inform our assessment of the quality of an issuer's management, strategy, operations, and governance structure. AB maintains an Engagement Framework that is structured to identify and prioritize our engagement activities based on quantitative metrics and qualitative ESG issues. Our RI team maintains this Framework, which helps us identify companies where we can effect positive change and/or have the greatest exposure to potential ESG issues. The universe is created based on quantitative factors (e.g., dollar amount invested and percentage of the issuer owned). Qualitative factors are also added to identify ESG issues, such as our historic voting pattern. For FI portfolios, ESG engagement will typically be most significant with those issuers where debt is a greater proportion of their capital structure, as well as with those issuers in the high yield, emerging market, utilities and financials sectors. Direct engagements create a channel to discuss matters with a company's management. Direct engagements take place both before the initial investment is made and as part of our ongoing monitoring of issuers. **(response continued in row below)**

We vary our level of direct engagement based on several factors (e.g., size of our actual/potential investment, potential impact we are likely to have on the issuer, AB strategy or fund).

Direct engagements are often with senior executives, including a company's CEO and CFO. During our engagements, our team discusses strategy, business operations, governance and other topics, including ESG issues. Over time, we build a forum for open dialogue. We engage with other stakeholders (e.g., suppliers and customers) as part of our process. We also engage with directors to share our perspective on specific issues or to escalate specific concerns. Amid COVID-19, most meetings are virtual, but our engagements are equally as direct and in-depth as before.

Key priorities for our engagements include: 1) Environmental: carbon emissions, toxic emissions and waste, raw material sourcing, water stress, opportunities in clean technology, biodiversity and land use, carbon footprint of products; 2) Social: human capital development and labor management practices, product safety and quality, privacy and data security issues, general health and safety issues; 3) Governance: Board structure and independence, composition, practices and policies, pay issues, accounting methods and issues, business ethics and fraud, corruption and instability, anti-competitive practices.

Our engagement priorities also include COVID-19, which has placed new importance on the social purpose of corporations. Issues like labor management, employee health and safety, employee loyalty and retention, and the ability to attract new employees after the crisis are key topics. We analyze the companies with particular emphasis on these items, and are monitoring and tracking ESG-related COVID-19 data from company engagements and announcements and actively sharing information across our teams, with the objective of ensuring that our most current thinking on the impacts of COVID-19 are reflected in all portfolios managed for AB clients. We have added COVID-19 as an explicit metric in our ESIGHT system so we can track progress.

Our engagements also often include members of our RI Team. **(response continued in row below)**

Our portfolio managers and research analysts are best positioned to comment on issuer-specific management, strategic, operational, governance topics, while our RI team can often offer a holistic view of governance practices and relevant ESG issues. Our investment teams frequently collaborate on engagements. For instance, bond investors are often more concerned with creditworthiness. Equity investors —and, to some degree, high-yield bond investors—may be more interested in current and future cash flows, growth and investment. We also collaborate externally with other asset managers when we believe it can be beneficial to address specific issues when we have arrived at the same conclusion independently of other fund managers.

We capture our ESG-related engagements in an internal database, ESIGHT. In this database we record the ESG-related discussions with companies. We record the specific items we discussed, the company's reaction to them and the steps they are taking to resolving them. After the discussion, we reevaluate our perspective, and if necessary, record any adjustments to the risk premium we ascribe to each company. Our analysts monitor company progress and reevaluate it on a periodic basis. By storing all material engagements in a centralized system, we take an organized approach to follow-up and reporting..

Sovereign bonds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 23	CORE	OO 9 FI	N/A	PUBLIC	Sovereign bonds	2

For the majority of your sovereign bond engagements, which non-issuer stakeholders do you engage with to promote your engagement objectives?

☑ **(A) Non-ruling parties**
☑ **(B) Originators and primary dealers**
☐ (C) Index and ESG data providers
☑ **(D) Multinational companies/state-owned enterprises (SOEs)**
☑ **(E) Supranational organisations**
☐ (F) Credit rating agencies (CRAs)
☐ (G) Business associations
☑ **(H) Media**
☐ (I) NGOs, think tanks and academics
☐ (J) Other non-issuer stakeholders, please specify:
☐ (K) We do not engage with any of the above stakeholders for the majority of our sovereign bond engagements

Sustainability Outcomes (SO)

Set targets on sustainability outcomes

Outcome objectives

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 1	PLUS	ISP 45	SO 1.1, SO 2	PUBLIC	Outcome objectives	1

Has your organisation chosen to shape any specific sustainability outcomes?

◉ (A) Yes
○ (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2	PLUS	SO 1	SO 3	PUBLIC	Outcome objectives	1

Please list up to 10 of the specific sustainability outcomes that your organisation has chosen to shape.

	Sustainability outcomes
(A) Sustainability Outcome #1	Climate Action & Paris Agreement
(B) Sustainability Outcome #2	Responsible Consumption & Production
(C) Sustainability Outcome #3	Gender Equality Decent Work & Reduced Inequalities
(D) Sustainability Outcome #4	Decent Work & Article 4 UNHR

Target-setting process

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3	PLUS	SO 2	SO 3.1	PUBLIC	Target-setting process	1

Have you set any targets for your sustainability outcomes? Indicate how many targets you have set for each sustainability outcome.

(A) Sustainability Outcome #1:	(3) Two or more targets
(B) Sustainability Outcome #2:	(2) One target
(C) Sustainability Outcome #3:	(2) One target
(D) Sustainability Outcome #4:	(3) Two or more targets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3.1	PLUS	SO 3	Multiple, see guidance	PUBLIC	Target-setting process	1

For each sustainability outcome, name and provide a brief description of up to two of your targets and list the metrics or key performance indicators (KPIs) associated with them, the targets' deadlines and the percentage of your assets under management to which the targets apply.

	Target name	Target description
(A1) Sustainability Outcome #1: (Target 1)	Engagement on climate risk strategy & disclosure	Engagement campaign to encourage and track formal commitment to emissions reductions goals and associated disclosures. Applies to investee company holdings and targeted CA100+ activity on Petrobras, Sasol and Eskom.

(A2) Sustainability Outcome #1: (Target 2)	AB's own Climate Risk Strategy & Disclosure	AB Climate Change Statement & TCFD Report: Production and publishing of AB's inaugural Climate Change Statement & TCFD Report Climate Value at Risk (VaR) in Investment Portfolios: Assessment of climate risk through scenario analysis of key investment portfolios.
(B1) Sustainability Outcome #2: (Target 1)	Thematic Engagement on ESG Metrics in Executive Comp	Include at least one material, measurable ESG metric in executive compensation plans for 2021.
(C1) Sustainability Outcome #3: (Target 1)	Voting to improve Board gender & ethnic diversity	Improve gender and ethnic diversity at Board level, and by extension at management level through engaging with Boards on benefits of diversity, and then via escalation in accordance with our Proxy Voting and Governance Policy.
(D1) Sustainability Outcome #4: (Target 1)	Assessment and Measurement of Modern Slavery Risk	Reduce risks to people associated with the operations and supply chains of issuers.
(D2) Sustainability Outcome #4: (Target 2)	Engagement on Modern Slavery Risk in Investments	Reduce risks to people associated with the operations and supply chains issuers.
	KPIs/metrics	**Target deadline: Year**

(A1) Sustainability Outcome #1: (Target 1)	2021	Successful campaign engagements will result in companies formally committing to emission-reduction goals or renewable energy investment targets (e.g., carbon emission reduction targets, goals for improving their energy mix toward renewables, investment commitments for research in renewables) for fiscal year 2021, disclosing the measurement of these goals. Targets for Petrobras include: setting of scope 3 emissions target, improvement improving governance of climate risk strategy; making a net-zero commitment, disclosing in-line with recommended TCFD metrics, and performance on CA100+ Net Zero Benchmark. **(response continued in row below)**
		Targets for Eskom include: establish rapport with company, hold initial meeting, open dialogue on CA100+ objectives. Targets for Sasol include: identify PRI/CA100+ member shareholders to collaborate on engagement; initiate relationship to establish regular ongoing dialogue on sufficiency of climate strategy and targets, encourage improvements in governance, climate lobbying, plans for alternatives fuels and green technologies, and performance on CA100+ Net Zero Benchmark..
(A2) Sustainability Outcome #1: (Target 2)	Develop and disclose AB's climate strategy, climate governance and oversight process, climate risk management policy and process, and KPI setting for additional climate-related goals and targets. Understand climate risk exposure of our investments as per the scenario analysis recommendations of the TCFD, and better align with the TCFD recommendations for investment managers.	2021

(B1) Sustainability Outcome #2: (Target 1)	Successful engagements will result in companies formally including at least one material ESG metric (e.g., diversity and inclusion targets, employee training goals, water or carbon reduction targets) in their executive compensation plans for the fiscal year 2021, explaining how it is incorporated into the plan and disclosing performance against the metric.	2021
(C1) Sustainability Outcome #3: (Target 1)	Vote against relevant committee chairs in Boards that do not have at least once female director in the US & EMEA. Engage with Boards on the need to have at least one board member from an ethnic minority in US & EMEA. In Japan, engage with Boards on the need to have at least one female board member.	2021
(D1) Sustainability Outcome #4: (Target 1)	1) Determine and map issuers' modern slavery risk exposure in own operations and supply chain in Australian equities by end 2021, in global equities by end 2022.	2023
(D2) Sustainability Outcome #4: (Target 2)	2) Engage corporates to improve their behaviour, reduce risks to people and position that reduction as a potential source of competitive advantage.	2023

	Coverage: % of assets under management
(A1) Sustainability Outcome #1: (Target 1)	5
(A2) Sustainability Outcome #1: (Target 2)	38
(B1) Sustainability Outcome #2: (Target 1)	14
(C1) Sustainability Outcome #3: (Target 1)	1
(D1) Sustainability Outcome #4: (Target 1)	30

(D2) Sustainability Outcome #4: (Target 2)	75

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4	PLUS	SO 3.1	N/A	PUBLIC	Target-setting process	1

Which global goals (or other references) did your organisation use to determine your sustainability outcomes targets? Explain whether you have derived your target from global goals, e.g. by translating a global goal into a target at the national, regional, sub-national, sectoral or sub-sectoral level. Alternatively, explain why you have set your target independently from global goals.

