



## **AB SICAV I Sustainability-Related Disclosures**

The following classifications and corresponding disclosures are made in accordance with and for the purposes of Regulation (EU) 2019/2088, as amended and supplemented from time to time (“SFDR”) and are not meant to provide exhaustive information on the suitability of a Portfolio for a prospective investor’s investment needs. Nothing contained herein should be deemed to alter or supersede anything described in the Prospectus.

For more information on the Management Company’s Sustainability-Related Disclosures please refer to the responsible investment section under the Management Company website. Any reference to “AB” herein refers to the Investment Manager, the Management Company, and/or another ABLP subsidiary providing directly or indirectly investment management services to the Portfolios, as the case may be.

### **Key definitions**

AB Stewardship Approach	AB Global Stewardship Statement: AB’s policy on responsible investing, ESG integration, engagement and collaboration
ESG	environmental, social and/or governance
ESG Factors	ESG issues that may present risks or opportunities as well as Sustainability Risks
Sustainability Risks	ESG events or conditions that, if it occurred, could cause an actual or a potential material negative impact on the value of an investment

Any capitalized terms herein, unless otherwise defined, shall have the meaning in the Prospectus.

### **Article 9 (Dark Green) Portfolios: AB’s Strategies with a Sustainable Objective**

- Sustainable All Market Portfolio
- Sustainable European Thematic Portfolio
- Sustainable Global Thematic Portfolio
- Sustainable Global Thematic Credit Portfolio
- Sustainable Income Portfolio
- Sustainable US Thematic Portfolio

#### **A. Description of the Objective of Sustainable Investments**

While seeking to achieve its respective investment objectives, each of the above Dark Green Portfolios has an objective of sustainable investments, where such sustainable investments do not significantly harm any of the environmental or social objectives and provided that the corresponding investee companies follow good governance practices. The Portfolios seek to achieve this objective by investing in economic activity that contributes to environmental and/or social objectives provided that such corresponding investments do not significantly harm any of the applicable environmental and/or social objectives and that the investee companies follow good governance practices (“**Sustainable Investments**”).

This Dark Green Portfolios expect to invest all or a substantial amount of its net assets in Sustainable Investments but may have investments that may not qualify as Sustainable Investments and AB may not or may be unable to assess whether these corresponding target companies follows good governance practices. More information on the investment universe for these Dark Green Portfolios is provided in the relevant portfolio details of the Prospectus and on the Management Company website (<https://www.alliancebernstein.com/corporate/management-company.htm>), and additional details on these investments, if any, will be provided in the annual report as from the fiscal year ending after 1 January 2022.

#### **B. Information on Investment Methodologies**

As further outlined in the AB Stewardship Approach, AB utilizes a variety of tools to assess, measure and monitor the impact of the Sustainable Investments for Dark Green Portfolios (as defined below) or environmental or social characteristics for Light Green Portfolios (as defined below).

Using these tools, as outlined below, AB developed a proprietary materiality matrix that covers more than 40 ESG Factors and spans almost 70 subsectors. AB can apply the matrix as appropriate, giving AB’s investment teams valuable perspective on the impact of ESG Factors and therefore AB’s long-term financial forecast for a target company. In AB’s view, a consistent framework for identifying adverse sustainability impacts helps AB’s investment teams make better-informed investment decisions and ultimately enables AB to deliver better investment outcomes.

These ESG Factors currently include:

Environmental Factors	Social Factors	Governance Factors
Carbon Emissions	Labor Management	<b>Board</b>
Product Carbon Footprint	Human Capital Development	Board Independence
Climate Change Vulnerability	Employee Health & Safety	Board Gender Diversity
Water Management	Product Safety & Quality	Combined CEO & Chair
Resource Management	COVID-19 & Social Issues	Entrenched Board
Biodiversity & Land Use	Financial Product Safety	<b>Oversight and Risk Management</b>
Toxic Emissions & Hazardous Waste	Privacy & Data Security	Accounting
COVID-19 and the Environment	Supply Chain – Social	Anti-Competitive Practices
Packaging Waste	Responsible Investment	Business Ethics
Electronic Waste	Insuring Health & Demographic Risk	Corruptions and Instability
Supply Chain Environmental	Opportunities in Communications	Financial System Instability
Opportunities in Clean Tech	Opportunities in Financial Inclusion	Organizational Culture
Opportunities in Green Buildings	Opportunities in Healthcare	Pay
Opportunities in Renewable Energy	Opportunities in Nutrition & Healthier Products	Sanctions
	Opportunities in Education	COVID-19 & Governance
		<b>Shareholder Access Rights</b>
		One Share, One Vote
		Proxy Access
		Right to Call Special Meetings

