



ALLIANCEBERNSTEIN[®]

AB Global Stewardship Statement and 2022 Report

AB's policy and report on corporate responsibility, responsible investing, ESG integration, engagement and voting

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Introduction

At AllianceBernstein (AB), we believe corporate responsibility, responsible investing and stewardship are intertwined. To be effective stewards of our clients' assets, we strive to invest responsibly—assessing, engaging on and integrating material issues, including environmental, social and governance (ESG) and climate change considerations in most of our actively managed strategies.

We're a leading global investment-management and research firm; our clients trust us to manage their assets in alignment with their investment objectives. We evaluate and monitor the financially material ESG risks and opportunities of our ESG-integrated investments, continuing to believe it is in our clients' best interests. We actively engage directly with the issuers we invest in, and we're strong advocates for industry policies that advance responsible investing.

Our promise is to be a good corporate citizen for our stakeholders. That means striving to reduce the carbon footprint of AB's offices around the world. It also means making diversity, equity and inclusion (DEI) a priority across our firm. And it means strengthening our corporate governance practices and protecting our clients' information.

AB's Global Stewardship Statement and 2022 Report is a comprehensive overview of our activities in corporate responsibility, responsible investing and stewardship. Because responsibility starts from the top, we begin this statement with our purpose and values, describing how our structure enables both responsible investing and effective stewardship. In the following sections, we describe how we set policy, consider material ESG and climate factors, and serve as active stewards in the majority of our actively managed

strategies across asset classes. We also highlight the progress we've made in implementing our responsibility strategy and discuss the achievements of the firm in further developing our governance, approaches to DEI, ESG practices and climate risk management, as well as our advances in ESG integration, engagement, proxy voting, policy advocacy and industry participation.

2022

The year 2022 was a challenging one. After years of strong performance, global stocks fell amid the Russia-Ukraine war and rising inflation. Yields rose as central banks tightened monetary policy. Investors faced evolving regulation, increasing concerns about greenwashing and skepticism from some corners of the market about the efficacy of ESG investing.

AB's purpose is to pursue insight that unlocks opportunity, and our mission is to help our clients define and achieve their investment goals. Despite some headwinds the market faced in 2022, we remained committed to using original research and innovative thinking to lead our clients through challenging times. We also focused our attention on key initiatives to continue to position our team for long-term success. This ethos helped guide us through 2022.

From a corporate responsibility perspective, we received a score of 100% on the Human Rights Campaign Foundation's Corporate Equality Index for the seventh consecutive year in 2022. We expanded our benefit offerings to include more wellness-oriented activities, and we enhanced our employee training programs, which focus on leadership development and career planning.

We also joined the Net Zero Asset Managers initiative (NZAMI), in support of the Paris Agreement.

We added to our Responsibility team, hiring associates focused on proxy voting and engagement, social research, environmental

and climate change research, ESG data, strategy and corporate responsibility, and marketing and communications.

Within our ESG-focused strategies—our Portfolios with Purpose—we added several new, innovative portfolios: Diversity Champions, China Net Zero Solutions, Bernstein Impact Alternatives, Sustainable Euro High Yield and the CarVal Clean Energy Funds.

Despite its challenges, 2022 was a strong year for corporate responsibility and responsible investing at AB. We look forward to continuing to strive to meet our lofty ambitions and support strong stewardship practices globally.

1. AB's Purpose, Mission and Values

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

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

The foundation of our business is high-quality, in-depth research, which we believe gives us a decided edge as we strive to achieve

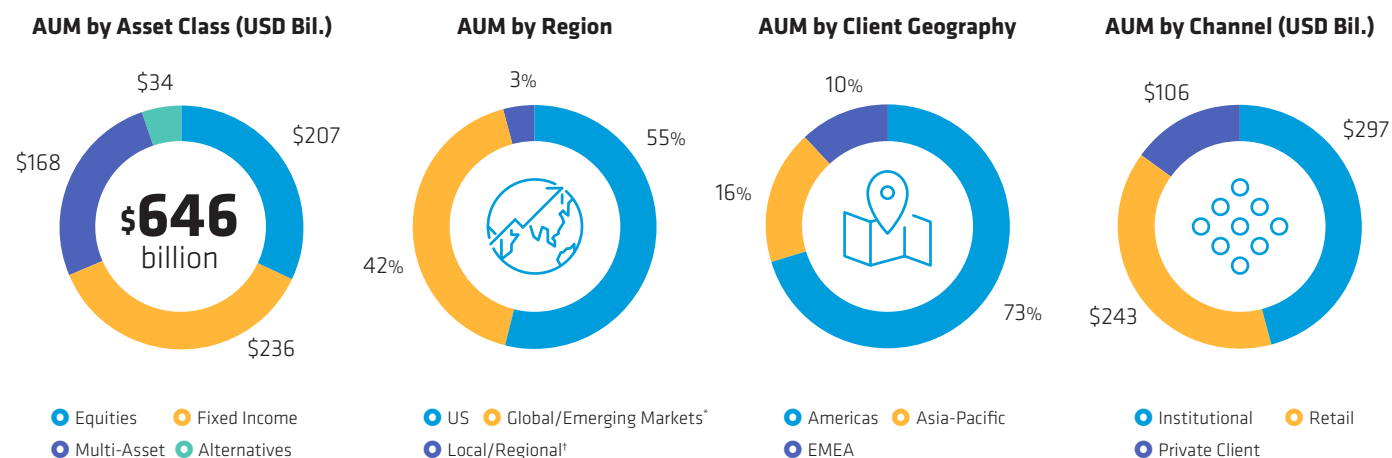
long-term, sustainable investment success for our clients. Our global research network spans many disciplines, including economic research, fundamental equity and fixed-income research, and quantitative research. We also have experts focused on multi-asset strategies, wealth management and alternative investments.

As of December 31, 2022, AB managed \$646 billion on behalf of our clients (*Display 1*).

We're committed to addressing material ESG and climate issues—both as a corporate citizen and in striving to deliver better outcomes for clients. We integrate material ESG factors into most of AB's actively managed strategies. We foster a culture of DEI because we believe that different backgrounds and perspectives can drive better decisions and insights. We've built our business model on a strong risk-aware culture, prudent risk-taking and a robust governance framework that continues to evolve in the context of our firm.

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

DISPLAY 1: ASSETS UNDER MANAGEMENT



Numbers may not sum due to rounding.

* Global and EAFE services, including those that invest in emerging markets, as well as stand-alone global emerging-market services.

† Single country/regional services outside the US, including single country/regional emerging-market services.

As of December 31, 2022 | Source: AB

Our Purpose, Mission and Values

Our purpose—to pursue insight that unlocks opportunity—inspires our firm to act responsibly.

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

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

Our values provide a framework for the behaviors and actions that deliver on our purpose and mission. Our values align with our actions. Each value emerges from the firm's collective character—yet is also aspirational.

- **Invest in One Another** means that we have a strong organizational culture where diversity is celebrated and mentorship is critical to our success. When we invest in one another, we empower our employees to reach their potential, so that they can help our clients realize theirs. This enables us to partner with clients to design and deliver improved investment outcomes.
- **Strive for Distinctive Knowledge** means that we collaboratively identify creative solutions to clients' economic, ESG and climate-related investment challenges through our expertise in a wide range of investment disciplines, close collaboration among our investment experts and creative solutions.
- **Speak with Courage and Conviction** informs how we engage our AB colleagues and issuers. We seek to learn from other parts of our business to strengthen our own views. And we engage issuers for insight and action by sharing ideas and best practices.
- **Act with Integrity—Always** is the bedrock of our relationships and has specific meaning for our business. Unlike many other asset managers, we're singularly focused on providing asset management and research to our clients. We don't engage in activities that could be distracting or create conflicts—such as investment banking, insurance writing, commercial banking or proprietary trading for our own account. We are unconflicted and fully accountable.

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

Our Investment Philosophy

We believe that by using differentiated research insights and a disciplined process to build high-active-share portfolios, we can achieve strong investment results for our clients over time. We are fully invested in delivering better outcomes for our clients. Key to this philosophy is developing and integrating research on material ESG and climate issues, as well as our approach to engagement. Our global research network, intellectual curiosity and collaborative culture allow us to advance clients' investment objectives—whether our clients are seeking responsibly generated idiosyncratic alpha, total return, downside mitigation, or sustainability and impact-focused outcomes.

Our investment expertise includes:

- Actively managed equity strategies across global and regional universes, capitalization ranges and investment strategies, including value, growth and core equities
- Actively managed traditional and unconstrained fixed-income strategies, including taxable and tax-exempt strategies
- Our Portfolios with Purpose, including actively managed, screened, sustainable, impact-focused and Responsible+ (Climate Conscious, ESG Leaders and Change Catalysts) equity, fixed-income and multi-asset strategies that address our clients' evolving need to invest their capital with purpose while pursuing strong investment returns (more details are provided in Section 5 of this statement)
- Passively managed equity and fixed-income strategies, including index, ESG index and enhanced index strategies
- Actively managed alternative investments, including systematic strategies, hedge funds, funds of hedge funds and direct assets (e.g., real estate debt and private credit)
- Multi-asset services and solutions, including dynamic asset allocation, customized target-date funds and target-risk funds

Our Responsible Investment and Stewardship Philosophy

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

This engagement helps us build better corporate relationships, improve our access to people and information, advocate for policy improvements, and influence company and issuer behavior, all in the best interest of our clients. While we develop deeper research insights

from this process, we also engage to strive to generate enhanced risk-adjusted investment returns for our clients.

As stewards of our clients' assets, we believe that proxy voting is a fundamental responsibility. That's why we vote our active and passive shareholdings and unit holdings in accordance with our proprietary, publicly available [Proxy Voting and Governance Policy](#). More details are provided in Section 7 of this statement.

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

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

Our Role as a Fiduciary

Maintaining a vigorous fiduciary culture is paramount to our business. As a fiduciary, we place the interests of our clients first and treat all our clients fairly and equitably. Our business model rests on prudent risk-taking on behalf of our clients and the firm. We maintain a strong risk-aware fiduciary culture supported by a robust governance structure. Developed by our Legal & Compliance and Risk Management teams, this governance structure is a set of guiding principles aligned with best practices in the industry to bring consistency to how we identify, measure, monitor and manage risk across the firm. Underscoring how seriously we take our fiduciary obligations, employees receive risk training throughout their time at the firm—upon joining, on an annual basis, when policies or regulations are updated, and on specific topics that are relevant to staff roles and positions.

AB Corporate Governance and Oversight

AB's Board of Directors oversees the strategic direction of the firm. The board has 11 members: an independent chair, six additional independent directors and four affiliated directors, including our Chief Executive Officer (*Display 2, page 5*). We believe that separating the duties of the chair and the CEO represents best practices in corporate governance. We also think that an effective board includes a diverse group of individuals across gender, ethnicity and background who collectively possess the skills and perspectives to successfully guide the company.

Our directors possess a wealth of leadership experience from managing large, complex organizations in their roles as senior executives, board members, academics or government officials. Collectively, they have extensive knowledge and capabilities applicable to our business, including expertise in areas such as corporate governance; regulation and public policy; public accounting and financial reporting; financial services, including investment management and insurance; risk

management; operations; strategic planning; management development; succession planning; and compensation. The board has four standing committees: the Executive Committee; Audit and Risk Committee; Compensation and Workplace Practices Committee; and Corporate Governance Committee.

AB's Executive Leadership team consists of the President and CEO, Chief Operating Officer and Chief Financial Officer, Head of the Global Client Group and Private Wealth, Head of Global Technology and Operations, and Head of Global Compliance and General Counsel. These individuals maintain primary responsibility for creating and executing the firm's strategy and operations.

The AB Operating Committee comprises Strategic Business Unit (SBU) heads and senior executives whose responsibilities are critical to AB's day-to-day operations. The committee works to understand the impact of operations, financial or human capital initiatives throughout the firm; identify and debate meaningful opportunities and risks the firm faces; challenge or validate the firm's growth strategy; implement firmwide priorities and drive changes made necessary by the firm's strategy; and hold key firm leaders accountable for investment, operating, and financial performance and for achieving the firm's responsibility goals. We believe that members of the Operating Committee lead by their words and actions in modeling AB's purpose and values.

AB's Operating Committee, which provides diverse, balanced insights, includes 19 senior business leaders from across our firm who serve as an advisory council for senior management (*Display 3, page 5*).

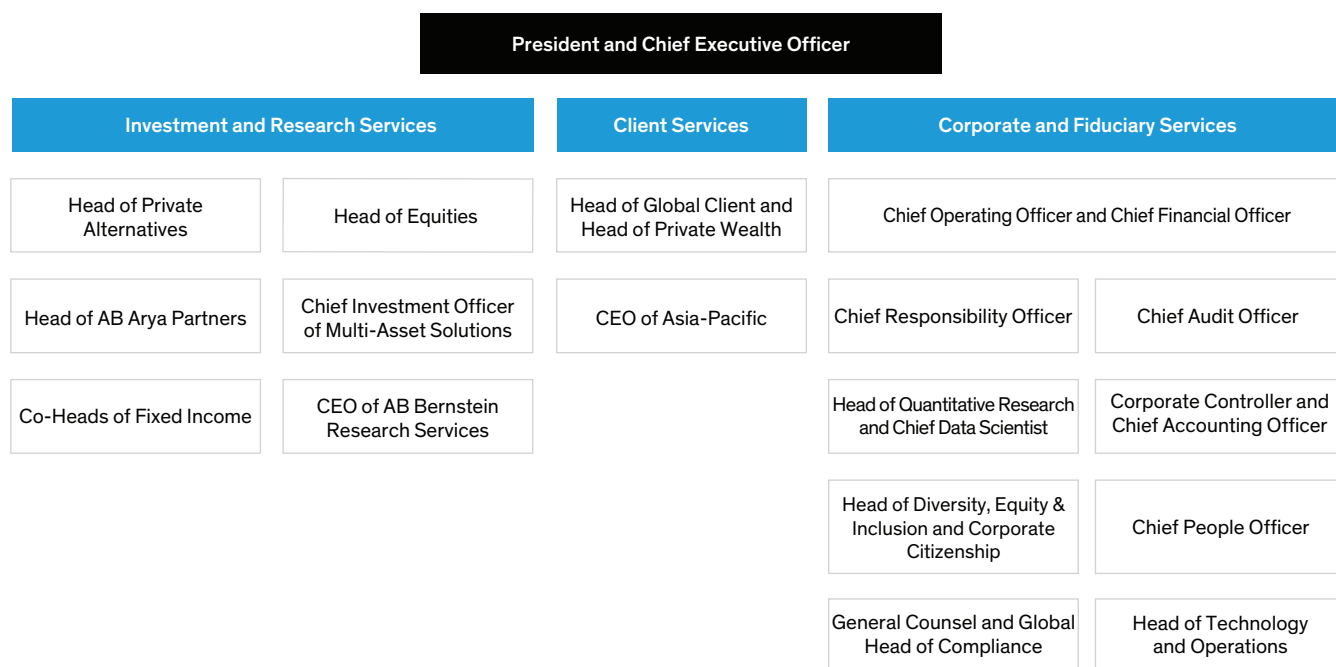
For complete information on our governance structures and policies, please visit the [Corporate Governance](#) and [Investor & Media Relations](#) sections of our website.

DISPLAY 2: AB BOARD OF DIRECTORS

Name	Role/Background	Joined AB Board	Years on AB Board	Ownership Interest
Independent Chairman				
Joan Lamm-Tennant	Independent Chair	2021	2	Yes
Affiliated Directors				
Mark Pearson	President and CEO, Equitable Holdings	2011	12	No
Seth Bernstein	President and CEO, AllianceBernstein L.P.	2017	6	Yes
Jeffrey J. Hurd	COO, Equitable Holdings	2019	4	No
Nicholas Lane	President, Equitable Financial	2019	4	No
Independent Directors				
Daniel G. Kaye	Independent Director	2017	6	Yes
Das Narayandas	Independent Director; Edsel Bryant Ford Professor of Business Administration, Harvard Business School	2017	6	Yes
Charles G. T. Stonehill	Independent Director; Founding Partner, Green & Blue Advisors	2019	4	Yes
Kristi Matus	Independent Director	2019	4	Yes
Nella Domenici	Independent Director	2020	3	Yes
Todd Walthall	Chief Executive for Optum Insight (Payer Market), UnitedHealth Group	2021	2	Yes

As of December 31, 2022 | Source: AB

DISPLAY 3: AB OPERATING COMMITTEE



As of December 31, 2022 | Source: AB

Corporate Responsibility, Responsible Investing, and Stewardship Governance and Oversight

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

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

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

- **The Audit and Risk Committee** of our Board of Directors provides formal oversight for responsibility and responsible investing and receives annual updates on strategic direction. This ensures that members at the highest level of our organization play a role in overseeing our responsibility strategy. The Board also reviews and approves this Stewardship Statement on an annual basis.
- **The Responsibility Steering Committee**, chaired by our Chief Responsibility Officer, serves as an advisory council to the Responsibility team. This committee, which meets quarterly, comprises senior professionals from across AB, giving different businesses within the firm an opportunity to shape AB's approach.
- **Our Responsibility SBU** is a team of subject-matter experts who partner with investors to develop ESG research insights and engage with issuers. In conjunction with our various ESG and climate working groups, the team develops proprietary frameworks and toolsets, manages our strategic ESG and climate partnerships and develops training programs. The team also develops our firm's approach to corporate responsibility and is responsible for partnering with our SBUs to embed our purpose and values into each SBU and region, and strengthen corporate governance practices.
- **Our investors**—analysts, portfolio managers and traders—are

at the heart of our responsible investing process. They engage with issuers, analyze and quantify material ESG factors and climate risks, and ultimately incorporate this information into their investment decisions. Investment teams collaborate with the Responsibility team, and some teams also have a dedicated ESG analyst. These specialists bring ESG knowledge to bear on a specific asset class or investment strategy.


- **Our Fixed Income Responsible Investing team** sits within our fixed-income organization and is charged with promoting a best-in-class approach to ESG research and portfolio construction for our fixed-income investment strategies. This team is focused on accelerating efforts around ESG integration in our fixed-income strategies. Specific areas of focus include enhancing our ESG-focused fixed-income portfolio management and research tools, developing innovative ESG frameworks specifically for fixed-income sectors (such as our ESG-labeled bond framework), and improving on our reporting to clients. This team also leads our firm's efforts to build out our Portfolios with Purpose product platform with innovative fixed-income ESG-focused funds and strategies.

AB Responsibility Team: 2022 Updates

In 2022, we continued to bolster our Responsibility team, adding associates focused on proxy voting and engagement, social research, environmental and climate change research, ESG data, strategy and corporate responsibility, and marketing and communications (*Display 4, page 8*).

After serving as Head of Fixed Income Responsible Investing, Erin Bigley was appointed as our Chief Responsibility Officer and a member of our Operating Committee. In her role as Chief Responsibility Officer, Bigley oversees AB's corporate responsibility practices and responsible investing strategy, including the integration of material ESG considerations throughout our research, engagement and investment processes in most of our actively managed strategies.

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



To ensure compliance with AB's responsible investing approach, ESG integration practices are documented at each applicable stage of the investment process and undergo routine audits and periodic assessments.

- Documentation of ESG at each applicable stage of a strategy's unique investment process
- Interactive initial review of an integrated strategy's process, involving the investment team, the Responsibility team and Compliance
- Maintenance of a list of integrated strategies and periodic reassessments at least annually
- Routine audits of the teams' research and process to assess reasonableness

DISPLAY 4: AB RESPONSIBILITY TEAM

TEAM LEAD



Erin Bigley
 Chief Responsibility Officer
 26 Years of Experience
 23 Years at AB
 New York



Caroline Everett
 Director of Corporate
 Responsibility
 12 Years of Experience
 2 Years at AB
 Nashville



Jodie Tapscott
 Director of Strategy
 17 Years of Experience
 3 Years at AB
 London



Catherine Ziac
 Responsible Investment
 Strategist
 9 Years of Experience
 6 Years at AB
 New York



John Huang
 Director of RI Data and
 Technology
 20 Years of Experience
 18 Years at AB
 New York



Sara Rosner
 Director of Environmental
 Research and Engagement
 17 Years of Experience
 5 Years at AB
 New York



Saskia Kort-Chick
 Director of Social Research
 and Engagement
 16 Years of Experience
 13 Years at AB
 Melbourne



Diana Lee
 Director of Corporate
 Governance
 9 Years of Experience
 9 Years at AB
 New York

Nine ESG Associates & Analysts

ESG Specialists on Investment Teams

ESG Specialists Within Business Development

As of December 31, 2022 | Source: AB

The use of fossil fuels is one of several topics that have been subject to ongoing discussion and analysis by our Controversial Investments Advisory Council. The council has been instrumental in guiding the development of AB's engagement-oriented Coal Policy in 2022. The policy applies to holdings within most of our long-only active equity and credit strategies that derive more than 20% of their revenues from thermal coal power generation or thermal coal extraction. It is intended to help our investors evaluate and engage upon the investment risk presented by these issuers.