	Global goals/references
(A1) Sustainability Outcome #1: (Target 1)	Derived from global goals including the Paris Agreement, TCFD Recommendations, and globally recognized material risk frameworks and reporting frameworks
(A2) Sustainability Outcome #1: (Target 2)	Derived from global goals including the Paris Agreement, TCFD Recommendations, and globally recognized material risk frameworks and reporting frameworks
(B1) Sustainability Outcome #2: (Target 1)	Derived from global goals including SDG 11 & 12
(C1) Sustainability Outcome #3: (Target 1)	Derived from global and national goals including EE01, SDG 5.5.2, SDG 8.5, SDG 10.2, 10.3 & 10.4
(D1) Sustainability Outcome #4: (Target 1)	Derived from global and national goals including UN GPs, OECD Guidelines, Article 4 UDHR, SDG 8.7, Australian Modern Slavery Act, UK Modern Slavery Act
(D2) Sustainability Outcome #4: (Target 2)	Derived from global and national goals including UN GPs, OECD Guidelines Article 4 UDHR, SDG 8.7, Australian Modern Slavery Act, UK Modern Slavery Act

Tracking progress

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5	PLUS	SO 3.1	SO 5.1, SO 5.2	PUBLIC	Tracking progress	1

Does your organisation track intermediate performance and progress against your sustainability outcomes targets?

(A1) Sustainability Outcome #1: (Target 1)	(1) Yes
(A2) Sustainability Outcome #1: (Target 2)	(1) Yes
(B1) Sustainability Outcome #2: (Target 1)	(1) Yes
(C1) Sustainability Outcome #3: (Target 1)	(1) Yes
(D1) Sustainability Outcome #4: (Target 1)	(1) Yes
(D2) Sustainability Outcome #4: (Target 2)	(1) Yes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5.1	PLUS	SO 5	N/A	PUBLIC	Tracking progress	1

How does your organisation track intermediate performance and progress against your sustainability outcomes targets?

	Please describe below:
(A1) Sustainability Outcome #1: (Target 1)	We write letters, seek responses and engage at least annually with the target list of companies, record these engagements in ESIGHT. We review public disclosures within the interim for evidence of change. During the campaign, we tracked overall receptivity on a monthly basis, and where companies are yet to publish additional disclosure we follow up with further engagement. We escalate through letters, engagements, other collaborative means or via voting against relevant board members.

(A2) Sustainability Outcome #1: (Target 2)	Our Director of Environmental Research and Engagement and Director of Responsible Investing Strategy have KPIs related to the progress and delivery of this target, and reports their progress to the Global Head of Responsible Investing, our Chief Responsibility Officer and the working group tasked with implementing the climate risk scenario analysis program of work.
(B1) Sustainability Outcome #2: (Target 1)	We write letters, seek responses and engage at least annually with the target list of companies, record these engagements in ESIGHT. We review public disclosures within the interim for evidence of change. During the campaign, we tracked overall receptivity on a monthly basis, and where companies are yet to publish additional disclosure we follow up with further engagement. We escalate through letters, engagements, other collaborative means or via voting against relevant board members.
(C1) Sustainability Outcome #3: (Target 1)	Our Director of Governance Research and Engagement and Proxy Voting Team have KPIs related to the delivery of this target, reporting their progress to the Global Head of Responsible Investing and the Proxy Voting and Governance Committee. We also write letters, seek responses and engage at least annually with the target list of companies identified as not having appropriate board diversity, recording these engagements in ESIGHT, prior to voting against the relevant Board directors.
(D1) Sustainability Outcome #4: (Target 1)	Our Director of Social Research and Engagement has KPIs related to the delivery of this target and reports her progress on a fortnightly basis to the investors who have exposure to the companies being mapped. Criteria being tracked include company, sector, industry, country, risk rating in own operations, supply chain risk rating, assessment date, analyst assessing company, comments, position size, strategy(ies) that hold the company, AUM exposure.
(D2) Sustainability Outcome #4: (Target 2)	We engage at least annually with the target list, record the outcomes of these engagements in ESIGHT, and review their public disclosures within the interim for evidence of change. Where companies are receptive but have yet to publish additional disclosure we follow up with further engagement, where companies have not been receptive, we look to escalate through other collaborative means or via voting against the relevant chair of the appropriate committee.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5.2	PLUS	SO 5	N/A	PUBLIC	Tracking progress	1

Describe any qualitative or quantitative progress achieved during the reporting year against your sustainability outcomes targets.

	(1) Qualitative progress	(2) Quantitative progress
(A1) Sustainability Outcome #1: (Target 1)	In 2020, the majority of our climate-related engagements with companies focused on carbon emission reduction metrics. Many companies reported being in the early innings of ESG improvement, while others said a formal policy announcement was imminent. A few management teams discussed plans to report against the guidelines from the Sustainability Accounting Standards Board or following the framework of the Task Force on Climate-related Financial Disclosures (TCFD). Most of the companies we spoke to either agreed to consider adopting climate targets, already have appropriate targets in place or will adopt appropriate targets. **(response continued in row below)**	
		Very few companies were unreceptive to engaging with us on the topic of adopting climate targets, and most engagements were quite effective. Our sense is that overall corporate awareness of climate issues is quite strong and that companies are generally more advanced in their understanding of climate issues compared to other ESG issues. Energy, real estate and utilities in North America, industrials, technology and materials in EMEA, healthcare in Asia ex Japan, and utilities in Australia were the most receptive. Consumer staples in EMEA were the least receptive. **(response continued in row below)**

	Of the companies that were least receptive, all but one didn't respond or refused to discuss. We had the most effective engagements with materials companies in EMEA and utilities in North America while we had the least effective engagements with consumer staples in EMEA. More detail can be found in the attached AB 2020 Engagement Campaign Report also available here: https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/AB%202020%20Engagement%20Campaign%20Report.pdf. **(response continued in row below)**
	92 of our research analysts, portfolio managers and CIOs across 20 of our investment teams engaged with 358 of our largest holdings, representing the majority of our active holdings that don't have the ESG criteria we're seeking. These engagements represented just a fraction of the over 850 ESG-related engagements and over 12,500 company meetings our analysts conducted during 2020 in their normal course of business. 47% of engagements were with companies based in North America, 4% in Latam, 21% in EMEA, 14% in Asia ex Japan, 12% in Japan and 3% in Australia and New Zealand. **(response continued in row below)**

	66 (18%) of the companies engaged with were from the Financials sector, 36 (10%) from Health Care, 48 (13%) from Industrials, 56 (16%) from IT, 19 (5%) from Materials, 15 (4%) from Real Estate, 25 (7%) from Communication Services, 50 (14%) from Consumer Discretionary, 31 (9%) from Consumer Staples, 9 (3%) from Energy. Of the 116 companies with which we engaged on climate risk—none of which had targets that are formally recognized by ISS or Bloomberg—44% explained that they already have climate-related targets. Of those 51 companies, we believe at the vast majority—75%—have appropriate climate targets. **(response continued in row below)**
	10 (9%) companies did not respond/refused to discuss, 3 (3%) companies would not consider any changes; 42 (36%) companies would "consider" adopting or improving targets/metrics, 22 (19%) companies will adopt appropriate targets/metrics, 14 (12%) companies will improve existing inadequate targets/metrics, 25 (22%) companies already have appropriate targets/metrics. On receptivity to engagement we rated 112 companies very good, 67 good, 49 neutral, 29 poor and 35 very poor. On effectiveness of engagement we rated 57 very good, 85 good, 81 neutral, 35 poor and 35 very poor. More detail can be found in the attached AB 2020 Engagement Campaign Report also available here: https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/AB%202020%20Engagement%20Campaign%20Report.pdf.

(A2) Sustainability Outcome #1: (Target 2)	We assessed 11 different climate risk and scenario analysis data service providers and research houses, to finally appoint one – MSCI's Carbon Delta. We are now in the process of assessing 21 of AB's investment strategies against a variety of climate scenarios to measure their Climate Value at Risk under these scenarios, as well as their level of 2 degree alignment and a variety of other climate related metrics in addition to the carbon footprint and carbon intensity of each strategy.	In 2020, AB successfully built the governance structures, policies, frameworks, operational and investment processes, and partnerships to enable us to respond to the strategy, governance, risk, metrics and targets recommendations of the TCFD, and publish our inaugural Climate Change/TCFD Statement. **(response continued in row below)**
		This Statement outlines AB's approach to assessing, managing and responding to climate change risk and opportunities, and can be found https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/AB-Climate-Change-Statement.pdf This element of this target was achieved in full, and we now plan to evolve this target to build and implement a ten-year climate strategy and action plan, and evolve this Statement into an annual TCFD Report, disclosing our progress on this strategy and our metrics and targets. **(response continued in row below)**
		For the second element of this target, which involves assessing the climate value at risk for AB investments, we ran an extensive "Request for Proposal" process to identify an appropriate service provider to support AB with this work. We have now onboarded MSCI's Carbon Delta scenario analysis and climate value at risk assessment tool, and have begun the process of conducting scenario analysis on each investment strategy, to assess its climate risk exposure..