More information on the AB Stewardship Approach can be at found at the responsible investment section under the Management Company website.

These tools currently include:

- **Proprietary toolsets.**

To augment third-party data and tool sets, AB has developed proprietary research and collaboration tools to strengthen ESG and climate research and systematize integration across the firm—including AB’s ESIGHT platform for research and collaboration and PRISM for credit ratings and scoring. AB has also created an Alternative Data Dashboard that combines the industry-specific knowledge of AB’s fundamental analysts with the capabilities of AB’s Data Science Team to create better insights from alternative data and AB research.

- **Third-party data and toolsets.**

All AB’s investment teams have access to a range of data services that enable them to gain a broad understanding of the ESG characteristics of, inter alia, an issuer or a sector. These include but are not limited to ESG data from Bloomberg and FactSet, MSCI ESG Ratings, Carbon Delta and MSCI Carbon Emissions data, Sustainalytics Risk Ratings, Global Norms and Controversies analysis, ISS-Ethix Controversial Weapons Analysis, and ISS and Glass-Lewis corporate governance and proxy research. The Responsible Investing Team continually evaluates its current and new providers to ensure AB is providing AB’s investment teams with the best possible data and information.

- **Strategic partnerships with world-class institutions.**

AB has collaborated on climate change with the Earth Institute at Columbia University. Phase One of the collaboration involved the joint development of a Climate Science and Portfolio Risk curriculum that addresses the science, regulatory, legal and public policy aspects of climate change as well as how to integrate climate change into company and issuer financial analysis. Phase Two will involve joint research with the scientists on an array of climate-change topics.

- **Extensive training programs.**

In addition to AB’s Climate Change Curriculum, AB offers AB’s investment teams ongoing ESG training. This includes peer-to-peer learning for CIOs and portfolio managers, during which a select group of managers present how ESG is integrated in their specific strategies. AB has also systematized training on external data, systems and tools and educational sessions across a suite of topics ranging from modern slavery, corporate governance, sector-specific themes, and how to integrate ESG in portfolio decision making.

AB's investment teams also have access to external data sources on ESG aspects that currently include:

- Bloomberg
- FactSet
- Glass-Lewis Corporate Governance and Proxy Research
- ISS
- ISS-Ethix
- ISS Vote Analytics
- ISS ExecComp Analytics
- MSCI Carbon Emissions
- MSCI Climate Value at Risk
- MSCI ESG Ratings
- MSCI EU Sustainable Financial Disclosure and Taxonomy (onboarding in 2021)
- Sustainalytics ESG Risk Ratings
- Sustainalytics Controversies
- Sustainalytics Global Standards Screening

AB also utilizes a variety of other external data sources, such as sell-side research, non- governmental organizations articles and industry reports.

### **C. Transparency of Sustainable Investments**

AB has assessed the impact of Sustainability Risks in connection with the Dark Green Portfolios' investment strategy and considers such risks to be relevant as an environmental, social or governance event or condition that, if it occurs, would cause an actual or a potential material negative impact on the value of their investments. The likely impacts of Sustainability Risks will differ between investment objectives, strategies, and policies but, given the respective investment universe, AB believes that an environmental, social, or governance event is likely to have materially negative impacts on, inter alia, the value, quality, and/or stability of a security, the financial health of a investee company, the credit quality of an issuer, and/or the ability of an issuer of debt to pay coupons or meet their other obligations.