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

- **Proxy Voting and Governance Committee.** This committee meets at least three times each year and includes senior representatives from our equity and fixed-income investment teams, Responsibility team, Operations department, and Legal & Compliance department. Through constructive debate, they establish our policy, oversee proxy-voting activities and provide formal oversight of the proxy-voting process. They also ensure that our proxy policies and procedures capture our latest thinking, formulate AB's position on new proposals, and consult on votes that are contentious or not covered by our policy.
- **Controversial Investments Advisory Council.** This council meets at least annually or more frequently as needed, consists of senior representatives from across AB and is co-chaired by our CEO and Chief Responsibility Officer. The council provides a forum for discussion and debate on issues such as controversial weapons, tobacco, private prisons, fossil fuels and international norms. The council discussion provides advice and guidance to the investment teams related to controversial investments. Specifically, the council is responsible for establishing general policies and procedures to mitigate conflicts and risks associated with controversial investments.
- **The cross-SBU ESG Governance Committee.** This committee reviews, analyzes and makes determinations regarding ESG-related regulations that affect AB's global business, including product oversight.
- **Asia-Pacific (APAC) Responsibility Steering Committee.** This regionally based subcommittee meets every month

and is co-chaired by the Head of Asia Business Development—Equities and a director from the Responsibility team. It comprises representatives from our investment, sales, client services, risk and compliance teams in the APAC region. This subcommittee ensures that the firm's strategy and policy are implemented within the region, and discusses regional issues. It acts as a channel between the Responsibility Steering Committee and our APAC Client Group.

- **Diversity Champions Council (DCC)/ Diversity, Inclusion, Culture & Equity (DICE) Committees.** AB has three regional DEI-focused committees that help ensure that DEI remains at the center of AB's culture, policies and practices, in addition to three SBU-led DEI-focused committees. Members of these councils and committees champion and model DEI by emphasizing accountability within the SBUs for hiring, promoting and retaining diverse talent. Members also help monitor and review SBU-specific DEI goals and share best practices across the firm.
- **Risk Management team.** This team oversees AB's operational- and investment-related risks, ensuring that the firm has effective operational processes to manage client investment portfolios and firm's corporate activities, including those related to climate strategy.
 - 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.

- **Purpose Councils.** In 2021, we identified embedding AB’s purpose across our firm as a strategic priority for our Responsibility organization. In 2022, we actualized this by establishing SBU and regional Purpose Councils that help translate our purpose from idea to action through purpose-oriented activities like hosting coffee chats and team-building events. Most councils meet quarterly. Purpose Council representatives join a Council of Purpose Councils meeting quarterly to discuss best practices and share ideas.

Assessing Our Responsibility Governance Structure

We continue to evaluate how our responsibility governance structure supports our stewardship obligations, working to fill potential gaps in skill sets and representation across SBUs (*Display 5*). We strive to include diverse perspectives on these committees and teams to encourage constructive discourse that leads to improved governance.

AB’s Board of Directors reviews how the firm is progressing on certain corporate responsibility and responsible investing metrics on an annual basis. The assessment informs the composition of our governance structure to improve oversight and accountability. We believe that the combination of oversight at the highest levels of the firm, having senior leaders directly responsible for policy and implementation, and fostering broad participation across AB in committees and working teams ensures that responsibility is viewed as critical and is infused throughout our work. Feedback from clients also helps us understand how effectively our structure meets their needs and their expectations of our stewardship capabilities and activities.

DISPLAY 5: RESPONSIBILITY GOVERNANCE STRUCTURE



We believe that our governance structure adequately supports our stewardship obligations, but we're always striving to improve. For 2022, we identified a few areas of focus: we embedded AB's purpose and values across the firm, conducted additional internal and external trainings, especially by leveraging our partnership with Columbia, and continued to advance our Portfolios with Purpose platform.

Managing Conflicts of Interest

When AB is acting as a fiduciary, we must be loyal to our investment advisory clients. This includes the duty to address or, at a minimum, disclose conflicts of interest that may exist between different clients, between the firm and clients, or between our employees and our clients. We've established and we maintain policies and procedures to identify conflicts of interest and, if they are unpreventable, we mitigate and manage those that may arise in relation to services that we or our affiliates provide.

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

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

However, some potential conflicts are outside the scope of compliance monitoring. Identifying these conflicts requires careful and continual consideration of the interaction of different products, business lines, operational processes and incentive structures.

Changes in the firm's activities and personnel can lead to new potential conflicts. It is the responsibility of every employee to be sensitive to situations and relationships that may create conflicts of interest and to bring any related questions or concerns to the Chief Compliance Officer or Conflicts Officer as they arise. To assist in this area, AB has appointed a Conflicts Committee, which is chaired by the firm's Conflicts Officer. The committee comprises compliance directors, senior firm counsel and experienced business leaders who review areas of change and assess the adequacy of controls. The work of the Conflicts Committee is overseen by the Code of Ethics Oversight Committee.

The Chief Compliance Officer or Conflicts Officer will determine (through consultation with line managers, SBU heads and other parties, as appropriate) the most appropriate method of handling a reported conflict. This may require business units to implement controls or procedures.

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

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

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

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

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

There were no material conflicts of interest identified in 2022.

Insider Trading

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

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

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

Developing and implementing our stewardship policy is a firmwide effort, with broad involvement and participation from our Responsibility SBU as well as investors and others across AB.

Focus on Clients

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

Policy Development

After ensuring that we understand our clients' needs, we maintain an ongoing process for evaluating our responsibility strategy and its related policies, processes and frameworks (*Display 6, page 14*).

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

- This **Global Stewardship Statement and Report** is governed by the Responsibility Steering Committee in alignment with our responsibility strategy. This statement includes an overview of our approach to ESG and climate integration, engagement, proxy voting and governance, controversial investments, and conflict management. It's reviewed and approved annually and complies with the requirements of the Shareholder Rights Directive II

(SRD II) and the following global stewardship frameworks: the US Stewardship Framework for Institutional Investors, the UK Stewardship Code, the Japan Stewardship Code and the International Corporate Governance Network (ICGN) Global Stewardship Principles.

- Our **Proxy Voting and Governance Policy** is overseen by the Proxy Voting and Governance Committee, which provides formal oversight of the policy and process. It is reviewed and updated annually to ensure that we reflect current market practices and the evolving proxy-voting landscape. This policy also considers corporate governance frameworks provided by regulators, where our expectations may go beyond the common local practices in certain instances (e.g., AB's expectations in Japan to have majority independent outsider representation at the board level and reduce the practice of cross-shareholding to promote independent oversight capability). More details on our Proxy Voting and Governance Policy are provided in Section 7 of this statement.
- Our **Climate Change Statement & TCFD Report** describes AB's strategy, governance and risk-management approach on climate change and aligns with the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD). This statement is governed by our Board of Directors, approved by our Responsibility Steering Committee and reviewed annually by our Chief Responsibility Officer and the Responsibility team. The 2022 report articulates our climate strategy and introduces and discloses our 2030 Climate Action Plan.
- Our **Global Slavery and Human Trafficking Statement and Report** outlines how we assess and manage modern slavery risk in our operations, supply chain and investments, as well as our investee company and issuer supply chains. This statement is reviewed by the Responsibility team and approved annually by our Responsibility Steering Committee and Board of Directors. It responds to the requirements outlined in both the UK Modern Slavery Act and the Australian Modern Slavery Act. Our 2022 report details our progress on addressing modern slavery risks

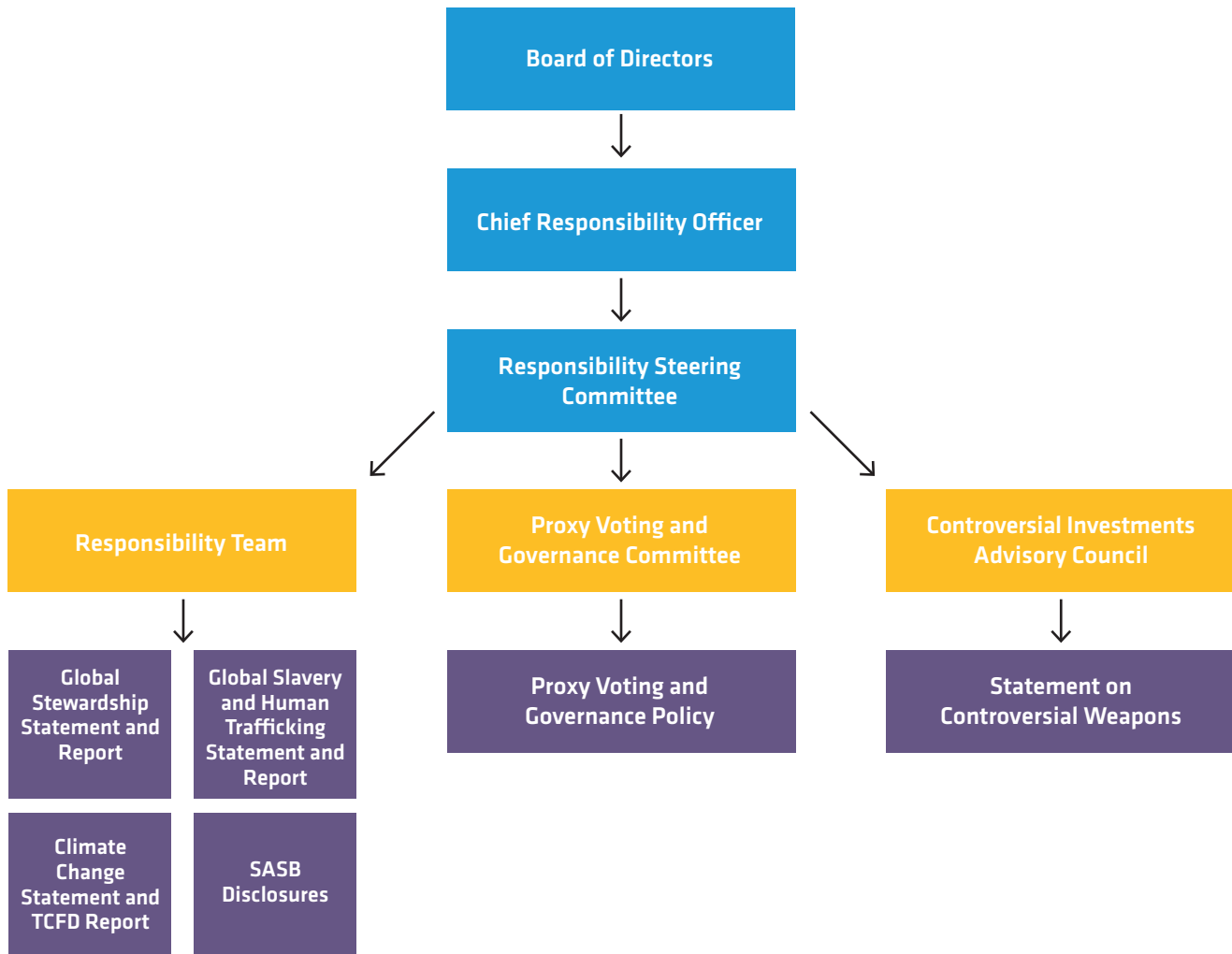
within our operations and investments, including a new section on measuring the effectiveness of how we are managing and addressing modern slavery risk.

- Our **Statement on Controversial Weapons** is maintained by the Controversial Investments Advisory Council and is prepared by the Responsibility team. It is reviewed and updated on an as-needed basis as our policy stance on controversial issues and investment exclusions evolves. The statement complies with various national laws and international conventions prohibiting investment in cluster munitions and anti-personnel landmine manufacturers.

- Our **Sustainability Accounting Standards Board (SASB) disclosures**, first released in 2021, report on our asset-management and custody activities across accounting metrics, as defined by SASB. These disclosures are overseen by our Director of Corporate Responsibility and Head of Investor Relations.

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

DISPLAY 6: RESPONSIBILITY POLICY OVERSIGHT



Policy Implementation

Stewardship strategy and policy implementation occurs throughout the firm.

- **Our investment teams**—analysts, portfolio managers and traders—are at the heart of our stewardship activities. Our large global research team and history of deep fundamental research give us detailed knowledge of the firms and issuers that we invest in and are complemented by the issue-specific knowledge of the Responsibility team. Investors understand their sectors and issuers and conduct detailed research on the issues that are most material and relevant to an investment decision. Investors monitor their investments and issuers on an ongoing basis to ensure that performance and strategy are consistent with the investment thesis. Investors typically lead engagements with management and other stakeholders. They understand the issues best and are ideally positioned to obtain information to make improved investment decisions and advocate for action—to encourage issuers to make decisions that could enhance value for our clients. Investors are highly involved in our proxy analysis and voting processes.
- **Our Responsibility team** includes ESG experts who partner with the fundamental investment teams to conduct ESG and climate change-related research, develop frameworks, and prepare for and conduct engagements on material factors both alongside and independently of the investment teams.
- **Our risk, legal, compliance and internal audit functions** help create, implement and monitor our responsibility-related strategy, statements and policies, and they ensure compliance with any controversial investment restrictions. To advance these efforts, the firm has formalized an ESG Compliance Program focused on reviewing marketing materials, ESG documentation and note-taking, risk and compliance governance, training, and emerging regulations.

Remuneration for AB Professionals

Compensation for our investment teams is designed to align with generating investment outcomes while promoting responsibility and stewardship. Total compensation for our investment professionals is determined by quantitative and qualitative factors. Assessments of all investment professionals are formalized in a year-end review process that includes 360-degree feedback from other professionals across the investment teams and firm.

AB's compensation philosophy is governed by a widely used model for managing SBU and senior leader performance called an SBU Head Scorecard. The scorecard serves to direct SBU heads' priorities away from a solely revenue-based evaluative model, shifting to include a leadership-focused management and measurement tool.

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

Both firm and SBU performance assessed against material ESG efforts, including purpose, will influence compensation awards. The structure of the firm's incentive compensation plans plays an additional role in this effort through the use of unit awards, not just cash, and deferral periods that instill a deeper commitment to clients and the positive progress of the firm.

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

Remuneration includes both quantitative and qualitative components. The most significant quantitative component focuses on measures of absolute and relative investment performance in client portfolios for portfolio managers, as well as on contribution to that performance for research analysts. The qualitative portion is determined by individual goals set at the beginning of the year, with measurement and feedback on how those goals are being achieved provided at regular intervals. Some portfolio managers and analysts have goals that promote the integration of material ESG and sustainability factors in their investment processes. The exact goals will vary, depending on the individual's role and responsibilities.

Review and Audit of Stewardship Activities

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

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

- **Review of our responsible investing process.** Our global, cross-SBU ESG Governance Committee reviews, analyzes and makes determinations regarding ESG-related regulations that affect AB's global business. Our Compliance team reviews the ESG analysis and integration process for a select number of actively managed strategies to ensure that client and marketing disclosures properly reflect actual activities. The team also periodically reviews our internal ESG research and engagement records for quality and quantity. Our ESG Compliance Program serves as an internal assurance mechanism because we perform a sampling of ESG investment notes for reasonableness in ESIGHT and Prism, our proprietary credit rating and scoring system, to evidence our stewardship.
- **Risk oversight of firm, fund and client restrictions on securities.** Our Compliance team reviews all actual and potential conflicts of interest. More details on how we manage conflicts of interest are provided in Section 2 of this statement.
- **Review of our proxy-voting process.** A dedicated team, independent of AB's Responsibility team, reviews each significant vote to ensure that the Proxy team has voted in line with AB's policy. Votes outside of the significant universe are also sampled and subject to monthly reviews. Our voting process is reviewed periodically by our Internal Audit team.
- **Review of responsibility reporting.** Our Internal Audit team reviews and provides independent validation of AB's responsible investment activities, as represented in our annual [PRI Transparency Report](#) and our [SASB disclosures](#). Members of our Responsibility team as well as our Legal & Compliance team review our global responsibility-related statements and reports to improve alignment with global codes, standards and best practices. We have also initiated an external assurance process on our emissions data, which is included in our [Climate Change Statement & TCFD Report](#), and will continue to assure these data as we improve and expand the collection and tracking of our energy usage, supply chains and financed emissions.

Managing Service Providers

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

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

We monitor and review our third-party data and service providers and evaluate competitive service providers to ensure that we have access to the best available ESG data to support our integration and stewardship activities: (1) we have a compliance Due Diligence Questionnaire (DDQ) to make sure our data and service providers are fulfilling their obligations; (2) we periodically review our third-party providers from a compliance perspective; (3) we have annual meetings with service providers on their offerings and evaluate which we deem best; and (4) when a service provider does not fulfill expectations or is at risk of doing so, we perform due diligence to see why they are having challenges. On a monthly basis, our market data team tracks the reports of all data users by service, cost and cost center. Annually, we review contract renewals based on cost, needs, usage and user experience. Our market data team also acts as an escalation point for users when vendor issues are encountered.

For our proxy service provider, we conduct annual due diligence to review our vendor's conflict-management procedures, regulatory compliance, operational efficiency and business continuity on an annual basis. When reviewing these conflict-management procedures, we will consider, among other things, whether the proxy research services vendor: (1) has the capacity and competency to adequately analyze proxy issues; and (2) can offer research in an impartial manner and in the best interests of our clients. We add new data sources where we see the opportunity to integrate better or additional information.

4. AB Corporate Responsibility

We've established best practices to ensure that responsibility pervades our operations; our internal corporate responsibility practices, measurements and evaluations help inform our approach (*Display 7, page 18*).

In addition to expanding our [Climate Change Statement & TCFD Report](#) and [Global Slavery and Human Trafficking Statement and Report](#) in 2022, we continue to make advances in our firm's ESG behaviors and practices. Notably, in 2021, we formalized our firm's purpose and values. In January 2022, we launched AB's purpose and values and established SBU and regional Purpose Councils to build connection to our purpose. Throughout 2022, we hosted workshops and discussions on purpose, included purpose in performance conversations, and measured purpose in our AB Voice survey.

Our purpose and values continue to be animating forces behind our corporate responsibility objectives, which fall into four categories: Build Trusting Relationships, Foster Enriching Careers, Support Inclusive Communities and Create Better Outcomes.

Build Trusting Relationships

Act with Integrity—Always means recognizing the responsibility placed upon us by our clients, unitholders and employees, driving us to seek to build trusting relationships. Building trusting relationships begins within the firm by creating an environment that is diverse, equitable and inclusive.

We believe that a diverse culture fosters diverse thinking—and drives better outcomes. Of our 2022 US new hires, 39% were ethnically diverse.¹ As of December 2022, 21% of our senior vice presidents (SVPs) were women, and in 2022, female SVP promotions as a percentage of total SVP promotions were 25%. Female vice president (VP) promotions as a percentage of all VP promotions were 35%. In 2022, for the seventh consecutive year, AB received a score of 100% on the Human Rights Campaign Foundation's Corporate Equality Index, the foremost benchmarking survey and report that measures corporate policies and practices related to LGBTQ+ workplace equality in the US.

We also published our [SASB disclosures](#) in March 2022, reporting on accounting metrics ranging from employee DEI to systemic risk management.

Reflecting our commitment to continuing to provide increased transparency to investors, our quarterly earnings releases contained spotlights of certain areas of our business that are meaningful. In 2022, we focused on our Private Wealth Growth Strategy; the acquisition of CarVal Investors, which represented a further expansion into private alternatives offerings; and our Global Client Group, which represents our distribution professionals serving both Institutional and Retail channels, key elements of our growth strategy. We will continue providing these spotlights from time to time going forward.

As members of the broader investment community, AB executives participated in eight institutional investor conferences in 2022, including providing access to international investors at a conference in London. We also hosted joint investor group meetings with Equitable and AB management for the first time.

Foster Enriching Careers

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

On the back of the COVID-19 pandemic, AB shifted from five days a week in the office to a hybrid (three days in the office, two days at home) model.

We continued to provide support and resources to help employees cope with stress, and expanded our backup childcare and eldercare offerings. To aid managers during this period, we developed targeted training courses.

¹ Black, Hispanic/Latino, Asian and Other.