(B1) Sustainability Outcome #2: (Target 1)	In 2020, the most common ESG metrics that companies reported having incorporated into their executive compensation programs included carbon dioxide emissions/reduction targets, lost time injury frequency rate, position within the Dow Jones Sustainability Index, and the attendance rate of managers to training sessions on certain ESG initiatives. Some issuers claimed that ESG is inherently incorporated into their compensation plans, as ESG issues impact the fundamental financial performance metrics they use to determine pay outcomes. We believe ESG factors should be balanced with financial performance metrics rather than being side-lined. Having an ESG-related metric included in executive compensation demonstrates a company's commitment to the sustainability of its business. **(response continued in row below)**
	Most companies we spoke with agreed to consider adopting ESG targets in their executive compensation plans or already have appropriate targets in place. Some were less receptive. Energy companies in Japan and communication services, financials, healthcare and industrials in Australia were the most receptive. Real estate companies in North America were the least receptive. **(response continued in row below)**

Of the companies with the lowest receptivity, 74% either did not respond or refused to discuss. Our engagements were generally effective, with the effectiveness depending on the receptivity of the companies—with an 85% correlation between a company's receptivity and the ultimate effectiveness of the conversation. We had the most effective engagements with energy companies in Japan and communication services and industrials in Australia. Engagements with communication services and consumer staples in Japan and real estate in North America were the least effective. More detail can be found in the attached AB 2020 Engagement Campaign Report available here: https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/AB%202020%20Engagement%20Campaign%20Report.pdf. **(response continued in row below)**

92 of our research analysts, portfolio managers and CIOs across 20 of our investment teams engaged with 358 of our largest holdings, representing the majority of our active holdings that don't have the ESG criteria we're seeking. These engagements represented just a fraction of the over 850 ESG-related engagements and over 12,500 company meetings our analysts conducted during 2020 in their normal course of business. 47% of engagements were with companies based in North America, 4% in Latam, 21% in EMEA, 14% in Asia ex Japan, 12% in Japan and 3% in Australia and New Zealand. **(response continued in row below)**

	18% of the companies engaged with were from the Financials sector, 10% from Healthcare, 13% from Industrials, 16% from IT, 5% from Materials, 4% from Real Estate, 7% from Communication Services, 14% from Consumer Discretionary, 9% from Consumer Staples, 3% from Energy. Despite none of the 293 companies we engaged with on executive compensation having metrics that are formally recognized by ISS, 45% of management teams explained that they do include ESG-related metrics in their executive compensation plans. Of those companies, we believe that approximately 72% have metrics that appropriately measure ESG goals. **(response continued in row below)**
	11% did not respond/refused to discuss, 6% would not consider any changes; 47% would "consider" adopting or improving targets/metrics, 5% will adopt appropriate targets/metrics, 7% will improve existing inadequate targets/metrics, 6% already have appropriate targets/metrics. On receptivity to engagement we rated 112 companies very good, 67 good, 49 neutral, 29 poor and 35 very poor. On effectiveness of engagement we rated 57 very good, 85 good, 81 neutral, 35 poor and 35 very poor. More detail can be found in the attached AB 2020 Engagement Campaign Report also available here: https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/AB%202020%20Engagement%20Campaign%20Report.pdf.

(C1) Sustainability Outcome #3: (Target 1)	In 2020, we voted against 900 companies (out of a total of 9,052 companies we voted on) in our portfolio universe whose boards did not have at least one female director. 55% of these Against votes were in Asia ex Japan, 23% in North America, 8% in LATAM, 12% in EMEA and 1% in Australia and New Zealand. The votes against in Asia ex Japan appeared predominantly in Hong Kong and South Korean listed companies.	Diversity is an important element of assessing board quality. It promotes the consideration of a wider range of perspectives in company strategy and risk mitigation. In alignment with this view, several European countries legally require a quota of female directors; other have a comply-or-explain policy. In the US, California requires corporations headquartered in that state to have at least one female board director. **(response continued in row below)**
		We believe that boards should develop, as part of their refreshment process, a framework for identifying diverse candidates for all open positions. We believe that diversity is broader than gender—it should also consider factors such as business experience, ethnicity, tenure and nationality. We generally vote in favor of proposals that encourage the adoption of a diverse search policy ("Rooney Rule"), assuring that each director search includes at least one woman, and in the US, at least one underrepresented person of color, among the nominees. AB will generally vote against the nominating/governance committee chair, or a relevant incumbent member in the case of classified boards, when the board has no female members. **(response continued in row below)**
		This approach applies globally excluding Japan. Since 2019, our policy has been to vote against boards that did not have at least one female director. In 2021, we will extend our requirement for board gender diversity to Japan. In 2019, fewer than 30% of Japanese boards had at least one female director. In 2020, that percentage increased to approximately 40%, suggesting that meaningful progress is possible and that it is time for greater effort to further push Japanese boards..

(D1) Sustainability Outcome #4: (Target 1)	In 2020, to help our investment teams focus on the modern slavery risk of the companies they cover and their supply chains, we developed a portfolio risk-identification framework. It has enabled us to apply multiple lenses: vulnerable populations in the workforce, high-risk geographies, high-risk products and services, and high-risk business models. Investment teams enter a portfolio's holdings into the tool, which then uses risk factors and circumstances to assign them to a nine-grid matrix that compares companies' modern slavery risk (low, medium or high) to modern slavery risks in their supply chains (low, medium or high). **(response continued in row below)**
	This gives our investment teams a road map to prioritize their fundamental research and engagement on companies with higher risk for modern slavery issues. Doing this from a fundamental perspective is the best way to assess modern slavery risk as it allows us to incorporate company specific supply chain and operational details, rather than assessing firms from a top down sector and geographic perspective based on their GICS category or where their head office is located and company registered. As part of this process, we're creating a best-practice guide to help evaluate companies' practices systematically. **(response continued in row below)**

It will offer guidance at both the top-down and bottom-up levels, aligning with our research approach. We're focusing on applying this framework to a number of investment strategies initially including Australian Value, Asia ex Japan and Global Core. We also established a Controversial Investment Advisory Council, and launched a modern slavery training program, in collaboration with expert nongovernmental organizations, that is mandatory for all our investment analysts. Every portfolio manager and research analyst also has access to a number of resources including UN Global Compact compliance data, controversy data and external research house ratings from Sustainalytics and MSCI.. **(response continued in row below)**

Using the aforementioned framework, we assessed and scored 234 global companies for risk of modern slavery in 2020. We assessed two dimensions of modern slavery risk – Risk of modern slavery in a company's own operations, and Risk of modern slavery in a company's supply chain. **(response continued in row below)**

We scored 49 companies low risk in own operations and low risk in supply chain, 70 companies low risk in own operations and medium risk in supply chain, 24 companies low risk in own operations and high risk in supply chain, 7 companies medium risk in own operations and low risk in supply chain, 2 companies high risk in own operations and low risk in supply chain, 18 companies medium risk in both own operations and supply chain, 40 companies medium risk in own operations and high risk in supply chain, 3 companies high risk in own operations and medium risk in supply chain, and 27 companies high risk in both their own operations and in their supply chains. 28% of assessments were with companies based in North America, 5% in Latam, 24% in EMEA, 37% in Asia ex Japan, 5% in Japan and 1% in Australia and New Zealand. **(response continued in row below)**

48 (21%) of the companies assessed were from the Financials sector, 15 (6%) from Health Care, 22 (9%) from Industrials, 32 (14%) from IT, 16 (7%) from Materials, 15 (6%) from Real Estate, 15 (6%) from Communication Services, 31 (13%) from Consumer Discretionary, 18 (8%) from Consumer Staples, 11 (5%) from Energy, and 11 (5%) from Utilities. More details on our approach to assessing Modern Slavery risk can be found on our microsite here https://web.alliancebernstein.com/APAC/institutions/au/modern-slavery.htm.

(D2) Sustainability Outcome #4: (Target 2)	The insights from these engagements were recorded in our proprietary ESG engagement and research platforms ESIGHT and PRISM, for all investors to access, and we are continuing this engagement program in 2021 and beyond. We participated in a number of collaborative initiatives related to this sustainability outcome and target as outlined in our responses to other questions below and continue to ramp up our work in this space. Further qualitative progress is reported in our engagement case studies provided below.	In terms of engaging with investee companies on their modern slavery risks, in 2020 we engaged with over 70 companies domiciled in Australia and Asia. In addition, over 300 investors participated in our internal modern slavery training, with additional modules focusing on specific industries and countries being run throughout 2021.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 6	PLUS	SO 3.1	SO 6.1	PUBLIC	Tracking progress	2

Despite your organisation's efforts to make progress on your sustainability outcomes, there may be stakeholders who have been negatively affected by your organisation's activities. For each of your sustainability outcomes, indicate whether your organisation ensures that stakeholders who have been negatively affected are able to seek an effective remedy.

(A) Sustainability Outcome #1:	(2) No
(B) Sustainability Outcome #2:	(2) No
(C) Sustainability Outcome #3:	(2) No
(D) Sustainability Outcome #4:	(1) Yes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 6.1	PLUS	SO 6	N/A	PUBLIC	Tracking progress	2

How does your organisation ensure that stakeholders negatively affected by your activities are able to seek an effective remedy?

	Please describe below:
(D) Sustainability Outcome #4:	AB is committed to upholding and protecting human rights and has due regard to the OECD Guidelines and the UN Guiding Principles. We acknowledge our responsibility to respect human rights in our operations and conduct our business in compliance with applicable employment regulations in the jurisdictions in which we operate. We expect the same of our vendors and of the issuers in which we invest, and that they work to prevent child and/or forced labor and human trafficking in their operations and supply chains. Our Code of Business Conduct and Ethics outlines our whistleblower protection policy, a misconduct compliance and reporting process, and the details of access to the Company Ombudsman - an independent and confidential adviser that advises on workplace issues. Whistleblowing and contact details for the company ombudsman are displayed publicly in all our offices for all staff and visitors to see. **(response continued in row below)**
	Our Anti-Bribery and Corruption Policy makes our vendor relationship managers aware of the role they play in identifying the signs of modern slavery and human trafficking. In 2020, we developed a Global Slavery and Human Trafficking Statement which outlines our position on modern slavery, health & safety, and employee well-being in our operations and in our investments. We also updated our Vendor Code of Conduct to incorporate requirements on modern slavery, diversity and inclusion and environmental management, in addition to the requirements already stipulated on working hours fair wages, discrimination, harassment, safe and sanitary workplace conditions. This policy has been circulated to a limited number of suppliers and we will continue to circulate it more broadly. In 2021, we will continue our work in this area, to improve access to remedy via our whistleblower hotline and ombudsman, and will add modern slavery content to our vendor relationship manager training and to our contractual agreements with vendors..