#### **I. Investment Process**

For the Dark Green Portfolios, AB creates a universe of securities that are positively exposed to environmentally- or socially-oriented sustainable investment themes derived from the UN Sustainable Development Goals ("UNSDGs"). AB has derived three core investible themes: climate, health and empowerment ("**AB Target UNSDG Themes**"). AB identifies sub-themes within each of these themes to further clarify the investment opportunities that meet the definition of Sustainable Investments. Sub-themes within climate, for example, include, cleaner energy, resource efficiency, sustainable transportation and sanitation and recycling. AB Target UNSDG Themes and sub-themes are subject to change.

In addition to contributing to environmental and/or social objectives, all Sustainable Investments must contribute directly to the achievement of at least one UNSDG.

After the target universe of securities that may meet the relevant criteria of Sustainable Investment has been identified, AB enters into detailed research process to assess the security from a risks/return perspective. Such process includes in particular, the incorporation of ESG Factors into the analysis of the financials of a company in accordance with the AB Stewardship Approach. AB has established a proprietary materiality matrix, which is used by analysts to identify which ESG Factors are the most important for the relevant Dark Green Portfolios. This proprietary materiality matrix includes over 40 ESG Factors. The result of the analysts' research on ESG Factors are incorporated in the investment decision process of the relevant Dark Green Portfolio.

More information on the AB Stewardship Approach can be found at the Management Company website (<https://www.alliancebernstein.com/corporate/management-company.htm>) as well as provided below.

As part of AB's fiduciary duty, AB believes good governance practices of a target company is a vital piece of information for its fundamental research. As part of the investment process, AB will qualitatively assess governance aspects of a target company such as, as applicable, the ongoing production of financial statements, including information on sound management structure; remuneration, employee relations as well as legal and tax compliance issues. For Sustainable Investments, AB will not invest in companies that it believes does not follow good governance practices. AB ensures that the assessment of good governance practices is accomplished through the integration of ESG Factors, into its fundamental research. AB uses its proprietary materiality matrix which includes over 15 governance factors that are indicative of good governance practices followed by the target company. The result of the analysts' research on governance factors are incorporated in the investment decision process of the relevant Dark Green Portfolio.

## **II. Benchmarks**

The Dark Green Portfolios do not use a designated reference benchmark for measuring sustainability or determining Sustainable Investments. The benchmarks referenced under the portfolio details of the Dark Green Portfolios, do not take into account the sustainable objective pursued by the Dark Green Portfolios. The following section outlines how the Dark Green Portfolios meet, to the best of its ability, its respective objective of sustainable investments.

## **III. Achieving the Objective of Sustainable Investments**

As part of the investment process, AB considers sustainability factors as both opportunities and risks as outlined in the AB Stewardship Approach. These factors include environmental, social, employee factors, respect for human rights, anti-corruption, and anti-bribery.

As a result of the investment process, AB identifies securities that it believes meet the relevant criteria to be considered as Sustainable Investment. In particular, the Dark Green Portfolios seek to contribute to positive social and environmental outcomes by owning a portfolio of companies and securities whose products and services directly contribute to the achievement of one or more of the UNSDGs.

AB also uses engagement, as further detailed in the next section, to help achieve the objective through Sustainable Investments in two ways. One, AB engages for insight into investments and that insight is integrated into AB's fundamental research on the investments. For example, through engagement AB gains a deeper understanding an investment's renewable energy strategy and therefore more insights on the investment when AB is assessing whether such investment meets the relevant criteria to be considered as a Sustainable Investment. Secondly, AB engages to encourage issuers to take actions that AB believes will have sustainable and long term benefits for the issuer. For example, AB may encourage an issuer to consider human capital, in particular employee relation, in order for the issuer to enhance its good governance practices and thereby ensuring that the issuer continues to meet the relevant criteria to be considered as a Sustainable Investment.

## **IV. Engagement**

Engagement has always been a vital part of AB's investment process and the degree and focus of engagement will change and has changed over time. Among other objectives, AB's engagement efforts are used to encourage issuers to undertake actions that may promote better outcomes for environmental, social, and governance objectives as well as benefits to financial outcome of the issuer and/or the Dark Green Portfolios. More information on the AB Stewardship Approach can be at found at the Management Company website (<https://www.alliancebernstein.com/corporate/management-company.htm>).

AB engages with issuers of securities held by the Dark Green Portfolios but may also engage with issuers into which that Dark Green Portfolio has not yet, or will not, invest.

On an annual basis, the relevant investment teams for the Dark Green Portfolios will create "Engagement Reports" that summarize issuer engagements and their outcomes. AB believes it is critical to integrate environmental, social and governance factors into ground-level fundamental research and documenting the engagement research and conclusions allows the AB Stewardship Approach to be successfully utilized.

Engagements, which AB analysts and portfolio managers initiate directly with the issuer, may take place both before the initial investment is made and as part of AB's ongoing monitoring. Engagements are often with senior executives, including an issuer's CEO and CFO. During engagements, AB discusses strategy, business operations, governance and a wide variety of other topics, including ESG Factors, with company management. Over time, analysts build a forum for open dialogue. AB also engages with directors, generally either to share its perspective on specific issues, or to escalate specific concerns after AB has engaged with management. In addition, AB engages with other stakeholders such as suppliers and customers as part of the process.

## **V. Additional Information**

As further outlined in the portfolio details of the Dark Green Portfolios, AB may use various investment techniques to take exposure to Sustainable Investments including direct investment, such as equities and debt securities, as well as indirect investment such as, inter alia, eligible derivatives and ETFs. Using derivatives, for example, allows AB to gain exposure to Sustainable Investments more efficiently and cost effectively.

In accordance with its investment objective, strategy and policy, the Dark Green Portfolios may have, to a limited extent, individual investments that may not qualify as Sustainable Investments including, inter alia, equities, debt securities, cash, and vehicles used for equitization as well as derivatives where the underlying reference assets is not a Sustainable Investment such as currency hedging, provided that AB believes that the Dark Green Portfolios are still seeking to achieve its investment objective through Sustainable Investments. Additional information such as the types and amount of these investments will be disclosed in the annual report as from the fiscal year ending after 1 January 2022.

## D. Summary of Sustainability-related Impact

The overall sustainability-related impact of each Dark Green Portfolio will be disclosed in the annual report as from the fiscal year ending after 1 January 2022.

Article 8 (Light Green) Portfolios – AB's Strategies that Promote Environmental and/or Social Characteristics

- All China Equity Portfolio
- All Market Income Portfolio
- All Market Total Return Portfolio
- American Growth Portfolio
- Asia Income Opportunities Portfolio
- Asia Low Volatility Equity Portfolio
- Asia Pacific Local Currency Debt Portfolio
- China A Shares Equity Portfolio
- China Bond Portfolio
- China Multi-Asset Portfolio
- Concentrated European Equity Portfolio
- Concentrated Global Equity Portfolio
- Concentrated US Equity Portfolio
- Emerging Market Corporate Debt Portfolio
- Emerging Market Debt Total Return Portfolio
- Emerging Market Local Currency Debt Portfolio
- Emerging Markets Low Volatility Equity Portfolio
- Emerging Markets Multi-Asset Portfolio
- Euro High Yield Portfolio
- Europe (Ex UK) Equity Portfolio
- European Equity Portfolio
- Eurozone Equity Portfolio
- Financial Credit Portfolio
- Global Core Equity Portfolio
- Global Dynamic Bond Portfolio
- Global Income Portfolio
- Global Plus Fixed Income Portfolio
- Global Real Estate Securities Portfolio
- India Growth Portfolio
- International Health Care Portfolio
- International Technology Portfolio
- Low Volatility All Market Income Portfolio
- Low Volatility Equity Portfolio
- Low Volatility Total Return Equity Portfolio
- RMB Income Plus Portfolio
- Select Absolute Alpha Portfolio
- Select US Equity Portfolio
- Short Duration High Yield Portfolio
- Short Duration Income Portfolio
- US High Yield Portfolio
- US Low Volatility Portfolio
- US Small and Mid-Cap Portfolio

## A. Description of the Environmental or Social Characteristics.

Each of the above Light Green Portfolios promote environmental and/or social characteristics, or a combination thereof, provided that the corresponding investee companies follow good governance practices and where the strategy does not have an objective of sustainable investments.

These Light Green Portfolios may have investments that are not aligned with environmental and/or social characteristics and AB may not or may be unable to assess whether these corresponding target companies follow good governance practices. More information on these investments, if any, will be provided in the annual report as from the fiscal year ending after 1 January 2022.

## B. Additional Information on Methodologies

Please see "Information on Investment Methodologies" above.

## C. Transparency of the Promotion of Environmental or Social characteristics

AB has assessed the impact of Sustainability Risks in connection with each of the Light Green Portfolio's respective investment strategy and consider such risks to be relevant as an environmental, social or governance event or condition that, if it occurs, would cause an actual or a potential material negative impact on the value of the investments. The likely impacts of Sustainability Risks will differ between investment objectives, strategies, and policies but, given the respective investment universe, AB believes that an environmental, social, or governance event is likely to have materially negative impacts on, inter alia, the value, quality, and/or stability of a security, the financial health of an investee company, the credit quality of an issuer, and/or the ability of an issuer of debt to pay coupons or meet their other obligations.

## I. Investment Process

In order to achieve the promotion of environmental and/or social characteristics, AB uses the AB Stewardship Approach. More information on the AB Stewardship Approach can be found at the Management Company website (<https://www.alliancebernstein.com/corporate/management-company.htm>).

For AB, promotion of environmental and/or social is accomplished through a combination of the following:

- integration of ESG Factors, as further described under the section II, into all aspects of the investment making process whereby the impacts of a target investment with respect to ESG Factors will be assessed through all steps of the investment process; and
- extensive engagement, as further described under section IV, with, *inter alia*, corporate issuers and governments to encourage action and progress towards environmental, social and governance goals.

## II. Integration of ESG Factors

A fundamental part of the methodology through which AB integrates ESG Factors is AB's continuous assessment of the materiality and the impacts of Sustainability Risks, including environmental, social or governance events or conditions that, if they occurred, could cause an actual or a potential material negative impact to the returns of the Light Green Portfolios. Materiality of environmental, social and governance factors differs by sector and industry.

When making investment decisions, AB uses fundamental research to assess target companies. As part of the AB Stewardship Approach, this fundamental research includes the consideration ESG Factors meaning that AB will assess ESG Factors for a target company at every stage of the investment decisions making process. Through the AB Stewardship Approach, AB is able to identify companies that are aligned with the relevant environmental and/or social characteristics that the Light Green Portfolios promote.

In particular, analysts within AB's investment teams are responsible for considering ESG Factors at the beginning of the investment decision process by identifying them, researching them, engaging with issuers, and incorporating the ESG Factors into the Light Green Portfolio's investment models and frameworks, as applicable. AB analyst's recommendation and assessment of the ESG Factors may impact investment decisions in multiple ways. For example, the impact of ESG Factors on cash flows, credit ratings or discount rates may have an influence on the investment decision and position sizing.

As part of AB's fiduciary duty to the Light Green Portfolios, AB believes good governance practices of a target company is a vital piece of information for its fundamental research. As part of the investment process, AB will qualitatively assess governance aspects of a target company such as, as applicable, the ongoing production of financial statements, including information on sound management structure, remuneration, employee relations as well as legal and tax compliance issues. When achieving the promotion of environmental and/or social characteristics, AB will not invest in companies that it believes does not follow good governance practices. AB ensures that consideration of good governance is accomplished through the integration of governance factors, into its fundamental research. As outlined in the AB Stewardship approach, this integration occurs at all stages of the investment process. AB has established a proprietary materiality matrix which analysts use in identifying good governance practices followed by companies. Such matrix includes over 15 governance factors that are indicative of good governance. Analysts research conclusions about these governance factors are incorporated in the investment decision process.

When implementing a Light Green Portfolio's investment strategy, AB takes into account the desired level of risk and return and will take into account financial or economic impact of ESG Factors as part of the risk and return assessment.

After consideration of relevant ESG Factors including whether a company follows good governance practices, AB may still purchase the security and/or retain it in the Light Green Portfolio if the security is in line with the respective investment objective, strategy, and policy, including securities that have a negative impact on sustainability considerations. More information on the investment policies for these Light Green Portfolios is provided in the portfolio details of the relevant Light Green Portfolio and at the Management Company website (<https://www.alliancebernstein.com/corporate/management-company.htm>). Furthermore, details on these investments will be disclosed in the annual report as from the fiscal year ending after 1 January 2022.

## III. Benchmarks

None of the Light Green Portfolios use a designated reference benchmark for measuring sustainability or determining environment and/or social characteristics. The benchmark(s) referenced under the portfolio details of the relevant Light Green Portfolios, do(es) not take into account environmental, social and governance characteristics pursued by the relevant Light Green Portfolios.

## IV. Engagement

For engagement, AB, *inter alia*, encourages issuers to undertake actions that may promote better outcomes for environmental, social, and governance objectives as well as benefits to financial outcome of the issuer and/or the Light Green Portfolios. More information on the AB Stewardship Approach can be found at the Management Company website (<https://www.alliancebernstein.com/corporate/management-company.htm>).

AB also uses engagement to promote environmental and/or social characteristics in two ways. One, AB engages for insights into investments and that insight is integrated into AB's fundamental research on the investment. For example, through engagement AB gains a deeper understanding an investment's renewable energy strategy and therefore more insights on the investment when AB is assessing an investment's alignment to environmental and/or social characteristics. Secondly, AB engages to encourage issuers

to take actions that AB believes will have sustainable and long-term benefits for the issuer. For example, AB may encourage an issuer to consider human capital, in particular employee relation, in order for the issuer to enhance its good governance practices and thereby maintaining the investment's alignment to environmental and/or social characteristics.

AB engages with issuers of securities held by a respective Light Green Portfolio but may also engage with issuers into which that Light Green Portfolios have not yet, or will not, invest.

On an annual basis, the relevant investment teams for the Light Green Portfolios will create "Engagement Reports" that summarize issuer engagements and their outcomes. AB believes it is critical to integrate ESG Factors into ground-level fundamental research and documenting the engagement research and conclusions allows the AB Stewardship Approach to be successfully utilized.

Engagements, which AB analysts and portfolio managers initiate directly with the issuer, may take place both before the initial investment is made and as part of AB's ongoing monitoring. Engagements are often with senior executives, including an issuer's CEO and CFO. During engagements, AB discusses strategy, business operations, governance and a wide variety of other topics, including ESG issues, with company management. Over time, analysts build a forum for open dialogue. AB also engages with directors, generally either to share its perspective on specific issues, or to escalate specific concerns after AB has engaged with management. In addition, AB engages with other stakeholders such as suppliers and customers as part of the process.

#### **V. Additional Information**

Additionally, as outlined in the Prospectus, Light Green Portfolios may apply additional screens, such as controversial weapons.

As further outlined in the relevant portfolio details of the Light Green Portfolios, AB may use various investment techniques in order to promote environmental and/or social characteristic including direct investment in companies such as equities and debt securities as well as indirectly through, inter alia, eligible derivatives and ETFs. Using derivatives, for example, allows AB to gain exposure to a company that it believes contributes to environmental or social objectives more efficiently and cost effectively.

As mentioned under the section III above, these Light Green Portfolios may have investments that are not aligned with environmental and/or social characteristics and for these investments AB may not or may not be able to assess whether the target company follows good governance practices. These investments include, inter alia, equities, debt securities, vehicles used for equitization, cash, broad-based indices, synthetic short positions, and certain derivatives where the underlying reference assets is not aligned with environmental and/or social characteristics such currency forwards and interest rate swaps. Additional information such as the types and amount of these investments will be disclosed in the annual report as from the fiscal year ending after 1 January 2022.

#### **D. Meeting Environmental or Social Characteristics**

The extent to which Environmental or Social Characteristics were met by the Light Green Portfolios will be disclosed in the annual report as from the fiscal year ending after 1 January 2022.