DISPLAY 7: CORPORATE RESPONSIBILITY PRACTICES

Governance

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

Environmental Stewardship

- Carbon footprint
- Energy efficiency
- Waste reduction
- Sustainability



Social Impact

- DEI
- Employee engagement
- Ethical supply chain
- Community involvement

We also enhanced our employee training options. AB developed a leadership development program called DRIVE for Manager Excellence, targeting new managers. This is a six-month cohort-based program, and we delivered two programs in 2022 to over 50 new managers. The program began in the US, and we plan to expand the program in 2023 to APAC and EMEA, reaching around 200 managers throughout the firm, or about 20% of the firm's total managers. We led additional courses to help equip our managers to more effectively lead their teams in the post-pandemic environment. Some of these courses include: Leading a Hybrid Environment—supporting managers to effectively lead their teams' transition back to a three/two return-to-office model; Managing Resilience and Energy—supporting managers to manage their own well-being while providing their teams with the support needed to find the right work-life balance; Giving Feedback for Growth and Recognition—developing leaders to more effectively deliver feedback; and Writing and Delivering Year-End Reviews—a workshop designed specifically to develop managers to deliver productive and valuable year-end reviews.

We also expanded our efforts to support employees with career planning. For example, the Career Connections program is a mentoring program for our assistant vice presidents, where they are matched with VP mentors to support the development of their

specific career development plans. We also launched the Career Compass Toolkit, which focuses on our junior team members. This is a resource to assist in developing a specific and detailed career plan.

AB has strong, global Employee Resource Groups (ERGs): voluntary, cross-divisional employee-led groups. ERGs encourage dialogue and support among employees who share a common purpose or are interested in similar issues. By sharing information, educating and engaging in outreach with clients and our communities, ERGs contribute to business development and the recruitment, retention and professional development of employees globally.

Our Employee Wellness Groups (EWGs) are a critical component of the global Well Ahead initiative, intended to foster employee engagement and the overall health and wellness of members.

Participation is open to all employees. The Well Ahead team is focused on helping employees by engaging them to think about their wellness, educating employees on the available tools to improve their wellness and ensuring that employees feel supported in their wellness goals. EWGs support a variety of activities to promote all elements of wellness, including cycling, running, yoga, golf and volunteer endeavors.

Lastly, in an effort to provide the AB community with more meaningful work, professional development, career growth, work-life balance, varied forms of recognition and a focus on wellness, we rebranded our Human Capital and Administrative Services SBU to the People SBU. We believe that treating employees as people rather than capital can help deliver a healthy and productive work environment, which can further support the firm's progress.

Support Inclusive Communities

At AB, investing in one another begins with our employees and clients, and extends outward to the communities where we work. We invest in our communities worldwide by supporting programs and organizations focused on education and career development, antidiscrimination, and human rights. Our ultimate goal is to positively influence the global workforce and create opportunities for historically excluded, underserved and marginalized communities.

In 2022, AB continued expanding the AB Gives Back program through philanthropic and volunteering efforts in APAC, EMEA, Nashville and New York, which now support over 100 organizations worldwide. As part of this commitment, we formed new partnerships and strengthened existing partnerships, and we aim to build on these relationships as our program grows. These partnerships include:

- The Armory Foundation—New York
- The Australian Literacy and Numeracy Foundation—Australia
- Bal Asha Trust—India
- Blueprint for Early Childhood Success at the United Way of Greater Nashville—Nashville
- Children's Wishing Well—Singapore
- Debate Mate—London
- Dress for Success Worldwide—National, US
- Envision—London
- Junior Achievement—Nashville
- Nashville Public Library Foundation—Nashville
- READ Alliance—New York
- Rock the Street, Wall Street—National, US
- YMCA Black and Latino Achievers Program—Nashville

As colleagues returned to AB offices around the world, in-person volunteering resumed, which gives our teams the opportunity to reconnect with many of the firm's grantee and community partners. Building upon years of successful Day of Service events, we rolled out the next iteration of our volunteering program, with 16 hours of volunteer time off annually and monthly firm-sponsored volunteering events in Nashville and New York. Through relationships built by volunteering and service in the community, many colleagues have

joined nonprofit boards of directors. As of the end of 2022, AB employees were actively serving on over 60 nonprofit boards—further strengthening our long-term commitment to our communities.

Another way AB empowers its people is through the gift-matching program. Every AB employee has \$5,000 or \$10,000 (depending on their role at the firm) of gift-matching funds that double the impact of their personal donations to nonprofit organizations around the world. In 2022, AB and our colleagues donated over \$5 million through personal gifts and gift-matching funds.

Create Better Outcomes

We can't Act with Integrity—Always if we don't embody the same practices that we encourage others to practice. In 2022, AB continued to focus on two key areas: modern slavery and carbon emissions.

When considering our business's exposure to vulnerable populations and high-risk geographies, products and services, and business models, we believe our operations would be deemed low risk, based on our analysis of the asset-management industry.

Specifically, we adhere to a [Code of Business Conduct and Ethics](#), which summarizes our values, ethical standards and commitment to addressing potential conflicts of interest that arise from our activities. Each employee is apprised of the [Code of Business Conduct and Ethics](#) when employment begins. Additionally, each employee must certify compliance with the code and undergo training annually. Employees may raise concerns regarding modern slavery across a variety of official reporting channels, including our incident escalation hotline and other formal reporting channels, such as Legal & Compliance or People. AB also has a Whistleblowing Policy, and all employees have access to the appropriate policies via our intranet. Separate and apart from these reporting channels, the AB Ombuds Office serves as an independent and off-the-record resource for raising work-related concerns. The same standards extend to our suppliers. We purchase products and services from third-party vendors to conduct business operations and deliver on the expectations and requirements of our clients.

We maintain a formal [Vendor Code of Conduct](#) that outlines both our expectations of our vendors generally and our expectation that vendors comply with applicable laws, rules and regulations, which may include modern slavery or human trafficking laws and regulations.

We assess our business relationships with vendors using a risk-based approach. DDQs are sent annually to vendors deemed to be critical or material to the functioning of AB's operations, and their responses are reviewed for potential business risks. The questionnaires cover several topics, including modern slavery.

As a fiduciary to our clients, AB scrutinizes the environmental behaviors and outcomes of the companies we analyze for financially material environmental risks and opportunities. As a business, we

are working to reduce our carbon footprint and energy consumption. This year, we began a journey to expand what we measure and how we manage our carbon emissions. In 2020, we measured Scopes 1 and 2 emissions of our 34 largest offices (by square footage). In 2021, we expanded this boundary to include 69 offices, which now also includes our business centers and small offices (*Display 8*). As a result, we have recalculated our emissions from 2019 and 2020 to reflect this expanded boundary. Moving forward, we will continue to review and improve our reporting boundaries where possible. We noted an increase in total emissions in 2021, which is attributed to the opening of several new offices globally. This is also evidenced in an increase in Scope 2 emissions (purchased electricity) in 2021. We expect these new offices and their related sustainability programs to contribute to an absolute decrease in emissions in future years, in pursuit of our net zero goal. We are excited to share that our emissions per capita have been trending downward annually since 2019.

We are working to locate 85% of our employees in greener workspaces by 2025, helping to avoid emissions from less efficient offices. We are also exploring pathways to procure renewable energy for our operations. Our new office location in Shanghai received a LEED Gold rating, and the building in which our Nashville headquarters is located received a LEED Silver rating. Energy efficiency features in our Nashville office include dimming controls to reduce light levels in brighter areas and motion detection lighting in meeting spaces. We also utilize biodegradable felt wall coverings, Cradle to Cradle–certified carpet and Living Product–certified wood flooring. We offer composting and recycling, as well as e-waste and a seasonal community-supported agriculture box opportunity. Wellness features for people and planet include bicycle parking, electric vehicle chargers, meditation rooms, lactation rooms with workstations and outdoor green space.

DISPLAY 8: AB'S OPERATIONAL CARBON FOOTPRINT

	2019		2020		2021	
	Consumption	Emissions	Consumption	Emissions	Consumption	Emissions
Scope 1						
Fuel	956,250.00 ft ³	53.30 tCO ₂ e	924,062.00 ft ³	51.50 tCO ₂ e	311,856.00 ft ³	18.10 tCO ₂ e
Scope 2						
Electricity	14,235,500.00 kwh	4,466.00 tCO ₂ e	12,176,273.00 kwh	3,972.00 tCO ₂ e	14,674,836.00 kwh	4,944.00 tCO ₂ e
Scope 3						
Air & Rail Business Travel	37,579,226.00 miles	7,485.00 tCO ₂ e	7,371,440.00 miles	1,308.00 tCO ₂ e	3,535,997.00 miles	577.00 tCO ₂ e
Occupancy	3,512 people		3,877 people		4,129 people	
Area	1,143,766.00 sq. ft.		1,365,206.00 sq. ft.		1,269,615.00 sq. ft.	
Total emissions		12,004.30 tCO ₂ e		5,331.50 tCO ₂ e		5,539.10 tCO ₂ e
Total emissions per square foot		0.01050 tCO ₂ e /sf		0.00391 tCO ₂ e /sf		0.00436 tCO ₂ e /sf
Total emissions per capita		3.42 tCO ₂ e /person		1.38 tCO ₂ e /person		1.34 tCO ₂ e /person

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

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

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

We take a three-pronged approach to responsibility and ESG integration (*Display 9, page 22*).

First, we focus on being a responsible company. We strive to become better environmental stewards, while also prioritizing DEI across our firm and strengthening our corporate governance practices.

Second, we integrate material ESG and climate change factors into most of our actively managed strategies because these issues can affect investment performance; ESG consideration is fundamental to our responsible investment research process. Thinking broadly and deeply about ESG and climate issues, our analysts and investment teams can better identify and quantify risks and opportunities for specific issuers and help create better financial outcomes for our clients. We integrate material ESG and climate factors into most research and investment processes for most actively managed client accounts, funds and strategies. As of December 31, 2022, integrated assets represented \$445 billion, or approximately 69% of our firm's total assets under management (AUM) of \$646 billion (which includes \$24 billion, or 4%, from our Portfolios with Purpose). The remaining \$201 billion, or 31%, was primarily invested in passive or index funds.

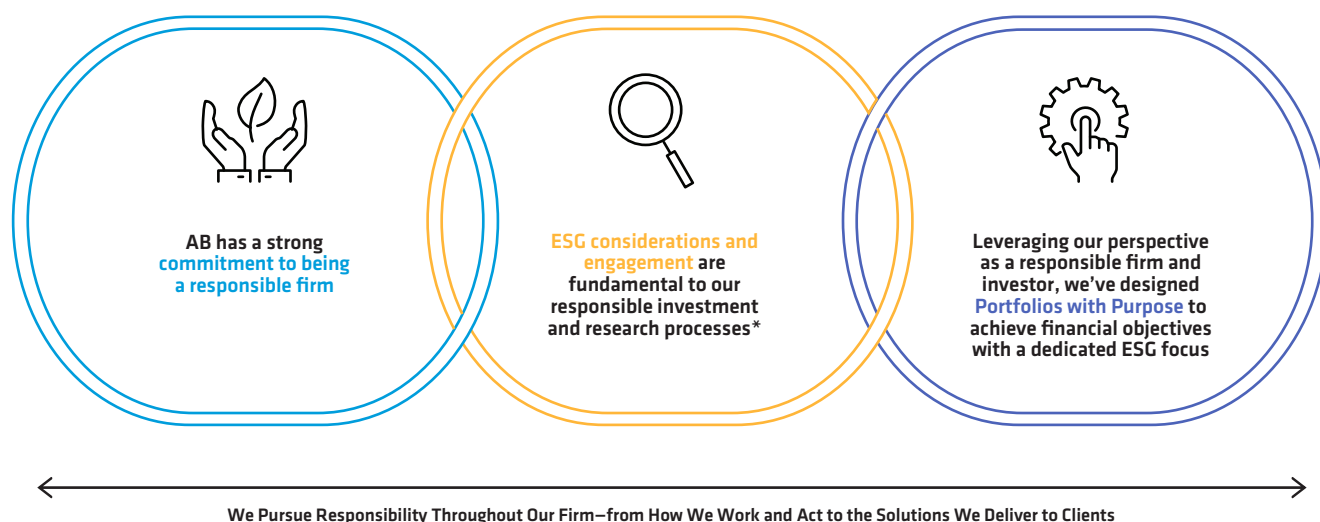
Third, we've developed a suite of Portfolios with Purpose, which aim to achieve financial objectives with a dedicated ESG focus. These solutions include our impact strategies, sustainable investment strategies that align with the United Nations Sustainable Development Goals (UN SDGs) and Responsible+ strategies, which include Climate Conscious strategies that target climate resilience, ESG Leaders that target best-in-class ESG practices and Change Catalysts that target positive change among issuers.

Reflecting Client Feedback in Our Approach

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

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

DISPLAY 9: AB'S APPROACH TO RESPONSIBILITY



*We integrate material ESG factors into most of AB's actively managed strategies.

Representatives from our clients' organizations and AB's Responsibility, client advisory and relevant investment teams work together to develop appropriate investment guidelines that meet client needs. They also participate in regular (quarterly, semiannual or annual) reviews to ensure that portfolios are being managed in line with client expectations.

In these review meetings, any client feedback regarding engagement is either received directly by or reported to the appropriate portfolio managers for implementation. We seek feedback on our reporting deliverables, and we set aside time during our annual reviews to discuss service-level agreements and reporting on ESG integration, engagement and stewardship. By increasing transparency in this way, we allow clients to better assess how we are managing in line with their best interests. While we do not yet have a formal client satisfaction survey, this is something we are exploring—including looking into incorporating specific questions on our engagement efforts. To date, the Responsibility team has conducted internal surveys to obtain client feedback from Business Development and Sales. Additionally, should ESG ever be cited as a contributing factor in a client's decision to terminate its account, that information would be captured in an Account Closing memo and escalated to the appropriate internal committees.

Internally, our client relations, portfolio-management and Responsibility teams discuss client feedback and areas where we think that we can better meet client expectations. Our client service

team works with our investment, Responsibility and reporting teams to amend reporting deliverables, if necessary. Internal committees also monitor regulatory updates to ensure that we are meeting or exceeding legal requirements across jurisdictions.

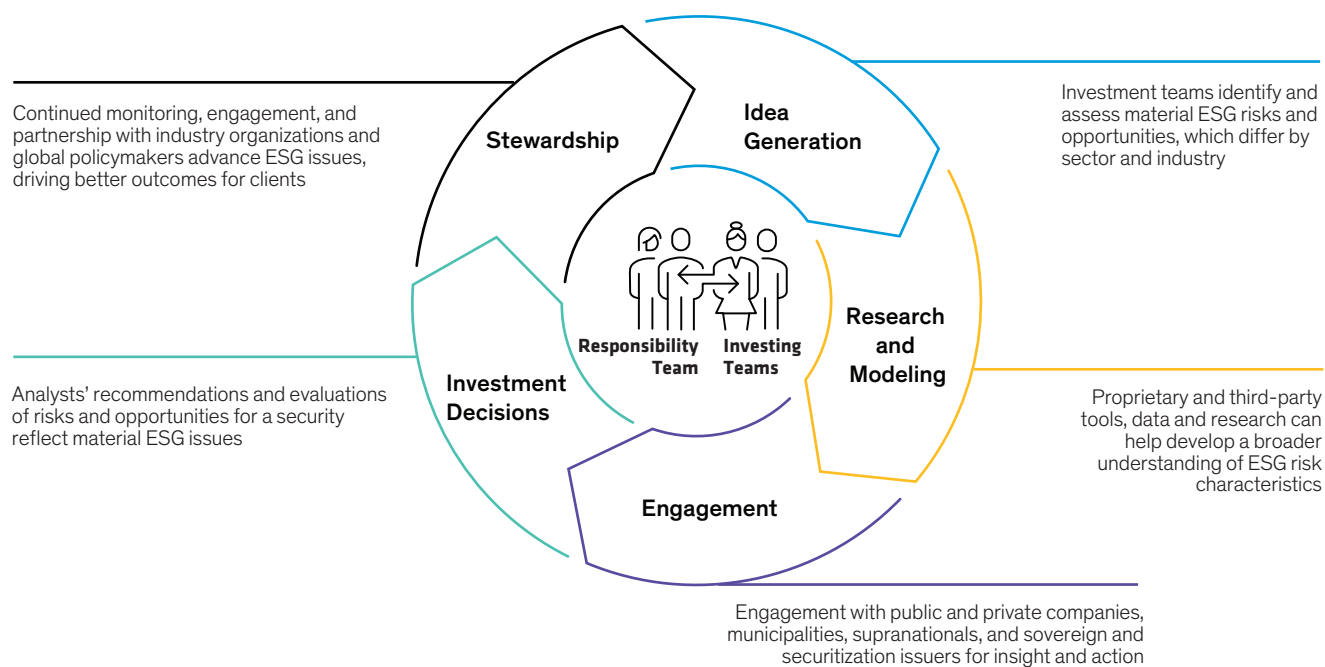
We strive to remain relevant to our clients and their stakeholders, especially on ESG topics, in order to improve clients' and advisors' understanding of their investments and to encourage clients and advisors to challenge their managers. This education includes publishing thought leadership, conducting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

A Deeper Dive on ESG Integration

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

For AB to consider a strategy to be ESG integrated, the investment process should address ESG at each applicable stage—from idea generation to research and analysis to engagement to investment decision-making to continued stewardship (*Display 10, page 23*). By considering ESG risks and opportunities at each of these stages, we

DISPLAY 10: AB'S APPROACH TO ESG INTEGRATION



can better align our investments with these risks and opportunities. Our Compliance team, in conjunction with our Responsibility team, verifies that strategies are integrating ESG robustly at each stage.

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

- Proprietary platforms.** To augment third-party data and toolsets, we've developed proprietary research and collaboration tools to strengthen ESG and climate research and systematize integration throughout the firm—including our proprietary ESIGHT platform for ESG research and collaboration and Prism for credit ratings and scoring. More details on ESIGHT and Prism are provided in Section 6 of this statement. We've also created an Alternative Data Dashboard that combines the industry-specific knowledge of our fundamental analysts with the capabilities of our Data Science team to create better insights from alternative data and our research. We've continued to advance ESIGHT, enhancing usability for our fixed-income analysts by adding support for sovereign and securitized issuers.

- Third-party data and research.** AB's investors have access to a range of data services that enable them to gain a broad understanding of the ESG and climate risk characteristics of an issuer, a sector or a portfolio. These include, but are not limited to, ESG data from Bloomberg and FactSet, MSCI ESG Ratings, MSCI carbon emissions data, Sustainalytics ESG Risk Ratings, Sustainalytics Controversies Research, UN Global Compact data, ISS ESG Controversial Weapons Research, CDP, and Glass Lewis corporate governance and proxy research. We view these third-party data sources as a starting point for analysis; on their own, these data sources don't provide the level of detail or insight necessary to fully understand the risks and opportunities inherent in an issuer or portfolio. Our Responsibility team continually evaluates our slate of current and new providers to ensure that we're providing our investors with the best possible data and information. To provide investors with the information they need to make effective ESG assessments, we continue to bolster our proprietary and third-party ESG data sources. We review third-party sources periodically, and our working relationships provide ongoing feedback on the quality and accuracy of data that we receive. We also provide timely and actionable feedback to service

providers when our expectations have not been met. We provide investors with multiple ESG data sources. We don't believe that third-party ratings are sufficient to fully analyze an issuer's ESG risks and opportunities, but the data in these reports provide a good starting point for our analysts as they begin to conduct their own research and engagement processes.

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

As mentioned, AB has collaborated on climate change with the Columbia Climate School. Our investors partner with Columbia scientists to develop training and research on topics that advance climate science and that have a meaningful impact on our investments. We embed that knowledge across AB investment teams through training sessions and other education. Finally, we share that knowledge with our clients and external stakeholders. More details about our partnership can be found in our [Climate Change Statement & TCFD Report](#).

- **Extensive training programs.** In addition to our flagship climate change curriculum, we offer ongoing ESG training to investment staff. This includes peer-to-peer learning for chief investment officers and portfolio managers, during which a select group of managers present how ESG is integrated into their specific strategies. We also have training on external data, systems and tools, as well as educational sessions across a suite of topics, including modern slavery, corporate governance, sector-specific themes and integrating ESG into portfolio decision-making. In 2022, AB's Responsibility, Legal & Compliance, and Risk teams led a mandatory ESG Town Hall for investment teams. We also added an ESG module to our annual compliance training, which is mandatory for all employees globally.

- **Global participation in developing ESG-related intellectual property, frameworks, tools and systems.** In addition to our dedicated Responsibility team, approximately 100 AB personnel participate in one or more ESG working teams centered on generating deeper ESG and climate research insights within each asset class, developing new products and responding to various regulatory changes. In 2022, we continued to work with external industry organizations on deforestation research. We also developed internal engagement guides on cybersecurity and carbon offsets.