Investors' individual and collective actions shape outcomes

Levers for shaping outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 7	PLUS	SO 3.1	SO 7.1 - SO 22,	PUBLIC	Levers for shaping outcomes	1, 2, 5

Which levers did your organisation or service providers/external investment managers acting on your behalf use to make progress on your sustainability outcomes during the reporting year?

	(1) Individually	(2) With other investors or stakeholders
(A) Asset allocation	☑	☐
(B) Investee engagement including voting	☑	☑
(C) Systemic stewardship including policy engagement	☑	☑
(D) None of the above	☐	☐

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 7.1	PLUS	SO 7	N/A	PUBLIC	Levers for shaping outcomes	1, 2, 5

Considering all the levers you indicated in the previous question, indicate the overall budget you allocated specifically to shaping sustainability outcomes in the reporting year. This indicator refers to the budget dedicated exclusively to shaping sustainability outcomes. Please refer to the Explanatory notes for detailed guidance to determine what to include in the budget figure.

(A) Asset allocation	US$ 5,000,000.00

(B) Investee engagement including voting	US$ 5,000,000.00
(C) Systemic stewardship including policy engagement	US$ 2,000,000.00

Asset allocation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 8	PLUS	SO 7	N/A	PUBLIC	Asset allocation	1

Describe how your organisation used asset allocation specifically to make progress on your sustainability outcomes during the reporting year, excluding participation in structures involving other stakeholders, such as blended finance. Provide details on how you expect these measures to make a significant change to the cost and/or availability of capital to finance progress on your sustainability outcomes.

	Please describe below:
(A) Sustainability Outcome #1:	AB has a policy of escalating engagement outcomes through collaborative engagements and proxy action, rather than through the threat of divestment or reallocation of assets. More details on this escalation policy can be found in our Stewardship Statement: https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/ABGlobalStewardship.pdf. AB's depth and breadth of investment products and exposures is broad, and our active investment teams are autonomous in their investment decision- making. **(response continued in row below)**
	As a result, the impact of engagements related to this SO on individual strategy asset allocation at the security selection and portfolio construction level varies. The insights we've drawn from our engagements were recorded into our proprietary engagement and ESG research platform ESIGHT, for our investment analysts and portfolio managers to reference and incorporate into their security research and valuation models. Negative engagement outcomes may have resulted in reduced exposures, position sales, increases to cost of capital or devaluation of price targets. **(response continued in row below)**

	In other instances, positive engagement outcomes may have resulted in a deepening of conviction, increased exposures, revaluation of price targets, and/or reductions in costs of capital or discount factors. To support client asset allocation and encourage investment in companies that will positively benefit from, or are adapting to, the transition to a low carbon economy, AB launched two low-carbon themed listed equity investment strategies in 2020. AB Global Low Carbon and AB Asian Low Carbon. AB also runs an Australian Managed Volatility Equities—Green strategy with $29 million in AUM as of December 31, 2020, with a similar climate-related objective of offering an investment portfolio that is 90% less carbon exposed than its benchmark (the ASX/S&P 200), which also enables clients to offset the remaining carbon emissions of their investment through the Qantas Future Planet carbon offset program..
(B) Sustainability Outcome #2:	AB has a policy of escalating engagement outcomes through collaborative engagements and proxy action, rather than through the threat of divestment or reallocation of assets. More details on this escalation policy can be found in our Stewardship Statement: https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/ABGlobalStewardship.pdf. In addition, AB's depth and breadth of investment products and exposures is broad, and our active investment teams are autonomous in their investment decision-making. As a result, the impact of our engagements with 293 of the largest AB-owned companies on their whether they include ESG metrics in executive compensation, on individual strategy asset allocation at the security selection and portfolio construction level varies. **(response continued in row below)**
	The insights we have drawn from our investee company engagements were all recorded into our proprietary engagement and ESG research platform ESIGHT, for our investment analysts and portfolio managers to reference and incorporate into their security research and valuation models. In some instances negative engagement outcomes may have resulted in reduced exposures, position sales, increases to cost of capital or devaluation of price targets. In other instances, positive engagement outcomes may have resulted in a deepening of conviction, increased exposures, revaluation of price targets, and/or reductions in costs of capital or discount factors depending on the investment style and process of the relevant team..

(C) Sustainability Outcome #3:	We choose to execute our activity to improve board and management diversity through our voting activity and engage with investee companies on our intention to vote against them where relevant. Our Proxy Voting and Governance Policy (https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/AB-Proxy-Voting-and-Governance-Policy.pdf) outlines that we will generally vote against the nominating/governance committee chair, or a relevant incumbent member in case of classified boards, when the board has no female members. In Japan, we will vote against the top management. This approach applies globally. AB will also escalate the topic of board level ethnic/racial diversity and engage with its significant holdings that lack a minority ethnic/racial representation on board through 2021. Based on the outcome, AB will begin voting against the nominating/governance committee chair or a relevant incumbent member for classified boards of companies that lack minority ethnic/racial representation on board in 2022.
(D) Sustainability Outcome #4:	AB has a policy of escalating engagement outcomes through collaborative engagements and proxy action, rather than through the threat of divestment or reallocation of assets. More details on this escalation policy can be found in our Stewardship Statement: https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/ABGlobalStewardship.pdf. Despite this, as we also engage for research insight prior to establishing investment positions, and to monitor existing investment allocations. We undertook an engagement with a Chinese video surveillance company to discuss multiple ESG concerns at the company, including cyber security, human rights issues, corporate governance and the violation of international norms. The engagement enabled us to confirm our concerns and identified a number of additional governance, regulatory, and legal risks resulting in the Asia ex Japan team to choosing not to establish a position in the company and withhold investment capital, as well as our Emerging Market Growth team selling out of the position.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 10	PLUS	Multiple, see guidance	N/A	PUBLIC	Asset allocation	1, 5

In which asset classes did your organisation, or your external investment managers acting on your behalf, use asset allocation to make progress on your sustainability outcomes during the reporting year? For each asset class, indicate the proportion of assets under management that you dedicated to making progress on your sustainability outcomes.

(1) Listed equity

(A) Sustainability Outcome #1:	(2) We used the majority of our AUM to advance our sustainability outcomes
(B) Sustainability Outcome #2:	(2) We used the majority of our AUM to advance our sustainability outcomes
(C) Sustainability Outcome #3:	(1) We used all of our AUM to advance our sustainability outcomes
(D) Sustainability Outcome #4:	(2) We used the majority of our AUM to advance our sustainability outcomes

(2) Fixed income

(A) Sustainability Outcome #1:	(4) We did not use our AUM to advance our sustainability outcomes in this asset class
(B) Sustainability Outcome #2:	(4) We did not use our AUM to advance our sustainability outcomes in this asset class
(C) Sustainability Outcome #3:	(4) We did not use our AUM to advance our sustainability outcomes in this asset class

(D) Sustainability Outcome #4:	(4) We did not use our AUM to advance our sustainability outcomes in this asset class
(6) Hedge funds	
(A) Sustainability Outcome #1:	(4) We did not use our AUM to advance our sustainability outcomes in this asset class
(B) Sustainability Outcome #2:	(4) We did not use our AUM to advance our sustainability outcomes in this asset class
(C) Sustainability Outcome #3:	(4) We did not use our AUM to advance our sustainability outcomes in this asset class
(D) Sustainability Outcome #4:	(4) We did not use our AUM to advance our sustainability outcomes in this asset class

Investee engagement including voting

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 11	PLUS	SO 7	N/A	PUBLIC	Investee engagement including voting	2

During the reporting year, how did your organisation or service providers/external investment managers acting on your behalf engage with investees specifically to make progress on your sustainability outcomes? This indicator refers to the engagement activities dedicated exclusively to shaping sustainability outcomes.

	(1) Sustainability Outcome #1:	(2) Sustainability Outcome #2:	(3) Sustainability Outcome #3:	(4) Sustainability Outcome #4:
(A) At shareholder meetings, we voted in favour of all resolutions or proposals that advanced our sustainability outcomes and voted against all those that undermined them	☑	☐	☑	☐

(B) We filed or co-filed shareholder resolutions or proposals that advanced our sustainability outcomes	☐	☐	☐	☐
(C) We used our positions on investee boards and board committees to advance our sustainability outcomes	☐	☐	☐	☐
(D) We negotiated with and monitored the stewardship actions of suppliers in the investment chain	☐	☐	☐	☐
(E) Where necessary, we resorted to litigation	☐	☐	☐	☐
(F) Other, please specify: We updated our Proxy Voting and Governance Policy in a number of areas to align our voting activities with our sustainability objectives. We outlined our process of considering ESG and climate-related shareholder resolutions, we incorporated our intent to vote Against the reappointment of incumbent directors accountable for addressing material ESG risks, climate risk management and human rights oversight where companies have failed to respond to our thematic engagement activities related to our sustainability outcome targets. We also updated our Policy to reflect our intention to vote against nominating/governance committee chairs or relevant board members where the board has no female members. In Japan this will be implemented as votes against top management. In addition to this, our policy now also states that based on the success of additional engagement on improving board ethnic and racial diversity in 2021, we will begin voting against nominating/ governance committee chairs or	☑	☑	☑	☐

> relevant board members where the board has no ethnic/racial diversity in 2022.
>
> Finally, we also updated our Policy to reflect our intent to vote "For" shareholder resolutions that promote the assessment of salary inequity, taking into consideration the cultural and legal context of the markets in which the company in question operates.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 12	PLUS	SO 7	N/A	PUBLIC	Investee engagement including voting	2

What is your organisation's approach to engaging with investees as a means to make progress on your sustainability outcomes? Please discuss the reasons why you have chosen any specific engagement tools to make progress on each of your sustainability outcomes. Please also explain how you combine different engagement tools to advance each sustainability outcome.

	Please describe below:
(A) Sustainability Outcome #1:	In addition to the 12,500 investor-driven engagements we held with companies, AB also ran a 2020 Engagement Campaign focused on climate risk goals and disclosures. We believe establishing meaningful climate-risk goals and disclosures is essential to combating climate change at a broad scale. Human activity, particularly carbonization, is contributing significantly to climate risk. Yet, despite physical, transition and liability risks due to climate change posing material threats to the future success of businesses, the financial system and the planet, a relatively small portion of global companies have set science-based targets for minimizing their climate risk. We engaged directly with 116 of the largest AB-owned companies that do not currently have science-based climate goals. To ensure that companies are minimizing and disclosing their climate risk, we asked companies to assess their exposure and behavior, set science-based targets, and report on their activity. **(response continued in row below)**

	We also engaged collaboratively through CA100+ as lead engager on two companies in 2020 – Petrobras & Sasol. (More details provided in in our other responses to the collaborative initiative questions below). We have chosen these tools as we recognized that we had a positive long-term relationship with these companies that could be leveraged for the benefit of all CA100+ member investors, to improve their strategy, disclosure and management of climate risk which is in the interest of all stakeholders and to reduce their contribution to carbon emissions. For firms that committed to make meaningful change, we plan to reengage again this year, and escalate through voting against the relevant Board member/Committee Chair. Where this escalation can also be made via supporting collaborative shareholder advocacy action and appropriately-worded shareholder resolutions, we will also vote in favor of these resolutions in line with our Proxy Voting and Governance Policy..
(B) Sustainability Outcome #2:	In addition to the 12,500 investor-driven engagements we held with companies, AB also ran a 2020 Engagement Campaign focused on climate risk goals and disclosures. We believe establishing meaningful climate-risk goals and disclosures is essential to combating climate change at a broad scale. Human activity, particularly carbonization, is contributing significantly to climate risk. Yet, despite physical, transition and liability risks due to climate change posing material threats to the future success of businesses, the financial system and the planet, a relatively small portion of global companies have set science-based targets for minimizing their climate risk. We engaged directly with 116 of the largest AB-owned companies that do not currently have science-based climate goals. To ensure that companies are minimizing and disclosing their climate risk, we asked companies to assess their exposure and behavior, set science-based targets, and report on their activity. **(response continued in row below)**

	We also engaged collaboratively through CA100+ as lead engager on two companies in 2020 – Petrobras & Sasol. (More details provided in in our other responses to the collaborative initiative questions below). We have chosen these tools as we recognized that we had a positive long-term relationship with these companies that could be leveraged for the benefit of all CA100+ member investors, to improve their strategy, disclosure and management of climate risk which is in the interest of all stakeholders and to reduce their contribution to carbon emissions. For firms that committed to make meaningful change, we plan to reengage again this year, and escalate through voting against the relevant Board member/Committee Chair. Where this escalation can also be made via supporting collaborative shareholder advocacy action and appropriately-worded shareholder resolutions, we will also vote in favor of these resolutions in line with our Proxy Voting and Governance Policy..
(C) Sustainability Outcome #3:	We choose to execute our activity to improve board and management diversity through our voting activity and engage with investee companies on our intention to vote against them where relevant. Our Proxy Voting and Governance Policy outlines that we will generally vote against the nominating/governance committee chair, or a relevant incumbent member in case of classified boards, when the board has no female members. In Japan, we will vote against the top management. This approach applies globally. AB will also escalate the topic of board level ethnic/racial diversity and engage with its significant holdings that lack a minority ethnic/racial representation on board through 2021. Based on the outcome, AB will begin voting against the nominating/governance committee chair or a relevant incumbent member for classified boards of companies that lack minority ethnic/racial representation on board in 2022.

(D) Sustainability Outcome #4:	We engage directly with companies we identify who may have medium to high risk of modern slavery in their operations and/or supply chain. This is because there is little research and disclosure in this area, the research and disclosure that does exist is of poor quality, company recognition of this risk is emerging, and transparency is low. We have found many companies are unaware of the modern slavery risks to their business, and few firms recognize the financial risk as well, so as a shareholder we find ourselves taking a didactic role to educate Boards and Management Committees on these risks and issues. We are broadly supportive of collaborative initiatives and investor letters requesting more transparency and corporate disclosure of supply chain risks including those related to human rights, and have chosen to sign a number of these to show our support, including CCLA's Find It, Fix It, Prevent It investor letter, and the IAST APAC Letter to ASX Listed Companies. **(response continued in row below)**
	We also signed the KnowTheChain Investor Statement on Forced Labor in Global Supply Chains and joined a collaborative engagement by ICCR and KnowTheChain as an observer focusing on increased supply chain forced labor and labor risks related to COVID-19. In addition, in 2020 we searched for a collaborative initiative like CA100+ in the human rights/modern slavery space and found none that we felt showed an appropriate quality of research, nor fit our process and breadth of investments. This has now changed with the shift of IAST APAC's focus to its engagement workstream, and we will report on our activity in this collaborative engagement next year..

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 13	PLUS	SO 7	N/A	PUBLIC	Investee engagement including voting	2

Please provide at least one example of how your organisation's individual engagement with investees, either directly or via service providers/external investment managers acting on your behalf, helped make progress on each of your sustainability outcomes during the reporting year, excluding collaborative initiatives.

	Example 1	**Example 2**

(A) Sustainability Outcome #1:	We had targeted a US-based manufacturing company as part of our Thematic Engagement Campaign due to its lack of carbon emission or climate change targets. Our ongoing engagements with the company reveal a recognition by management of the importance of climate risk and a willingness to take concrete steps to address it. At our first meeting, we shared our benchmarking of the company and peer companies, articulating why addressing carbon and employee safety is important for the company over the long term. **(response continued in row below)**	
		The controller agreed to raise the matter with the board. Follow-up meetings showed that the company had made considerable progress, including incorporating ESG metrics on employee engagement and safety in its executive compensation plan. The company has also engaged a consultant to establish its baseline carbon emissions, with the hopes of crafting an improvement plan and improving its disclosure in 2021.. **(response continued in row below)**
		A US-based regional airline issued an environmental commitment guide in 2019. Although the company has worked closely with ISS to follow the organization's structure in developing internal initiatives, it hasn't worked with MSCI or Sustainalytics. We spoke with the CFO and the chief accounting officer about the company's fuel usage and efficiency. **(response continued in row below)**

	The company's challenge: its partner airlines purchase most of its fuel, while the company primarily provides labor and financing for the aircraft. While the company has pursued lighter aircraft and better fuel efficiency, it's less than 50% responsible for even those limited decisions. The company has upgraded its aircraft to more efficient aircraft and has accelerated the timetable for retiring old aircraft. **(response continued in row below)**
	The company also joined the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), with a goal of cutting emissions by 50% between 2005 and 2025. We believe that the company's aircraft upgrades will make its fleet more energy-efficient, but most of its emissions reductions under CORSIA will come from carbon offsets. It's encouraging that management agreed to consider adding Scope 1 disclosures for its pro-rate business (10%–15% of overall business), where it makes fueling decisions. Management also thanked us for being the first investor to provide actionable feedback on the company's approach to climate risk..
(B) Sustainability Outcome #2:	We had targeted a different US-based manufacturing company as part of our Thematic Engagement Campaign due to its lack of any ESG metrics in executive compensation. The company has historically focused incentive compensation on financial metrics. However, performance against goals on workplace safety, minimizing waste and reducing energy usage does impact executive compensation. The company recently announced expanded sustainability goals centered on "product, planet and people" for 2030 and is establishing key performance indicators (KPIs) in support of those goals. **(response continued in row below)**

We encouraged management to formally reflect the KPIs in executive compensation plans. Management intends to have board-level oversight for the sustainability program, and the compensation committee is discussing the development of ESG targets for executives for 2022. The company will set targeted, timebound KPIs to support its sustainability goals and show progress against them transparently, including in its first sustainability report in mid-2021. We were encouraged by the company's progress.. **(response continued in row below)**

We targeted a Dutch-America semiconductor manufacturer as part of our Thematic Engagement Campaign due to its lack of ESG metrics in executive compensation. The company currently includes only traditional financial statistics in its plan. **(response continued in row below)**

IR explained that the company doesn't yet include a material ESG target in executive compensation, but that it does hold its executives accountable to the company's code of conduct, which "expects strict adherence to those metrics that are part of ESG." Management later asked us for examples of companies that include ESG metrics in executive compensation, which we shared (see next page for examples of best practices). The examples were very well received—after seeing them, the company seemed more receptive to the idea of including formal ESG metrics in its executive compensation plans. We'll follow up with management to track progress..