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

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

Our investors also engage with issuers on material ESG and climate risks and opportunities. Engagement is a vital part of our investment process. Each year, analysts engage with leaders of public and private companies and noncorporate entities, including municipalities, supranationals and sovereign issuers. In 2022, we logged around 7,600 individual meetings, including issuer-specific engagements² and strategic thematic engagements. More details on our engagements are provided in Section 6 of this statement.

Investors document and incorporate their ESG research and engagement findings and conclusions. We believe that it's important to integrate material ESG factors into ground-level fundamental research; by documenting and sharing research insights across investment teams, we can leverage our ESG integration throughout the firm. To put momentum behind this effort, we've developed tools and platforms—ESIGHT, Prism and our Alternative Data Dashboard—that foster better ESG documentation, integration and collaboration within and across investment platforms. More details on ESIGHT and Prism are provided in Section 6 of this statement.

Investment teams then integrate material ESG and climate factors into their decision-making process, where applicable. Putting our investors at the heart of our stewardship activity enables us to integrate material ESG factors throughout the investment process, leading to better consideration of these issues in investment decisions for most of our actively managed strategies.

Analysts take ownership of the material ESG and climate change issues from the start, identifying them, researching them, engaging with the issuers on them, and incorporating them into their models and frameworks. An analyst's recommendation and evaluation of risks and opportunities for a security reflect impacts from ESG issues.

For certain strategies, portfolio managers include material ESG and climate risks and impacts in their investment evaluations and decisions from the outset. The impact of ESG analysis on cash flows, credit ratings or discount rates can influence investment decisions and position sizing. We consider material ESG issues in alignment with

² Multiple AB analysts may have attended a single meeting. In 2021, we disclosed more than 13,900 meetings, which were counted by analyst. The corresponding figure in 2022 is more than 12,000 meetings.

the investment time horizons of clients, which will vary by asset class and investment opportunity but can range from a few months to a few years. For example, a portfolio invested in short-duration bonds may consider an investment time horizon of less than one year, while some equity portfolios might have an investment time horizon of multiple years. Because ESG is integrated throughout the investment process, there's no need to reconcile differing ESG, climate change and fundamental analyses from separate, parallel ESG and fundamental evaluations.

Integration in Action: Climate Change

Climate change—and its potential impacts on financial and economic outcomes—has been a focus for AB, especially given the systemic threats and opportunities it poses to financial markets.

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

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

AB Investors Team Up with Columbia Experts

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

AB investors and experts from Columbia teamed up throughout 2022 to develop and produce a workshop on the global implications of China's decarbonization pathway, as the country strives toward achieving its goals of peak carbon by 2030 and carbon neutrality by 2060. "The Making of a Green Giant: Decarbonization with Chinese Characteristics" is a series of training modules exploring the intersection of technology, investment opportunities and the energy transition in the context of China's climate ambitions under President Xi Jinping.

AB and Columbia faculty and academics are also working to better evaluate the physical risks posed by climate change, particularly in the US. Many sectors and assets are exposed to risks from natural disasters, particularly those intensified or catalyzed by climate change. Existing tools that apply geospatial data to inform hazard risk aren't as effective as they could be: they may lack the level of detail needed, exclude certain climate and weather data, or have accessibility issues.

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

Through this collaboration, AB and Columbia are working together to upgrade the NCDP's US Natural Hazards Index, which was designed in 2017 to help US households prepare for emergencies. The popular index has also been deployed by businesses (e.g., the banking industry and those who manage municipal bond ratings). The joint project will seek to upgrade and add new data on hazards from extreme weather and natural disasters and on social vulnerability.

AB-Columbia Climate Finance Fellowship

AB's collaboration with the Columbia Climate School continues to evolve, with the 2022 debut of the inaugural AB-Columbia Climate Finance Fellowship. This exciting new position focused on bringing together climate science insight and investing expertise to work toward a new understanding and new solutions to the mounting

challenge of climate change. The Climate Finance Fellowship is intended to help shape the next generation of investment professionals striving to address the impact of climate change and develop new solutions by providing exceptional candidates with practical experience in combining climate change considerations into portfolio management, construction, security selection and other areas of asset management. In 2022, our Fellow researched portfolio carbon handprinting—measuring the positive impact, or carbon avoided, by the use of a company’s product or services. Some takeaways from that project can be found in our blog, [Carbon Handprints: A New Approach to Climate-Focused Equity Investing](#).

Integration in Action: Modern Slavery

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

Using our own fundamental research and leveraging third-party information as a guide, in 2020 we developed and began implementing a modern slavery research methodology to map companies on a matrix indicating the potential level of exposure to modern slavery in operations and supply chains. The matrix measures companies’ exposure to high-risk-to-people factors, including vulnerable populations and high-risk geographies, products and services, and business models. As of December 31, 2022, we assigned a risk exposure rating to over 1,000 companies.

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

Engagement is a natural extension of our active investment process: we regularly engage issuers and stakeholders directly, giving us the opportunity to share our ESG research assessment and corporate governance principles while providing a forum to drive better risk management in issuers. Once we understand a company’s modern slavery risk-exposure profile, we strive to understand how the company is managing modern slavery risks. In 2022, we conducted 48 broad engagements on modern slavery with 42 distinct issuers. Using our proprietary, comprehensive, best-practices framework, we evaluate companies in collaboration with many leading corporations, expert organizations (such as the Mekong Club and Be Slavery Free), academics and social auditors. The framework assesses companies’ governance framework, risk identification, action plan to mitigate risks, action plan effectiveness and future improvement. The main goal of the framework—particularly the future improvement component—is to recognize best practices and encourage continued learning and improvement. With the framework, our analysts are able to systematically evaluate companies and have a basis for engagements.

We have developed proprietary best-practices frameworks to support AB investors with their engagements, which are available on ESIGHT. We signed investor statements such as the Find It, Fix It, Prevent It Investor Statement on Modern Slavery, which calls on UK-listed companies to increase efforts to identify material risks related to human trafficking, forced labor and modern slavery in supply chains; review, assess and disclose the effectiveness of attempts to address these issues; and support the provision of remedy to victims of modern slavery within supply chains. More details on our approach are provided in Sections 6 and 9 of this statement.

We’ve signed the Investors Against Slavery and Trafficking Asia-Pacific initiative, which has a similar objective, as well as the KnowTheChain

DISPLAY 11: MEASURING THE EFFECTIVENESS OF OUR MODERN SLAVERY WORK

	As of June 2021	As of June 2022	As of December 2022
Our Investments			
Cumulative Lifetime-to-Date Engagements on Modern Slavery	30 engagements	126 engagements	150 engagements
Cumulative Lifetime-to-Date Companies to Which We Have Assigned a Modern Slavery Risk Exposure Rating	380 companies	800 companies	1,000 companies

As of December 31, 2022 | Source: AB

Investor Statement: Investor Expectations on Addressing Forced Labour in Global Supply Chains. Expert organization and industry bodies, Mekong Club and Be Slavery Free joined our internal training session for investment professionals.

In summary, we believe that reducing the risk of modern slavery in portfolios requires long-term commitment and a willingness to innovate—striving to continually improve processes to identify, assess and act. One aspect of this commitment is to measure the effectiveness of the work we are doing (*Display 11, page 26*).

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

- [Global Slavery and Human Trafficking Statement and Report](#)
- White paper: [Modern Slavery Risk: The Investor's View](#)
- Blog: [How Shopping—and Investing—Might Be Enabling Modern Slavery](#)
- Blog: [A Framework for Mapping Modern Slavery Risk in Investment Portfolios](#)
- Blog: [Modern Slavery: How Investors Can Help the Victims](#)
- Blog: [How the Financial Industry Can Help Stop Modern Slavery](#)

Exclusions, Inclusions and Screening

At AB, we apply negative or exclusionary screening in a variety of ways, depending on the investment strategy's objectives and on whether a screening request is client-driven or determined by country or regional regulation.

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

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

At a regional level, we recognize that companies involved in controversial weapons manufacture (anti-personnel land mines,

cluster bombs and/or munitions made with depleted uranium) are facing growing regulatory and client scrutiny. As a result of certain Luxembourg regulations, certain products issued by AllianceBernstein (Luxembourg) S.à r.l., a wholly owned subsidiary of AllianceBernstein L.P., arrange for the screening of companies globally for their corporate involvement in anti-personnel land mines, cluster bombs and/or munitions made with depleted uranium. Where such corporate involvement has been verified, the policy is to not permit the product to invest in securities issued by such companies.

We have engaged a third-party service provider (ISS-Ethix) to provide us with the list of controversial weapons manufacturers to be excluded from these funds and other relevant client accounts.

We continue to monitor the evolution of regulation around the world regarding investment in companies involved in controversial weapons production, and work with our service provider to ensure that the screening for AB funds remains up to date.

On a firmwide basis, we screen investments in private prisons on a revenue basis. We have discussed and debated the business model, investment risk, litigation and reputational risks, the misalignment of these companies' incentives with positive societal outcomes, and whether the companies' policies are at odds with international norms and our own [Global Slavery and Human Trafficking Statement and Report](#). We explored the data and analysis, read views from different perspectives, took legal guidance from outside advisors and conducted engagements on these issues. We believe that the private prisons industry presents too great an investment risk to our clients at this time to continue investing. Furthermore, our engagements with the companies showed that at this time, they will not advocate for any changes to their business models. Consequently, we believe that there is reputational risk, as well as additional investment risk for our clients, associated with investing in private prisons; we've chosen not to initiate any new long positions or add to existing long positions in our actively managed strategies (as of November 30, 2020), although we permit our investment professionals to short-sell such companies. All long positions in our actively managed strategies have been exited. We will continue to monitor the strategy, behavior and other developments at private prisons. Should we see a material positive change in the strategy or behavior of these companies, we will reevaluate AB's stance.

We also exclude investments in cannabis on a revenue basis at a firmwide level, due to US federal laws and regulatory restrictions. We permit our investment professionals to short-sell such companies.

Across most actively managed investment strategies, we monitor for UN Global Compact breaches. However, we believe that whether an issuer is breaching international norms is subjective. We have found that there is no reliable source of data and that the various lists published by third-party providers differ, often with very little

overlap. Also, these data are historical in nature; many of the breaches occurred several years (if not decades) in the past, and it is unclear what an issuer must do to be removed from the list. Instead of relying on third-party data in this regard, we believe that the risk of breaching international norms is best understood and addressed through ongoing in-depth fundamental research, which enables us to fully analyze a wide range of information and properly assess the risk at an issuer-specific level. Where a major third-party service provider has deemed an issuer to be in violation of international norms, our investment teams are required to research and document the nature of the breach, including, if applicable, why our internal research demonstrates that the security remains a reasonable investment. Our Responsibility team, in conjunction with our risk division, has implemented a systematic process to ensure that this research is completed annually, as long as the position continues to be held.

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

Stewardship Progress by AB Private Alternatives Teams

In 2022, AB's European Commercial Real Estate Debt (ECRED) strategy reviewed its ESG approach. The aim was to identify how ESG criteria can be better implemented into ECRED's investment process and how documentation and reporting of ESG elements can be enhanced. Throughout this iterative review, ECRED benefited from the know-how that had already been developed by other Private Alternatives teams within AB. This also helped to raise awareness among the ECRED team members about how to evaluate and underwrite ESG topics. ECRED finalized its efforts with the development of a proprietary ESG policy and a roll-out of new ESG-relevant tools for the ECRED team.

Material ESG topics are taken into consideration from initial investment sourcing to screening, underwriting and execution. At the first stage of sourcing/screening of an investment opportunity, ECRED team members are asked to consider if there are material ESG topics that should be flagged, and these are documented together with all other material investment considerations relating to such investment opportunity.

If an investment opportunity enters underwriting, ECRED starts to collect ESG information relevant to that investment opportunity. The team instructs third-party advisors to provide and/or evaluate specific data (if considered to be relevant) and receives ESG information by way of a standardized ESG questionnaire from the borrower. The team may also agree to ESG-related key performance

indicators (KPIs) with the borrower, if appropriate. ECRED pursues a push-and-pull approach: the borrower may be incentivized to achieve certain goals, for example, by way of lower interest rates upon achieving that goal (such as receiving a specific certificate), or the borrower may face adverse consequences if agreed KPIs are not met.

The ESG data that have been collected during this process are used to populate a standardized environmental and social scoring system. Separately, ECRED takes the available information to determine if the borrower complies with good governance standards. Finally, that information is distilled into, and forms part of, the investment memorandum, which is at the heart of the presentation of an investment opportunity to the ECRED Investment Committee.

Following a positive investment decision from the ECRED Investment Committee, the agreement of KPIs in the finance documents (if appropriate), and the completion of the investment, ECRED monitors the compliance of the borrower with its obligations and takes appropriate action if necessary.

Stewardship Progress by AB Multi-Asset Solutions and Hedge Fund Solutions

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

The MAS team leverages the work of the Responsibility team and the Responsibility Steering Committee to ensure that the policies and procedures involved in the day-to-day execution of the SBU mirror the precedent set by AB's industry-leading team. The MAS team adopts firmwide best practices for hiring and DEI, and ensures that appropriate governance structures are in place to foster responsibility and accountability across the team. These practices include providing ESG training modules to the entire MAS investment unit.

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

The MAS team has incorporated ESG and climate data into its research resources to help foster responsibility in its practices. The team conducts ongoing research into material ESG-related factors at both an individual security and cross-asset-class macroeconomic

level to enhance the risk/return of both its outcome-oriented and systematic security selection solutions.

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

In 2022, the team researched how to utilize carbon markets to help manage transition risks and provide uncorrelated returns to MAS portfolios. The MAS team also researched and implemented material ESG integration into some of their systematic strategies, specifically merger arbitrage and event-driven strategies. Lastly, the team developed two investment sleeves in 2022, focusing on future natural resources that can be included within its real asset portfolio and sustainable opportunities to include within its sustainable multi-asset and UK Customized Retirement Strategies mandates.

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

MAS ESG reporting. The MAS team continues to work on rolling out ESG reporting to its clients, including the necessary reports for those clients wishing to meet the reporting requirements outlined by the TCFD.

Hedge Fund Solutions. AB's Hedge Fund Solutions team manages a range of liquid alternative and public alternative strategies and hedge funds including systematic Event Driven, Merger Arbitrage, Global Macro, Equity Risk Premia and Long-Short strategies.

During 2022, the Responsibility team worked closely with the Event Driven and Merger Arbitrage teams to enhance the risk-management elements of the investment process to improve the way transactions are sized and selected. A variety of ESG-related screens and additional ESG factors that have the potential to impact deal volatility and the success or failure of a merger or acquisition have been explored. After extensive analysis, the teams have identified factors such as accounting quality, product governance, data governance and business ethics, as well as various material ESG controversies such as environmental incidents, product recalls, or employee health and safety issues, and have built a process to incorporate these universe screens and factors into the deal selection and positioning processes. Research is still ongoing and these process enhancements will be implemented in 2023.

6. Engaging with Issuers

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

Engagement helps us better understand issuers, protect shareholders' and bondholders' interests, and encourage management teams to deploy strategies and take actions that we believe could drive better financial outcomes for our clients.

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

This engagement policy section describes why we engage, how we engage, where we focus our engagements, how we document and track engagement, and our guidelines for escalating issues that aren't adequately addressed through our typical engagement process. The policy also discusses how we identify and resolve potential engagement conflicts of interest. We integrate our investment approach globally, across regions, equities, debt and other capital structures.⁴ Our engagements are broadly similar across funds, asset classes and geographies, as the impact of material ESG issues does not typically differ based on these factors, particularly for environmental and social issues. Some issues may differ based on geography, given the political or regulatory environment and the climate.

Why We Engage

We engage with issuers for two main reasons: to generate research insights and to advocate for action to better manage risks and

opportunities. We believe that as active managers, our unique position can generate enhanced risk-adjusted returns through our access to and engagement with issuers.

Information from engagement informs our qualitative and quantitative analysis and investment decisions, with a view toward providing better outcomes for our clients. Engagement is also an opportunity for AB to build long-term value, as we provide perspective and guidance to our portfolio companies and issuers on developing best practices in managing material issues, including ESG. We achieve these goals by engaging to generate research insights and by advocating for action.

Engaging for insight. Engagement enhances our research process, generating insight into issuers' corporate strategies and competitive positioning. It also reveals how management teams, as well as company boards, address and manage medium- and long-term risks and opportunities, including material ESG considerations.

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

⁴ References to AB in this policy apply to AllianceBernstein L.P. and our European entities—AllianceBernstein Limited, AllianceBernstein (Luxembourg) S.à.r.l. and CPH Capital—for the purposes of the European SRD II.

| NISSAN MOTOR

SECTOR: CONSUMER DISCRETIONARY

REGION: JAPAN

ASSET CLASS: FIXED INCOME

Nissan is a multinational automobile manufacturer headquartered in Japan. Like most other original equipment manufacturing companies, Nissan is working to make the transition to electric vehicles (EVs) and actively searching for opportunities in clean technology. Over a decade ago, the company made its first investments in EVs, positioning the issuer as an early mover in the space. The company has invested ¥1 trillion over the past five years and intends to invest another ¥2 trillion over the next five years.

We engaged Nissan to receive an update on its broader ESG practices, approach to EVs and the Renault ownership structure. We learned that the company believes it has sufficient battery supply chain policies in place to reach its target related to EVs, and it indicated a desire to invest more closely with its Alliance partners to tackle the high level of start-up investment needed for EVs. Regarding Renault's 40% ownership, Nissan indicated that its desire to get to an equivalent stake is not due to any current operational limitations as a result of the ownership structure. It should be viewed as an independent company from Renault that jointly collaborates to the benefit of both parties, as Nissan wants to increase collaboration as it transitions to EVs.

This engagement gave us more confidence that management is aware of the material challenges and opportunities of EVs. We also believe that the company is focused on improving the governance structure regarding its major shareholder, Renault.

| FEDERAL HOME LOAN MORTGAGE CORPORATION

SECTOR: FINANCE, GOVERNMENT-SPONSORED ENTITY

REGION: NORTH AMERICA

ASSET CLASS: FIXED INCOME

The Federal Home Loan Mortgage Corporation, commonly known as Freddie Mac, is one of two US-based, government-sponsored entities (GSEs), supporting both residential single-family and commercial multifamily housing. Across the company's origination platforms and limited property-level information disclosures related to climate risk, carbon emissions and social factors, there are inconsistencies in its data transparency.

Our engagement objectives were to encourage the release of more ESG data and to better understand aspects of the GSE's origination process. We learned that Freddie Mac has formed a climate group and begun the process of establishing the framework and scope for

measuring climate risk in multifamily commercial mortgage-backed securities. Because this process is in its early stages, we would likely see meaningful data transparency in this regard one to two years from now. When it comes to single-family housing, protecting the privacy of property borrowers presents a challenge to improving data transparency. To overcome this challenge, Freddie Mac has formed a collaboration with the Federal Housing Finance Agency. At a high level, Freddie Mac acknowledged the cost-of-living variance across the US and noted it is making adjustments around its affordable housing thresholds.

AB will continue to monitor progress on data availability, and we will follow up next year to hear updates on the issuer's progress.

| PANDORA

SECTOR: CONSUMER DISCRETIONARY

REGION: EMEA

ASSET CLASS: EQUITIES

PANDORA is a Danish jewelry manufacturer and retailer. Approximately 75% of purchasing decisions for its products are made by women, and most sales are by or for women. Despite the targeted female audience, the company did not have any women on its executive committee after the head of marketing stepped down for personal reasons in early 2022. This lack of female representation on the company's eight-person executive committee raises concerns about equity, PANDORA's customer understanding and its ability to retain female leadership below the executive committee level.

Our objective was to discuss the lack of female representation on the executive committee. According to PANDORA's CEO, the company is working toward achieving a more balanced leadership committee. He explained that although the company is striving to increase its female leadership, he also believes there are many other drivers of diversity. He noted that one-quarter of the top 30 managers below the executive level were female. He stated his concern that finding qualified women makes achieving gender parity a difficult task.

Contrary to the CEO's statements, we believe that as the vast majority of PANDORA's non-store and non-manufacturing workforce is located in major Western cities such as Copenhagen, London and New York, there is a sufficient pool of educated and qualified women interested in working for a leading brand that caters mainly to women. In our view, gender parity is important for talent retention, and thus we will continue to engage with the company about this issue. We note that subsequent to, but not as a result of, this conversation, PANDORA hired a replacement chief marketing officer who is female, so there is currently one female representative on the executive leadership team.