(C) Sustainability Outcome #3:	We've engaged with a US-based company that provides business process outsourcing for government health and human services around the world. The company helps a diverse population of individuals participate in government-sponsored social services and seeks to reflect that diversity in its own employee base. In February 2020, we spoke with the CEO and IR to discuss risks related to human capital and diversity. Management explained that in the coming year, two directors would be stepping down from the nine-member board of directors, which would give the company the opportunity to further increase the diversity of the board, which it subsequently did. It was also noted that a large percentage of senior management, as well as the general global workforce at the company, is female. **(response continued in row below)**
	The CEO confirmed that the former head of human capital, with negative feedback in reviews, was being replaced by a female. To further improve diversity and inclusion, the company conducted its first employee survey. In September, we followed up with the CEO on diversity and inclusion. We were pleased to learn that the company had made significant progress on the aforementioned ESG-related issues. The company hired a new head of diversity and inclusion, who has a background as a sociocultural and educational anthropologist with expertise on diversity, equity and inclusion, specifically as it relates to race, gender, class and social justice. **(response continued in row below)**

In addition, the CEO confirmed that a black woman had recently been hired to serve in a leadership role in the IT organization. The company noted that PWC benchmarked the company at 80% in terms of diversity at the VP level and above. As a result of our greater comfort with the company's focus on human capital and diversity and inclusion, we added the company to our client portfolios. The business is highly relevant to our sustainable approach, as it provides employment services and helps people sign up for social services such as health insurance.. **(response continued in row below)**

Since May 2017, we've engaged with management from a US-based financial services company on governance issues, specifically on what we viewed as an entrenched board. Most of the company's board members had served more than 10 years. Our ESG engagements with the company were focused on advocating for board refreshment with members that could offer a new perspective and diverse set of experiences. The company has responded. **(response continued in row below)**

Three board directors didn't stand for reelection and two new directors were appointed. But that wasn't enough. In May 2019, we tussled with the company over its refusal to refresh three more board members whose terms expired in 2020. As a result, the company also added two new directors who bring technology experience and gender diversity to the board. We believe our consistent message regarding the company's board composition influenced the company's decision making..

(D) Sustainability Outcome #4:	In late 2019, ongoing monitoring of our position in a Japan-based electronics company revealed news articles linking child labor in mica mining in Madagascar to a trading company supplying the company. Our initial conversations with the company revealed that it had questioned the supplier. It assured the company of its compliance with procurement guidelines that prohibit child labor, and that the mica supplied to the company wasn't sourced from Madagascar. We had hoped for a more comprehensive response, so we initiated a series of engagements with the company about raw materials sourcing for both mica and cobalt, a much more significant input for the company. **(response continued in row below)**
	Our Director of Social Research and Engagement worked closely with AB analysts and portfolio managers to research and design the engagements. In 2020, we met with various officials in the company's legal, procurement and corporate social responsibility areas. While the company's basic procurement policy was relatively comprehensive, our engagement revealed several areas for improvement. Escalated issues were shared within narrow silos at the firm, inhibiting widespread action. **(response continued in row below)**

	Incomplete supply-chain mapping focused auditing efforts only on first-tier suppliers. Also, those auditing procedures rely heavily on checklists and good faith instead of direct audits, third-party verification and conversations with workers offsite. Based on these conversations, we perceived elevated investment risk in the company; as a result, we reduced or sold positions across all portfolios. We continue to engage with the company on these issues, and we're encouraging the company to take action to correct what we view as deficiencies.. **(response continued in row below)**
	In our Australian equity portfolios, we engaged with multiple companies on modern slavery risk exposures in operations and supply chains, and appropriate disclosure of such risks. We found that one medical laboratory company has not yet assessed the risk of high-risk suppliers who provide personal protective equipment (PPE) such as masks and gloves. Similarly, a packaging company provides limited disclosure on modern slavery, despite operating in a number for high risk geographies. One telecom company has made more progress. **(response continued in row below)**
	It reviewed workplace conditions in India and found that the cost of the initial training program for new starters was taken out of their pay. The company has since banned this practice. A certain steel producer continues to make progress, with some of its operations planning to be certified based on the Responsible Steel Principles by the end of 2021 which includes human rights..

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 14	PLUS	SO 7	N/A	PUBLIC	Investee engagement including voting	2, 5

During the reporting year, in which collaborative initiatives focused on engaging with investees did your organisation or service providers/external investment managers acting on your behalf participate to make progress on your sustainability outcomes?

	Please describe below:
(A) Sustainability Outcome #1:	AB is a member of Climate Action 100+ and a lead engager on two companies - Petrobras and Sasol. CA100+ has three targets aligned with this sustainability outcome – seeking commitments from boards and senior management to implement a strong governance framework that clearly articulates the board's accountability and oversight of climate change risk; take action to reduce greenhouse gas emissions across the value chain, consistent with the Paris Agreement's goal of limiting global average temperature increase to well below two-degrees Celsius above pre-industrial levels, aiming for 1.5 degrees. **(response continued in row below)**
	Notably, this implies the need to move toward net-zero emissions by 2050 or sooner; and, provide enhanced corporate disclosure in line with the final recommendations of the TCFD and sector-specific GIC Investor Expectations on Climate Change guidelines (where applicable), to enable investors to assess the robustness of companies' business plans against a range of climate scenarios, including well below two degrees and improve investment decision-making. We are also active members of IGCC and AIGCC and participate in the work produced by IGCC's Low-Carbon Working Group, and are a founding member of AIGCC's Low Carbon Working Group. These peak bodies advocate for stronger policy on climate change, catalyze net zero investment, help members build climate change resilience in their investments, influence the real economy and mobilize investors in Asia..
(B) Sustainability Outcome #2:	None. We worked toward these outcomes on a standalone basis.

(C) Sustainability Outcome #3:	None. Our work on this outcome is focused on voting and as such we engaged directly with companies on our voting intentions in 2020.
(D) Sustainability Outcome #4:	AB signed an Investor Statement on modern slavery, human trafficking and labor exploitation issues, which called on companies to pursue real action to combat modern slavery, human trafficking and labor exploitation, and encouraged companies to take ten actions to mitigate the risk of modern slavery and other exploitative conditions in their value chains and business relationships. AB signed an investor statement a joined a coalition of investors drafted by the CCLA Find it, Fix It, Prevent It initiative to support three collaborative working groups taking action to encourage more effective corporate action on modern slavery. We also signed the KnowTheChain Investor Statement on Forced Labor in Global Supply Chains and joined a collaborative engagement by ICCR and KnowTheChain as an observer focusing on increased supply chain forced labor and labor risks related to COVID-19.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 15	PLUS	SO 7	N/A	PUBLIC	Investee engagement including voting	2

Which of the following best describes your organisation's default position regarding collaborative initiatives to engage with investees in order to make progress on your sustainability outcomes?

◉ (A) We recognise that progress on sustainability outcomes suffers from a collective action problem, and, as a result, we actively prefer collaborative efforts
○ (B) We collaborate when our individual efforts have been unsuccessful or are likely to be unsuccessful, i.e. as an escalation tool
○ (C) We collaborate in situations where doing so would minimise resource cost to our organisation
○ (D) We do not have a default position but collaborate on a case-by-case basis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 16	PLUS	SO 7	SO 16.1	PUBLIC	Investee engagement including voting	2

During the reporting year, how did your organisation or the service providers/external investment managers acting on your behalf contribute to collaborative initiatives to engage with investees in order to make progress on your sustainability outcomes?

(A) By leading coordination efforts	(3) in a minority of cases
(B) By providing financial support	(2) in the majority of cases
(C) By providing pro bono advice	(2) in the majority of cases
(D) By providing pro bono research	(3) in a minority of cases
(E) By providing pro bono training	(4) in no cases
(F) By providing administrative support	(4) in no cases
(G) Other, please specify: AB signed an Investor Statement on modern slavery, human trafficking and labor exploitation issues which called on companies to pursue real action to combat modern slavery, human trafficking and labour exploitation, and encouraged companies to take ten actions to mitigate the risk of modern slavery and other exploitative conditions in their value chains and business relationships. AB signed an investor statement a joined a coalition of investors drafted by the CCLA Find it, Fix It, Prevent It initiative to support three collaborative working groups taking action to encourage more effective corporate action on modern slavery. We also signed the KnowTheChain Investor Statement on Forced Labor in Global Supply Chains and joined a collaborative engagement by ICCR and KnowTheChain as an observer focussing on increased supply chain forced labor and labor risks related to COVID-19.	(2) in the majority of cases

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 16.1	PLUS	SO 16	N/A	PUBLIC	Investee engagement including voting	2

Please provide details of how you contributed to collaborative initiatives to engage with investees in order to make progress on your sustainability outcomes.

	Provide describe below:
(A) By leading coordination efforts	AB became a co-lead on Sasol in 2020, after engaging with the company on its plan for addressing climate transition risks in South Africa, where a carbon tax went into effect in 2019. The company's coal-to-fuels Secunda plant emits 56.5 million tons of GHG per year, making it the world's biggest single-site emitter of carbon. AB partnered with the PRI to identify local investors in Sasol and secure their participation in the CA100+ engagement. Then, AB's Global Head of Responsible Investing leveraged her existing relationship with Sasol's CFO to arrange an engagement with that took place in the fourth quarter of 2020. **(response continued in row below)**
	That initial CA100+ engagement with Sasol established a regular ongoing dialogue between the investor cohort and the company as it navigates a difficult transition to a lower-carbon business model against the backdrop of low oil prices and a high debt burden from cost overruns and delays in the development of its Lake Charles Chemical Project in Louisiana, USA. We also act as a co-lead on the CA100+ engagement with Petrobras. The state-owned oil and gas company has one of the largest carbon footprints in Latin America, having emitted 8.68 billion tons of CO2E since 1965. Petrobras has made strides in key areas, but there's still room for improvement. **(response continued in row below)**

	Petrobras plans to spend the bulk of its estimated $55 billion in capital expenditure through 2025 on developing large pre-salt oil reserves offshore—this could be more profitable but also has high associated carbon dioxide content. Petrobras announced the plan even as several policymakers have acknowledged the potential for stranded assets, with the Russia / Saudi Arabia conflict leaving a global oil supply overhang in the face of pandemic-impaired demand. The CA100+ investor cohort has engaged with Petrobras several times, with dialogue focused on issues including governance around climate change and disclosing metrics related to recommendations from the TCFD and Scope 3 emissions targets..
(B) By providing financial support	AB pays membership fees to a number of industry bodies and ESG-related organisations in which it is a member of or signatory to including PRI, SASB, VBDO, ACGA, Australian FSC, CII, HKIFA, ICGN, ICI, ASIFMA, IMAS, IGCC, AIGCC, CMI, CA100+, PRI, and CBI.
(C) By providing pro bono advice	None.
(D) By providing pro bono research	None.
(G) Other	AB signed an Investor Statement on modern slavery, human trafficking and labor exploitation issues, which called on companies to pursue real action to combat modern slavery, human trafficking and labor exploitation, and encouraged companies to take ten actions to mitigate the risk of modern slavery and other exploitative conditions in their value chains and business relationships. AB signed an investor statement a joined a coalition of investors drafted by the CCLA Find it, Fix It, Prevent It initiative to support three collaborative working groups taking action to encourage more effective corporate action on modern slavery. We also signed the KnowTheChain Investor Statement on Forced Labor in Global Supply Chains and joined a collaborative engagement by ICCR and KnowTheChain as an observer focusing on increased supply chain forced labor and labor risks related to COVID-19.

Systemic stewardship including policy engagement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 17	PLUS	SO 7	N/A	PUBLIC	Systemic stewardship including policy engagement	2

Provide one example of how your organisation engaged with policymakers, either directly or via service providers or external investment managers acting on your behalf, to make progress on each of your sustainability outcomes during the reporting year, excluding collaborative initiatives.

	Example:
(A) Sustainability Outcome #1:	Drafted and co-signed a letter to the Texas Railroad Commission to eliminate flaring in oil and gas by 2025.
(B) Sustainability Outcome #2:	None
(C) Sustainability Outcome #3:	We wrote a letter to the SEC supporting NASDAQ's proposal to improve Board Diversity Disclosure.
(D) Sustainability Outcome #4:	None

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 18	PLUS	SO 7	N/A	PUBLIC	Systemic stewardship including policy engagement	2, 5

Provide at least one example of how your organisation participated, either directly or via service providers or external investment managers acting on your behalf, in collaborative initiatives to engage policymakers in order to make progress on your sustainability outcomes.

Example:

(A) Sustainability Outcome #1:	Through ASIFMA, AB contributed to the SIFMA AMG Response to the IFRS Foundation Consultation Paper on Sustainability Reporting a submission which recommended the IFRS adopt and pay heed to the TCFD and SASB materiality frameworks and metrics already broadly utilizsed across the industry. This is consistent and aligned with our ask of investee companies throughout our thematic engagements. In addition, AB also contributed to the HKEX Consultation on Corporate ESG Reporting and Related Listing Rules, which introduced new requirements for Hong Kong listed companies to disclose significant climate-related issues, environmental KPIs, and Scope 1 & 2 GHGs. **(response continued in row below)**
	Furthermore, AB also contributed to a submission in response to the Consultation Paper on Proposed Guidelines on Environmental Risk Management for Asset Managers by the Monetary Authority of Singapore. Through ICI, AB collaborated on three responses to the EU Consultation on Sustainable Finance Disclosure Regulation RTS, the EU ESG: ESMA consultation on Taxonomy reporting for NFRD entities (including asset managers within scope), and the New Construction Technical Standards for the Taxonomy. Finally through the HKIFA, AB contributed to a submission to the HKSFC on its Consultation Paper on Climate Risks in Portfolios..
(B) Sustainability Outcome #2:	Through ASIFMA, AB contributed to the SIFMA AMG Response to the IFRS Foundation Consultation Paper on Sustainability Reporting a submission which recommended the IFRS adopt and pay heed to the TCFD and SASB materiality frameworks and metrics already broadly utilizsed across the industry. In addition, for the same consultation AB, also contributed to the ICI IFRS Consultation on the Creation of New Sustainability Standards Board. This is consistent and aligned with our ask of investee companies throughout our thematic engagements. .
(C) Sustainability Outcome #3:	Through ASIFMA, AB contributed to the HKEX Consultation on Corporate ESG Reporting and Related Listing Rules, which introduced new requirements for Hong Kong listed companies to disclose full & part-time staff and any other related information on a non-exhaustive basis.

(D) Sustainability Outcome #4:	Through ASIFMA, AB contributed to the HKEX Consultation on Corporate ESG Reporting and Related Listing Rules, which introduced new requirements for Hong Kong listed companies to disclose practices used to identify social risks along the supply chain, and any anti-corruption training provided to directors and staff.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 19	PLUS	SO 7	N/A	PUBLIC	Systemic stewardship including policy engagement	2

Does your organisation have governance processes in place to ensure that your engagement with policymakers is aligned with your sustainability outcomes?

	(1) Yes. Please describe:
(A) Sustainability Outcome #1:	The governance structure of AB's RI activities, including our engagement with policy makers begins with AB's Board. The Audit and Risk Committee of our Board provides formal oversight for responsibility and responsible investing. The Responsibility Steering Committee, co-chaired by our Chief Responsibility Officer and Global Head of Responsible Investing, develops strategy and oversees execution. A subset of this committee conducts all formal decision-making on new initiative approval forms. Our RI Team of subject-matter experts partners with investors as they develop ESG and climate research insights and engage with issuers and policy makers. **(response continued in row below)**
	Our investors—analysts and portfolio managers—engage with issuers and policy makers, analyze and quantify ESG factors and climate risks, and incorporate this information in their investment decisions. Some investment teams have a dedicated ESG analyst and also collaborate with the RI Team. The Proxy Voting and Governance Committee establishes our policy and oversees proxy voting activities. The Controversial Investments Advisory Council discusses issues such as controversial weapons, tobacco, private prisons, fossil fuels and international norms to help inform investment decisions and establish AB policy. The Asia-Pacific RI Sub-Committee ensures that the strategy and policy set by the Responsibility Steering Committee is implemented within the region. **(response continued in row below)**

	The ESG Equity and Fixed Income Committees discuss proprietary investment research conducted by the firm and its integration into our investment processes. The Diversity Champions Council (DCC) ensures that D&I remains at the center of AB's culture, policies and practices. DCC members help monitor and review SBU-specific D&I goals and share best practices across the firm. The Operational Risk Operating Committee oversees AB's climate risks and regularly verifies or provides internal assurance on various reports and practices..
(B) Sustainability Outcome #2:	The governance structure of AB's RI activities, including our engagement with policy makers begins with AB's Board. The Audit and Risk Committee of our Board provides formal oversight for responsibility and responsible investing. The Responsibility Steering Committee, co-chaired by our Chief Responsibility Officer and Global Head of Responsible Investing, develops strategy and oversees execution. A subset of this committee conducts all formal decision-making on new initiative approval forms. Our RI Team of subject-matter experts partners with investors as they develop ESG and climate research insights and engage with issuers and policy makers. **(response continued in row below)**
	Our investors—analysts and portfolio managers—engage with issuers and policy makers, analyze and quantify ESG factors and climate risks, and incorporate this information in their investment decisions. Some investment teams have a dedicated ESG analyst and also collaborate with the RI Team. The Proxy Voting and Governance Committee establishes our policy and oversees proxy voting activities. The Controversial Investments Advisory Council discusses issues such as controversial weapons, tobacco, private prisons, fossil fuels and international norms to help inform investment decisions and establish AB policy. The Asia-Pacific RI Sub-Committee ensures that the strategy and policy set by the Responsibility Steering Committee is implemented within the region. **(response continued in row below)**

	The ESG Equity and Fixed Income Committees discuss proprietary investment research conducted by the firm and its integration into our investment processes. The Diversity Champions Council (DCC) ensures that D&I remains at the center of AB's culture, policies and practices. DCC members help monitor and review SBU-specific D&I goals and share best practices across the firm. The Operational Risk Operating Committee oversees AB's climate risks and regularly verifies or provides internal assurance on various reports and practices..
(C) Sustainability Outcome #3:	The governance structure of AB's RI activities, including our engagement with policy makers begins with AB's Board. The Audit and Risk Committee of our Board provides formal oversight for responsibility and responsible investing. The Responsibility Steering Committee, co-chaired by our Chief Responsibility Officer and Global Head of Responsible Investing, develops strategy and oversees execution. A subset of this committee conducts all formal decision-making on new initiative approval forms. Our RI Team of subject-matter experts partners with investors as they develop ESG and climate research insights and engage with issuers and policy makers. **(response continued in row below)**
	Our investors—analysts and portfolio managers—engage with issuers and policy makers, analyze and quantify ESG factors and climate risks, and incorporate this information in their investment decisions. Some investment teams have a dedicated ESG analyst and also collaborate with the RI Team. The Proxy Voting and Governance Committee establishes our policy and oversees proxy voting activities. The Controversial Investments Advisory Council discusses issues such as controversial weapons, tobacco, private prisons, fossil fuels and international norms to help inform investment decisions and establish AB policy. The Asia-Pacific RI Sub-Committee ensures that the strategy and policy set by the Responsibility Steering Committee is implemented within the region. **(response continued in row below)**

	The ESG Equity and Fixed Income Committees discuss proprietary investment research conducted by the firm and its integration into our investment processes. The Diversity Champions Council (DCC) ensures that D&I remains at the center of AB's culture, policies and practices. DCC members help monitor and review SBU-specific D&I goals and share best practices across the firm. The Operational Risk Operating Committee oversees AB's climate risks and regularly verifies or provides internal assurance on various reports and practices..
(D) Sustainability Outcome #4:	The governance structure of AB's RI activities, including our engagement with policy makers begins with AB's Board. The Audit and Risk Committee of our Board provides formal oversight for responsibility and responsible investing. The Responsibility Steering Committee, co-chaired by our Chief Responsibility Officer and Global Head of Responsible Investing, develops strategy and oversees execution. A subset of this committee conducts all formal decision-making on new initiative approval forms. Our RI Team of subject-matter experts partners with investors as they develop ESG and climate research insights and engage with issuers and policy makers. **(response continued in row below)**
	Our investors—analysts and portfolio managers—engage with issuers and policy makers, analyze and quantify ESG factors and climate risks, and incorporate this information in their investment decisions. Some investment teams have a dedicated ESG analyst and also collaborate with the RI Team. The Proxy Voting and Governance Committee establishes our policy and oversees proxy voting activities. The Controversial Investments Advisory Council discusses issues such as controversial weapons, tobacco, private prisons, fossil fuels and international norms to help inform investment decisions and establish AB policy. The Asia-Pacific RI Sub-Committee ensures that the strategy and policy set by the Responsibility Steering Committee is implemented within the region. **(response continued in row below)**

	The ESG Equity and Fixed Income Committees discuss proprietary investment research conducted by the firm and its integration into our investment processes. The Diversity Champions Council (DCC) ensures that D&I remains at the center of AB's culture, policies and practices. DCC members help monitor and review SBU-specific D&I goals and share best practices across the firm. The Operational Risk Operating Committee oversees AB's climate risks and regularly verifies or provides internal assurance on various reports and practices..