Engaging for action. Engagement helps us support our clients' interests by enabling us to share our ESG research assessment and corporate governance policies to effect positive and sustainable change with issuers. Discussions can focus on strategic, financial, material ESG

and climate-related issues, but the goal is to encourage firms to make decisions with a long-term view that supports positive, sustainable financial outcomes for them and in the best interest of our clients.

| CHILEAN ELECTRICITY SECTOR

SECTOR: UTILITIES

REGION: LATIN AMERICA

ASSET CLASS: FIXED INCOME

Power generation is a very capital-intensive industry and, in Chile, is highly dependent on coal, making companies there reluctant to shutter operational coal plants. Also, many price-sensitive consumers can't shoulder higher electricity bills to subsidize the transition from coal to renewable methods. We've been engaging with the four largest Chilean power-generation companies (AES Andes, Colbún, ENGIE Energia Chile and Enel Chile) and an electric system financing entity (CHIPEC) to discuss phasing out coal plants and creating innovative ways to finance the transition to renewable energy, as our research demonstrated that the cost of capital is lower for companies that focus on greener power sources and some existing coal plants are more expensive than new renewable plants, hurting the competitiveness of coal plants.

In the first half of 2021, ENGIE Energia Chile announced that it would close all its coal-powered plants by 2025. AES Andes announced that it would close more than half of its coal facilities. To address the issues that vulnerable consumers would face amid a short-term period of elevated power prices due to the green power transition, AB engaged with bankers to devise a creative solution: developing CHIPEC.

AB also engaged with Chile on developing a carbon emissions reduction plan. Chile became the first sovereign to issue a sustainability-linked bond, with its targets tied to the decarbonization progress from the utility sector. The key performance indicators of this new bond are stronger than the existing government policies, which positions it close to a 2-degree scenario. Also, on September 30, 2022, Enel Chile announced the closure of its final coal plant, Bocamina II. Enel Chile is the first company among this group to close all of its coal plants, years ahead of its initial commitment. This progress will dovetail with AB's engagements going forward.

| THE WORLD BANK

SECTOR: FINANCE

REGION: SOUTH AFRICA

ASSET CLASS: FIXED INCOME

The World Bank is an international financial institution that provides loans and grants to the governments of low- and middle-income countries to help fund capital projects. A project aimed to protect endangered black rhinos has garnered global attention. Black rhinos are a critically endangered species, and their population size reflects broader issues in biodiversity and conservation. Their endangerment is a good barometer of how these protected areas are faring.

Our objective in this engagement was to craft an ESG-labeled bond issued by the World Bank that achieves improved biodiversity in South Africa by targeting growth in the black rhino population. The challenge in this project was that the Global Environment Facility (GEF) wanted to

incentivize black rhino population growth, while gamekeepers wanted certainty of cash flows to help build a rhino-protection team. We met with the World Bank and Credit Suisse numerous times throughout 2022 to arrive at a transaction that satisfied all parties.

AB ultimately helped craft a bond whose coupon would be tied to the GEF success criteria, including a Conservation Success Payment that bondholders would receive if the rhino population continued to grow in line with recent trends. This structure allowed investors to address rhino population risk while gamekeepers were assured of consistent payments. This is one of the first biodiversity outcome-based bonds in the market.

| HEATHROW

SECTOR: INDUSTRIALS

REGION: EMEA

ASSET CLASS: FIXED INCOME

Heathrow is the UK's biggest airport and the busiest in Europe, based on passenger traffic. It operates five terminals—one for cargo and four for passenger traffic—and has two runways, making it one of the world's largest aviation hubs. We started engaging this issuer in 2021 and met with the issuer again in 2022 after it announced its Heathrow 2.0 strategy.

In September 2022, we met with its head of strategy, an ESG analyst and members of its investor relations (IR) team to gain more insight on Heathrow 2.0. AB's Director of Environmental Research and Engagement was joined by a number of our AB fixed-income research analysts and portfolio managers. We were particularly interested in Heathrow's strategic goals that focused on the airport's Scope 3 emissions, which account for almost its entire emissions footprint. In this context, we discussed Heathrow's strategic focus on advancing the use of sustainable aviation fuel and hydrogen fuel options, as well as driving improvements in airplane emissions efficiency. We also aimed to provide feedback on its plan, which we felt was lacking quantifiable data.

The conversation also concentrated on the factors that we believe success will be contingent upon, such as regulatory developments and aircraft fleet turnover across airlines, as well as the spending required to advance its net zero ambition. In terms of financing the plan, we learned that £200 million will be invested during the next regulatory period (2022–2026) toward the airport's net zero plan, specifically for goals related to the decarbonization of its own operations. Its spending plans remained, however, unclear regarding its efforts to reduce Scope 3 emissions.

AB will continue the dialogue to further understand whether Heathrow is engaging the Civil Aviation Authority on the funding required to advance its Scope 3 decarbonization goals. We will also continue to discuss how it is planning to finance any funding gaps in the 2.0 sustainability strategy and if there is any potential for the airport to issue any green or sustainability-linked bonds.

| ELECTRONIC ARTS

SECTOR: COMMUNICATION SERVICES

REGION: NORTH AMERICA

ASSET CLASS: EQUITIES

Electronic Arts (EA) is an American video-game company. Given the sexual harassment allegations against EA's peer Activision Blizzard in 2021, we were eager to understand whether this was an industry-wide or company-specific issue, and we wanted to understand what steps EA was taking to avoid potential similarities to Activision Blizzard's risk profile.

In our most recent engagement with EA, we met with senior counsel, the chief people officer and a member of the IR team. From the discussion, we learned more about the company's risk-management efforts to improve the company's culture and DEI initiatives. EA has a multifaceted infrastructure around grievance escalation and workplace safety, limiting but not eliminating structural industry risk. The company has reengineered its anonymous employee complaint line, whereby employees can raise issues to any company resource, including up to the C-suite. Employees have a point of contact with the people relations team, a group that works to ensure that EA's respectful work policy is understood and followed. Management said that while the number of employee concerns has increased year over year, the nature of the topics raised remains manageable and unchanged. This trend suggests increasing comfort with reporting mechanisms and good risk-management practices.

In terms of employee engagement, two surveys are conducted annually (management reported 80% engagement and 90% job satisfaction), and a 24-hour online survey is reviewed by a 10-person analytics team. One characteristic these programs measure is parity: Does underrepresented talent experience the same satisfaction as peers? In the last few years, women have scored higher than men. And for the past

five years, EA has invited ERGs to create questions to help developers design more diverse, authentic characters and stories for its games. Additionally, EA works with consultants to increase game accessibility and has canceled accessibility-related patents to promote inclusive design across the industry.

To attract diverse talent, EA has partnerships with historically Black colleges and universities, the Hispanic Scholarship Fund, and Girls Who Code. Management also focuses on trainee and apprenticeship programs. EA is committed to diversity hiring practices and has a two-layer (recruiting manager and hiring manager) process to limit bias. These efforts aim to address the talent gap at EA, where women constitute only 18% of technical roles and 22% of people leader roles (numbers have fluctuated within this range for the last five or more years). In terms of DEI metrics, the company publishes workforce statistics, skilled hires, and leadership by gender and ethnicity. With respect to base pay, EA has achieved gender pay equity globally and race/ethnicity pay equity in the US.

We are encouraged by EA's DEI initiatives and now have more confidence in the company's risk-management efforts. Subsequent to this discussion, we engaged the company for insight and found it was receptive to investor feedback around enhancing DEI goal-setting and disclosure; namely, quantitative representation goals before the end of FY 2023, voluntary attrition data by gender and race/ethnicity in its 2022 Impact Report, and hiring and promotion data when significant to understand progress toward goals. We look forward to tracking EA's ongoing progress.

Which AB Professionals Engage with Issuers?

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

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

With Whom Does AB Interact During Engagement?

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

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

Five Distinct Types of Engagement

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

1. Fundamental Engagement

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

We may engage before we make an investment and while monitoring current investments. We determine and prioritize the level of direct engagement based on factors including the size of the investment, investment time horizon and potential impacts on the issuer, and we always represent our clients' best interests. Security type also comes into play when approaching each engagement and assessing material ESG risk. For example, if creditors don't have voting rights, we can help issuers understand how the market's perception of key ESG risks could affect their credit quality, future access to capital, valuation/funding costs and broader stakeholders. Issuers may be more inclined to change their behavior or address a misperception with added disclosure.

2. Thematic Engagement

We sometimes identify issuers with known ESG risks. Our objective is to address perceived gaps in areas such as climate change risk disclosure or the incorporation of ESG metrics into executive compensation. The degree of focus varies based on materiality, and underlying ESG issues and the degree of likely material impact may differ by sector and/or industry. ESG-focused engagements typically involve members of our Responsibility team and the fundamental analyst who covers an issuer. This partnership drives better-informed and coordinated engagement, with outcomes that clearly link material ESG considerations to tangible financial impacts.

| NESTLÉ

SECTOR: CONSUMER STAPLES

REGION: EMEA

ASSET CLASS: EQUITIES

Nestlé is a Swiss multinational food- and drink-processing conglomerate. Much of the cocoa it sources is grown in West Africa, which has significant issues with child labor, deforestation and poverty. For example, the causes of child labor include a lack of educational facilities, lack of an adult labor force, lack of income, and communities with high rates of gender inequality; these issues are interrelated and need to be addressed in a holistic manner. Nestlé developed a child labor monitoring and mediation system, which has provided a lot of data on how children end up in situations of modern slavery.

Nestlé's income accelerator program (IAP) was launched with a pilot in 2020–2021 and covered 1,000 households in Côte d'Ivoire. In 2022–2023, the program will be rolled out to reach over 10,000 households and aims to reach 100% of its cocoa supply chain by 2030. Nestlé has also set up a strategic advisor committee that represents diverse stakeholders (suppliers, producers, local civil society, etc.) to advise on the IAP. The IAP provides both cash incentives and support to the farmers in the cocoa supply chain. The cash incentives are linked to key performance indicators (KPIs). For example, the farmers receive €100 for enrolling all the children in their family in school, €100 for good agricultural practices (farmers are required to prune 1 hectare), €100 for planting 10 trees, €100 for diversified incomes, and €100 for achieving all four KPIs. To support gender empowerment, half of the incentive pay goes to each spouse.

The cash incentives will be disbursed via direct secure mobile service transfers to help combat any local corruption. Along with providing cash incentives, Nestlé has also supported the region through building over 53 schools and providing school kits to children. Typically, cocoa farmers make \$3,000 a year, 70% to 80% of which comes from cocoa. Nestlé encourages farmers to diversify their income by raising chickens, growing rice on the paddy, or through beekeeping. The ambition is to increase the net cocoa income via improved productivity, diversified income and incentives.

We met with the Head of Cocoa Sustainability Issues, a representative of IR and an ESG expert from Nestlé. Considering that the IAP requires all farmers to have bank accounts and the ability to access mobile payments, we asked Nestlé whether it is tackling the issue of access. The team told us that there has been an increase in the adoption of mobile devices, and mobile payment is increasingly becoming a universal method of payment. They noted another obstacle in the mobile payment structure: some farmers do not have a form of identification and can therefore not receive mobile payment via a bank account. Nestlé has partnered with both local mobile companies and a European-based organization to help farmers set up mobile banking and ensure that farmers are adhering to the KPIs, respectively.

Nestlé appears to be making meaningful progress on the root causes of child labor. By tackling these issues, it can get one step closer to addressing material modern slavery risks. This process is continuously evolving, and we will continue engaging with the team to monitor progress.

3. Proxy-Voting Engagement

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

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

We determine when engagement is needed to uphold our clients' best interests, both when issuers offer meetings and when we

initiate engagement on a potentially material issue. Our proxy-voting process may also consider ESG issues and other factors when a vote may affect the valuation and performance of an issuer's securities. For more information, please see our Proxy Voting and Governance Policy.

4. Collaborative Engagement

We work closely with non-AB investors, asset owners and ESG-focused organizations on engagement. This can happen when we've independently arrived at the same conclusion as other managers and believe that collaboration might help address specific issues.

The goal of collaborating is to share information and ideas, but we don't share our investment intentions or agree to act in concert with other fund managers, activist investors or other large shareholders. In 2022, AB's Fixed Income team participated in the CDP's 2022 Municipal Disclosure Campaign, which sought to demonstrate the importance of municipal investments to the financial community and support the transparent communication of material environmental risks and opportunities to global investors.

| HEXCEL

SECTOR: INDUSTRIALS
REGION: NORTH AMERICA
ASSET CLASS: EQUITIES

Hexcel manufactures carbon fiber and composites for airplanes, wind turbines and autos. Carbon fiber is replacing steel and aluminum in a variety of applications, including wind turbine blades and aircraft parts, and is exposed to strong secular growth given its cost competitiveness. Lightweight aircraft with +50% carbon fiber improves fuel efficiency by 20%–25%. In 2020 and 2021, Hexcel did not meet most incentive targets, so senior management received very little in the way of cash and stock bonuses. The company has a “pay for performance” culture, and senior management bonuses have historically been tied to financial performance targets. Annual cash bonuses are tied to targets for earnings before interest and taxes, earnings per share (EPS), and cash from operations. Annual stock award bonuses are tied to return on invested capital and EPS growth versus the S&P MidCap Index. In 2022, Hexcel’s board proposed what would we consider a “make whole” compensation package for senior executives for unearned bonuses in 2020 and 2021.

We met with the chair of the Compensation Committee, the chief human relations officer and the vice president of IR. In our view, the proposed compensation package was extraordinary. Hexcel stated that it had recognized necessary improvements regarding talent retention and was having difficulty recruiting new staff given the challenging business environment during the decline in air travel related to the coronavirus pandemic (Hexcel’s revenues dropped about 40% from 2019 to 2020–2021). The chair of the Compensation Committee stated that the company needed the extraordinary compensation package to retain current senior management and highly skilled staff. He also indicated that Hexcel’s board had consulted with peer companies, companies outside the aerospace industry and compensation advisors on this proposed pay package. While we recognize the importance of retaining talent, the special award did not add any significant incremental performance targets, in our view. Thus, we voted our proxy against this package.

We asked Hexcel to consider including material ESG metrics in its executive compensation plan in addition to traditional financial targets to help better align incentives with risk management practices. Hexcel stated that the board would seriously consider adding one or more ESG metrics to its executive compensation. Therefore, we will reengage Hexcel next year to see if there have been improvements.

The broader campaign requested voluntary environmental and TCFD-aligned disclosures from 463 municipal issuers in the US and Canada. As a result, 153 issuers responded, with an overall success rate of 33%.

AB has also been a signatory to the Climate Action 100+ (CA100+) initiative since 2017 and has participated in a number of engagements throughout the energy and industrials sectors. These engagements, which seek to leverage a critical mass of investors, are instrumental in improving the management of material risks and opportunities at the world’s largest corporate emitters and also providing a unique opportunity for investors to learn and share best practices for working with issuers to manage the risks and opportunities stemming from climate change.

In 2022, AB continued participating in CA100+ engagements as an investor participant with emerging-market companies—Eskom, Sasol and Petrobras—focusing on their climate change disclosures, policies and impact. We are continuing to monitor the progress of Eskom and Sasol for a Just Transition. Regarding Sasol, we planned to send a letter to Sasol’s board emphasizing the importance of implementing its decarbonization plans in our engagement last year. In early 2022, with our investor cohort through the CA100+ engagement, we sent the letter to Sasol’s board commending Sasol’s progress on its transition plan, while advocating for further action to limit future risk. We also met

with the company’s new CFO this year, and we believe that we successfully established a relationship that will position us to work closely with him in the future. Regarding Eskom, the CA100+ investor cohort wrote and sent a private letter to the South African government on behalf of South African and international investors. Our letter intended to commend the government on recent climate progress and outline investor priorities for South Africa and its policy related to Eskom. We aimed to provide Eskom with additional leverage when working with national government stakeholders on financially material climate and decarbonization matters. For more information on our involvement with CA100+, please see our latest Climate Change Statement & TCFD Report. We hope to share more updates on our progress with these companies next year.

| PETROBRAS

SECTOR: ENERGY

REGION: LATIN AMERICA

ASSET CLASS: FIXED INCOME

Petrobras is a major state-owned oil and gas producer in Brazil that has one of the largest corporate carbon footprints in Latin America. AB is an investor participant in the Petrobras CA100+ investor cohort and has held a series of engagements on the company's climate strategy since joining the initiative.

During AB's tenure on this engagement, Petrobras has continued to progress its climate strategy, despite persistent changes in top leadership and operating in the context of a dynamic political environment.

In the most recent Petrobras engagement, the Environmental Defense Fund (EDF) joined AB and the investor cohort to provide perspective and expertise on managing risks related to methane emissions, which are major contributors to climate change, given that methane's warming potential is much greater than that of CO₂.

AB and the other investors encouraged Petrobras to join the Oil and Gas Methane Partnership 2.0 (OGMP). The OGMP is a multi-stakeholder initiative launched by the United Nations Environment Programme and the Climate and Clean Air Coalition, which works with major oil and gas companies to help tackle methane emissions, which pose financially material risks and opportunities to issuers that we seek to manage on behalf of our clients.

By joining OGMP, members commit to disclosing according to the OGMP reporting framework, which works to improve the transparency and accuracy of methane emissions reporting. In previous dialogues, Petrobras expressed concerns over the technical feasibility of adhering to this reporting framework, attributing this concern to particular features of the company's offshore drilling operations. However, AB and the investors were able to leverage the expertise of EDF to help address some of these concerns. Petrobras has since indicated that the prospect

of joining OGMP membership is currently progressing through its internal approval processes.

AB and the CA100+ investor cohort are encouraged by the progress made on evolving the company's climate strategy, as well as efforts to take investor priorities seriously.

In 2022, we also joined engagements through FAIRR, engaging certain issuers on antibiotic stewardship and others on working conditions that could materially impact their performance.

| ZOETIS

SECTOR: PHARMACEUTICALS

REGION: NORTH AMERICA

ASSET CLASS: EQUITIES

In 2022, as part of FAIRR's engagement on antibiotic stewardship, we continued to engage with Zoetis to better understand its role in the stewardship of antibiotics. This is a material risk for the company, as we are seeing global trends of less antibiotic use in herd management and even outright bans on antibiotic usage in some jurisdictions. Over the years, the company has successfully transitioned its mix of sales away from antibiotics toward vaccines, diagnostics and companion animal products, thereby lessening its exposure. However, we continue to encourage the company to improve its public disclosures on the issue. Although the company initially declined to answer FAIRR's letter requesting more information on its antibiotic stewardship practices, the company has shown a willingness to work with us toward providing quantitative disclosures. To that end, in our most recent engagement with Zoetis, we shared a detailed wish list of questions pertaining to antibiotics with both the company's IR officer and the head of Sustainability. Management was receptive to the questions, and we plan on following up with them in future engagements.

| MARFRIG

SECTOR: FOOD PROCESSING

REGION: SOUTH AMERICA

ASSET CLASS: FIXED INCOME

In phase two of a three-year working-conditions engagement led by FAIRR targeting the world's largest animal protein producers, we engaged with Brazilian beef producer Marfrig on its policies and practices with respect to labor risk—specifically grievance mechanisms, sick pay, distribution of workers across employment contracts, oversight of governance structure, worker representation, and the engagement of workers on industry trends including automation and climate change. One area of focus was modern slavery/employee health and safety.

We encouraged Marfrig to report publicly on how it assesses the effectiveness of its grievance mechanisms, encouraging the company to go above the minimum legal requirements on sick leave in the US to ensure that workers are protected. Despite having rolled out training on the issue, moral harassment, the recurring practice of humiliation and isolation while at work, continues to be cited by employees as a key grievance area. Management intends to try to strengthen trust in its helpline by providing a “more assertive” and “faster” resolution process, although it is unclear what this means in practice. There may also be cultural or legacy differences driving this issue, which management will

try to address through training programs, internal policies and having a compliance representative at each plant.

On sick pay, management disclosed that it does not provide full paid sick leave to workers in the US. However, management explained that it has implemented initiatives to reduce health and safety risks in its US operations and complies with the minimum necessary standards determined by national or local legislation on sick pay. Management stated that it is developing a mixed human resources committee that will examine and share best practices in South and North America.

After phase one of this engagement, Marfrig included a statement of support for the right to freedom of association in its Code of Ethics. In response to FAIRR and investor feedback, the company now discloses the proportion of its workforce covered by collective bargaining agreements (CBAs) in Brazil (100%), Argentina (81.51%), Chile (0%) and Uruguay (61%). Management said that it would follow up and disclose CBA coverage of its US-based workforce and explain why its Chilean workforce does not have CBA coverage. Management also offered to set up a call among FAIRR, investors and representatives from National Beef, a US-based beef processor in which Marfrig is the majority owner, to help investors to gain a better understanding of worker representation at its US operations.

5. Policy Advocacy Engagement

We engage with governments, regulators and other drivers of public policy when we think that it's in our clients' best interests. These engagements take the form of comment letters, appearances at formal meetings of regulatory bodies and direct engagement with key government stakeholders. They often center on the investment impacts or stewardship

concerns related to existing or proposed regulatory changes, such as share classes, reporting requirements, or the treatment of ESG and climate risks. We publish some of our [Letters to Policymakers](#) on our website. For more information on our political advocacy, spending and activity, please see our [Statement on Political Influence](#).

Focus and Priority Areas for Engagement

Because we're global investors, we engage on a wide variety of strategic, financial, and material ESG and climate change-related topics. We determined these focus issues for engagements through our proprietary materiality map, guidance from third-party data providers and industry standard-setters like the SASB, as well as client feedback. Our list evolves over time to reflect changes in the market.

When we're prioritizing companies or issuers to engage with or themes and topics to discuss, we consider a number of factors. We assess the ESG issue's materiality within certain sectors, using our proprietary AB materiality map and industry-recognized frameworks. We also consider the company's or issuer's size and ESG ratings, our historical proxy-voting record at the company, the size of AB's

portfolio exposure, the proportion of issuer assets we hold, the significance of our security holding, and the history and success of previous conversations.

We may also conduct event-driven engagements when a company's or issuer's activity has had a significant negative financial impact, as well as company-led engagements when a firm reaches out to us to discuss an issue. Thematic-driven engagements may be identified by our Responsibility team, spanning a broad range of material topics that evolve over time, based on specific focus areas (*Display 12*).

Documenting and Monitoring Engagement

Because tracking, documenting and integrating our dialogues with issuers is a key pillar of a successful engagement program, we've developed proprietary systems to advance these efforts.

DISPLAY 12: FOCUS AREAS FOR FIRMWIDE ESG ENGAGEMENTS

ENVIRONMENTAL AND CLIMATE CHANGE	SOCIAL	GOVERNANCE
<ul style="list-style-type: none"> ○ Biodiversity and Land Use ○ Carbon Emissions ○ Climate Change Vulnerability ○ Electronic Waste ○ ESG-Labeled Bonds ○ International Norms ○ Net Zero ○ Opportunities in Clean Tech ○ Opportunities in Green Buildings ○ Opportunities in Renewable Energy ○ Packaging Waste ○ Product Carbon Footprint ○ Resource Management ○ Supply Chain—Environmental ○ Toxic Emissions and Hazardous Waste ○ Water Management 	<ul style="list-style-type: none"> ○ Diversity and Inclusion ○ Employee Health and Safety ○ ESG-Labeled Bonds ○ Financial Product Safety ○ Human Capital Development ○ Insuring Health and Demographic Risk ○ International Norms ○ Labor Management ○ Modern Slavery ○ Opportunities in Communications ○ Opportunities in Education ○ Opportunities in Financial Inclusion ○ Opportunities in Healthcare ○ Opportunities in Nutrition and Healthier Products ○ Privacy and Data Security ○ Product Safety and Quality ○ Responsible Investment ○ Stakeholder Engagement ○ Supply Chain—Social 	<ul style="list-style-type: none"> ○ Accounting ○ Anti-Competitive Practices ○ Board Independence ○ Board-Level Diversity ○ Business Ethics ○ Combined CEO Chair ○ Corruption and Instability ○ Crisis Management ○ Entrenched Board ○ Financial System Instability ○ International Norms ○ One Share One Vote ○ Organizational Culture ○ Pay ○ Proxy Access ○ Right to Call Special Meetings ○ Sanctions

Source: AB

When engagements include a substantive discussion of ESG risk considerations, our analysts document the purpose of the engagement, ESG topics discussed and the outcome in our proprietary ESIGHT system.

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

With ESIGHT, AB has a hub where bond and equity investment teams can access and share information in real time about issuers' ESG practices. When our investment teams conduct research or prepare for an engagement, they can explore previous interactions—querying by issuer, AB investment team, or ESG topic and theme. ESIGHT also enhances portfolio management and reporting: we can assess ESG topics by company or issuer, industry, or portfolio and share engagement statistics, examples and outcomes with our clients.

AB continuously works to enhance ESIGHT by adding resources, such as best-practices engagement guides and FAQs on common engagement topics, to the knowledge center within the platform. In 2022, we added an "action engagement" template for investors to tag their engagements as action, laying out the topic and which type of action they're encouraging issuers to take to limit future risk. We also developed functionality to set milestones and end-date targets, including reminders for analysts to follow up with issuers. This development should also help investors track year-over-year progress.

The engagement efforts of AB's fixed-income investors are enhanced by Prism. This proprietary credit-rating and scoring system is integrated into our fixed-income research analysis portal, which is a fully digitalized data and security analysis platform. With

Prism, analysts can develop and share views on individual issuers in a consistent, comparable and quantifiable way across industries, ratings categories and geographies. Analysts evaluate each issuer on multiple dimensions, using research and engagement insights to assign specific ESG scores, which are used in credit scoring. ESG weights are determined by the industry being analyzed and are based on what we view as the most important factors for the company or issuer. Prism harnesses ESG data from a number of sources including data providers, nongovernmental organizations and regulatory bodies. AB fixed-income analysts, portfolio managers and traders can access Prism's ESG scores in real time.

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

During 2022, we worked to develop an enhanced version of our ESG scoring, which we call Prism 3.0. This new methodology is more data-informed, made possible by the significant increase in the availability and quality of ESG data. Within Prism 3.0, we first use a primary KPI to sort each industry cohort and develop suggested scoring ranges (e.g., using carbon emissions for environmental scoring ranges). We then use secondary KPIs to determine intra-industry company scores (e.g., EV growth—autos and sustainable fuel usage—airlines). The goal of Prism 3.0 is to enhance consistency of scoring globally and free up analyst time to spend on other activities such as engagements. We expect to roll out Prism 3.0 in the first half of 2023.

Policy for Escalating Issues

Most direct, ongoing engagement is productive, often clarifying an issuer's strategy and practices, and potentially spurring changes that cause an issuer's conduct to create more value for our clients.

Engagement is a long-term process, and we'll continue our dialogue if we believe that management is receptive to addressing our questions and considering our views. Engagements typically employ the following process, often over a series of meetings:

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

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

- Write a private letter to the board and/or management team
- Vote against relevant board members (e.g., committee chair or incumbent board members) at the next AGM

- Share our views with other investors and/or stakeholders
- Publish a public letter stating our views
- Reduce our position, sell the security or decline to refinance

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

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

| ARROWHEAD PHARMACEUTICALS

SECTOR: HEALTHCARE

REGION: NORTH AMERICA

ASSET CLASS: EQUITIES

Arrowhead is a biopharmaceutical company based in the US. It has had outsize executive pay for the past two years (approximately \$50 million in 2021 and \$63 million in 2022, both around seven to nine times its peer median). In 2021, we voted against the compensation plan.

Ahead of its 2022 AGM, we engaged with the company in March to discuss its compensation practices. The results of our engagement did not seem to yield a positive outcome, so we voted both against the compensation plan as well as the chair of the compensation committee. Arrowhead reached out to us to engage in November 2022. After the two failed votes, the firm is restructuring its compensation plan to be in line with its peer group median, a suggestion brought up during our earlier conversation.

After engaging the company on compensation practices for the past two years, we are pleased to see it is working to align its compensation practices with peers. We hope to see progress made ahead of the 2023 AGM.

| TRUPANION

SECTOR: FINANCIAL SERVICES

REGION: NORTH AMERICA

ASSET CLASS: EQUITIES

Trupanion is a pet insurance company based in the US. We engaged with Trupanion management and board members multiple times throughout 2022. As part of these conversations, we've shared examples of what AB views as best practices, including our view that we expected board declassification in coming years. While the company was not ready to immediately commit to the measure, management noted our concern and said they would discuss.

In November 2022, the CEO noted that he wanted to declassify the board during the time frame of his succession from CEO (current title) to chairman/CEO (2023–2025) to chairman (2025 and beyond), asking our advice for best practices on this process.

We will continue to engage to monitor progress on board declassification.

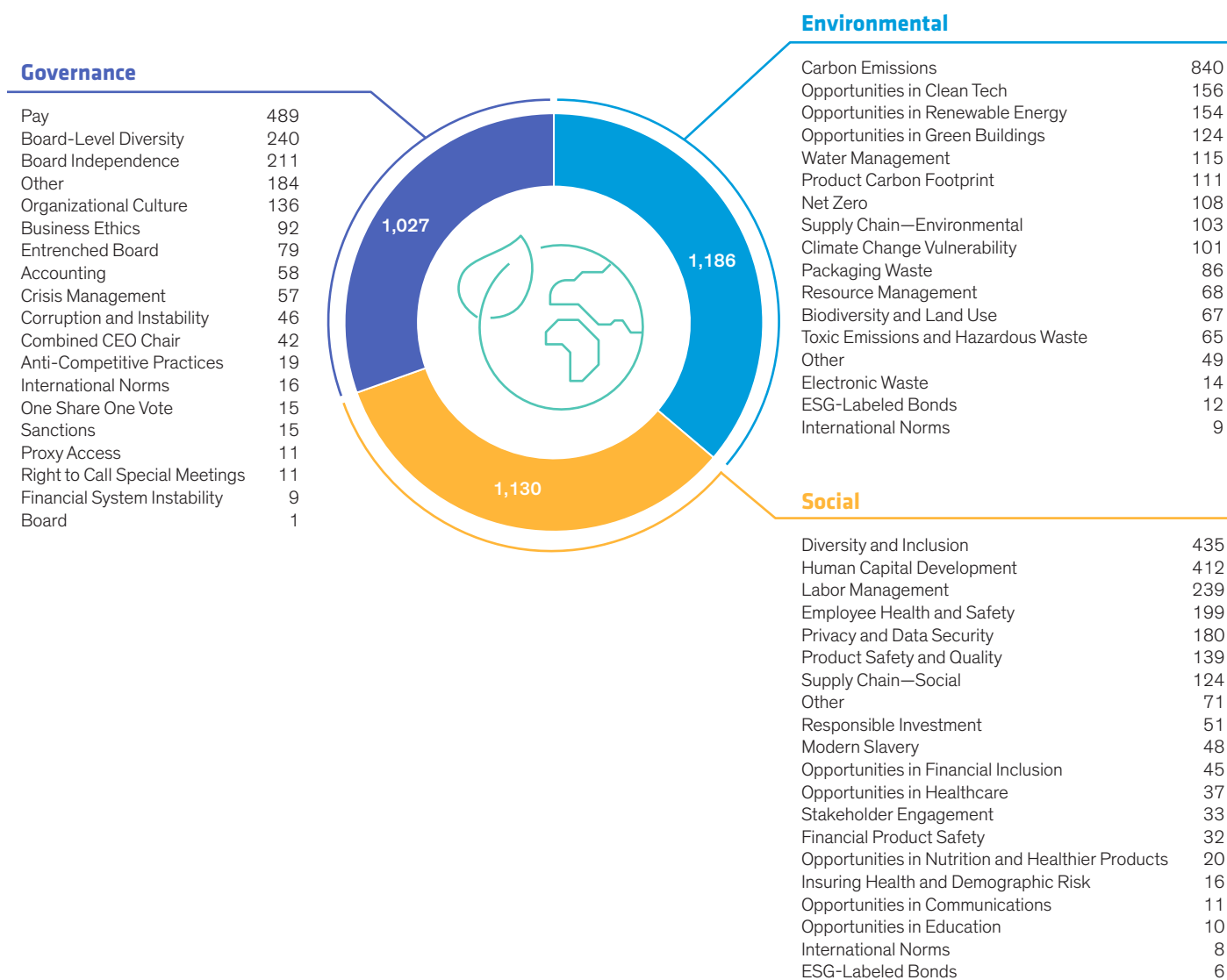
Conflicts of Interest

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

Engaging on ESG Issues: 2022 Updates

Analysts documented 6,032 separate ESG discussion topics across 1,932 engagements with 1,426 unique issuers across regions in ESIGHT (*Display 13 and Display 14, page 43*).

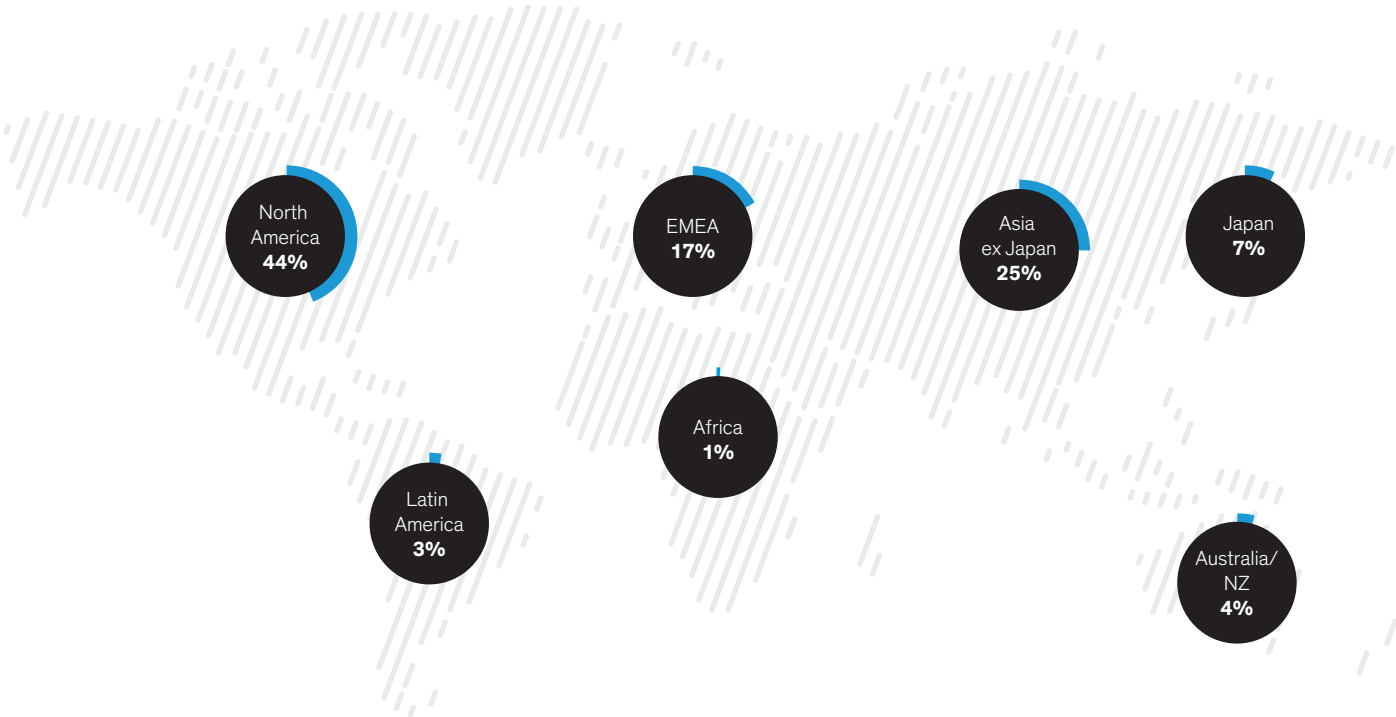
DISPLAY 13: ENGAGEMENT BY ESG PILLAR



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

Source: AB

DISPLAY 14: ENGAGEMENT BY REGION



Numbers may not sum due to rounding.
As of December 31, 2022 | **Source:** AB

7. Exercising Voting Rights

Philosophy

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

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

We also have a monthly reconciliation process to identify missed and failed votes due to operational challenges, including egregious requirements from different markets or issuers.

Policy

Our policy details how we vote on specific items, as well as the processes for managing conflicts of interest, voting transparency, recordkeeping and voting execution. Our proxy-voting guidelines are both rules- and principles-based. We adhere to a core set of principles and assess each proxy proposal according to these principles. Because we do not outsource our proxy-voting activities, we do not use the default recommendations of proxy advisors. We evaluate each agenda item carefully and will vote against management where appropriate. For example, we vote against management if an agenda item violates our minimum required governance standards, if we support a shareholder proposal that is not endorsed by company management or on case-by-case items

where company-specific circumstances warrant a vote against management (such as remuneration proposals).

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

While our policy and votes are public, we generally keep our vote confidential until the meeting deadline has passed. However, we publish our vote intentions on certain proposals in advance of select shareholder meetings, with an emphasis on issuers where our discretionary managed accounts have significant economic exposure. The selected proposals are chosen because they impact a range of key topics where AB may have expressed our viewpoints publicly, through prior engagement or proxy voting. We do not predisclose our vote intentions on mergers and acquisition activity. Predisclosed vote intentions can be found on our [website](#). Our proxy votes (and votes withheld) are posted on our public [website](#). We also disclose voting rationales for significant votes for many of our portfolios on our [website](#).

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

- Materiality of issues and the impact on shareholder value
- Absolute value of the holding
- Holding relative to other shareholders
- Votes against the recommendation of the board, which require case-by-case analysis by AB's Proxy Voting and Governance Policy

2022 Policy: Updates

The Proxy Voting and Governance Committee is responsible for monitoring evolving market best practices and investor expectations on corporate governance. Such duty includes an annual review of AB's own [Proxy Voting and Governance Policy](#). The policy updates discussed by the committee through 2021 were formally approved by the committee in the first quarter of 2022.

The changes made to the policy are noted below.

Section 3—Proxy Voting Guidelines

- Clarified the application scope of the shareholder proposal assessment framework
- Clarified the language for explaining AB's approach to assessing board capacity
- Provided additional description for section 3.1.73 to explain AB's approach to assessing forced labor and supply chain management—related shareholder proposals from the human rights perspective

Section 7—Proxy Voting Procedures

- Revised section 7.1 pertaining to the review process of submitted votes in a newly implemented two-tiered approach. Votes for significant holdings, as defined by our internal definition, are reviewed in real time by an offshore team to verify that the executed votes are in line with our policy. Votes outside of the significant holdings universe are voted in accordance with our policy by AB, and votes are sampled and reviewed on a monthly basis by the members of the Proxy team to ensure their compliance with our policy

Process

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

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

As part of our holistic approach to proxy voting, we may consult issuer management, issuer directors, interest groups, shareholder activists and research providers to get additional insight when needed.

Research provided for our holdings by an external proxy service, ISS, is available to our research analysts through our proxy team. We may review further information from our other ESG research providers.

We also work with clients to meet their individual reporting requirements, varying from statistical reports to providing a voting rationale for specific meetings. More details on our reporting practices, including links to our voting records, are provided in Section 8 of this statement.

Loaned Securities

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

Fixed Income

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

Further, we augment our internal expertise with the insights from Covenant Review, a third-party service that reviews and analyzes bond and loan covenants, and external legal advisors.

When necessary, we will engage with underwriters and company management to leverage these resources to try to negotiate better covenant protection for ourselves and our clients.

There are several other ways we seek to protect our clients' investments. We proactively engage with companies, sovereigns, financial and legal advisors, and other bondholders ahead of potential financial restructurings to ensure that our investors' rights are protected and that value is preserved. For example, during the COVID-19 crisis, we worked proactively with stressed companies to propose potential amendment changes that would

keep companies out of insolvency and strengthen our position within capital structures. Often when a company or sovereign seeks an amendment, we engage with leading advisors and fellow creditors to form a unified bloc that enhances our negotiating power and generally leads to improved credit outcomes.

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

2022 Proxy Voting: US Shareholder Proposals

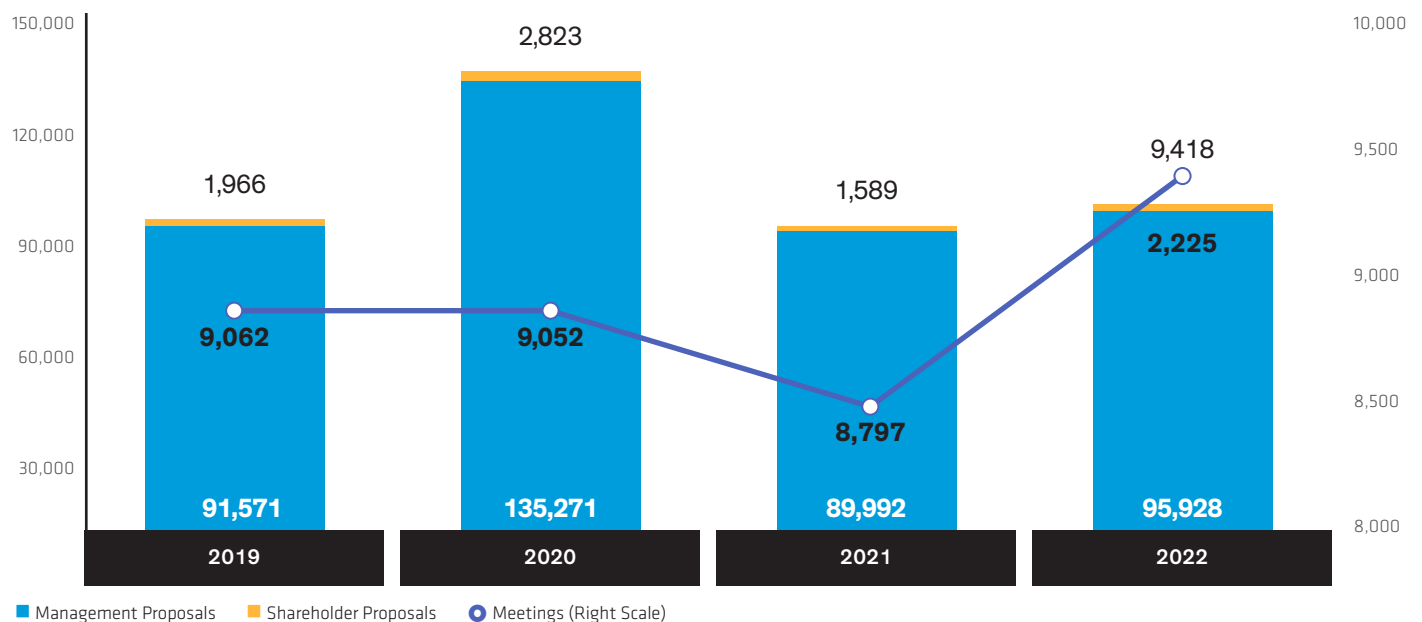
The majority of ESG-focused shareholder proposals are put forward in the US. We apply the same framework to vote these proposals that we use to vote all shareholder proposals globally, in alignment with AB's mission to deliver better investment outcomes to clients through differentiated research insights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

The 2022 proxy season was marked by a few distinct themes, including racial equity and civil rights audit requests, employee rights, and human rights. With regard to ESG-related proposals, social proposals had the highest year-over-year increase versus environmental and governance proposals, mainly driven by elevated interest in diversity, equality and inclusion data (and, more specifically, EEO-1 data⁵).

How We Voted in 2022

In 2022, we voted 98,153 total management and shareholder proposals across 9,418 companies globally. We voted 99% of the company meetings eligible (*Display 15 and Display 16, page 47*). The 1% accounts for cases where we are not able to exercise our vote, generally due to unreasonable operational hurdles imposed by custodians or issuers in certain markets. We vote all our proxies internally; we do not outsource this activity.

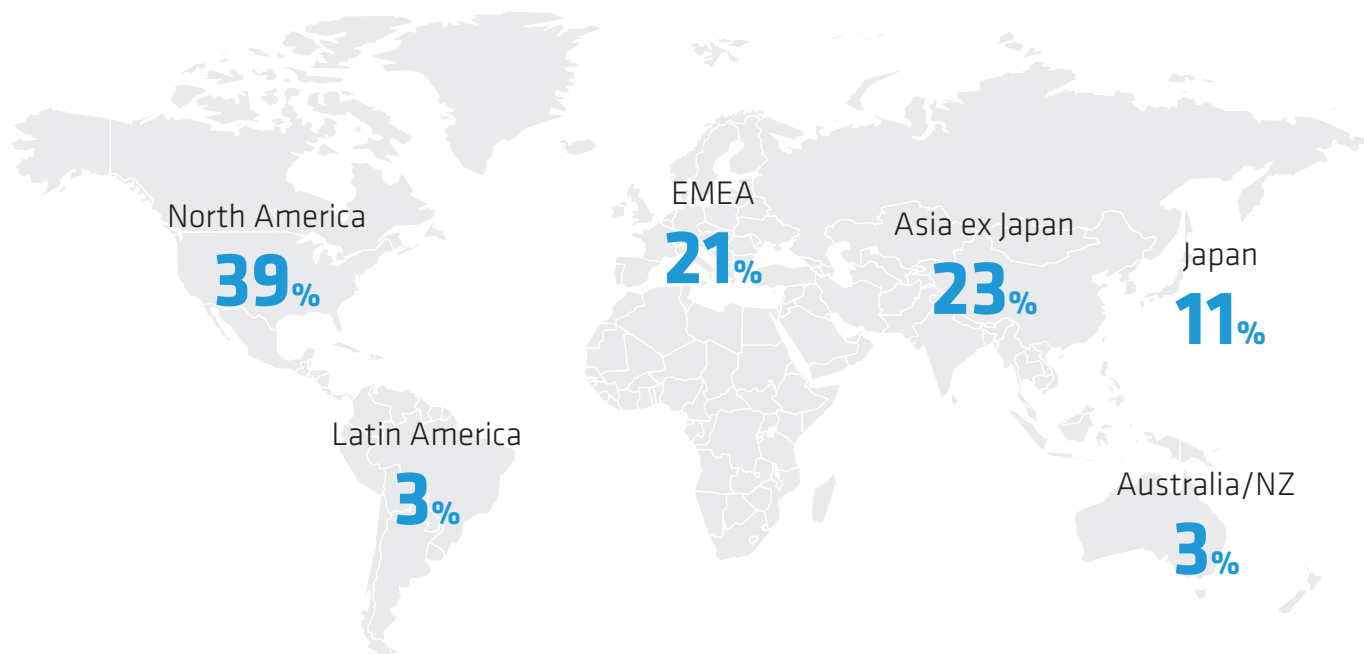
DISPLAY 15: HOW WE VOTED IN 2022



Numbers may not sum due to rounding.

As of March December 31, 2022 | Source: AB

DISPLAY 16: A GLOBAL EFFORT—WHERE WE VOTED IN 2022



Based on 9,418 total shareholder meetings in 2022.

As of December 31, 2022 | Source: AB

Compared with the past two years, the 2022 US proxy season had the highest number of shareholder proposals on the ballot. However, the percentage of AB's support for ESG-related proposals decreased in 2022. One of the main contributing factors to this was the increasingly prescriptive ask within shareholder proposals, which made many proposals overbearing or unmindful of the progress that had been made by companies in these areas, in our view.

This season we also saw a proliferation of proposals filed as "civil rights and nondiscrimination." Yet while the text of these proposals called on companies to conduct civil rights audits, the proposals also argued that antiracist programs are discriminatory "against employees deemed nondiverse." The National Center for Public Policy Research filed 10 of these proposals, which were uniformly unsuccessful this season, achieving less than 5% shareholder support in each case.

2022 Voting Highlights

Votes against the board. Our core principle for board elections is to hold directors accountable for proper independent oversight and risk management. Factors that we consider include board-level independence, diversity (both demographic and skill set), capacity and overall effectiveness of company governance. In 2022, we voted against 9% of management director proposals, including the following:

- Voted against the election of the audit committee chair at 1st Source Corporation, to address issues around shareholders not having the ability to amend bylaws
- Voted against the election of the chair of the nominating/governance committee at Moelis & Company to address the company maintaining a multiclass capital structure with unequal voting rights

⁵ The EEO-1 Component 1 report is a mandatory annual data collection that requires all private sector US employers with 100 or more employees, and federal contractors with 50 or more employees meeting certain criteria, to submit demographic workforce data, including data by race/ethnicity and job categories. The filing by eligible employers of the EEO-1 Component 1 report is required under section 709(c) of Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e-8(c), and 29 C.F.R. § 1602.7-.14 and 41 C.F.R. § 60-1.7(a).

- Voted against all incumbent compensation committee members on the ballot at Meta Platforms to address multiyear compensation concerns

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

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

In 2022, our votes against shareholder resolutions based on the aforementioned framework included the following:

- Voted against a shareholder proposal asking for Bank of America to adopt a fossil fuel lending policy consistent with the International Energy Agency's (IEA) Net Zero 2050 Scenario. Through engagement with the company, Bank of America stated that it has achieved carbon neutrality for Scopes 1 and 2. Its membership of the Net Zero Banking Alliance also requires it to establish targets on financed emissions in portfolios with a deadline. The company has finalized and disclosed its first round of target setting on financing activity, including in auto manufacturing, energy and power generation. The targets are based on the IEA's Net Zero 2050 Scenario and are rigorous. It is also notable that Bank of America will phase out all financing by 2025, including facilitating capital-market transactions of companies deriving 25% or more of their revenue from thermal coal mining, absent a public commitment to align their business with Paris Agreement goals. Furthermore, we agreed with the company's management that the

proponent's requested action was too prescriptive in prohibiting transition financing, which is a critical component of reaching a net zero world. As Bank of America makes progress toward its 2030 targets, AB will continue to maintain a dialogue with management to encourage alignment between the company's efforts and shareholder expectations.

- Voted against a shareholder proposal requesting the Coca-Cola Company to report on external public health costs. While we agree that product health and nutrition is a material ESG risk for Coca-Cola, the company is meaningfully addressing the asks put forward by the proponent. Coca-Cola is taking clear action around reducing the sugar content of its products, while quantifying and disclosing the results of its progress and setting robust, forward-looking goals related to health. Through engagements with AB, Coca-Cola has highlighted proactive efforts that include introducing new healthy beverage alternatives and making public commitments and pledges to considerably reduce sugar in its beverages. The company acknowledges that factors such as health-related concerns and evolving consumer preferences are impactful to its business, and is taking significant steps to improve its product formulas and manage risks related to public health. Moving forward, AB will monitor the company's progress related to consumer health and will continue to engage with Coca-Cola to drive best practices.
- Voted against a shareholder proposal at Microsoft to report on government use of technology. Microsoft's technology is used throughout the US military and government, including for purposes to aid humanitarian responses, health measures and protection. The company currently has relevant policies and due diligence in place on the government's use of the company's technology from a human rights context. Available public disclosures include the Annual Human Rights Report and the Global Human Rights Statement. On its website, Microsoft also provides information on specific government contracts and is playing an active role in addressing public policy and legal issues raised by new technology. The company also has a variety of transparent commitments that align with its broad goals of protecting human rights, safeguarding democracy, supporting humanitarian action and ensuring equitable access. As the company develops new technologies, AB will continue to engage with management on Microsoft's approach to human rights risks related to government partnerships in order to promote both transparency and accountability.

Votes for shareholder resolutions. We also voted in favor of many shareholder proposals, including the following examples on racial equity, concealment clauses, and violations of privacy/civil rights:

- Voted for a shareholder proposal asking Alphabet (Google) to commission a third-party, independent racial equity audit analyzing adverse impacts on Black, Indigenous and People of Color communities. While the company emphasizes its efforts around its internal DEI and investments “to promote product equity, including a Black-owned business attribute on Maps,” and has created Google Business Profiles for Latino-owned businesses, a broader review of the company’s impact on communities through its multiple lines of products will serve as a comprehensive risk assessment to identify potential gaps and trigger a mitigation process (which a similar exercise for Ring at Amazon.com identified last year). We will monitor Alphabet’s progress on reporting and transparency surrounding this issue in the coming years.
- Voted for a shareholder proposal asking Apple to prepare a public report assessing the potential risks to the company associated with its use of concealment clauses in the context of harassment, discrimination and other unlawful acts. While we appreciate that the company has increased the availability of mandatory training on proper conduct and committed to remove concealment clauses from US separation agreements going forward to allow departing employees to discuss their experiences, we are concerned that training alone has not prevented harassment cases at other companies. We supported the proposal because we believe further reporting on concealment clauses will encourage Apple to engage with shareholders to further explore best practices in this area. We will monitor updates that Apple has after receiving 50% support from shareholders on the issue and engage on next steps the company plans to take.
- Voted for a shareholder proposal asking Amazon.com to commission an independent study of the company’s Rekognition

software and report to shareholders regarding items such as the extent to which such technology may endanger, threaten, or violate privacy and/or civil rights; the extent to which such technologies may be marketed and sold to authoritarian or repressive governments; the potential loss of goodwill; and other financial risks associated with these human rights issues. Amazon.com has completed a similar exercise for its Ring product, and the fact that the Rekognition product isn’t used as or intended as a surveillance tool does not guarantee the absence of misuse cases or potentially harmful impact on users and communities. We will monitor any actions that Amazon.com has taken on this issue since the AGM and engage on the topic in the future.

Votes abstained from or not taken. AB strives to vote all shares for which we have voting rights. We typically vote ~99% of those shares, and 2022 was no different. Typical reasons that we don’t vote include when shares are subject to security lending, share-blocking, missing powers of attorney or burdensome operational requirements that we didn’t receive in a timely manner. Examples of abstentions from 2022 include:

- Not voting several ballots at SalMar due to share-blocking
- Abstaining on auditor approval at Refrigeration Electrical Engineering Corporation because the company didn’t disclose adequate information for AB to make an informed decision

Votes not in line with our proxy-voting policy. All AB votes in 2022 were aligned with our [Proxy Voting and Governance Policy](#). All of AB’s proxy votes are double-checked in a two-tiered approach. Votes for significant holdings, as defined by our stake, are reviewed in real time by an offshore team to verify that the executed votes are in line with our policy. Votes outside of the significant holdings universe are sampled and reviewed on a monthly basis by the members of the Proxy team to ensure their compliance with our policy.

8. Transparency, Disclosure and Reporting

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

AB Policies and Statements

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

These documents include:

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

We also have a number of internal responsible investing–related policies, including but not limited to Compliance ESG Procedures, an engagement-oriented Coal Policy and Voting Guidelines.

AB Reports and Disclosures

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

- **Engagement reports.** These include but are not limited to our quarterly, semiannual or annual summaries of engagement activities pertaining to individual investment strategies.
- **Product impact reports.** Produced for some of our Portfolios with Purpose, these reports detail portfolio-level ESG metrics and how portfolios align with the UN SDGs or other ESG frameworks.
- **PRI Reports.** We complete an annual PRI Report that includes information on our responsible investment approach, management

of climate change risk, and active ownership and stewardship activities. AB's PRI Transparency Report and our PRI Assessment Report are available on our [website](#).

- **Proxy-voting records.** We support transparency in issuer disclosure and similarly disclose our own voting records. We publicly disclose our [full proxy-voting records](#) as well as the voting records for our [US mutual funds](#) on our public website in the quarter after the vote is cast. We also disclose [voting rationales for significant votes](#) for many of our portfolios. We consider votes from our significant holdings universe (as defined by the absolute value of the shareholding or AB's stake in the company relative to other shareholders) that meet one or more of the following criteria: proposals that address issues material to the company's business and shareholder value; proposals in which there is substantial public, political or media interest in the vote or company; and votes against the recommendation of the board, which require case-by-case analysis, according to AB's Proxy Voting and Governance Policy. Escalation votes, which refer to our [Proxy Voting and Governance Policy](#) approach to expand the scope of accountable directors on multiyear concerns that remain unaddressed, are also highlighted with rationales on our [RI web page](#).
- **SASB disclosures.** We report our asset-management and custody activities across accounting metrics, as defined by SASB.
- **UK Gender Pay Gap Report.** We report on the gender pay gap in our UK business, which is a measure of the difference between the average pay and bonuses of men and women across an organization irrespective of role and seniority.

Client Reports and Disclosures

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

Account-specific information that is available to clients includes:

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

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

While AB has robust practices and policies to integrate stewardship and responsible investing within our own activities, that alone isn't enough, because the world of investing is complex and moves fast. We strive to stay current on best practices, evolving principles and changing frameworks, and regulatory developments.

We should also promote a well-functioning market and address systemic risks, especially material climate risks. We can influence these areas by advocating for progress with issuers, regulators and others as we continue to advance responsible investing and stewardship practices. We can often be more effective at both learning and advocating by collaborating with others. To support these efforts, AB is a proactive and participating member of the global investment community.

Responsible Investing Organizations

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



Stewardship and Governance Organizations

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



Climate Change-Related Organizations

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



Pledges, Initiatives, Frameworks and Codes

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

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

Collaborating with Asset Managers, Asset Owners and Other Industry Participants

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

- Engagements (see Section 6)
- Attendance at industry events (conferences, workshops, seminars, webinars, etc.)
- Speaking at industry events to share our perspectives
- Hosting or sponsoring similar events for peers and other industry participants

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

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

Influencing Regulators and Agencies

AB also views offering opinions, advice, and comments on responsible investing and stewardship to regulators, organizations,

and other relevant bodies as a critical part of our role as a proactive member of the investment community.

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

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

Addressing Systemic Risks: Russia/Ukraine

On March 4, 2022, AB made the decision, from investment and sanctions risk perspectives, to no longer permit any new purchases of Russian or Belarusian securities or permit any increases in existing exposure, given the speed at which sanctions were changing and the unknown and unquantifiable risks such changes could represent. On June 6, 2022, the Office of Foreign Assets Control updated its sanctions guidance to include FAQ 1054, which clarified that US persons are prohibited from purchasing both new and existing debt and equity securities issued by an entity in the Russian Federation. We have been and will remain in compliance with all applicable sanctions requirements related to Russia and Ukraine.

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

Promoting Well-Functioning Markets: 2022 Updates

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

ASIFMA

AB regularly participates in discussions with peers in ASIFMA to advance regulatory efforts in Asia regarding responsible investing. Our Director of Social Research and Engagement and our Global Head of Equities—Business Development have consulted on several pieces of ASIFMA's responses to legislation. Our Director of Social Research and Engagement has also contributed to its research, including a paper on investors' expectations on labor practices, and has spoken at an ASIFMA training session on sustainable finance and ESG in Asia.

Council of Institutional Investors (CII)

AB is an associate member of the CII. We attend the council's meetings and participate in teleconferences on proxy-related issues to share our insights. For example, our Director of Corporate Governance gave a speech at the CII 2021 Virtual Fall Conference titled "Executive Compensation—Where Do ESG Metrics Fit?" after having been appointed to the CII Corporate Governance Advisory Council, which advises the board and staff on trends and best practices in corporate governance. Members of our Responsibility team served on the council in 2022, 2020, 2018 and 2015.

Emerging Markets Investors Alliance (EMIA)

We're active members of EMIA; we've cohosted the EMIA ESG Conference since 2019 and cohosted the first EMIA APAC ESG Conference in 2021. Most recently, in 2022, AB cohosted the EMIA ESG Conference in our New York office. Also, members of our fixed income and equities investment teams are active participants in the EMIA Agriculture Working Group, which conducts periodic calls among companies, nonprofits and investors to discuss ESG issues within the agricultural space. In 2021, we participated in the pilot program for the World Wide Fund for Nature deforestation assessment tool in partnership with EMIA. Members of our Fixed Income team serve as Executive Fellows overseeing the private sector programs at EMIA, and they sit on the working group on ESG structures.

FAIRR

Members of AB's fixed-income and equities investment teams are involved with FAIRR. Some AB fixed-income and equities research analysts participate in the FAIRR Working Conditions engagement initiative, which strives to address labor risk in the global protein industry. We measure the effectiveness of these engagements by tracking their results in our proprietary platform, ESIGHT. A senior research analyst on our Concentrated US Equities team continues to engage with animal health companies on antibiotic stewardship through FAIRR's engagement initiative.

FSC

AB's CEO in Australia was appointed a director to the FSC board in October 2019. The FSC has more than 100 members representing Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks and licensed trustee companies. The FSC promotes best practices for the financial-services industry by setting mandatory standards for its members and providing guidance notes to assist in operational efficiency. The FSC's mission is to protect and enhance confidence in a strong, sustainable financial-services sector that serves Australians with integrity. Our Director of Social Research and Engagement joined the FSC ESG working group in October 2019, has participated in the sub-working group on modern slavery, and co-drafted the FSC's guidance note on modern slavery risk assessment and reporting. Our Managing Director—Australia Client Group joined the investment expertise group in July 2020.

ICGN

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

Japan Investment Trust Association (JITA)

Since the JITA set up a working group on ESG disclosures in December 2021, AB has played an active role in the group's discussions on self-regulatory guidelines, which JITA aims to formulate to align with the upcoming revisions in the Financial Service Agency's (FSA) supervision policies. AB has also held several meetings with senior FSA officials to exchange views on various issues surrounding ESG investment, particularly those from an active manager's perspective, and on optimal approaches for disclosure.

One Planet Sovereign Wealth Funds (OPSWF)

The OPSWF is an initiative launched by French President Emmanuel Macron in 2018. The objective is to integrate material climate change risks and investing in the smooth transition to a low-emissions economy. AB formally joined the initiative in October 2022 and attended the fifth Annual Summit in Abu Dhabi, which brought together members from around the world to engage in meaningful dialogue about promoting long-term value creation and sustainable market outcomes.

Securities Industry and Financial Markets Association (SIFMA)

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

Themis

Our Director of Social Research and Engagement works closely with Themis, which helps corporate clients and members identify and manage their financial crime risks through a combination of innovation, insight and intelligence. With support from AB, Themis developed the Anti-Slavery Digital Learning for the Financial Services Industry training course, which was commissioned by the UK Independent Anti-Slavery Commissioner and had additional support from RedCompass Labs' RedFlag Accelerator. This digital learning module is available to 70,000 UK financial institutions as a free resource and is accredited by the London Institute of Banking & Finance.

In 2022, we continued to extend our involvement by:

Engaging policymakers, including but not limited to:

- Contributing to an ASIFMA paper, [Investors' ESG Expectations—Labour Practices: An Asian Perspective](#)
- Engaging Taiwanese regulators on how to think about TCFD and climate risk management in investment portfolios
- Engaging the US Department of Labor on retirement savings and climate-related risks
- Engaging the US Securities and Exchange Commission on pay vs. performance and climate disclosures
- Engaging the Commodity Futures Trading Commission (CTFC) and the Integrity Council for the Voluntary Carbon Market on voluntary carbon markets
- Providing feedback on the Australian Modern Slavery Act from the FSC and IAST APAC working groups
- Consulting on the proposed disclosure requirements for retail ESG funds
- Submitting feedback to the ICI on the International Sustainability Standards Board's sustainability and climate disclosures
- Submitting feedback to ICI on EFRAG EU sustainability
- Consulting on the CFTC request for information on climate-related financial risk

- Providing input to the Taiwan Securities and Futures Bureau on how to think about climate change integration, risk, reporting and scenario analysis
- Submitting feedback through the Investment Association (IA) to the Sustainability and Responsible Investment (SDR) Committee
- Consulting on enhancements to the Net Zero Company Benchmark to the CA100+
- Consulting on sustainability-related language in fund labeling for the European Securities and Markets Authority
- Submitting feedback to the Hong Kong Stock Exchange listing regime for Specialist Technology Companies
- Providing comments through the ESG Working Group of the FSC to the Australian Treasury on climate-related financial disclosures
- Providing feedback through EY to the Securities Investment Trust & Consulting Association (SITCA) on climate scenario analysis

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

Joining new responsible investing or stewardship-focused organizations, including:

- OPSWF
- Institutional Investors Group on Climate Change
- Sustainable Trading

Deepening our involvement with organizations that we were already members of, including:

- Sitting on CII's Corporate Governance Advisory Council
- Joining the OPSWF's Renewables in Emerging & Developing Markets working group
- Actively participating in EMIA including the Agriculture & Extractives and Sovereign Decarbonization working groups
- Participating in the FAIRR Sustainable Proteins Thematic Engagement
- AB's Director of Strategy—Responsible Investing being elected to sit on the IA SDR
- Participating in the CDP's 2022 Non-Disclosure Campaign

Publishing thought leadership, including white papers, articles, blogs and videos on topics across ESG issues and asset classes (not everything is available in all regions, but most can be found on our website):

- *Fixed-Income Outlook 2022: Handle with Care*
- *2022 Equity Outlook Opportunities Beyond Uncertainties*
- *Proposed DOL Rule a Big Step Forward for ESG in DC Plans*
- *ESG in Action: The Human Touch in Interpreting Climate Scenario Analysis*
- *Synthetic Biology Investing in the Science of Sustainability*
- *Municipal Impact Investing: Making an Impact on Education*
- *Emerging-Market Investors Can't Afford to Ignore ESG Factors*
- *Making Sense of ESG-Labeled Bonds*
- *What Could Go Wrong? The Case for Governance*
- *Investors Go Salmon Fishing with Climate Scientists*
- *Four Counterpoints to ESG Investing Critics*
- *How Green Bonds Will Fund a Green Future*
- *ESG Risks Are Real Credit Risks*
- *Emerging-Market Sovereign Debt Needs ESG Scrutiny*
- *The Long View: Russia-Ukraine War Has Lasting Implications for Investing*
- *SFDR Unpacked: What to Look for in Article 8 and 9 Portfolios*
- *ESG Angles: The Case for Energy and Defense Stocks*
- *Carbon Handprints: A New Approach to Climate-Focused Equity Investing*
- *Understanding Your Bond Portfolio's Carbon Footprint*
- *How Synthetic Biology Can Help Fix the Supply Chain Crisis*
- *All Things Considered: A Framework for Assessing ESG-Labeled Bonds*
- *ESG Ratings: Solution or Starting Point?*
- *How the Financial Industry Can Help Stop Modern Slavery*
- *Municipal Impact Investing: Bonds That Transform Our Communities*
- *A Guide to ESG Strategies for Municipal Bond Investors*
- *For Better Participant Engagement, Tie Retirement Savings to Current Headlines*
- *Responsible Lending: The Myth of the Perfect Investment*
- *Security Concerns Add Urgency to Global Energy Transition*
- *Conflict Brings a New Challenge to Global Food Security*
- *Are Carbon Offsets the Next ESG Investing Frontier?*

- *Diversity Leaders Open New Doors for Equity Investors*
- *Sustainable Challenges Sharpen Equity Investing Opportunities*
- *ECB Tilts Toward Climate, but Investors Can Go Further*
- *Finding the ESG Edge in Global Small-Cap Stocks*
- *Understanding Green Bond Performance in Market Setbacks*
- *ESG in Action: China's State-Owned Enterprises Hold Keys to Carbon Neutrality*
- *Can Multi-Asset Approaches Balance Sustainable Investing Risks?*
- *Cybersecurity for Investors: Why Digital Defenses Require Good Governance*
- *How Impactful Are Your Munis? Five Questions to Ask Your Manager*
- *Growing Pains: Responsible Investing Reaches Adolescence*
- *Carbon Handprint in Fixed Income: The Positive Power of Climate Solutions*
- *COP27: Shifting the Global Climate-Change Debate*

Speaking at conferences and webinars, including but not limited to:

- *Compagnie di Assicurazione: Investire in modo sostenibile nel debito dei mercati emergenti (Italy)*
- *Equitable Holdings: ESG Podcast (US)*
- *CRE Finance Council: Climate Conscious Capital: Finding Greenium in CRE (US)*
- *Harvard Business School: Business Opportunities in Climate Adaptation Program (US)*
- *Wharton Business School: Energy Conference, The ESG Boom Panel (US)*
- *Japan Investment Advisers Association, Japan Investment Trust Association: Asset Management Business Forum Online (Japan)*
- *Columbia University, Columbia Climate School Practicum in Sustainability Leadership (US)*
- *AB IQ Webinar: Taking the Measure of Net Zero (North America)*
- *Deutsche Bank ESG Conference (Global)*
- *The Economist, Climate Risk North America: Analyzing Climate Change Transition Risk (US)*
- *Climate Bonds Initiative, Embracing ESG: Challenges and Opportunities Chasing Net Zero Confirmation (India)*
- *MondolInvestor: Forum Fund Selector (Italy)*
- *Portfolio Adviser: ESG Event (UK)*
- *Belmont University Impact Investing Summit (US)*
- *Investment Week: Funds to Watch Spring Conference (UK)*

- CDP 2022 Non-Disclosure Campaign Briefing (Global)
- AB Stuttgarter Expertenkonferenz (Germany)
- J.P. Morgan Global Emerging Markets Conference (US)
- Nissay Asset Management Women's Day Seminar (Japan)
- AB Munchner Expertenkonferenz (Germany)
- AB Modern Slavery Webinar (UK)
- Camradata Sustainable/Green Bonds Roundtable (UK)
- NatWest: What ESG Investors Want—discussion around carbon offsets (UK)
- J.P. Morgan Global ESG Conference: ESG Debt Capital Markets—Innovation and Integrity (EMEA)
- Harvard Law School Governance Roundtable (US)
- Reuters Net Zero in Practice: Decisive Actions in the Decisive Decade
- Negocios: What Is Net Zero? (Spain)
- World Bank, Climate Change Knowledge Session III (US)
- AB Fireside Chat with Michael Puma (Columbia Univ.) and Joseph Sun (China)
- AB Fireside Chat with Michael Puma (Columbia Univ.) and Markus Schneider (North America and EMEA)
- S&P ESG Event (Global)
- What the War in Ukraine Means for Global Food Security (North America)
- Reuters Events: Responsible Business Asia 2022 (APAC)
- Structured Finance Association: Looking Under the Hood of Green and Sustainable Bonds (US)
- CFA Society, NYC, Asset Manager Series: A View from the Top ESG Asset Managers (US)
- CRISIL ESG Webinar (US)
- Finanz und Wirtschaft ESG Conference (Switzerland)
- Finanz und Wirtschaft—Nachhaltig Investieren 2022 (Switzerland)
- Environmental Defense Fund, Press Briefing: Transferred Emissions from O&G Companies (Global)
- Finanz und Wirtschaft Sustainability Forum (UK)
- Investment Week: Sustainable Funds to Watch (UK)
- Erasmus University Investment Symposium (Netherlands)
- ABN-AMRO: ESG Roundtable—Social Inclusion on the Pathway to Net Zero (Global)
- Gento-sha Online Webinar (Japan)
- Brazilian Conference Codigo Florestal +10 (Brazil)
- US Forum for Sustainable and Responsible Investment 2022 Conference (US)
- AIF Institute Insurance Investing Symposium: ESG Panel (US)
- Governance Week: Women in Governance (US)
- Insurance Asset Risk EMEA Conference (UK)
- ICO Sustainable Bond Forum (Spain)
- Scotiabank ESG Conference and Sustainability Summit (US)
- Fonds Professionell Kongress (Germany)
- Americas Due Diligence LatAm (US)
- Americas Due Diligence NRC (US)
- J.P. Morgan Board Summit (US)
- UBS Sustainability Podcast (US)
- Sina: ESG Global Leaders Summit (China)
- Agefi Conference—Green and Sustainable Bonds Innovation Panel (France)
- Asia Leadership Conference—RI Panel (APAC)
- EINFP: European Sustainability Conference (Germany)
- Square Mile and Bonhill Media: Responsible Pathway (UK)
- Camradata: Sustainability Investing (Equity) Roundtable (UK)
- Asian Leadership Conference, Embracing the New Normal: A Proposal for the Future (APAC)
- NASDAQ: Navigating the Public Markets—ESG (US)
- Australian Council of Superannuation Investors Annual Conference—Human Mart Stand (Australia)
- Citywire—ESG/Thematic Briefings: Disruptive Technology (Singapore)
- Infusion: New Generation Forum (UK)
- NatWest: Comment le marché du carbone peut il contribuer à atteindre les objectifs climatiques (France)
- Mondo Publishing: Fund Selector Forum (Italy)
- Gitterman: ICE Climate and Capital Conference (US)
- Investment Week: Sustainable Investment Market Focus (UK)
- Insurance Asset Risk: Insurance Risk & Capital Americas 2022 (US)
- European Chamber of Commerce Taiwan: ESG Forum 5th Task Force Meeting (Taiwan)
- Environmental Finance: ESG in Fixed Income Conference (US)
- Environmental Finance: ESG in Fixed Income Americas Conference—The Future of Sustainable Finance in Fixed Income Panel (US)

- Environmental Finance: ESG in Fixed Income Americas Conference—Investor Perspectives on ESG Across the Americas Panel (US)
- PRI: Opportunities and Challenges in the Growing Sovereign Sustainable Bond Market (US)
- Goldman Sachs SUSTAIN Conference (US)
- As You Sow: Pay for Climate Performance (Global)
- Morningstar Conference (Netherlands)
- SITCA's World Investor Week Forum: ESG Session (Taiwan)
- Taiwan 2022 International Asset Management Forum (Taiwan)
- One Planet Sovereign Wealth Fund CEO Summit (United Arab Emirates)
- Columbia University, Center on Global Energy Policy: Private Roundtable on Transitioning Energy Infrastructure (US)
- Asia Investment Forum (Asia)
- Institutional Investor: ESG Forum (US)
- ICE: Fixed Income Forum—Impact of ESG on Fixed Income Investments (US)
- ASIFMA Training Series Season 3—Sustainable Finance/ESG in Asia (Hong Kong)
- World Bank: Policy Forum on Natural Capital for Better Decision Making (Virtual)
- Canadian Bond Investors Association Annual Conference: Investing with Impact (Canada)
- Harvard Law School: 2022 Corporate Governance Roundtable (US)
- AB: Navigating Disruption—The Future of Insurance Symposium (US)

- Emerging Markets Investors Alliance 6th Annual ESG Engagement Conference (Virtual)
- Citi Academic Day—Carbon Markets and the Energy Transition (UK)
- Principles of Responsible Investment Conference (Spain)
- DBS PBTPC 7th Managed Solutions Conference (Singapore)
- Access to Medicine Index 2022 Investor Launch Series (US)

In 2022, AB was recognized for its work in responsible investing by receiving the following awards and designations:

- ESG Investing's Best ESG Investment Fund: US Equities, 2022
- ESG Investing's Best ESG Research Award, 2022 with Bernstein Research
- Investment Week Best Sustainable Fund Management Group of the Year (AUM £50 billion or above)
- ESG Clarity Awards, Best Engagement Award, 2022
- Environmental Finance's Sustainable Investment Awards, Environmental Fund of the Year, Global, 2022
- Environmental Finance's Sustainable Investment Awards, TCFD Report of the Year, 2022
- Environmental Finance's Sustainable Investment Awards, ESG Risk Assessment Tool of the Year, Risk and Reporting, Global, 2022 with AB's Modern Slavery Risk Assessment Matrix
- Responsible Finance Awards, US Equities Category—1st Place, 2022
- Responsible Finance Awards, Global Equities Category—3rd Place, 2022

Conclusion

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

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

Appendix

Alignment with the ICGN Global Stewardship Principles

<p>PRINCIPLE 1: Internal governance: the foundation of effective stewardship</p> <p>Investors should keep under review their own governance practices to ensure consistency with the aims of national requirements and the ICGN Global Stewardship Principles and their ability to serve as fiduciary agents for their beneficiaries or clients.</p>	<p>Section 2 AB's Governance, Responsibility and Stewardship Structure: Form Enables Function</p>
<p>PRINCIPLE 2: Developing and implementing stewardship policies</p> <p>Investors should develop and implement stewardship policies which outline the scope of their responsible investment practices.</p>	<p>Section 1 AB's Purpose, Mission and Values</p> <p>Section 3 Responsibility, Responsible Investing, and Stewardship Policy Development and Implementation</p>
<p>PRINCIPLE 3: Monitoring and assessing investee companies</p> <p>Investors should exercise diligence in monitoring companies held in investment portfolios and in assessing new companies for investment.</p>	<p>Section 5 Responsible Investing: Integrating Material ESG and Climate Considerations Throughout the Investment Process</p> <p>Section 6 Engaging with Issuers</p>
<p>PRINCIPLE 4: Engaging companies and investor collaboration</p> <p>Investors should engage with investee companies with the aim of preserving or enhancing value on behalf of beneficiaries or clients and should be prepared to collaborate with other investors to enhance engagement outcomes.</p>	<p>Section 6 Engaging with Issuers</p>
<p>PRINCIPLE 5: Exercising and protecting voting rights</p> <p>Investors with voting rights should seek to vote shares held and make informed and independent voting decisions, applying due care, diligence, and judgement across their entire portfolio in the interests of beneficiaries or clients.</p>	<p>Section 7 Exercising Voting Rights</p>
<p>PRINCIPLE 6: Promoting long-term value creation and integration of environmental, social and governance (ESG) factors</p> <p>Investors should promote the long-term performance and sustainable success of companies and should integrate material environmental, social and governance (ESG) factors into investment decision-making and stewardship activities.</p>	<p>Section 5 Responsible Investing: Integrating Material ESG and Climate Considerations Throughout the Investment Process</p> <p>Section 6 Engaging with Issuers</p> <p>Section 7 Exercising Voting Rights</p> <p>Section 9 AB: A Proactive Member of the Global Investment Community</p>
<p>PRINCIPLE 7: Meaningful transparency, disclosure and reporting</p> <p>Investors should publicly disclose their stewardship policies and activities and report to beneficiaries or clients on how they have been implemented so as to be fully accountable for the effective delivery of their duties.</p>	<p>Section 8 Transparency, Disclosure and Reporting</p>

Alignment with the Japan Stewardship Code (2020 Revision)

<p>PRINCIPLE 1: Institutional investors should have a clear policy on how they fulfill their stewardship responsibilities, and publicly disclose it.</p>	<p>Section 1 AB's Purpose, Mission and Values Section 3 Responsibility, Responsible Investing, and Stewardship Policy Development and Implementation Section 6 Engaging with Issuers</p>
<p>PRINCIPLE 2: Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.</p>	<p>Section 2 AB's Governance, Responsibility and Stewardship Structure: Form Enables Function; see "Managing Conflicts of Interest" Section 3 Responsibility, Responsible Investing, and Stewardship Policy Development and Implementation Section 7 Exercising Voting Rights</p>
<p>PRINCIPLE 3: Institutional investors should monitor investee companies so that they can appropriately fulfill their stewardship responsibilities with an orientation towards the sustainable growth of the companies.</p>	<p>Section 1 AB's Purpose, Mission and Values Section 2 AB's Governance, Responsibility and Stewardship Structure: Form Enables Function; see "Managing Conflicts of Interest" Section 5 Responsible Investing: Integrating Material ESG and Climate Considerations Throughout the Investment Process Section 6 Engaging with Issuers</p>
<p>PRINCIPLE 4: Institutional investors should seek to arrive at an understanding in common with investee companies and work to solve problems through constructive engagement with investee companies.</p>	<p>Section 5 Responsible Investing: Integrating Material ESG and Climate Considerations Throughout the Investment Process Section 6 Engaging with Issuers Section 7 Exercising Voting Rights Section 8 Transparency, Disclosure and Reporting Section 9 AB: A Proactive Member of the Global Investment Community</p>
<p>PRINCIPLE 5: Institutional investors should have a clear policy on voting and disclosure of voting activity. The policy on voting should not be comprised only of a mechanical checklist; it should be designed to contribute to the sustainable growth of investee companies.</p>	<p>Section 7 Exercising Voting Rights Section 8 Transparency, Disclosure and Reporting</p>
<p>PRINCIPLE 6: Institutional investors in principle should report periodically on how they fulfill their stewardship responsibilities, including their voting responsibilities, to their clients and beneficiaries.</p>	<p>Section 7 Exercising Voting Rights Section 8 Transparency, Disclosure and Reporting</p>
<p>PRINCIPLE 7: To contribute positively to the sustainable growth of investee companies, institutional investors should develop skills and resources needed to appropriately engage with the companies and to make proper judgments in fulfilling their stewardship activities based on in-depth knowledge of the investee companies and their business environment and consideration of sustainability consistent with their investment management strategies.</p>	<p>Section 2 AB's Governance, Responsibility and Stewardship Structure: Form Enables Function Section 3 Responsibility, Responsible Investing, and Stewardship Policy Development and Implementation Section 5 Responsible Investing: Integrating Material ESG and Climate Considerations Throughout the Investment Process Section 8 Transparency, Disclosure and Reporting Section 9 AB: A Proactive Member of the Global Investment Community</p>
<p>PRINCIPLE 8: Service providers for institutional investors should endeavor to contribute to the enhancement of the functions of the entire investment chain by appropriately providing services for institutional investors to fulfill their stewardship responsibilities.</p>	<p>Although we recognize that this principle is not directed at us as an institutional investor, we regularly exchange information with service providers for institutional investors, such as proxy advisors and investment consultants for pensions, to enhance the functions of the entire investment chain. More details on this process are provided in Section 5.</p>

Alignment with the UK Stewardship Code

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

PRINCIPLE 10: Signatories, where necessary, participate in collaborative engagement to influence issuers.

Section 6 Engaging with Issuers; see “Collaborative Engagement”
Section 9 AB: A Proactive Member of the Global Investment Community

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

Section 6 Engaging with Issuers; see “Policy for Escalating Issues” and “Policy Advocacy Engagement”
Section 9 AB: A Proactive Member of the Global Investment Community

PRINCIPLE 12: Signatories actively exercise their rights and responsibilities.

Section 7 Exercising Voting Rights
Section 8 Transparency, Disclosure and Reporting

The AllianceBernstein L.P. Board of Directors approved this statement and report, which constitutes AB's Global Stewardship Statement and Report for the fiscal year ended December 31, 2022, on February 15, 2023.

A handwritten signature in black ink that reads "Seth Bernstein". The signature is written in a cursive style and is positioned above the printed name and title.

By Seth Bernstein

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

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