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 20	PLUS	SO 7	N/A	PUBLIC	Systemic stewardship including policy engagement	2, 4

Provide an example of how your organisation or the service providers/external investment managers acting on your behalf contributed during the reporting year to a public policy development that will help make progress on your sustainability outcomes.

	Example:
(A) Sustainability Outcome #1:	In 2020, we led the writing of a letter to the Texas Railroad Commission, the Texas oil and gas regulator on gas flaring. In collaboration with the Environmental Defense Fund, CaSTRS and Legal & General Investment Management, we argued the case to eliminate routine flaring in the Permian Basin by 2025, and committed to supporting the Railroad Commission through engaging with companies to implement practices to end routine flaring as a matter of environmental stewardship, risk management and good operations. This engagement was relatively successful, as in August 2020 the Commission voted to approve changes to the regulation related to flaring. These changes included: a 50%-80% reduction in the period of time an operator may flare gas; the provision of incentives for operators to use flaring reduction technologies; the requirement for operators to present specific information for flaring approval; the introduction of formal production requirements to tie flaring to production compliance.
(B) Sustainability Outcome #2:	None

(C) Sustainability Outcome #3:	None
(D) Sustainability Outcome #4:	We spoke to the Australian Transaction Reports and Analysis Centre (AUSTRAC), an Australian government financial intelligence agency set up to monitor financial transactions to identify money laundering, organized crime, tax evasion, welfare fraud and terrorism financing. Our conversation with AUSTRAC enabled us to develop a better understanding of the Australian government's perspectives on the risks and incidences of modern slavery and human trafficking which informed the development of our modern slavery risk assessment framework, and our considerations in assessing a number of companies in particular sectors.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 21	PLUS	SO 7	N/A	PUBLIC	Systemic stewardship including policy engagement	2, 5

Which of the following best describes your organisation's default position regarding collaborative initiatives to engage with policymakers in order to make progress on your sustainability outcomes?

◉ (A) We recognise that progress on sustainability outcomes suffers from a collective action problem, and, as a result, we actively prefer collaborative efforts
○ (B) We collaborate when our individual efforts have been unsuccessful or are likely to be unsuccessful, i.e. as an escalation tool
○ (C) We collaborate in situations where doing so would minimise resource cost to our organisation
○ (D) We do not have a default position but collaborate on a case-by-case basis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 22	PLUS	SO 7	SO 22.1	PUBLIC	Systemic stewardship including policy engagement	2, 5

During the reporting year, how did your organisation or the service providers/external investment managers acting on your behalf contribute to collaborative initiatives to engage with policymakers in order to make progress on your sustainability outcomes?

	(1) in all cases	(2) in the majority of cases	(3) in a minority of cases	(4) in no cases
(A) By leading coordination efforts	○	○	◉	○
(B) By providing financial support	○	◉	○	○
(C) By providing pro bono advice	○	◉	○	○
(D) By providing pro bono research	○	○	◉	○
(E) By providing pro bono training	○	○	○	◉
(F) By providing administrative support	○	○	○	◉
(G) Other, please specify: AB signed an Investor Statement on modern slavery, human trafficking and labor exploitation issues, which called on companies to pursue real action to combat modern slavery, human trafficking and labor exploitation, and encouraged companies to take ten actions to mitigate the risk of modern slavery and other exploitative conditions in their value chains and business relationships. AB signed an investor statement a joined a coalition of investors drafted by the CCLA Find it, Fix It, Prevent It initiative to support three collaborative working groups taking action to encourage more effective corporate action on modern slavery. We also signed the KnowTheChain Investor Statement on Forced Labor in Global Supply Chains and joined a collaborative engagement by ICCR and KnowTheChain as an observer focusing on increased supply chain forced labor and labor risks related to COVID-19.	○	◉	○	○

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 22.1	PLUS	SO 22	N/A	PUBLIC	Systemic stewardship including policy engagement	2, 5

Please provide details of how you contributed to collaborative initiatives to engage with policymakers in order to make progress on your sustainability outcomes.

	Please describe below:
(A) By leading coordination efforts	In 2020, we led the writing of a letter to the Texas Railroad Commission, the Texas oil and gas regulator on gas flaring. In collaboration with the Environmental Defense Fund, CalSTRS and Legal & General Investment Management, we argued the case to eliminate routine flaring in the Permian Basin by 2025, and committed to supporting the Railroad Commission through engaging with companies to implement practices to end routine flaring as a matter of environmental stewardship, risk management, and good operations. This engagement was relatively successful, as in August 2020 the Commission voted to approve changes to the regulation related to flaring. These changes included: a 50-80% reduction in the period of time an operator may flare gas; the provision of incentives for operators to use flaring reduction technologies; the requirement for operators to present specific information for flaring approval; the introduction of formal production requirements to tie flaring to production compliance.
(B) By providing financial support	None
(C) By providing pro bono advice	None
(D) By providing pro bono research	None

Global stakeholders collaborate to achieve outcomes

Tracking progress against global goals

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 23	PLUS	SO 3.1	N/A	PUBLIC	Tracking progress against global goals	4

Does your organisation engage with standard setters, reporting bodies or similar organisations to help track and communicate progress against global sustainability goals?

◉ (A) Yes. Please describe:

As a member of many global and regional financial services industry associations and peak bodies, AB engages with local standard setters through these organizations. This includes but is not limited to: ACGA, CII, ICGN, ICI, ISG, IA, IGCC, AIGCC, AFSC, HKIFA, HKSFC, ASIFMA, IMAS, the Stewardship Principles for Institutional Investors in Taiwan, and the Japan Stewardship Code. In 2020, AB contributed to the drafting of submissions on climate risk disclosure, sustainability fund labelling and an Asian ESG taxonomy to local and regional regulators by ASIFMA, the HK FSC, HKIFA, SITCA and IMAS, as well as sat on the Australian Financial Services Council ESG Working Group, and Modern Slavery Sub-working Group to draft and develop local industry standards for the analysis and reporting of modern slavery risk. In addition, two senior AB investment professionals – Valerie Grant, SVP and Senior Portfolio Manager for our Responsible US Equities Strategy and Alexia Howard, SVP and Senior Research Analyst at Bernstein sit on SASB's Standards Advisory Group (SAG). The SAG works to enhance sustainability-related disclosure by advising SASB on matters related to the development and implementation of consistent standards for materiality and disclosures across various industry sectors. As a result, we are able to engage with SASB in relation to the three areas of disclosure our sustainability targets are aimed at improving - climate risk and strategy, ESG metrics in executive compensation and diversity and inclusion data.

○ (B) No. Please describe why not:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 24	PLUS	SO 3.1	N/A	PUBLIC	Tracking progress against global goals	4

Does your organisation contribute to public goods (such as research) or public discourse (such as media coverage) to make progress on global sustainability goals?

◉ (A) Yes. Please describe:

> Our most important contribution to public goods is our partnership with Columbia University. In September 2019, AB announced a collaboration with Columbia's Earth Institute. Our first objective was to develop a research-based curriculum focused on climate risk and investment performance. Our curriculum, "Climate Science and Portfolio Risk" focuses on how climate change implications can affect an issuer's risks and opportunities and its economic and financial outcomes in portfolios, encompassing sessions on global climate change, rising sea levels, wildfire hazards and predictive modeling for extreme weather, and more. With most of our staff having taken the training, we are now offering this program to clients in 2021. We look forward to using this platform to help the asset management industry become a catalyst for more progress on combating climate change. In 2021, we will pilot our Climate Change Scenario Analysis process, and then roll it out more broadly across the firm in 2022. Climate scenario analysis is the first of several long-term joint research projects that marry science with economic impact. Other curated pieces of research with our investment teams and Columbia scientists that we are exploring include hydrogen, the impact of sea-level/temperature rise on fisheries, and the environmental impact of brine vs hard-rock lithium. We also regularly publish our research, including whitepapers, articles, blogs and videos on our website: https://www.alliancebernstein.com/corporate/en/search-results.html?topic=responsible-investing We make regular appearances on, or speaks to reporters from Bloomberg Markets, Reuters, Barrons Market Brief, FundFire, Pensions and Investments, Institutional Asset Manager, Financial Times, Wall Street Journal, Advisor Perspectives, CNBC, Handelsblatt, Finanzen, Nasdaq, Seeking Alpha, The Economist, and The New York Times.

○ (B) No. Please describe why not: