Financial Reporting Council

UK Stewardship Report

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PineBridge Investments aligns with the Financial Reporting Council's UK Stewardship Code and welcomes its principles, which seek to improve the interaction of institutional investors with the management of companies. As a global asset management firm, PineBridge views the Code as an effective roadmap to serve the best interests of our clients by seeking to improve environmental, social, and governance outcomes for our investments.

PineBridge Investments is pleased to report on our stewardship activities for 2022, organized by the Code's 12 principles to facilitate review.

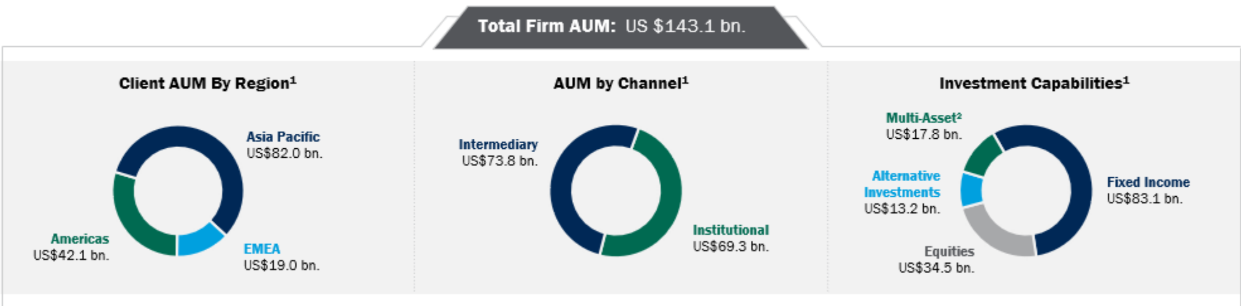
Principle 1: Purpose, strategy and culture

PineBridge Investments is a private, global asset management firm focused on fundamentally researched, actively managed, high-conviction investing to deliver industry-leading outcomes for our clients. How we select and govern investments on our clients' behalf, as well governing ourselves to ensure that we earn and keep their trust as a good steward, is central to our strategy as a firm. Below we outline how we organize around this.

As of 31 December 2022, PineBridge managed US$143.1 billion across four asset classes: Multi-Asset, Fixed Income, Equities, and Alternatives. Each group establishes its own investment processes applicable to the asset class and operates with a global team. The firm has 715 employees, including 231 investment professionals, [1] across 25 offices in the Americas, EMEA, and Asia. Our firm's main headquarters is located in New York, and our regional headquarters are in Hong Kong, London and Tokyo.

While PineBridge is a mid-sized firm, we have the breadth and geographic reach usually associated with the very largest in the asset management industry. Our size is a key strategic advantage to harness the power of collaboration across our teams to deliver superior investment outcomes for our clients. In addition, PineBridge seeks to combine the structure and reach of a globally connected investment manager with the client-focused advantages of a private company. This means identifying investment opportunities for our clients, delivering superior investment performance through collaboration across teams, and providing a high degree of attention and service at every client touchpoint to customize to their investment objectives. We are governed by a corporate structure that ensures regulatory compliance, the achievement of client objectives, and adherence to our firmwide principles – including those related to environmental, social, and governance (ESG) issues and stewardship.

Our clients include corporate and public pensions, insurance companies, sovereign wealth funds, intermediaries, and high-net-worth individuals. As a privately owned firm, we adopt a long-term perspective which ensures that our interests are fully aligned with those of our clients.



Data as of 31 December 2022.[1] Investment professionals include portfolio managers, research analysts, traders, portfolio strategists and product specialists, and are subject to change. [2] US$45.8 billion (US$19.6 billion equities, US$19.5 billion fixed income, US$6.7 billion multi-asset) of assets managed by joint ventures or other entities not wholly owned by PineBridge Investments. Includes PineBridge Benson Elliot Real Estate AUM of US$4.0 billion. 2 Multi-Asset includes US$5.4 billion allocated opportunistically by the Multi-Asset team to PineBridge equity, fixed income and alternative strategies. Due to rounding totals.

[1] Investment professionals include portfolio managers, research analysts, traders, portfolio strategists and product specialists, and are subject to change.

Strategy and focus on servicing our clients' needs.
PineBridge has identified specific growth, revenue and profitability targets and seeks to achieve those targets by delivering top quartile performance across its investment platform and an exceptional experience for our clients. Over the next five years, the firm plans to:

- Focus on markets and channels where our investment platform and "boutique" size are an advantage; deepen and expand global institutional and insurance client relationships, while broadening our base in high-net-worth channels
- Develop our investment platform, aligned with investor needs, by building scale in existing strategies, introducing new products, and bolting on capabilities that align with the firm's active, high-conviction approach
- Continue to build a scalable, efficient operational infrastructure to support sustainable long-term growth and profitability
- Maintain its unique corporate culture and become a preferred employer, with industry-leading best practices in corporate and social responsibility.

We believe in execution through a well-defined agreement and interaction framework with our clients.
We view our relationships as partnerships, and while we are a global firm, our sales and marketing strategy is regionally driven, ensuring that local market needs and priorities are being met. Our client base is comprised of sophisticated investors including pension plans, insurance companies, official institutions, private banks, advisors, and intermediaries around the world. We work closely with clients to understand their objectives, help to solve their challenges, and are committed to exceeding our clients' expectations across each interaction with us. It is important to have a clear understanding of client objectives and how closely they are aligned to our capabilities and the clients' expectations. Each of PineBridge's clients are matched with a seasoned Client Relationship Manager that is supported by a team of Client Associates.

Our investment teams employ customized, active approaches to help clients achieve their investment objectives. We speak more to our client service and commitment to meeting our clients' expectations in *Principle 6*.

Responsible investing is at the core of our focus on investment excellence.
PineBridge Investments recognizes that ESG factors may create opportunities and risks both for our firm and for the companies in which we invest. Our approach focuses on how companies plan to address their own specific ESG factors that may help reduce the risk of adverse outcomes and support firm valuation over time. Specific to sustainability, PineBridge believes that businesses that assess these factors in their operating models may enhance value by reducing or avoiding unnecessary adverse outcomes. We started our journey in 2006 when our investment teams began the long walk of integrating ESG principles into their investment processes. Please refer to our firm's Responsible Investing Statement.

We have joined forces with peers, governments and other stakeholders to push for concrete action to address global sustainability challenges. As of 31 December 2022, our sustainability efforts adhere to the following codes and initiatives, to advance our efforts alongside the broader financial industry. In addition to these voluntary initiatives, as a baseline of operating, PineBridge adheres to applicable global and local regulations.

Please see below for a list of ESG initiatives that PineBridge is involved in.

Signatories
- UN Principles for Responsible Investment (UNPRI)
- Net Zero Asset Managers Initiative (NZAM)
- UN Global Compact (UNGC)
- UK Stewardship Code
- UK Modern Slavery Act
- Australian Modern Slavery Act
- Japan Stewardship Code
- Taiwan Stewardship Code
- Institutional Limited Partners Association (ILPA) Diversity in Action

Memberships

- Swiss Sustainable Finance Initiative
- The Institutional Investors Group on Climate Change (IIGCC)
- Sustainability Accounting Standards Board's (SASB)

As high-conviction investors, we are highly selective. We perform due diligence on companies with ESG either fully integrated or considered in most of our end-to-end investment processes. As investors and global citizens, we look for continuous improvement in ESG metrics rather than a narrow focus on a company's current state of being, which is prevalent in the industry through its overreliance on data vendors.

With our research-driven, active, high-conviction approach, we are able to advocate for, and encourage, change in the select companies in which we invest. We do this by maintaining an active dialogue with management and co-investors, as well as partnering with them to define and advance best practices, leading to improvement over the medium to long term.

As responsible corporate citizens, we understand that being a good steward of our clients' capital is not only about integrating ESG into our investment decisions; it is also about engaging to ensure corporate improvement and aligning our proxy voting principles with the forward-looking expectations for ESG improvement that we have integrated or considered in our investment processes.

It is also about how we conduct ourselves as a firm. This means being a supportive and empowering employer, an involved member of our communities, a trusted partner for our clients, and a respectful, compliant firm in the numerous jurisdictions in which we operate.

Measuring our Outcomes

Our focus on investment excellence has resulted in the following: above-industry-average organic asset growth, below-industry-average employee turnover, strong long-term investment performance, and industry awards. For example:

- For the third year in a row, for 2022, PineBridge was recognized as one of *Pensions & Investments'* Best Places to Work, which identifies the top employers in the asset management industry for their commitment to employees.[2]

- Our below-industry-average employee turnover and above-industry-average organic growth speak to favourable outcomes for our aspiration to meeting expectations for clients and staff.

- The several thousand meetings with the top management of companies conducted by our 220+ investment staff indicate an active culture of engagement. Our voting in over 3,000 proxy meetings, many in emerging markets, with a 98.6% voting record in 2022, demonstrates our commitment to escalate issues on behalf of our clients.

- Notable Diverse Leaders are recognized. For 2022, Sergio Ramirez, Chief Revenue Officer (formerly Head of Global Client Group, Head of Americas), was named to Crain's "Notable Diverse Leaders in Banking and Finance."[3]

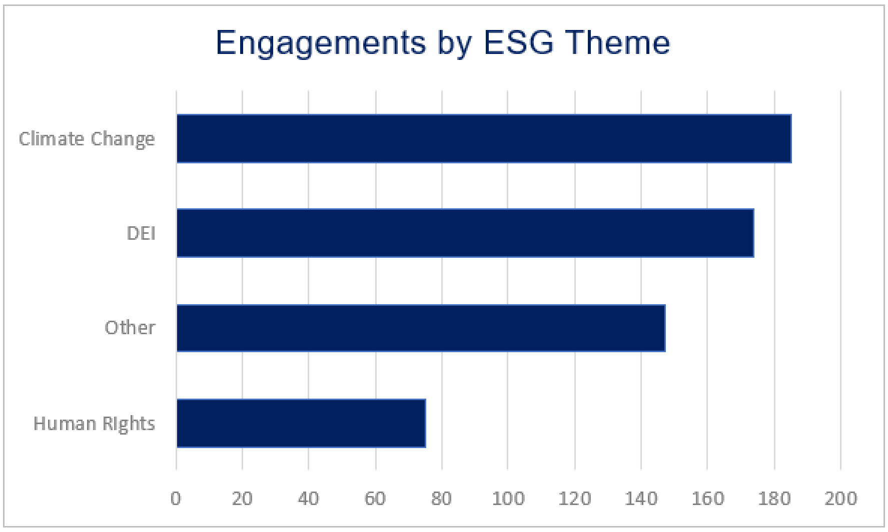
At PineBridge, we recognize that the concerted efforts of governments, industry peers, and other stakeholders are needed to make a real difference in the challenges facing our world. As a firm, our priorities are engaging for Climate, Diversity, Equity & Inclusion, and Human Rights considerations, although various teams supplement those priorities with others that may be material based on the nature of the investment. In addition, we continue to challenge ourselves and raise the bar for the changes we want to see in the companies in which we invest. We have improved our internal capabilities by investing further in our people and resources and we will continue to do so.

[2] For the Best Places to Work in Money Management List, Pensions & Investments partnered with Best Companies Group, a research firm specializing in identifying great places to work, to conduct a two-part survey process for employers and their employees. For details on eligibility criteria and the survey's methodology, please visit https://www.bestplacestoworkmm.com/eligibility-criteria

[3] Source: Crain's New York Business 2022 https://www.pinebridge.com/_assets/pdfs/news/sergio-crains-award.pdf.

In 2022, 75% of the firm-wide engagements were related to the three primary themes. Other engagement objectives were related to various environmental and governance topics.

PineBridge Investments Engagements by ESG Focus Themes (2022)[4]



1) Climate Change

At PineBridge we recognize that climate change and its associated risks pose an increasingly urgent threat to the global economy with potential significant market consequences. As an investor entrusted by certain clients to manage risks and opportunities with a focus on climate, we engage on their behalf with our portfolio holdings to take responsible and economic actions towards a carbon-neutral world, in line with the Paris Agreement's objective of limiting global warming to 1.5°C. PineBridge is committed to help drive actionable change on greenhouse gas emissions as a signatory of NZAM and acts accordingly on behalf of like-minded clients. We aim to engage with companies that demonstrate a prudent investment opportunity and, for in-scope mandates, a path toward supporting global carbon neutrality.

PineBridge published our first interim Net Zero targets in November 2022, which can be found on the [Net Zero Asset Managers PineBridge Investments signatory disclosure] site. These interim targets establish the baseline for PineBridge's Net Zero goals, identify the assets in scope and set decarbonization plans. These interim targets represent an initial assessment. PineBridge will continue to closely monitor our progress as well as industry best practices to overcome constraints to attaining Net Zero. For more details, please see the PineBridge Climate Policy.

Climate change was identified as an engagement objective in 32% of the engagements in 2022, as reported in the firm-wide engagement report. We are improvers, and not up-front excluders, seeking to engage with company managements across industries to improve their carbon footprints. We will continue to engage with companies that demonstrate a commitment to improve along with a path toward supporting global carbon neutrality. Please refer to *Principle 9* for an example, where the equities investment team engaged with a Japan-based factory automation components supplier to disclose Scope 3 emissions and then to provide plans to reduce Scope 3 emissions.

2) Diversity, Equity and Inclusion

PineBridge Investments is a geographically and culturally diverse firm, with approximately 44% of our staff residing in Asia and 31% of women holding senior leadership roles, including senior vice president and managing director. In addition, our investment teams are staffed with professionals from diverse educational backgrounds ranging from liberal arts to engineering and data science, and many have post-graduate degrees and qualifications. As of 31 December 2022, the percentage of women on the firm's Board is 25% and the percentage of women on the

[4] Please note that an engagement can be categorized under multiple engagement themes and therefore there will be double counting of engagements in the table. Source: PineBridge's internal research platforms. Equity Platform for Investment Communication (EPIC), Fixed Income Credit Analysis Platform (CAP), Multi-Asset portal.

firm's Governance Committee is 29%. PineBridge Ireland's Board consists of 50% women and the Irish leadership team consists of 57% women. Additionally, our diverse representation includes 41% of the firm's employees that are first generation of their family to complete higher education (college/university).[5]

We believe that a diverse and inclusive corporate culture is central to driving better business outcomes and fostering growth. Our belief is that each person brings unique strengths to a business and that each person shares responsibility for helping to ensure an inclusive and welcoming culture of equity.

During 2022, Diversity, Equity, and Inclusion (DE&I) topics were identified as an engagement objective in 30% of our engagements across asset classes, as reported in the firm-wide engagement report. In our stewardship and engagement efforts, we aim to ensure that companies are adopting and implementing equitable and inclusive recruitment, development, and promotion practices. When necessary, we will hold company leaders accountable to promote a more inclusive and diverse workplace. Please refer to *Principle 12* for an example of engagement and escalation by the equities investment team to advocate for a more diverse board of directors at investee companies in Japan that have no women on their boards.

For more information on the firm's approach to DE&I, please refer to *Principle 2.*

3) Human Rights

As a signatory of the UNGC, we recognize that ensuring human rights and dignity is essential to sustainable development. Our obligation to our clients is to address the risk of gross human rights abuses or corporate negligence by companies or entities in which we invest or may invest, as well as ensuring that PineBridge as an enterprise is aligned with applicable laws and UN conventions. In our vendor selection, we take into account whether our vendors meet the same high standards that we set for ourselves as regards our employees and human rights. We believe that a diverse, strong and inclusive workforce is central to driving better business outcomes and fostering growth. For more information on the firm's approach on human rights, please refer to *Principle 2*.

During 2022, Human Rights was identified as an engagement objective in 13% of our engagements across asset classes, as reported in the firm-wide engagement report. Please refer to *Principle 9* for an example where, in 2021, the fixed income investment team engaged with a metals and mining company to address slave labor in the pig iron supply chain. In their 2022 follow-up engagement, the team confirmed that the company has taken appropriate steps to address the slave labor issues identified in 2021.

Please see more details in the PineBridge Corporate Responsibility Report.

Our Culture is Reflected Through our Mission and Values

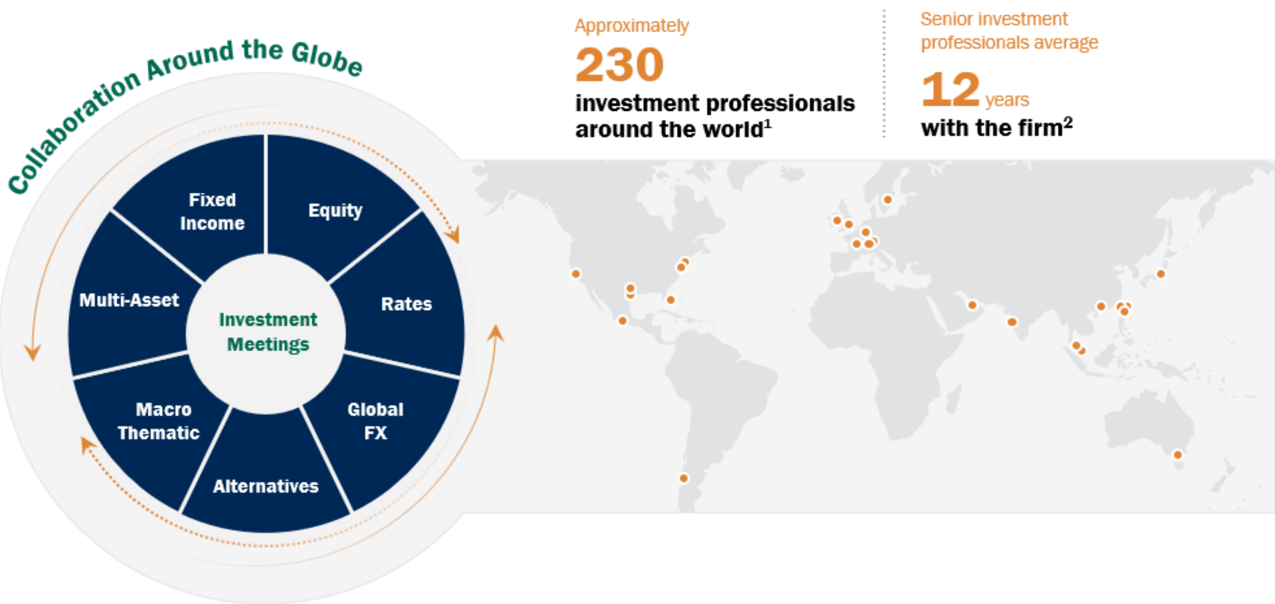
A collaborative global team is at the heart of our firm's culture and underpins everything we do. Our mission is to exceed clients' expectations on every level, every day.

[5] Source: PineBridge Investments. Results from 2022 voluntary survey of employees; includes 618 respondents representing 85.7% of total employees as of 10 October 2022.

We benefit from diversity of thought when colleagues bring differences of opinion and skill sets to our investment and business decisions – critical to adding value for our clients and, in turn, succeeding as a business ourselves. These interactions take place in a network of regular investment forums bringing teams together across disciplines, markets, and regions of the world. We consistently reinforce the need to offer differing perspectives, and to be able to disagree without becoming disagreeable in order to achieve the best outcomes through informed debate.

A Collaborative Culture Helps Cultivate the Best Ideas

Local insights, coupled with open sharing and debating of ideas, help us uncover opportunities and identify risks. This is evident in PineBridge's global collaboration not only among the investment teams, but all employees across the globe.



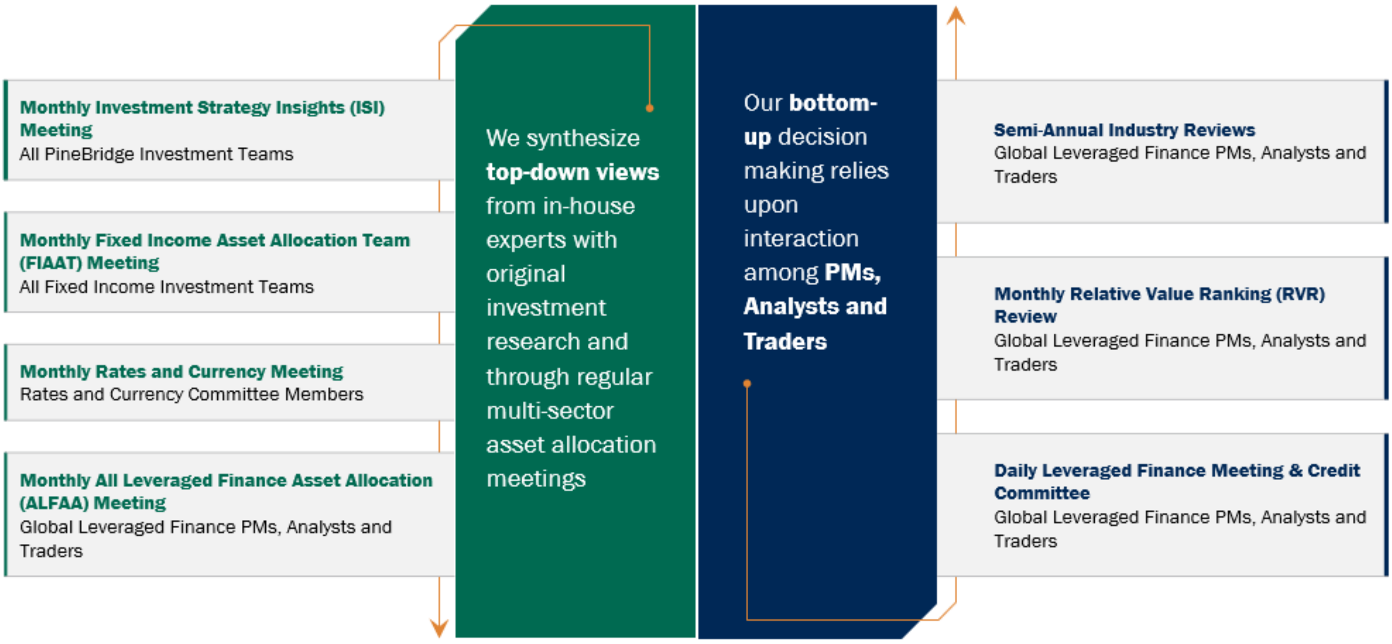
As of 31 December 2022. [1] Investment professionals include portfolio managers, research analysts, traders, portfolio strategists and product specialists, and are subject to change.
[2] Includes investment professionals at the senior vice president and managing director level.

Firmwide Collaboration

While many firms speak about their collaboration, in our view this often refers to within their investment teams. In our view, larger firms with more teams and locations often struggle with collaboration beyond their immediate teams. In this respect, size can become a disadvantage without structure, culture, and incentives to collaborate. PineBridge's nimble size allows for tactical meaningful collaboration in the global markets. Our decades of collaborative experience have taught us that it does not happen by accident, and collaboration is a top goal of our senior management.

At PineBridge, in any given month, there are several regular forums within our listed securities asset classes that are open to the whole firm. For example, we have Global Industry Clusters that are staffed with investment professionals with specialist industry knowledge from our Equities and Fixed Income asset classes who bring diverse perspectives each month in order to generate non-consensus views. Other monthly investment meetings include our Investment Strategy Insights Meeting, Fixed Income Asset Allocation Team meeting, Listed Equity Allocation meeting, and Asia Positioning Call. In each of these meetings we debate chosen market topics and share views on asset classes, industries, and regions. On a quarterly basis, the Global Multi-Asset Team organizes 19 cross-team forums focused on the next five years.

We believe in investment success built on constant knowledge sharing. Our communication infrastructure allows us to regularly engage in meaningful debate to arrive at decisions that inform our portfolio positioning. One such collaborative communication structure for the global fixed income business is illustrated below. Each investment team has a similar process, with some overlapping and some asset class specific communication meetings.



For illustrative purposes only. Knowledge sharing scope subject to confidentiality obligations and compliance policies. We are not soliciting or recommending any action based on this material. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment.

In addition to these structured forums, we provide incentives to collaborate through performance appraisals and reciprocity. For example, in listed equities which relies greatly on knowledge-flow at the industry and security level, the yearly incentive compensation allocates 30% for collaboration, which is measured annually. For multi-asset, the deferred component of compensation for investment professionals across equities and fixed income has a portion linked to the performance of the flagship multi-asset strategy.

Our goal is to create investment networks across teams, geographies, and asset classes and maintain regular communication. The global asset class heads, along with our formal review process, monitor and reinforce this collaboration to ensure that these informal networks are in play and that collaboration between teams is taking place. We have developed a culture of sharing just as easily across the globe as across the table, with an ease of operating across time zones and a sense of responsibility toward each other as colleagues. This ability to collaborate in order to generate investment ideas is a key step in our investment processes, which leads to our goal of consistency in delivering investment results to our clients in all market conditions. It also nurtures a culture that thinks of the greater good beyond the immediate self or team, which we view benefits all our clients from more holistic views, but also serves as an important bridge to knowledge sharing in building sustainability practices. This is a continuous journey.

Strong Staff Retention

Based upon Johnson Associates data, our investment personnel turnover is regularly well below our peers. This cohesion and strong staff retention includes senior investment professionals, who have an average tenure of 12 years at the firm, which in turn contributes to their ability to mentor more junior staff and to foster inclusiveness.

Our employees have consistently expressed strong satisfaction with their jobs, our values as a firm, and our efforts to build an inclusive company culture that values diversity. And we believe the benefits of the cultural foundation of our firm and our collaborative network manifest in better-informed investment decisions and our ability to deliver the right results, achieved the right way, for our clients.[6]

Business Model and Strategy: Global Perspective, Local Insights

While a US-headquartered firm, our longstanding presence in Asia gives us a strategic advantage, with approximately 50% of our staff resident in the region and offices in Hong Kong, Japan, India, Taiwan, Singapore, Malaysia, and Australia. Asia is not only the world's largest economic region in terms of gross domestic product, but also represents the highest contribution to annual global economic growth. PineBridge recognizes the value of a broad investment platform and believes in embedding local talent in the major markets such as Asia. As an example, over 90% of our staff in the Hong Kong office are locally sourced talent with deep regional experience trained with strong global standard. Our on-the-ground investment professionals in Asia continuously collaborate with their counterparts in Europe and the Americas in the structured forms described above. We strive to build a global culture. This knowledge exchange, in which we share local insights and global perspectives, results in the identification of investment opportunities and the development of secular investment themes that are expressed in our portfolios across asset classes. It also results in the sharing of best practices, including on ESG issues, and in consistency in the application of our investment processes within each asset class.

Our goal is to deliver the firm's full spectrum of investment capabilities and solutions to investors around the world. Our distribution teams consist of sales and client relations staff located in each of the major markets in which we operate, in order to achieve speed of response and a proper understanding of clients' needs, which are often nuanced, and of the applicable regulatory structures. This gives our clients comfort while also helping us to be a better corporate citizen in the countries and communities in which we operate. To this end, our control and support functions are designed to achieve the highest global standards while also meeting or exceeding all local client and regulatory requirements.

Investment Beliefs: Actively Incorporating ESG

While each asset class is necessarily responsible for its own investment process as they operate in different segments of the capital markets, as well as different segments of the capital structure and must invest on behalf of those interests, all of our asset classes are fundamentally driven with medium- to longer-term forward-looking perspectives. As in the industry, where ESG began in equities, spread to fixed income, and is now spreading to multi-asset and some alternatives, our asset classes are benefiting from the firm's early efforts while advancing their ESG practices both in line with corporate values and principles yet also consistent with the different vantage points for engagements with investee companies or other entities of the varying asset classes.

We embrace active, high-conviction investing and have developed investment processes that seek excess returns. In evaluating investment opportunities, we either fully integrate or consider ESG factors into our investment analysis, recognizing that such practices lead to more sustainable cash flows in the medium to long term. In our view, across all our asset classes, we believe that commercial success is dependent on the quality of governance and leadership which, in turn, drives the competitive position of the business and its impact on society and on the environment. We assess, and appropriately weight, materiality issues for our investments, going deep in our due diligence as part

[6] According to 2019, 2020, 2021, 2022 PineBridge Employee Engagement Surveys conducted anonymously.

of our investment process in order to anticipate, and correctly value, the change in the business over time. Ultimately, as fiduciaries of our clients' assets, our approach seeks to generate meaningful results for our clients – in the mutually dependent promotion of higher environmental and social standards and strong investment results – over a medium- to long-term time horizon. We also understand the long-term is made up of a number of short-terms, and therefore we seek continuous improvement.

Engagement

By their nature, different asset classes have different platforms from which to engage.

- Our equity colleagues can exercise their proxy vote,
- Our fixed income colleagues can have an impact at issuance,
- Our multi-asset colleagues can decide which asset class segments to invest passively in, and
- Our private market colleagues can often have more direct control.

In some of our equity and fixed income strategies, we seek to ensure that the improvements identified on ESG issues when making the investment, are more likely to occur as a result of our engagement. As a firm, our priorities are engaging for climate, DE&I, and human rights considerations, although various teams supplement those priorities with others that may be material based on the nature of the investment.

We emphasize direct dialogue with companies, taking a 'consultative' approach to governance issues that seek a meaningful impact on sustainable performance and the potential to create long-term value for clients. While not a numbers game, nonetheless for a mid-size firm, we are proud that we conduct several thousand company meetings in any given year with the top management of both current holdings and prospective investments. We take each meeting as an opportunity to provide feedback in order to encourage improvement.

Proxy Voting

Under the oversight of the firm's Stewardship Committee, PineBridge has established proxy voting policies and procedures that reinforce the firm's governance, climate, DE&I, and human rights priorities, and that harmonize with our teams' forward-looking expectations and engagement for improvement with regards to ESG considerations. We engage a proxy agent to support us in developing and executing our proxy policies. Our objectives are to ensure:

- Voting policies are aligned with our firm's principles, as we are aware of how best-of-breed peers are evolving their voting practices,
- Voting is in the best interests of our clients,
- Voting procedures are clearly outlined,
- Transparency for our clients to obtain information on how PineBridge has voted their proxies.

For more information on our proxy voting process, please refer to *Principle 12*, Exercising rights and responsibilities.

Principle 2: Governance, resources and incentives

We believe that if done right, strong governance can drive both financial and societal value over the long term, though value can be seen in a series of short-terms in which we seek continuous improvements. As a tool for that, we view transparency via disclosure and rigorous management accountability as essential. Effective management and board oversight, programmatic assessments of DE&I and compensation practices, and the protection of investor rights go hand-in-hand with a culture that promotes accountability, favors prudent risk management, encourages employee engagement, and yields organizational alpha. These elements form the foundation of improvement, and as a high conviction manager, we must know and dialogue with our investments more. This is the essence of PineBridge's commitment to our own integrated forward-looking approach to corporate responsibility.

Governance Reinforces ESG and Stewardship

The inclusion of ESG considerations in our firm's investment process dates back to 2006. We have been a UNPRI signatory since 2015. Our Stewardship Committee traces back to 2000, and in 2014 we established our ESG Investment Committee to oversee and ensure best practices between the asset classes and investment teams. In 2019, to continue strengthening and evolving our approach to corporate responsibility on ESG issues and beyond, PineBridge formed its Corporate Responsibility Steering Committee ("CRSC"), led by a committee chair with membership that includes our CEO, and represents professionals across the organization, diversified by region and function.

We continually review the structures and resources supporting the firm's stewardship efforts. In 2021, we added an additional level of governance by appointing a full-time Global Head of Corporate Responsibility to oversee the firm's corporate responsibility strategy and execution of key initiatives to incorporate ESG principles into PineBridge's investment process, stewardship, and corporate practices. In 2022, we added three additional resources to support the Global Head of Corporate Responsibility with the firm's corporate sustainability initiatives. These analysts have expertise in ESG data research and analysis, an understanding of the corporate responsibility competitive landscape, and coordinate and partner with our investment teams, as well as all stakeholders within PineBridge, together with our global client base. We will look to grow the team to provide additional support and experience in corporate responsibility, sustainability and policy expertise in the year ahead. The structure of the CRSC supported by more focused sub-committees (discussed in more detail further in this principle) enables us to leverage the broad array of specialist resources at PineBridge while ensuring the necessary level of accountability. While building out specialized resources like these are important to us, involving as many professionals throughout the firm as practical, organizing these contributors and ensuring the correct skill sets and resourcing are brought to the table through the CRSC is key to our approach to Stewardship. We continually review the structures and resources supporting the firm's stewardship efforts.

The CRSC reports directly into the firm's Global Head of Corporate Responsibility and CEO. Its purpose is to:

- Articulate the firm's guiding principles, policies, and best practices related to corporate responsibility matters;
- Ensure that our broad range of corporate and investment activities align with our purpose;
- Stay informed on ESG trends and regulations, increasing the impact of our efforts and measuring our results;
- Maintain transparency in communicating our activities both internally and externally.

Corporate Responsibility Organization Governance Structure

The CRSC oversees four subcommittees, as follows:

1. ESG Investment – establishes the firm's ESG investing policy and promotes firm-wide best practices as related to the ESG investment frameworks adopted by individual asset classes, as well as promoting ESG education and thought leadership throughout the firm.
2. Diversity, Equity & Inclusion - works with Human Resources to define and implement firm policies that create a diverse and inclusive workforce and global culture.
3. Company Responsibility – outlines the firm's social responsibility initiatives, including community activities, foundation and board memberships, vendor relationships, and environmental footprint management.
4. Stewardship – defines and monitors the firm's proxy voting strategy and process and the firm's engagement efforts and meets regularly with our proxy voting vendor.

The structure of the CRSC supported by more focused subcommittees enables us to leverage the broad array of specialist resources at PineBridge while ensuring the necessary level of accountability. Each subcommittee includes a well-balanced global representation of the firm's cross-functional employees who execute initiatives within their areas of focus, with oversight by the Steering Committee. Our ESG and Stewardship Committees establish the firm's standards, which are then applied by our investment teams at the asset class level.

The ESG Investment Committee is co-chaired by two investment professionals that average 23 years industry experience and 15 years with the firm. Paul Mazzacano, Head of Manager Selection, Global Multi-Asset, and Jonathan Davis, Sustainable Investment Strategist, Emerging Markets Fixed Income, are responsible for promoting firm-wide best practices as related to the ESG investment frameworks adopted by individual asset classes, as well as promoting ESG education throughout the firm. The ESG Investment Committee has a diverse membership, including senior representatives from management, investments, client service, and support teams.

The ESG Investment Committee reflects a well-balanced representation of the firm's corporate and investment activities, with the following objectives:

- Maintain the firm's guiding ESG investment principles;
- Promote collaboration across asset classes;
- Support the firm's ESG investment initiatives;
- Drive thought leadership and further firm-wide education regarding ESG.

The Stewardship Committee has three co-chairs who are seasoned investment professionals and representatives of each of the firm's asset classes. Deanne Nezas, CFA, FSA, MAAA, Portfolio Manager, Global Multi-Asset, John Yovanovic, Head of High Yield Portfolio Management and Chris Pettine, CFA, Senior Research Analyst, Global Focus Equities. They average over 32 years investment industry experience and 17 years with the firm.

The Stewardship Committee is a cross asset committee responsible for:

- Defining and monitoring the Company's proxy voting strategy and process.
  - Evaluating and maintaining the proxy voting procedures and guidelines contained in the Company's proxy voting and stewardship policy.
  - Coordinating with the Company's investment teams to ensure that an issuer's environmental, social and governance practices are considered in the proxy voting context.
- Providing oversight of engagement processes, including firmwide reporting, cross asset collaboration, and escalation.
- Providing oversight of this annual UK Stewardship Code application, as well as stewardship reports in other regions.

In order to effectively discharge our fiduciary duty to exercise shareholder voting rights, the Stewardship Committee has engaged a third-party vendor (ISS) to assist us in developing our proxy voting policies and procedures and custom proxy voting guidelines to align with our assessment of material ESG risks, review peer information and leverage best practices, and then to administer proxy voting on our behalf, thereby leveraging operational efficiencies. The policies are reviewed and updated annually by the Proxy Voting Committee, which consists of members from Investment, Compliance, Legal, Product, and Administration to ensure it is well aligned with our ESG philosophy, including in key areas, such as board membership/independence, executive remuneration, and climate change policy across all asset classes. For more information, please refer to *Principle 8*.

Under the leadership of the CEO and Global Head of Corporate Responsibility, the CRSC has initiated several key initiatives during the course of 2022 and into 2023:

Our commitment to greenhouse gas emissions control, reduction of our global footprint
PineBridge has set interim 2025 and 2030 targets focused on engagement with our issuers, following the Paris Aligned Investment Initiative's Net Zero Investment Framework. The 2025/2030 firm level targets are for 70%/90% of the emissions within portfolios that are in scope to be invested in companies that are aligned or aligning with Net Zero, or subject to ongoing direct engagement. The engagement process can span multiple years. The investee company's commitment to limit global warming to 1.5°C, along with other material investment factors, will be considered when voting proxies and making other position sizing and divestment investment decisions. For more details, please see [PineBridge Climate Policy].

At a corporate level, the firm is very conscious of its carbon footprint. We conduct a utilities review and analysis of the firm's offices globally with the goal of measuring, reducing, and offsetting our carbon footprint. We track the sustainability ratings for each of our office locations around the world and it is a key factor when evaluating new office space. Over the last 18 months, in 2022 and into 2023, PineBridge has reduced its global office footprint by 35%, with the downsizing of offices in New York, Tokyo, Hong Kong, London and Los Angeles. The relocation of the London office, 'The Avenue', in the heart of London's West End in 2022, has achieved BREEAM excellence, a global leading sustainability assessment method for infrastructure and buildings.

Regarding business travel, we are mindful of our travel practices, and take advantage of the ease and efficiency that virtual software has allowed. We have picked up our business travel in 2022, though have new guidelines in place advising employees to validate travel activities and to ensure that business travel is as efficient as possible, consisting of a robust set of meetings in any one destination and reducing the number of visits per year. During 2022, we reviewed the firm's travel policy to identify any necessary updates, and while the firm believes the current policy supports our needs, including greenhouse gas emissions controls, we believe we can continue to evaluate and do more. As a result of the review in 2022, in 2023, PineBridge partnered with a new travel vendor that will help us to better enhance capabilities to gather data, measure and carbon offset air travel, and choose green hotels, among other options.

Matters relating to the firm's carbon footprint are overseen directly by PineBridge's Global Head of Corporate Responsibility and the Company Responsibility Committee, which reports to the Corporate Responsibility Steering Committee of the firm. The Company Responsibility Committee outlines the firm's socially responsible initiatives, including community activities, foundation & board memberships, vendor relationships, and environmental footprint.

Low-carbon economy

At a corporate level, the firm provides individual or shared resources to support local-office initiatives. PineBridge continues to demonstrate its commitment to be energy efficient and environmentally friendly through efforts such as:

- a robust recycling program, including education on proper disposal of rubbish and recyclable materials;
- proper disposal and recycling of old computer equipment;
- reduction in bottled water usage where offices have water filtration systems;
- entrusting employees with reduced paper consumption;
- use of energy-efficient hardware, lighting, and air conditioning systems;
- reducing emissions and carbon footprint through essential travel only and increased videoconferencing; and
- bicycle storage facilities in certain offices to encourage lower-carbon commute options.

The firm encourages employees to continue to suggest new or improved processes and technologies that can be beneficial to the planet within the office and at home.

Social

At PineBridge, respect for human rights is core to our corporate responsibility obligations across our platform and in alignment with all applicable laws. Our global Diversity, Equity & Inclusion efforts help ensure non-discriminatory practices in alignment with the needs of our employees based in their respective geographies. In addition, our investment teams continue to support the UN Guiding Principles on Business and Human Rights in carrying out their due diligence processes. These processes align with the obligations under international human rights law of our investee companies as it relates to addressing the risk of potential business involvement in gross human rights abuses or corporate negligence.

As noted above, there are three priority ESG factors established firmwide for the assessment of our investments which include Diversity, Equity & Inclusion and human rights.

Diversity, Equity & Inclusion

We believe that a diverse and inclusive corporate culture is central to driving better business outcomes and fostering growth. People are our strength, and it is our belief that each person brings unique strengths to a business and that each person shares responsibility for helping to ensure an inclusive and welcoming culture of equity. In our stewardship and engagement efforts, we aim to ensure companies are embracing equitable and inclusive recruitment, development, and promotion practices, as it is core to our values.

PineBridge's DE&I Committee is co-chaired by Jennifer Motz, Global Head of Human Resources, and Sergio Ramirez, Chief Revenue Officer. Ms. Motz has been with the firm for 15 years and has over 25 years in industry experience and Mr. Ramirez has been with the firm 23 years and has over 28 years' industry experience. The DE&I Committee defines and implements firm policies that create a diverse and inclusive PineBridge workforce and global culture. The DE&I Committee objectives are to:

- Attract, develop, and advance the most talented individuals regardless of their race, gender, sexual orientation, age, disability, nationality, geographic origin, religion, culture, or any other dimension of diversity.
- Advance processes to integrate diversity in day-to-day internal and external business practices, culture, and operations.
- Engage our community in initiatives to advance opportunities for a diverse range of future workforce participants.

Alongside the above objectives, the firm frequently engages industry experts to speak to our employees, including portfolio management, about best practices in the industry relating to Diversity, Equity & Inclusion.

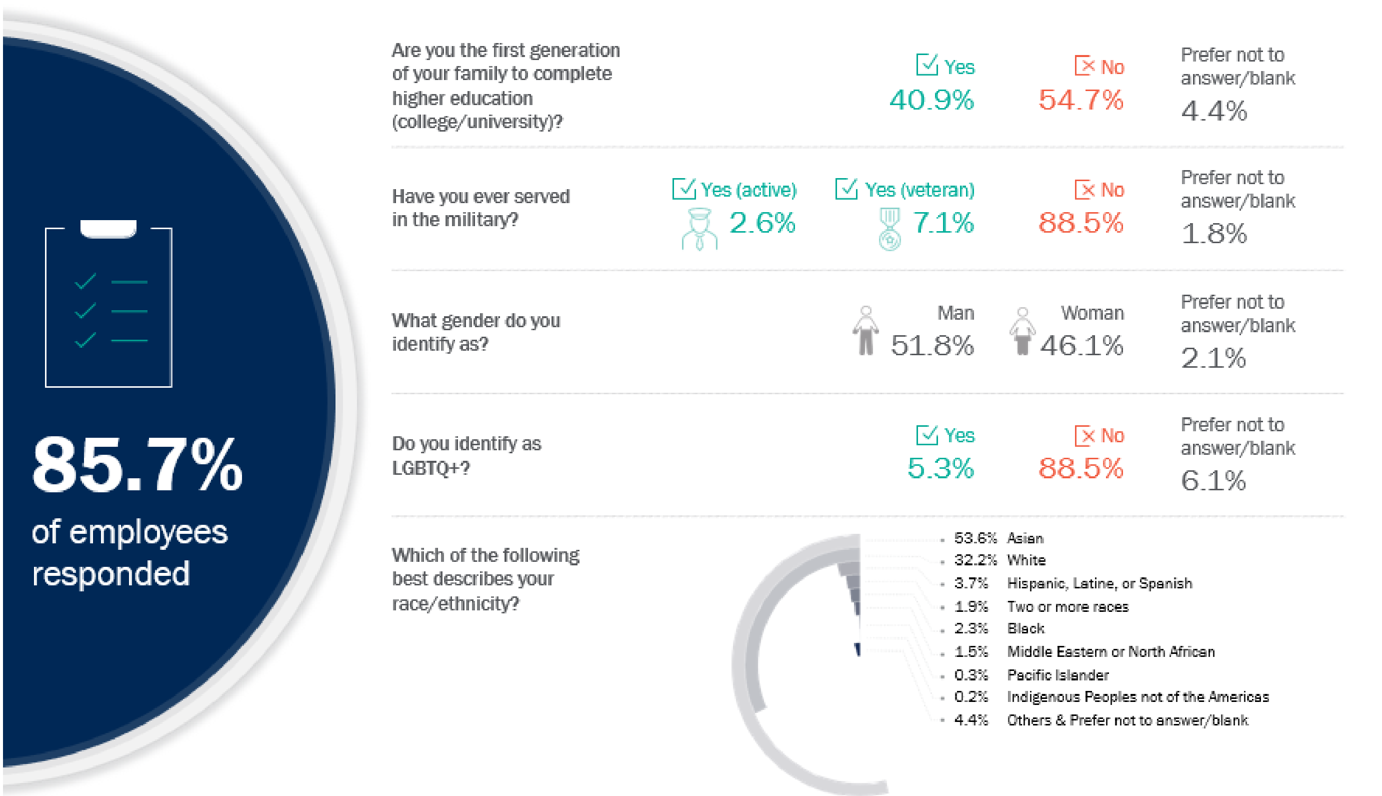
Kate Faraday, Global Head of Corporate Responsibility, helps to ensure employees feel heard and empowered at work. As an organization that is committed to taking action based on employee feedback, it is critically important to integrate the D&I Committee initiatives to the broader Corporate Responsibility philosophy and application practices.

All employees globally are invited to support our DE&I initiatives. There are several diversity workstreams in place; each workstream has a leader and a group of employees who focus on implementation. Furthermore, Management Committee, In-country Leadership, Vice Presidents, Senior Vice Presidents and Managing Directors have a Corporate Social Responsibility and Diversity and Inclusion goal.

We are proud to highlight that for 2022, Sergio Ramirez, Chief Revenue Officer (formerly Global Head of Client Group, Head of Americas) was named to Crain's "Notable Diverse Leaders in Banking and Finance"[7] . This is the second year in a row that a PineBridge senior leader was named to Crain's Notable leaders, with Tracie Ahern, Chief Financial Officer, being named "Notable Women on Wall Street" in 2021.

Our People

Diversity Representation



Source: PineBridge Investments. Results from 2022 voluntary survey of employees; includes 618 respondents representing 85.7% of total employees as of 10 October 2022.

Our employees have established employee resource groups (ERGs), empowering them to push forward and continue to rally together and partner with peers in the industry to advocate for and support underrepresented groups. These ERGs are open to all employees and are instrumental in helping advance Diversity, Equity & Inclusion at the firm and in the wider community. The ERGs include the Black Employee Network, the LGBTQ+ & Allies Network, Women's Network, and GenBridge for younger professionals, which help to raise awareness on issues relevant to these groups and lead our efforts to address them. To promote individual professional development, we have expanded our continuing learning and development curricula and introduced a mentoring program and a

[7] Source: Crain's New York Business 2022 https://www.pinebridge.com/_assets/pdfs/news/sergio-crains-award.pdf.

comprehensive leadership development program for rising investment professionals. In 2022, we took mentoring to a new level by starting a reverse-mentoring program, wherein junior talent mentor senior leaders, to complement our more traditional mentoring program.

Our People

Global Employee Resource Groups Drive Progress

Our employee resource groups enable shared experiences, access to training, and drive impact through the support of meaningful causes globally.

Women's Network
Launched in 2019

Champion the movement for female empowerment, equality and inclusiveness for all

Attract and retain the firm's next generation of leaders and early in career professionals

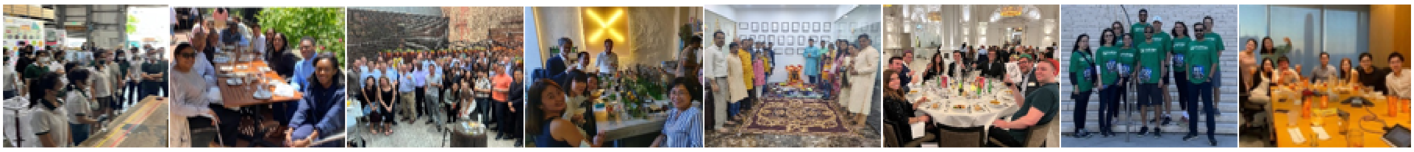
GenBridge Young Professionals Network
Launched in 2021

LGBTQ+ & Allies Network
Launched in 2021

Enhance a culture of visibility and inclusivity across the spectrum of LGBTQ+ identities in the workplace

Ensure equal and meaningful advancement and opportunity for Black employees and promote cultural awareness across the firm

PineBridge Black Employee Network
Launched in 2021



Human Rights

As a signatory of the UN Global Compact, we recognize that ensuring human rights and dignity is essential to sustainable development. We believe that a safe, diverse, strong and inclusive workforce is central to driving better business outcomes and fostering growth. Our obligation to our clients is to address the risk of (potential) gross human rights abuses or corporate negligence by companies or entities which we invest in or may invest in, as well as ensuring that PineBridge is aligned with applicable laws and UN conventions. For example, engaging with an overseas steel production company to address a number of issues, particularly employee safety, carbon reduction targets and dust emissions. The company has experienced employee injuries and fatalities in the past, and we continue to press the company to budget for employee safety enhancements and establish an organization/team to oversee the safety issues. While the company has set the carbon reduction targets, we continue to ask for inclusion of its overseas operations and set targets beyond scope 1 and 2.

Further, under the UK Modern Slavery Act 2015 and the Australian Modern Slavery Act 2018, both PineBridge Investments Europe Limited (PBIEL) and PineBridge Investments LLC (PBILLC) are required to produce annual modern slavery statements, with the focus on risks of modern slavery in their operations and supply chains and measures being implemented to address them. In addition, the Australian Act goes further and requires investment operations to form part of modern slavery reporting.

To address and mitigate risks of modern slavery in its corporate operations and supply chains, PBIEL and PBILLC updated their vendor management policies, enhanced due diligence on material vendors and their supply chains and established minimum standards for suppliers on modern slavery.

As a component within broader ESG considerations, attention to modern slavery continues to be a focus and a part of the firm's risk management procedures. Whilst we believe there is low risk of modern slavery of human trafficking within our operations or supply chain, ongoing due diligence and rigorous oversight of our third-party outsourced functions and internal processes are maintained. Our investment teams continue to focus on forced labor and human rights concerns in investee companies using internal and external ESG data, as well as a proprietary heatmap to assess modern slavery risks in the operations of investee companies and their supply chains. Our engagement activity uncovers risks present in industries beyond traditional manufacturing and garment retailers, such as trucking, travel, and renewable energy. For example, in one ongoing engagement which began with an energy company leading the transition to renewables, the company identified risks of modern slavery in the mining of rare earth elements, which is becoming increasingly important inputs as renewable energy grows. Following our engagement, the company has updated its code of conduct and has created a separate human rights policy for suppliers.

Enhancing and Improving Resources devoted to ESG and Stewardship

PineBridge has a full-time Global Head of Corporate Responsibility to oversee the firm's corporate responsibility strategy and execution of key initiatives to incorporate ESG principles into PineBridge's investment process, stewardship, and corporate practices.

We continue to focus on adding the right resources, technology, and personnel to support the firm's corporate responsibility and sustainability initiatives. The additional resources have specific uses across the ESG landscape and include a team that has assessed technology solutions, ESG investing regulatory changes, and ways the firm can continue to advance to meet client needs alongside ESG-related regulatory requirements.

Our Global Head of Corporate Responsibility, Kate Faraday, reports directly to our CEO, Greg Ehret, and oversees the firm's corporate responsibility strategy and execution of related key initiatives and works closely with the firm's CRSC and its four subcommittees to ensure alignment, collaboration, and sharing of best practices. These subcommittees include ESG Investment, Stewardship, Company Responsibility, and Diversity, Equity & Inclusion. The makeup of these committees continues to grow stronger, melding skillsets from our investment teams, compliance, legal, and operations in addition to our senior leadership team.

As we build on past successes and reflect on challenges in delivering on our corporate responsibility mission, we've continued to add data and personnel resources to the Corporate Responsibility Team, and in 2022, we added three analysts These analysts have expertise in ESG data research and analysis, an understanding of the corporate responsibility competitive landscape, and coordinate and partner with our investment teams, as well as all stakeholders within PineBridge, together with our global client base. We will look to grow the team to provide additional support and experience in corporate responsibility, sustainability and policy expertise in the year ahead.

In 2022, PineBridge expanded its subscription to MSCI ONE to enhance our access to a broader interactive platform. This access has been given to investment teams, compliance and operations professionals who can analyze and extract data, ratings and ESG reports for all covered companies. Data analysis can be customized on an ESG dashboard for use by our portfolio managers and research analysts for company due diligence, and for an ESG-specific database that combines the MSCI ESG data with PineBridge investment teams' own proprietary ESG scores and engagement data, among other things, for internal and external reporting. The electronic ingesting of ESG data into customized ESG functionalities is an ongoing project, evidenced in this big enhancement and investment by the firm.

In addition, the MSCI ESG data is available via FactSet and Bloomberg. For our Equities teams, the data flows directly into proprietary portfolio weekly packs which contain a large amount of portfolio information, including, among other things, ESG rating changes, contribution of key environmental and social metrics from individual holdings to the overall portfolio, and performance attribution.

Enhancing our Proprietary Internal Research, Analysis, and System

Equity Platform for Investment Communication (EPIC) – EPIC is the research hub for PineBridge Global Equities which includes our proprietary Equity Risk Assessment (ERA) framework of 77 data points on each company that fully incorporates ESG. In 2022, the Equities Team made significant enhancements in EPIC, improving the functionality, user experience and ESG data analysis.

- The Equities Team migrated their ERA form into an application solution that allows analysts to edit and update information more easily and calculate ERA scores in real time.
- The Team now produces PowerBI-based engagement reports that aggregate engagement information that can be categorized in various ways and includes ERA and position data.
- The Team created a new PowerBI-based Principal Adverse Indicator (PAI) Dashboard that shows PAI data for selected portfolios or issuers. This dashboard allows the portfolio manager to quickly determine any potential PAI concerns in their portfolio and allows the analysts to analyse a company's PAI performance and potential exclusions, prior to researching the company.
- The Team created an 'Equities Investment Manual' that documents their ESG integrated investment process, which is housed, along with other training materials, in EPIC.
- The Team revised the EPIC engagement sections and ERA to include Net Zero alignment assessment with a new drop-down option of five choices, "Not Aligned" to Net Zero. This now enables us to track our progress against the Net Zero Asset Management initiative and the firm's commitment.

Credit Analysis Platform (CAP) – CAP is the proprietary firm-wide global credit analysis, research, and recommendation-sharing platform for fixed income professionals. This web-based proprietary investment platform is our Fixed Income Team's central research hub and contains all analyst inputs. During 2022, just as we have enhanced EPIC, we have done the same for CAP.

- The Team has a Power-BI data portal that is supported by a variety of data points from a third-party vendor, where analysts can quickly assess key ESG data points for an issuer and compare against sector or cross sector peers.
- The Team launched a web-based engagement template as part of our CAP system to provide more robust documentation of company engagements.
  - Within the engagement platform, we have added options for the analyst to discuss topics of particular importance to PineBridge, including Net Zero, Diversity, Equity & Inclusion and UNGC related topics with Net Zero being a requirement for the analyst to assess where the issuer is within its own Net Zero journey.
- The Fixed Income Team has also created a Principal Adverse Indicator ("PAI") dashboard (linked to MSCI, and outside CAP) that enables the portfolio managers and research analysts to assess an issuer related risk. The dashboard is used to assess ESG risks prior to an analyst's RVR presentation.
- The Team updated the ESG Framework for Global & US IG, as of June 2022, outlining their approach and methodology, which has been a key component of our top-down risk assessment and bottom-up analysis since 2016.
- Development of and documented engagement policy, to crystalize expectations.

Multi-Asset ESG Portal (MAP) – MAP is the proprietary firm-wide database and portal for Multi-Asset investment professionals containing asset class level ESG research and published reports, ESG analysis, and rating decisions, engagement activity with both investee companies and active managers, and documentation. It houses all proprietary ESG tools, including the Modern Slavery Heatmap, Sovereign ESG Scorecard, and security level roll-ups. MAP also stores the investment team's policies, regulatory reports, ESG process flows and procedure manual, and training materials for the ESG integrated investment process, ESG research, stewardship and engagement.

In 2022, similar to the EPIC changes noted above, MAP was updated to align with the firm's Net Zero and UNGC commitments and to facilitate investment team and firm-wide reporting by including Net Zero alignment assessment using the Paris Aligned Investment Initiative categories, and UNGC violation status. Also in 2022, the Multi-Asset proprietary forward looking asset class valuation tool was enhanced to include a link to the portal to update the ESG factors considered in the valuation process.

External Research, Analysis, and Systems

- **MSCI ESG Research** – There is full access to ESG research for all investment teams, Operations and Compliance departments and includes ESG ratings and ESG controversies as a reference to our ESG scores and engagement. This information is accessible by our investment professionals in all our asset classes, as well as by our Operations and Compliance departments. In addition, the data is made available electronically for the purpose of populating a customized company ESG dashboard for use by our portfolio managers and research analysts for company due diligence, and for an ESG-specific database that combines the MSCI ESG data with our own proprietary ESG scores and engagement data, among other things, for internal and external reporting. The electronic ingesting of ESG data into customized ESG functionalities is an ongoing project the components of which are in various stages of completion.
- **Bloomberg.** Bloomberg offers users access to a wide range of ESG-related raw data that supports our analysts' ability to model ESG risk across their coverage. ESG data includes both externally and Bloomberg-derived ESG scoring, ESG data points provided by third party ESG specialists and ESG ratios for comparison within industries, countries, and regions.

  More broadly used by our equity teams, the Bloomberg ESG Disclosure Score is their proprietary rating system of a company's "disclosure of quantitative and policy-related ESG data. Bloomberg provides data on more than 120 indicators for over 10,000 publicly-listed companies globally." Their rankings are also on a percentage basis, 100% being the best. The closer a company's score is to 100%, the greater the quantity of publicly available ESG information. It is not an assessment of a company's ESG factors, simply there is more information available to investors to make educated ESG investment decisions and can be used in tandem with third party data provider's ESG scores.
- **RepRisk -** We have engaged Swiss reputational risk data provider, RepRisk, to safeguard against near-term technical risks introduced by financially material headlines that may affect underlying portfolio holdings. Automated alerts are generated by the RepRisk platform daily in the instance of medium to severe criticism of corporate behaviors affecting our portfolios and investible universe.
- **RobecoSAM** is a Dutch Asset Manager that provides sustainable data analytics. For the past 10 years they have sent questionnaires to companies covering a range of ESG topics. They currently cover 2,000 issuers. RobecoSAM ranks are on a percentage basis, 100% being the best. The closer a company's score is to 100%, the better they perform on ESG matters.
- **Morningstar Sustainalytics** is an industry leader in independent ESG and corporate government research, ratings and analytics and offers data on 40,000 companies worldwide and ratings on 20,000 companies and over 170 countries.
- **Institutional Shareholder Services (ISS)** scores are a by-product of their proxy services and address the Social and Governance components of ESG. ISS analysis is based on four pillars - 1) Board Independence, 2) Shareholder Rights, 3) Executive Pay, and 4) Audit Score. ISS covers 7,000 issuers. ISS Quality Scores are on a 1 to 10 basis, 10 is the highest risk. ISS information is available to all Bloomberg subscribers.
- **Broker Research:** We access specialist broker research, both written and via live discussions, to identify and assess ESG issues at the asset class level. Broker insight is used to gain greater understanding of companies in preparation for engagement on TCFD-related issues.
  1. **Climate Module:** automatically flags upcoming votes on companies that are climate laggards and not aligned with TCFD recommendations or have climate-related shareholder proposals.
  2. **Social and Governance components** on over 7,000 issuers based on four pillars: 1) Board Independence, 2) Shareholder Rights, 3) Executive Pay, and 4) Audit Score.
- **Moody's/S&P ESG Research:** Includes data and insights across ESG and climate risks. Provides comprehensive coverage across global markets combined with in-depth sustainability intelligence. It provides financial institutions, corporations and governments with expansive insight on business risk, opportunity, and impact as we work towards a sustainable future.
- **Sustainability Accounting Standards Board's (SASB)** – SASB is an independent standards board that provides sustainability standards for use by publicly listed corporations in the US in disclosing material sustainability information in SEC filings. SASB's disclosure guidance identifies 26 sustainability-related business issues (each a "General Issue Category" or "GIC") that encompass a range of disclosure topics at an industry level. The SASB considers these identified GICs reasonably likely to have a material effect on the financial condition or operating performance of public companies within the industry. Some industries have more sustainability risks and opportunities that can affect enterprise value, and some have fewer. The variation in industry-level sustainability risks is a core element in our assessment of ESG risks. SASB Standards are broken down into 11

broad sectors covering 77 industries defined by SASB. For more information on SASB, please refer to www.sasb.org.

Our commitment to ESG training, oversight, and performance management

At an employee level, we ensure that employees are well-resourced and incentivized to integrate ESG into their day-to-day thinking and decision-making by:

1) Providing relevant training on ESG investing, and
2) Including ESG and DE&I into standard employee performance evaluations.

As active, high-conviction investors, we believe in training and incentivizing all of our investment personnel to integrate ESG and stewardship activities into their daily activities. While we believe involvement by our investment professionals is central to truly integrating forward views, we nonetheless have also strengthened our expertise by hiring additional personnel with strong ESG backgrounds and appointing sustainable investment specialists within our investment teams. These individuals are engaged in the implementation of various ESG regulations, such as SFDR and EU Taxonomy, in the investment processes across all asset classes, as well as global initiatives, such as Net Zero Asset Management and UNGC.

Training, Communication and Knowledge Enhancement

In 2022, PineBridge kicked off its first internal global town hall with a focus on ESG and Climate Goals for 2022, presented by the firm's Global Head of Corporate Responsibility, Kate Faraday, noting the firm's commitment to a number of prominent, actionable global corporate sustainability initiatives. This demonstrated the firm's commitment to its employees, clients and the world in which we live.

The firm held its second annual ESG Investment Forum, which includes a series of informative sessions that are aimed to increase awareness of PineBridge's ESG investment capabilities and enhanced alignment of our ESG philosophy across asset classes and functions. The forum was hosted by the ESG Investment Committee, and all sessions were open to all members of the firm.

The sessions provided an overview of our corporate responsibility framework, featured examples of ESG implementation in different asset classes, and offered outlooks on the path forward. While attendance is not required and recordings were made available, employee attendance for each session was near or over 100, evidencing our employee commitment to staying abreast of ESG topics. The session topics and presenters included:

- **Session 1: ESG Investor Trends & Business Outlook**
  A review of investor trends and what drives investment success within ESG investment frameworks.
  Moderated by Petra Lugones Targarona, Head of Germany, PineBridge Investments
  - Rumi Mahmood, ESG & Climate Fund Research Lead, MSCI
  - Maria Simon, Vice President, Client Success, eVestment
  - Julia Giguere-Morello, Executive Director and Head of Americas Core ESG and Climate Research, MSCI

- **Session 2: Changing Landscape of Geopolitical Conflict and its Impact on Society and Investment Risk Analysis**
  Address the current Russia-Ukraine conflict and other global geopolitical risks to better inform our investment teams of looming risks and opportunities. What impact will these conflicts have on global societies?
  Moderated by Olivier Keller, Portfolio Manager, Private Funds Group, PineBridge Investments
  - Zhihan Ma, Global Head of ESG, Bernstein

- **Session 3: Update on Net Zero Commitment: Implications and Evolution Path**
  A discussion around the changes that the Net Zero commitment is driving both for PineBridge and our clients. Learn more on the methodology and process being implemented to help achieve our goal of Net Zero emissions by 2050.
  Led by Kate Faraday, Global Head of Corporate Responsibility, PineBridge Investments

- **Session 4: The Commodities Conundrum for the ESG Investor**
  A conversation around how commodity producers and consumers should be viewed within an ESG investment framework. Panelists will share insights on the latest developments in the commodities sector and their impact on local communities.
  Moderated by Sean Jo, Vice President, Research Analyst, PineBridge Investments
  - Lisa Sachs, Director, Columbia Center on Sustainable Investment, Columbia University
  - Sam Block, Head of Materials Sector ESG Research, MSCI
  - Yu Ishihara, Head of Autos Sector Research, MSCI

- **Session 5: Updates on Energy Transition-Trends & Opportunities**
  This discussion shed light on the energy transition taking place and how it is driving innovation and retrofitting of existing energy infrastructure. The panel explored the capital requirements needed for this energy transition and the investment opportunities that investors are evaluating to meet their ESG investment allocation goals.
  Moderated by Deanne Nezas, Managing Director, Multi-Asset Portfolio Manager, PineBridge Investments
  - Sarika Goel, CFA, Head of Sustainable Investing, Mercer
  - Chris Cote, Vice President, ESG & Climate Research, MSCI
  - Eduardo Monteiro, Co-Chief Investment Officer, Victory Capital Advisors

- **Session 6: Fireside Chat Featuring James West, Senior Managing Director, Evercore ISI**
  Mr. West is responsible for research coverage of the sustainable technologies and clean energy and oil service, equipment and drilling industries, consisting of detailed fundamental research on companies involved in solar and wind power, battery and power storage technologies, hydrogen and the drilling and production of oil and natural gas.
  Led by Kate Faraday, Global Head of Corporate Responsibility, PineBridge Investments

- **Session 7: Investment Team Showcase PineBridge ESG Investment Platform Advancement**
  Select members across our traditional and alternative asset classes will share investment process advancements that enhance ESG investing implementation. The group will also discuss how these advancements enhance their investment strategies and market positioning.

  Moderated by Kathleen Monticello, Credit Analyst, EM Corporates, PineBridge Investments
  - Jonathan Davis, Senior VP, EM Fixed Income Portfolio Manager
  - Ken Ruskin, Head of Sustainable Investing, Equities
  - Mack Fuller, Head of Sustainable Investing, PineBridge Private Credit
  - Nicolas Houssin, Senior Vice President, Investment Manager, PineBridge Benson Elliot
  - Austin Strube, Senior Vice President, Multi-Asset

The firm also continues to conduct annual training courses on:

- **Unconscious Bias.** This course explains what unconscious bias is, describes how biases can influence workplace decisions, and provides suggestions to help individuals reach a higher level of awareness, so they are better able to prevent personal biases from affecting their actions at work.
- **Workplace Diversity, Equity & Inclusion and Sensitivity.** This course explains what is meant by workplace diversity and provides practical steps to help individuals choose inclusive actions, improve cultural competency, and address personal biases. The course further emphasizes the role civility and workplace sensitivity play in promoting a respectful culture.
- **Preventing Discrimination and Harassment.** This course explains the behaviors that are expected of individuals to create a workplace that is free of discrimination, harassment, and bullying.
- **Modern Slavery in Supply Chains.** The course explains what modern slavery is, situations where it commonly takes place, and initiatives being taken to put a stop to the problem. The training includes practical information that will enable individuals working procurement and other roles to take action to put a stop to modern slavery that may exist in their supply chains.

In addition, employees have access to a 60-minute training course on incorporating DE&I Into recruiting and interviewing for hiring managers and interview panel participants. This interactive workshop is offered throughout the year and provides guidance in recruiting, preparing for and conducting interviews and selecting candidates. It also provides best practices and sample questions and addresses why we believe that a diverse and inclusive corporate culture is central to driving better business outcomes and fostering growth. Module topics include, analyzing and identifying what diversity means for their team, writing gender-neutral job descriptions, having a diverse interview panel, removing unconscious biases, demonstrating behaviors that value the candidate's experience, and selecting candidates that are culture adds, not culture fits.

Incentives and measurement

1. **ESG integration**

   As a firm, we are committed to assessing our investment professionals' commitment to integrating ESG considerations in alignment with their team's investment philosophy and process.

   Each year we assess our employees' performance as part of their formal year-end review, which measures their individual results against goals, as well as our firm's values, including collaboration, client focus, and commitment to excellence.

   ESG is an integral part of due diligence in our investment process, and all our investment professionals are reviewed with scores corresponding to levels of attainment against goals. The largest weighting in the scoring system across our asset classes is for investment performance. However, given our sophisticated clients, it's imperative that we deliver the right performance the right way. The latter includes adherence to our investment philosophy and our investment process, which fully integrates ESG. In addition, within the firm values section of our annual appraisal, we rate our investment professionals' commitment to ESG.

   We are committed to improving progressively our evaluation and measurement processes to drive progress across all ESG dimensions, as part of our ultimate goal of providing results that help our clients meet their investment objectives.

2. **Diversity, Equity & Inclusion**

   As part of our annual performance review process, employees are evaluated using a value-based system that ranks each individual's performance on the following goals:

   - Supports the cultivation of a diverse and inclusive work environment in all that we do.
   - Operates with self-awareness, recognizing how culture impacts work behaviours.
   - Recognizes and respects individual differences and incorporates diverse perspectives into decision-making; respectful of ideas different than own.
   - Adapts own behaviors to work effectively with colleagues and clients across different locations around the world.
   - Actively seeks to attract, retain, and develop diverse talent when hiring, building project teams, and identifying candidates for opportunities within the company.
   - Role Model Behavior: Acts as a culture carrier for a diverse and inclusive workplace. Proactively ensures a diverse slate is considered for all hiring and promotional opportunities at all levels of the organization.
   - Additionally, managers are evaluated on their ability to attract, retain, and develop diverse talent and incorporate inclusive behaviors as a core part of their leadership at the firm.

Outcomes

Our commitment is evidenced as a PRI signatory since 2015, and in our re-submission each year advancing our responsible investment efforts and continuing to improve on our scoring across asset classes. This is reinforced by our Corporate Responsibility Steering Committee, ESG training, and annual assessment of all investment staff on these issues as part of their year-end compensation review. We believe our clients and prospects also recognize this. We attribute some of our above-average organic growth in assets under management to our demonstrated dedication to stewardship and active engagement with companies in which we invest.

Please refer below for an overview of PineBridge's Corporate Responsibility Milestones.

PineBridge Corporate Responsibility

Key Milestones Across Our Journey

2010

- Pacific Century Group acquires AIG Investments; **PineBridge Investments formed**

2016

- Gregory A. Ehret **joins as CEO**

2019

- **Corporate Responsibility Steering** Committee formed to guide ESG, stewardship, diversity & inclusion and community efforts

2020

- **10- year anniversary** as an independent entity
- Founding Signatory, **ILPA Diversity in Action Initiative**[1]
- Named one of **"Best Places to Work"** by Pensions and Investments[2] and awarded **Gender Diversity Awards** by Citywire[3]

2021

- Kate Faraday appointed **Global Head of Corporate Responsibility**
  - Joined firm in 2007
  - Previously Head of Client Portfolio Management, Americas Equities and Portfolio Manager US Research Enhanced Quantitative Equities
- The firm commits to the **Net Zero Asset Management** initiative[4]
- Named one of the **"Best Places to Work"** for a second consecutive year by Pensions and Investments[2]

2022

- Named one of the **"Best Places to Work"** for a third consecutive year by Pensions and Investments[2]
- Head of Global Client Group Sergio Ramirez named to Crain's **"Notable Diverse Leaders in Banking and Finance"**[5]
- In **November 2022**, PineBridge published its **first decarbonization publication**[6] establishing a baseline for the firm's net zero goals, identifying assets in scope, and setting decarbonization plans in line with the expectations of NZAM

As of 30 June 2023. For illustrative purposes only. We are not soliciting or recommending any actions based on this material.

[1] Institutional Limited Partners Association includes 550+ member institutions representing over US$2 trillion of private equity AUM launched their DIA initiative in December 2020.

[2] For the Best Places to Work in Money Management List, Pensions & Investments partnered with Best Companies Group, a research firm specializing in identifying great places to work, to conduct a two-part survey process for employers and their employees. For details on eligibility criteria and the survey's methodology, please visit https://www.bestplacestoworkmm.com/eligibility-criteria.

[3] *Citywire* Gender Diversity Awards recognize progress by fund management groups on the representation of women and gender diversity practices, December 2020. For further details, please visit https://www.citywire.co.uk/wealth-manager/news/gender-diversity-awards-fund-group-winners-revealed/a1437029?ref=author/mkirakosian.

[4] Source: https://www.netzeroassetmanagers.org/signatories/pinebridge-investments/

[5] Source: Crain's New York Business 2022
https://www.pinebridge.com/_assets/pdfs/news/sergio-crains-award.pdf.

[6] Source:https://www.netzeroassetmanagers.org/signatories/pinebridge-investments/

Principle 3: Conflicts of Interest

As a fiduciary, PineBridge is responsible for putting its clients' interests before its own, and correspondingly, as a good steward of our clients' assets, the firm's risk and compliance program, governance structure, and associated controls are oriented toward identifying conflicts of interest between the firm, including individuals within the firm, and the interests of our clients. Through these programs, PineBridge seeks to manage, eliminate, or mitigate any such conflicts, as well as disclose them as appropriate.

Conflicts of interest may occur in all aspects of the firm's business. Typical areas of concern include the firm's approach to distribution, investments on behalf of clients, and personal conflicts associated with employees of the firm. PineBridge, as a fiduciary, needs to consider all conflicts associated with running the business that may potentially interfere with the best interests of our clients.

This includes considering our approach to distribution and to advertising our capabilities. The firm has controls in place, including workflows and governance measures, to ensure we are creating and using marketing materials that fairly represent the firm's capabilities and do not mislead potential clients or risk putting our own interests before our clients. Controls include appropriate policies and procedures and corresponding processes that establish and enforce a standard within the firm. Governance includes management reporting and review of mediums for distribution and oversight of the distribution process.

As a fiduciary and a good steward, it is critical to understand inherent potential conflicts related to our providing advice to clients, and all other aspects of managing our clients' money, and to have processes in place to address them based on established policies and procedures. These must include standards for selecting counterparties that work with us to execute trades on our clients' behalf, along with tools to evaluate the quality of a counterparty's performance, ensuring we are providing quality execution for our clients and that no firm-level or personal conflicts of interest are interfering with our selection. Additional standards are in place because of our programs, along with governance to oversee the firm's approach to paying for research and applying it equitably to applicable client accounts. Investment procedures include standards to ensure fair allocation and aggregation of investment opportunities to like client portfolios, ensuring all clients are treated fairly. Additional tools to prevent conflicts within the firm's investment focus include controls around managing the possession of material non-public information and protecting clients and the market from abuse of this information, utilizing information barriers, restricted lists, and watch lists.

Personal conflicts associated with employees must be understood, managed, and potentially disclosed as part of the firm's obligation to satisfy its fiduciary duty. Our required Personal Trading Code of Ethics Policy[8] establishes standards and infrastructure to this end. Pre-clearing of personal trades by employees and leveraging trading blotter blackout periods help ensure client trades are not front run by firm employees. Gift and entertainment policies manage the potential conflicts associated with relationships with counterparties and vendors. Identifying roles held by employees outside of their roles at PineBridge ("outside business activities") and our associated controls including prior approval and disclosure attempts to manage potential conflicts of interest related to these.

Another aspect of the firm's commitment to avoiding conflicts of interest is to establish and maintain an effective monitoring and testing program designed to detect any conflicts, control weaknesses, or areas that may not be in the best interest of our clients. Testing and monitoring include investment monitoring to ensure client guidelines are followed and account reviews designed to ensure that the monitoring rules are fit for purpose. For example, compliance review of marketing materials seeks to ensure that clients are protected from unfair or misleading representations. Required disclosure of personal conflicts helps ensure that the firm's employees are putting their clients' interests before their own.

An additional element of the firm's program is to ensure continuous training of employees to maintain sensitivity to the firm's fiduciary role, reinforce existing policies and procedures, and adapt to changing circumstances associated with new client demands, new services offered, and the continuously changing regulatory environment across the globe. Training is conducted annually in several different subject areas, including the issues associated

[8] Please refer to Item 11 of the following: Form ADV Part 2A for PineBridge Investments LLC at https://adviserinfo.sec.gov/firm/summary/105926

with potential personal conflicts of interest. During 2022, PineBridge hosted several briefing sessions for employees led by a leading law firm focused on the regulatory developments in relation to private funds and managing conflicts therein. Additionally, more tailored training is conducted to support awareness of new or changing policies or other developments within applicable regulatory environments.

Strong governance is one of the most important means to ensure that the Senior Executive team is aware of potential conflicts of interest and that these issues are appropriately managed to maintain fiduciary standards. The firm's Risk Committee and subcommittees overseeing the payment of research and trading, a Management Committee, and a Board-appointed Governance Committee reporting to the firm's Board of Directors are all part of reinforcing the standards articulated above. Governance not only involves overseeing the process but includes different perspectives drawn from various disciplines that contribute to identifying issues and solving problems.

Following regulatory requirements, leveraging peer network relationships and trade association memberships, developing corresponding best practices, and deploying effective governance all help PineBridge understand the potential conflicts of interest associated with its fiduciary obligation. The processes and controls the firm has put in place represent appropriate best practices to help manage these conflicts.

We continually seek to improve our methods, policies and techniques in this area. However, it is in the nature of conflicts of interest and their historical basis that the analysis of conflicts is relatively stable. For this reason, our Conflicts of Interest Policy tends to remain consistent year on year and our well-established practices as outlined in this chapter remain broadly the same as they were in the preceding year.

Addressing Conflicts of Interest

During 2022, PineBridge identified and managed several instances of actual/potential stewardship conflicts of interest, and we have set out some examples below focusing on investment allocation and corporate governance.

Conflicts of Interest Example 1

Situation: One Access Person was invited to join the board of a public company. Per PineBridge's policy, the Compliance department is responsible for determining procedures to prevent the misuse of material, non-public information, which may be acquired through service on the board of a company, as well as other procedures or investment restrictions, which may be required to prevent actual or potential conflicts of interest.

Identification and mitigation: The Compliance department may determine, based on the nature of the activity of serving on the board, the position the Access Person will hold on the board, and the job function of the Access Person at PineBridge, among other things, whether an Acknowledgement and Waiver Letter is required. Prior to pursuing any such outside business activities, Access Persons must: receive written approval from their Supervisor and Compliance, submit the disclosure form in the StarCompliance system, and if required, provide an Acknowledgement and Waiver letter signed by the company.

For additional compliance supervisory protocols, Compliance will monitor the Access Person's communications in the Bloomberg Vault surveillance system. Compliance will also add the issuer to the firm's restricted list monitoring and perform periodic review of the controls while an employee maintains the board position.

Outcome: The Access Person adhered to the additional compliance protocols while maintaining the outside board position.

Conflicts of Interest Example 2

Situation: PineBridge acknowledges that conflicts may arise with respect to the allocation of investment opportunities across its applicable pool of client capital, made even more complicated as it relates to allocating private market opportunities given relative scarcity across the marketplace.

Identification and Mitigation: PineBridge utilizes its adopted policies aiming to govern appropriate and consistent allocation methodologies across its various pools of capital for a given investment strategy. These policy materials are reviewed at least annually to ensure proper adherence to evolving regulatory requirements and industry best practices. The decision to allocate an opportunity to a specific client over another may include (but is not limited to) the following consideration of factors: suitability, client portfolio composition, client portfolio specific restrictions and guidelines, opportunity, costs, capital remaining to be committed to investments, and other such issues, as well as ensuring that there is no preferential treatment of a client or proprietary account.

Outcome: The relevant investment committee and team will typically propose an investment allocation using either Pro Rata (where the allocation is based on available remaining investable capital, relative to the other participating pools); or non-Pro Rata which would require review by Compliance to ensure appropriate and defensible methodologies were employed; avoiding even the appearance of preferential treatment of one client over another.

Principle 4: Promoting well-functioning markets

As responsible stewards of our clients' investments, the orderly functioning of markets is key as we seek to deliver returns and solutions to our investors. For this reason, we actively seek to address systemic risks as a market participant, both directly in our investors' portfolios and through our own practices as stewards of our clients' assets. As active investors, our investment professionals are quick to recognize systemic issues that appear in markets from time-to-time. These can take many forms and can be bracketed into two main groups: a) when markets become illiquid due to, for example, a change in risk appetite as a consequence of changing micro, macro or regulatory conditions, or in response to regulatory changes that affect the profitability of participation by market makers and investors; and b) when a market suffers from poor transparency that may affect price discovery for trading individual securities.

Our investment staff operate in a wide range of markets every day and trade through several dealing desks around the world, the principal ones being New York, London and Hong Kong. When a systemic issue such as a change in market liquidity or transparency develops, our dedicated dealing personnel, who are in continuous contact with their counterparts in the broker-dealer firms, are quick to notify the relevant portfolio managers and analysts in the investment teams using electronic or voice channels. Our investment staff would then analyze the development and seek out the right course of action, if any, always acting in the best interest of our clients. Depending on the situation, PineBridge will endeavour to work with other market participants in order to ameliorate the systemic issue, and if it is deemed to be insolvable in a reasonable timeframe or is beyond the scope of the firm, our investment teams typically address the systemic issue as an unwanted risk in the portfolio and would seek to reduce that risk in an orderly fashion in order to safeguard our clients' interests.

We believe staying connected is one of the most important enablers of recognizing systemic issues, wherever they occur in the world. While PineBridge is a mid-sized firm, we have the breadth and geographic reach usually associated with the very largest in the asset management industry. Yet, our size is a key strategic advantage, enabling our global investment teams and global support teams to connect quickly when signs of stress emerge.

The firm's Response to the Ukraine-Russia War

The firm's primary response to the Ukraine-Russia war in 2022, was the firmwide decision to not purchase any Russian securities for the foreseeable future, and compliance put trading restrictions in place to prevent any further investment. Our fixed income teams were already significantly underweight Russia going into the conflict for a variety of reasons including ESG. While we did not plan to immediately divest our existing holdings, we continuously reviewed our positions and monitored the situation closely to determine if and when we may decide to do so, as market conditions permit.

The war presented a geopolitical risk which posed systemic risk in some markets. Investment teams collaborated globally, leveraging the experience and unique perspectives of our Russian and Ukraine employees, to identify and assess the impact of these systematic risks in portfolio investments. For example, pricing of the natural gas supply in Europe was affected. Also, grain supply and food prices have been an issue. Investment teams addressed these systematic risks in client portfolios.

In addition, to help those affected by the war in Ukraine, PineBridge raised more than $33,000 through a firmwide employee giving campaign. Those contributions went to great organizations such as UNICEF, UNHCR, and the World Food Program.

Addressing climate change

Alongside Covid-19, we identified climate-related risks and opportunities as a specific area of focus given events tied to climate change and their impact on economies and global public opinion. In addition to our view that ESG-related factors should be assessed according to their financial materiality, we also consider the implications of climate change for carbon pricing, carbon taxes, and other fiscal or regulatory policies.

We address environmental issues (such as resource scarcity and climate change), social challenges (including poverty and human and labor rights abuses), and other sustainability-related issues in monthly investment committee meetings, including the economic implications and impact on growth and profitability across markets.

As a longstanding advocate for transparency in climate disclosures (see below under 'Contributing to industry initiatives'), we believe our efforts for meaningful climate disclosure will help prevent stranded assets and lead to faster decarbonization than otherwise would have likely been the case, thereby contributing to efforts to avoid the market dislocations if such progress were not occurring.

Working with stakeholders to improve the functioning of financial markets

As a mid-sized asset manager, PineBridge is able to act as a 'practitioner participant' to promote the functioning of markets, a model in which portfolio managers, team leaders, and those who are actively involved in the day-to-day issues of managing client assets engage with industry bodies and other industry participants. This means we bring a true 'front line' perspective to the feedback and experiences we share. The following are several examples of different ways we have helped to promote the functioning of financial markets.

Innovation Example: We continually explore non-traditional trading platforms, including minority and women owned enterprises, to augment the traditional broker dealer network

Continued growth of corporate fixed income has exerted pressure on investment banks and regional broker/dealers to match that growth with available trading liquidity. As a result, we've expanded our trading reach beyond traditional investment banks.

We continue to support the growth of electronic bond trading. We were early adopters of electronic trading, being beta testers on many of them from the start and have incorporated several electronic trading systems available into our toolkit. Over the past decade we have seen these systems progress rapidly. Adoption has seen our US Investment Grade trading volume increase over 3 times in the past 5 years. The speed with which investors can execute has led to dramatic growth seen over the past several years; investment decisions that used to take days to execute now can be accomplished in hours. Our traders assist many of these vendors in a variety of ways, offering feedback, serving on advisory boards, and beta testing new systems.

We've deepened our relationship with minority and women owned enterprises (MWBE) over the years, which has been supported with several of our investors. An example is a large public fund that requires a minimum percentage of their trading volume be directed to MWBE brokers and reported to the client. We continue to build out a number of MWBE relationships and have exceeded the client's minimum trading threshold. Additionally, we have relationships with more counterparties to expand potential trading liquidity across our managed assets.

We've adopted and supported the emergence of Portfolio trading (PT), the ability to trade a list of corporate bonds in a batch process. This provides venues for investors to buy or sell a list of securities with total portfolio sizes ranging from as small as 5mm to well over 500mm. PT has long been a facet of the equity markets but has long been absent from fixed income due to the high number of bond issues for each individual company. We continue to grow the capability in both size and number of counterparties offering this ability, initially to a few large investment banks but growing to smaller counterparties, as well as dedicated ETF platforms. We find the PTs to be very helpful in our effort to keep trading costs down and the ability to trade every single security at one time dramatically increases speed of execution. Counterparties are better able to offer harder to find issues in a PT due to the economics on the larger trading basket. PT has been a useful tool in a trader's toolkit over the past several years.

Equity volumes continue to move away from primary exchanges to established and emerging exchanges, both independent and broker owned. This is a trend we have been seeing for years. As off exchange volume continues to increase, we continue to work with brokers to ensure our orders are accessing these alternative sources of liquidity while, at same time, filtering out any venues where we have questions about the underlying trading flows.

Industry example: setting targets as a Net Zero Asset Managers Initiative signatory to drive real action toward reaching Net Zero

As of 1 November 2021, PineBridge is a signatory of Net Zero Asset Managers Initiative ("NZAM"). PineBridge's first interim targets were published in November 2022 and can be found on the Net Zero Asset Managers PineBridge Investments signatory disclosure site.

PineBridge has set interim 2025 and 2030 targets focused on engagement with our issuers, in accordance with the Paris Aligned Investment Initiative's Net Zero Investment Framework. The 2025/2030 firm level targets are for 70%/90% of the emissions within portfolios that are in scope to be invested in companies that are aligned or aligning with Net Zero, or subject to ongoing direct engagement. The engagement process can span multiple years. The investee company's commitment to limit global warming to 1.5ºC, along with other material investment factors, will be considered when voting proxies and making other position sizing and divestment investment decisions. Using the NZAM framework reflects PineBridge's long-held commitment to stewardship and its belief that ESG considerations support long-term financial performance and that more standardized metrics will enable greater transparency in the financial system. For more details, please see PineBridge Climate Policy.

Innovation example: launched the first investment grade CLO tranche ETF in the market to give more investor access to an asset class traditionally limited to large investors

The CLO Tranche market is unique in that it has historically been an institutional market with little opportunity for retail exposures to gain access to the asset class, despite being the best performing fixed income asset class in eight of the past 11 years in the United States and having grown to just under US$1 trillion in size in the United States. Moody's has historically rated data for Collateralized Loan Obligations (CLO) backed by broadly syndicated leveraged loans since 1993. Since 1993, no AAA nor AA-rated CLO tranche has ever lost money. Despite lower default and loss data than comparatively rated corporate debt or securitization asset classes, such as CMBS or RMBS, CLO tranches have not been an asset class available to retail investors. With PineBridge's extensive history of issuing and managing CLOs in the United States since 1999 and in Europe since 2006, we bring a unique perspective to CLO Tranche investing. With the ability to re-underwrite every CLO tranche investment by mapping each credit exposure to our internal credit analysis database, we have the capacity to identify credit risks in the underlying collateral pools. Since launching CLOI in June 2022, AUM has increased from an initial US$25 million seed to ~US$161 million, having replaced the initial seed monies.

Contributing to industry initiatives

PineBridge believes in the value of industry partnerships and remains committed to advancing industrywide education and action related to a healthy market structure and advancement of ESG issues.

Counterparty relationships

Good market structure begins with the smooth exchange of assets, aided by effective price discovery and execution. Our investment teams have a strong relationship with their trading counterparties and engage with them regularly to review and discuss trade volume league tables, bid/offer spreads, trade success statistics, and investment research quality. Our Fixed Income Teams have monthly broker data reviews that allow us to pool our collective feedback to pass on to the various counterparties.

This work to deepen relationships with counterparties and improve execution for our clients extends to efforts to make the counterparty ecosystem itself more diverse and competitive. PineBridge maintains a trading budget each year specifically allocated to minority-, women-, and disabled-owned brokers, underscoring our commitment to aligning our beliefs with our investment practice. We maintain a document listing our minority- and women-owned vendors and actively seek more opportunities to work with both brokers and vendors from non-traditional backgrounds.

HKSE Listing Committee

We were proud to see our Head of Asia ex Japan Equities join the Hong Kong Stock Exchange Listing Committee in 2019, which oversees and governs listings onto the HKSE, providing policy advice and approvals for significant changes to existing listings and applications for new listings. This appointment is a testament to the individual's proven skills as a portfolio manager, as an experienced local market participant, and as an investment expert across Asian equity markets.

Regulatory policy consultations

We also participated in regulatory policy consultations with entities such as the Monetary Authority of Singapore (MAS) Guidelines on Environmental Risk Management, as well as panels and events focused on green bonds and sustainable finance. We engage extensively with global regulators and industry bodies in the US, the UK, Ireland, Luxembourg, Germany, Malaysia, Singapore, Hong Kong, and Japan.

Sustainable investing initiatives

PineBridge is active in a number of industry organizations and is a signatory of several codes that aim to support the growth of sustainable investing, including the UN Principles for Responsible Investment (UNPRI), the UK and Japanese Stewardship Codes, the UK Local Government Pension Scheme Code, NZAM, and the UN Global Compact (UNGC).

PineBridge is also a member of the Sustainability Accounting Standards Board (SASB) Advisory Group (with one of our senior investment personnel in a key spot chairing their Data Integrity Committee), the Swiss Sustainable Finance Initiative, the Hong Kong Stock Exchange Listing Committee, and the Institutional Limited Partners Association (ILPA) Diversity in Action.

Thought leadership and active information exchange

Across our global investment teams, we conduct extensive analysis and produce a wealth of proprietary research and analysis. This research covers a broad spectrum of topics, including market trends, industry dynamics, regional and global macroeconomic factors, and emerging investment themes. We take pride in the depth and breadth of our research capabilities, which enable us to deliver unique perspectives and actionable insights to our clients.

We actively share this research with clients, ensuring they have access to the same information and analysis that our investment teams rely on. This transparency allows clients to better understand the investment decisions we make on their behalf and the underlying fundamental beliefs that guide our strategies. By providing clients with the rationale and context behind our investment decisions, we aim to facilitate informed discussions and align our investment strategies with their specific goals and risk profiles.

Moreover, our commitment to thought leadership extends beyond research reports. We welcome the opportunity to engage in dialogue and collaborate with clients on a deeper level. This includes organizing regular meetings, calls, and roundtable discussions where clients can interact directly with our investment teams and leaders. These engagements provide a platform for clients to explore market insights, discuss investment strategies, and gain a deeper understanding of our latest views. We value the feedback and perspectives of our clients, as they enrich our collective understanding and enhance the investment decision-making process.

Finally, we seek to contribute to the conversation around these industry issues by publishing and presenting our own thought leadership via internal and external channels. We regularly publish our insights across asset classes on our website at PineBridge Insights. From an internal perspective, across our Employee Resource Groups, we hosted 37 events and initiatives supporting fundraising and employee engagement, with more than employees participating.

More information about our industry involvement can be referenced in *Principle 10*, Collaboration.

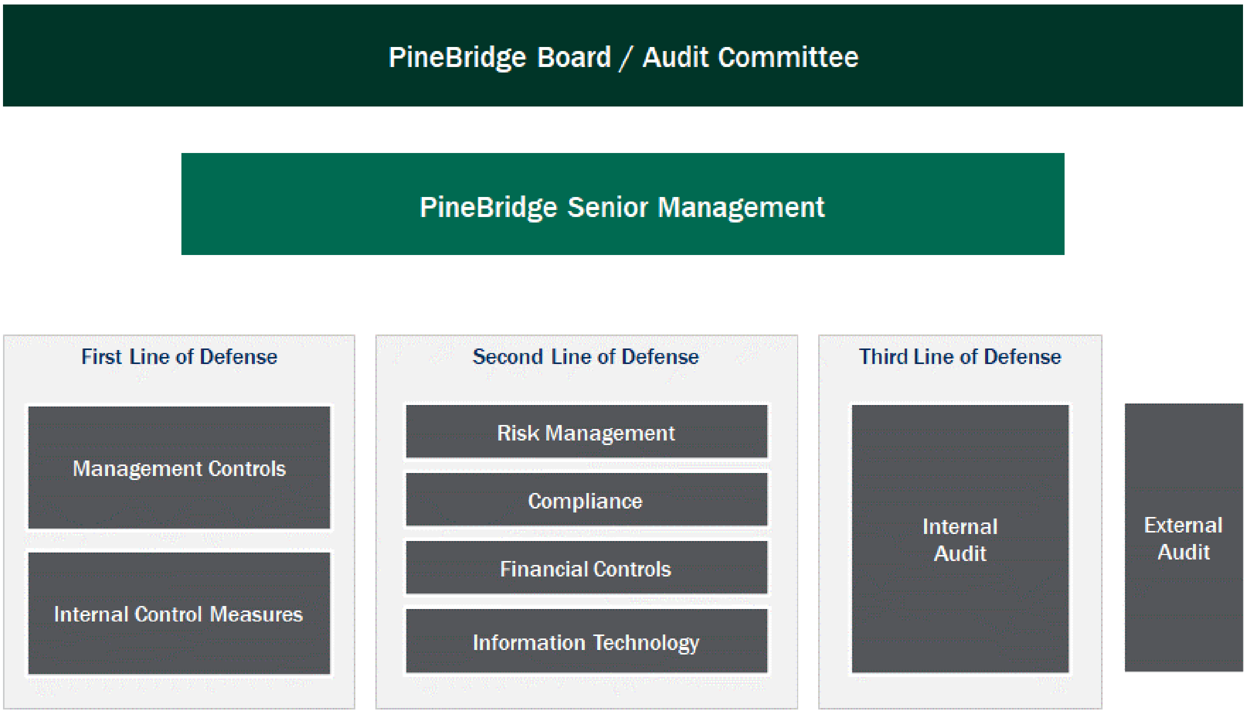
Risk Oversight

At PineBridge, we believe that experience matters but experience teaches us the importance of continuous learning. Every market cycle is different, and every market crisis (or exuberance) has different hallmarks. We believe that as a global team, we have responded well to systemic challenges in the markets particularly since the start of the pandemic and have addressed system wide issues sufficiently well, working collaboratively with colleagues throughout our global organization as well as working with our industry partners and, importantly, with our asset-owning clients, some of whom are among the largest in the world. As is our DNA, we will take the lessons we have learned from where we have succeeded and where we could have done better in what has been, and continues to be, among the most challenging markets in several decades, and apply those lessons in the spirit of continuous improvement in the future.

These principles are reinforced through reviews overseen by the PineBridge Board's Global Risk Committee. The Committee establishes and reviews key risk indicators and trends incidents in order to support the firm's goal of continuous improvement.

Risk Management Framework

PineBridge's risk management process follows a Three Lines of Defense Model. The following diagram illustrates three independent levels of risk management control and oversight.



The first line of defense is the investment team, which is directly responsible for the active management of risks associated with managing portfolios. This includes monitoring investment risks, such as unintended market exposures, through stress tests and holdings-based analysis through the relevant risk management system. It also includes monitoring compliance and investment guideline breaches through the respective order management system.

In the second line of defense, the Risk Management function, together with Compliance and other control functions, handle management and oversight on enterprise level risks. These include, but are not limited to, operational, compliance, valuation, derivative, counterparty risks, along with some regulated funds as required by the regulators.

Our Chief Financial Officer & Chief Risk Officer, Tracie Ahern, spearheads the risk management efforts at the firm. She manages the development of the risk architecture across the firm and oversees the ongoing monitoring of risks globally. In addition, Ms. Ahern is a co-chair of the Global Risk and Compliance Committee ("GRCC") – a sub-committee established by the Board and comprising several of the firm's executive leaders and oversees the Regional Risk & Capital Committees and Regional Approval Committees.

PineBridge Risk Governance Structure

PineBridge's Board of Directors (the "Board") has risk management responsibilities that are defined not only by best practices and guidelines but also by laws and regulations. The GRCC assists the Board in assessing the different types of risk to which the organization is exposed.

Management is responsible for executing the firm’s risk management policy. The members of the committee have direct access to, and receive regular reports, from management.

The GRCC is responsible for oversight of the PineBridge risk management process, which comprises representatives from senior management including Compliance, Investment Management, Risk Management, Finance, Operations, Legal and Technology.

The GRCC comprises the following sub-committees:

- Regional Risk and Capital Committees
- Regional Counterparty Approval Committees
- Privacy and Data Security Sub-Committee
- Investment Performance and Disclosure Sub-Committee
- Global Derivatives Committee
- Global Valuation Committee
- Liquidity Risk Management Committee

PineBridge’s Internal Audit Division (“IAD”) forms the third line of defense and provides an independent, objective assurance and advisory oversight designed to add value and improve our organization's operations. The IAD has a comprehensive internal audit process that is in line with the Institute of Internal Auditors standards.

The IAD comprises dedicated PineBridge personnel and works with a third-party consultant company (e.g., Protiviti). The Global Head of Internal Audit reports directly to the Audit Committee of the Board, with an administrative reporting line to the CEO.

Principle 5: Review and assurance

Assessing our Policies

PineBridge's active management ethos extends to all aspects of the firm, including the review of our policies and process assurance and our assessment of their effectiveness. We review all policies related to stewardship and proxy voting at least annually, and benefit from this proactive process of self-improvement. Here are just a few examples:

- PineBridge's Stewardship Committee meets with ISS, our proxy voting service provider. In designing our customized policies, we meet with ISS at least annually to review voting over the previous year against relevant metrics and to prepare for the upcoming proxy voting season, making tweaks as necessary. We discuss market trends and evolving best practices, evaluate how our votes compared with a group of peers we consider best-in-class, and update relevant policies as needed. We also periodically review the contract with ISS and compare its scope of and delivery of services with others in the market for various parts of the proxy voting and engagement value chain. To ensure proper oversight, at the end of each voting season we formally report to the CRSC on our activities, improvements, and areas under consideration for further improvement. The scrutiny combined with the experience of the members of the CRSC ensures a high level of quality assurance.
- PineBridge maintains an engagement policy pursuant to the Shareholder Rights Directive, in the context of European listed equity investments. The engagement policy formalizes how we have long monitored and engaged with investee companies, exercised voting rights, cooperated with other stakeholders, and managed conflicts of interest. From 2021, we review this annually and make disclosures against it annually. Click to access the firm's **Shareholder Rights Directive Engagement Policy**. The engagement policy is approved by the CSRC.
- PineBridge's European products are subject to initial product manufacturing analysis and a rigorous annual review process. This process aligns product design with target markets and distribution channels. For instance, our Undertakings for the Collective Investment in Transferable Securities (UCITS) range is designed in every way to be appropriate for retail investors, whether advised or not, and wherever they may be located. It is a liquid product range that provides easily understandable disclosures and high reporting transparency. By contrast, our institutional mandates and funds strategies sometimes require more market knowledge and/or are less liquid, and therefore should not be made available to retail investors.
- Finally, each subcommittee of our CRSC (Stewardship, ESG Investment, DE&I, and Company Responsibility) is charged with reporting to the CSRC verbally quarterly and annually on a written basis, with formal reports on whether and how they are measuring up to their respective Terms of Reference, indicating any shortcomings and efforts underway to address potential weaknesses. Each has oversight and is accountable in respect of its specific area of expertise.

Assurance: our carefully honed approach

Internal assurance has meant bringing PineBridge's internal audit function to bear in assessing our stewardship's effectiveness in an annual risk-assessment and audit plan. Internal audit prepares a risk-based audit plan based on assessment of PineBridge Investments group companies' business risk. Internal audit conducts a risk assessment annually to develop a risk-based internal audit plan and executes integrated internal audits globally (using quantitative attributes such as AUM, revenue, headcount, country risk, etc. and qualitative attributes using changes in process/system/people, prior audit experiences, regulatory environment, risk register results, etc.). Each business unit and support area are subjected to an audit program which includes obtaining an understanding of the key risks and controls of the processes/products/support areas and related systems being audited, evaluating their adequacy, and testing the degree of compliance with PineBridge's policies and procedures. The frequency and scope of the internal audit plans are determined based on the results of an Internal Audit Risk Assessment. The plan is presented to the Company's Audit Committee for approval. If necessary, adjustments are made to the plan during the year and approved by the Company's Audit Committee. All internal audit reports are distributed to the Management Committee and the status of the overall executed audit plan and open audit issues are reported to the Audit Committee. To gain independence from management, the Global Head of Internal Audit reports directly to the Audit Committee of the Board with an administrative reporting line to the CEO. We believe that the internal audit function's combined hierarchical independence and deep knowledge of our business makes it the ideal choice for independent assurance.

One of the focus areas in the 2022 audit plan was to review the ESG related signatory reports, such as UNPRI and UK Stewardship reports. We focused on the ESG related processes such as governance oversight, various policies, investment integration, monitoring, engagement and escalation for key asset classes (e.g., Fixed Income, Equity, Multi-asset, and Alternatives, etc.) to ensure the described business processes and its reported data were reasonably and accurately reflected in the signatory reports as part of the independent review. Further, we validated that the management's review process was maintained to ensure that the final signatory reports were shared with respective subject matter experts, relevant senior managements, and other oversight committees (e.g., Governance Committee, Stewardship Committee) for review and signoff before submission to ensure the stewardship reporting is fair, balanced and understandable.

In 2022, PineBridge also engaged Ernst & Young to conduct the SSAE 18 Service Organization Control 1 (SOC-1) report on its global investment advisory operations processes for its Fixed Income, Equity, Bank Loans and Hong Kong Alternative Investments businesses. Ernst & Young expresses an independent opinion on the fairness of the presentation of the description and on the suitability of the design and operating effectiveness of the controls described in the report to achieve the related control objectives based on the examination. The 2022 SOC-1 report assesses, among other things, PineBridge's corporate governance and oversight, integrity and ethical values, internal audit division, and trade authorization, trade execution, trade allocation, compliance monitoring, including investment restrictions and guidelines, and corporate actions. Ernst & Young issued a clean 2022 SOC-1 report for PineBridge.

On an annual basis, the CRSC formally reviews its own performance against goals, sets goals for the following year and submits a report to the Governance Committee for further oversight. The CRSC evaluates the scope and effectiveness of each of the subcommittees through annual goal setting and by maintaining oversight of sub-committees' policies, programs, and outcomes by directly liaising with the sub-committee chairs (mentioned above). For instance, in response to the shifting stewardship, regulatory, data, and investor landscape, we believed 2020 was an ideal time to rethink how our committee structures supported evolving ESG and stewardship objectives. The Stewardship Committee led a consultative process from June through October 2020 that resulted in the development of specific working groups dedicated to delivering investment integration, standardized engagement and collaboration, reporting solutions, and engaging further with ISS on proxy voting guidelines and reporting.

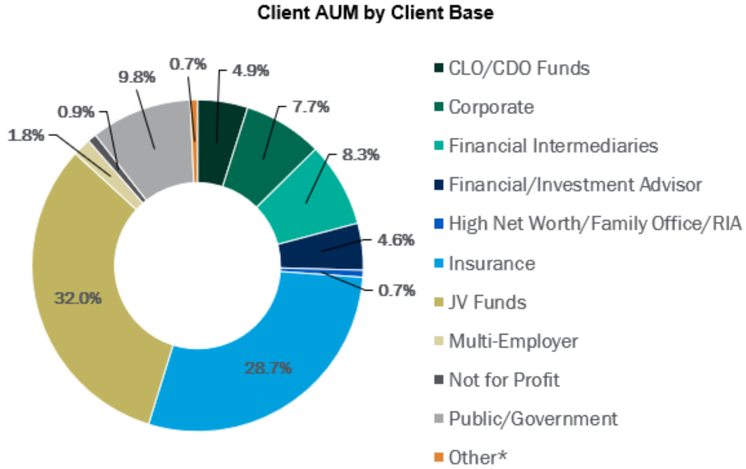
Effectiveness of Reporting

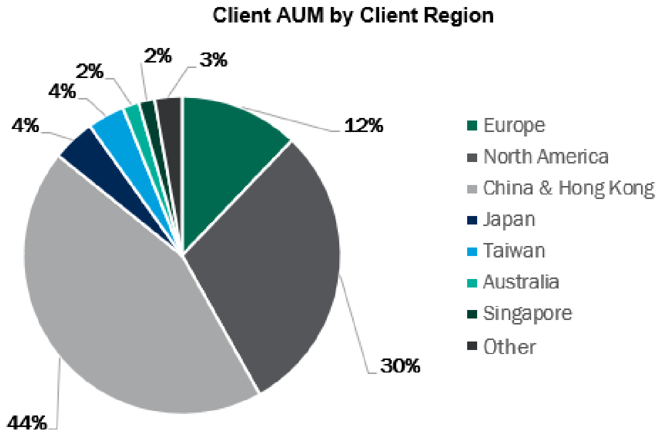
Our goal is to ensure that our reporting and other communications to clients are fair, balanced, and understandable for each type of client – a significant task for a firm with a broad scope of products and clients in numerous countries and with differing needs. To achieve this, our starting points are two key questions: what are our clients' expectations, and what are the regulatory requirements? We customize our client reports to meet clients' needs as necessary, and this may include reporting on our internal ESG rating and other measures of sustainability. We also provide full proxy voting records to clients as requested and as they pertain to client portfolios.

As referenced in *Principle 2*, The Stewardship Committee has three co-chairs who are seasoned investment professionals and representatives of each of the firm's asset classes. The Stewardship Committee is responsible for overseeing the firmwide reporting, cross asset collaboration and escalation processes, to ensure the firm's stewardship efforts are fair and balanced. The Stewardship Committee shall report to the CRSC concerning its activities, either orally or in writing, at regular meetings of the CRSC or at other times or occasions as the Chair of the CRSC determines.

Principle 6: Client and beneficiary needs

PineBridge has a highly diversified client base with US$143.1 billion in assets under management as of 31 December 2022, which includes public and private pension plans, corporations, insurance companies, financial intermediaries and investment advisors, individual clients, union pension plans, foundations and endowments all over the world. Thus, we have experience working with almost all types of clients, which also include foreign institutional investors. PineBridge seeks to generate higher alpha by integrating the firm's global multi-asset class knowledge and insights through effective collaboration between all of its investment teams, and through innovative investment methodologies that unite fundamental perspectives and deep analytical insights.





Data as of 31 December 2022.
Client Base Other - Includes Retail, Pooled Assets, Non-Accredited and Accredited Investors and Consultants.
Client Region Other - Includes Middle East, Latin America, Korea, Africa and other Asia countries.

We are committed to exceeding our clients' expectations across each interaction and communication with us, from onboarding to portfolio reviews, market insights, and reporting requirements, to name a few. We understand that our clients hold us accountable for our investment mandates, and particularly our commitment to achieve our investment objectives. We have a long history of managing assets for clients, and some valued legacy clients that we have had for over 40 years.

Active communication with clients is a central part of our relationship management at PineBridge. During client onboarding we ensure that we have a clear understanding of our investors' investment goals and objectives, including time frames as well as any constraints that affect our investment management. Time horizons vary by asset class, with more liquid strategies having a 3- to 5-year time horizon, while Alternatives strategies work to a time horizon correlated to the life of the relevant closed-end fund, which may be 5 to 8 years. We also provide investors with an update on our corporate responsibility and sustainability efforts.

As part of our ongoing relationship management, we have regularly scheduled, as well as periodic, communications with investors, sharing updates that are specific to our client's investment mandates, as well as on broader corporate responsibility and sustainability initiatives. We provide reporting during these communications.

Our Commitment to Corporate Responsibility and Reporting

As a result of continuously listening to our clients, we have developed several types of reporting: corporate responsibility reporting, ESG reporting, and more nuanced reporting.

Reporting on Corporate Responsibility

We have made significant advancements in our commitment to corporate responsibility, including responsible investing and client ESG reporting.

In 2022, we published our second Corporate Responsibility Report: From Pledge to Progress. This report is publicly available on our firm's website for our clients and peers to review. The report focuses on actions taken to meet our corporate responsibility commitments and outlines our responsible investment process – including stewardship, proxy voting, and documentation of engagement with portfolio companies. The report also includes firm-related data on DE&I, employee engagement, and forward-looking commitments to advance on our corporate responsibility commitments.

ESG Reporting

We continue to improve our ESG related reporting in accordance with the requirements and requests of our internal and external clients globally. In addition to our PB proprietary ESG scorings and integration, we continue to evolve our relationship and work with MSCI and their ESG data sets globally. As signatories to NZAM and the UNGC, we annually report and improve on ESG reporting in areas including climate, human rights, biodiversity, and other ESG themes. As a global asset manager, we remain very connected to the ESG regulatory environment and requirements in the jurisdictions where we reside and have regulation reporting obligations. As a firm, we have the ability to report on a variety of different ESG metrics on demand and currently accommodate periodic customized reporting for several clients. It has been our experience that clients globally are on different journeys as they pertain to their understanding and implementation of ESG topics. Our ability to discuss relevant themes and provide basic ESG reporting & benchmarking has helped several of them begin down the path toward advancing their own responsible investing goals.

Regulatory expectations in relation to non-financial reporting are increasing, and PineBridge is evolving to meet those expectations on an ongoing basis. Sustainable Finance Disclosure Regulation (SFDR) requires each SFDR Article 8 & 9 product to have an ESG pre-contractual disclosure annex, an annual reporting annex and a newly prescribed website disclosure document. The pre-contractual annexes have now been incorporated into the legal documentation of each SFDR Article 8 & 9 fund and the website disclosures are published on the PineBridge website.

The ongoing reporting annexes are published in the financial statements, with the inaugural reports captured in the year end 2022 Global Funds Financial Statements, available on our firm's website.

In addition, we are currently preparing our Taskforce for Climate-related Financial Disclosures (TCFD) in advance of the 30 June 2024 deadline.

Evolving regulations and client expectations – whether in Hong Kong, Singapore, or Japan, or the evolution of the European non-financial reporting framework – mean our reporting process and its oversight will be ongoing and will require continual adjustments.

With our culture of active, high conviction issuer selection, we recognized long ago there is no "one size fits all" approach to responsible investing that is appropriate across asset classes globally. However, we need to be able to have a meaningful firmwide view of certain datapoints that are relevant to the discussion. During the period, the Corporate Responsibility team spent time with each investment team to tease out common metrics and practices to identify ways to take the longstanding ESG datapoints from our global investment teams to craft a meaningful top-level view. This effort has helped us have more nuanced reporting around firmwide initiatives, and we believe that we will identify more focus areas as we grow and organize the dataset in the future.

Evaluating the effectiveness of our chosen methods to understand the needs of clients and/or beneficiaries.

During periodic communications we confirm that our clients' investment goals and objectives are being met and that any constraints affecting our investment management are still relevant and appropriate. In addition, we confirm that the reporting we provide continues to meet our clients' needs and provides clear support for the communications we make.

In terms of client engagement, client interaction and feedback are paramount to PineBridge's ability to provide best-in-class client service. Regular portfolio reviews, diligence meetings and ad-hoc calls provide opportunities to engage with clients. During portfolio reviews, the portfolio management team provides a review of the portfolio strategy, performance, and outlook, along with an update of engagement efforts on corporate governance topics. This enables PineBridge to manage portfolios in alignment with our clients' stewardship and investment policies. As mentioned, Ms. Faraday is often on calls to discuss the firm's corporate strategy, as well.

As qualitative and quantitative metrics of sustainability performance continue to emerge, our teams are working alongside our clients to enhance our traditional reporting to address specific client needs and those of their beneficiaries. Our expanded relationship with MSCI One allows us to add more metrics to our reporting, and we continue to enhance this reporting across all asset classes currently. Clients are encouraged to express any questions, concerns, and opinions to their designated relationship manager during regular reviews or off-review periods, which we value to better understand their reporting needs. An example of PineBridge's adaptability to better service our clients' needs: on one of our client calls, our relationship management team discussed standardizing ad-hoc requests from the client, so that we could provide the data set in a regular report on an ongoing basis, instead of a series of ad-hoc requests.

Our primary goal continues to be the satisfaction of our clients' needs – and evaluating the effectiveness of our chosen methods is important for us to continue to provide outstanding client service and the best possible performance. Our approach to client service is to be proactive relationship managers with value-added services. Our client relationship teams engage with our clients on a regular basis and conduct periodic surveys to assess what our clients are telling us about their evolving priorities. Addressing client queries is the top priority for our investment and client relations teams, and we aim to provide timely responses.

Our role as a responsible investor and stakeholder is also reflected in our industry partnerships. We remain committed to advancing our industrywide education and action related to climate change and other ESG issues, which helps to support our client partnerships. Our active memberships include signatory status to the Net Zero Asset Managers Initiative and the United Nations Global Compact, UN PRI, and others. We partner with organizations including the Institutional Limited Partners Association (ILPA) Diversity in Action, Institutional Investors Group on Climate Change, the SASB Alliance, and Swiss Sustainable Finance.

Principle 7: Stewardship, investment, and ESG integration

We are improvers not (up-front) excluders. PineBridge believes in an analytical approach that considers how companies seek to improve upon ESG issues that can have a material impact on investment returns and risk mitigation over the medium to long term. In evaluating ESG issues, PineBridge recognizes that business models that improve upon their sustainability often create value which should be rewarded through a reduction in the cost of capital. We believe encouraging improvement in corporate ESG is more beneficial to all stakeholders than a mere rejection of the status quo. Change drives investment performance, and we believe our role as active managers is to encourage change through corporate engagement that seeks to enhance investment results. This analytical approach is at the core of our investment process across all asset classes.

A sustainable approach to investment

A sustainable approach to conducting business helps deliver results for all stakeholders, from companies, their employees, and their local communities to their investors. In aggregate, a sustainable approach to channeling investments has the power to create positive change globally.

We translate the degree of business sustainability into an investment risk, or opportunity, which we quantify through due diligence and incorporate into the valuation of securities for both debt and equity. Given the interrelationship between ESG factors and the strategic, financial, and risk expectations for a company, we fully integrate these factors in most of our investment strategies and consider them for the remainder. Our proprietary due diligence frameworks across asset classes underscore our view that ESG should not be an “add-on” analysis, as it is for much of the industry. Rather, it is embedded into uniform, structured workflows from idea generation to portfolio construction and monitoring, and finally engagement to nurture such change.

In-house ESG-scoring: forward-looking analytical frameworks

In most of our strategies which fully integrate ESG, we take a medium- to long-term perspective for our investments, seeking excess returns over benchmarks from security-level inefficiencies that result from the market’s narrow focus on the short term while often mispricing the changes in companies over time. The ESG approach currently favored by much of the asset management industry involves systematic scoring based on point-in-time data supplied by a plethora of vendors, which may often be inconsistent. At PineBridge, while we report our portfolios with such independent data vendors scores versus benchmarks, and show well in most instances on such point in time comparisons, we go further: placing more value on a nuanced, forward-looking perspective that goes beyond a company’s current state and attempts to gauge its trajectory and improvement on ESG issues within a reasonable timeframe.

Research and data providers are chosen precisely because they can provide the raw information needed to support forward-looking views. Data providers are also used as a ‘report card,’ helping us to evaluate whether the ESG improvements we identified upfront actually occur. We seek to make ESG improvements more likely by engaging with company management for such changes, and if this does not work over time, we vote against the management. It is important to align one’s stewardship in the engagement and voting stages with the upfront analysis, and this is what our in-house due diligence frameworks seek to achieve.

In-depth bottom-up analysis is the core of our investment processes

In most of our strategies which fully integrate ESG, our due diligence frameworks provide an assessment of where a company is traveling, and not just where it stands currently. Sound fundamental analysis that fully integrates ESG considerations can provide a view of how the business will evolve over time, and securities with favourable outlooks should be rewarded with higher valuations as these projections are realized.

Our due diligence frameworks typically group many analysis items under the headings of Quality of Governance and Leadership, Sustainability of the Business, and Financial Strength. Governance and Leadership quality is the cornerstone of our due diligence assessment, since effective strategy, execution capabilities, and corporate culture stem from strong management.

When assessing corporate strategy, we include the company’s environmental and social strategy together with the commercial strategy given their interdependencies, particularly in the context of evolving regulatory requirements.

Our analysis frameworks include a number of soft judgemental criteria for which no hard data exists, such as the reputation and the track record of the CEO and of the management team, since the best strategy cannot be successful without strong execution skills. We also incorporate materiality issues such as by reference to the SASB' Materiality Map by adjusting the raw scores for key material issues.

Our investment teams are bound by the due diligence analytical frameworks and the investment processes used within each of our asset classes, which are designed to ensure that there is no circumvention of the limits that are stipulated and that no shortcuts are taken in the workflow. Ultimately, we will not sit by idly as managements fail to deliver upon anticipated, and committed to improvements.

The forward -looking frameworks for due diligence contain many items for analysis, and even the highest-scoring company is unlikely to receive 'straight As' across the board. We use the framework's lower scoring items for the focus of our engagement with management, and we make the connection with our escalation processes to proxy voting as appropriate.

A consistent yet customized approach across asset classes

Despite asset classes needing to approach integration and engagement from the perch of where they sit in the capital structure, and to fairly represent this in showing their products to prospects, our firm's organizational structure results in a high level of consistency in our investment philosophy and process across our asset class teams. Unlike some of our competitors in the industry, we do not assign ESG responsibility to a silo-ed team. That may be appropriate for evaluating the current state, yet we access that through independent vendors supplemented with some internal specialists that work with our investors. Nonetheless, we believe that committed investment professionals with specialization at the company and industry level can spot and nurture forward-looking improvements more effectively. They are in the best position to identify the most material and likely items ripe for change, and to have the credibility to press for change. Also, as in many walks of life, commitment is strengthened from involvement.

The high level of interaction that exists among our teams, together with the focused leadership for each asset class, ensures that our investment frameworks and workflows are followed consistently around the world. The thousands of company calls and meetings conducted each year with management teams at companies globally alert our investment teams to emerging issues before they're widely known, and we share these insights across asset class teams through regular meetings and specialist forums.

As active managers, our proposition to clients is that investment excellence flows from a clear and consistent focus, and culture and structure to generate ideas, along with a keener ability to see and thus manage risks. Our clients hold us accountable to our investment mandates, and particularly our commitment to our investment objectives, and our investment philosophies and processes dovetail with those objectives. We seek to deliver the right results, the right way, which has evolved from following one's process to integrating ESG into one's process. At PineBridge, our culture of collaboration extends beyond our investment teams to our clients as part of our goal to achieve the best outcome for asset owners. As a mid -sized firm, we can have a high degree of interaction with our asset-owners – a dynamic that is fast disappearing in the asset management industry as it consolidates to fuel its own profitability.

Priorities for assessing investments

From the asset owners, to ourselves as asset managers, and on to the issuers in which we invest, several priorities have emerged. PineBridge believes that the E, S, and G of ESG are equally important, but we see the following priorities within each pillar:

Environment

At PineBridge, we recognize that climate change poses an increasingly urgent threat to society and the global economy. As both an enterprise and as an investor entrusted by our clients to manage risks and opportunities, we believe we can support the global journey to a carbon-neutral world, in line with the Paris Agreement's objective of limiting global warming to 1.5°C. PineBridge is committed to help drive actionable change on greenhouse gas emissions as a signatory of NZAM and driven by our belief that this will drive long-term financial performance. Our climate change policy aims to support carbon reduction through engaging with companies to better identify potential climate crisis and opportunities, benefitting our clients while supporting global carbon neutrality.

The ESG Investment committee maintains oversight and sharing of best practices learned from asset classes inside PineBridge and outside groups that we belong to (inside out and outside in learning) regarding the incorporation of environmental risks into portfolio decision-making over the investment horizon. The identification of climate-related impacts remains a priority in our journey as responsible investors and fiduciaries of our clients' assets.

i. Climate-related disclosures

In early 2020, the firm complied with step 1 of the TCFD reporting guideline by the PRI through the Climate Transparency Report of the 2019 PRI submission. Our firm continues to be an active supporter of the TCFD framework and was an early signatory of the Global Investor Statement to Governments on Climate Change (The Investor Agenda), which actively encourages alignment with TCFD recommendations.

As noted above, PineBridge has joined IIGCC and NZAM in order to participate in the collective influence and momentum of the asset management industry regarding the fight against climate change. PineBridge's first interim targets were published in November 2022 and can be found at the Net Zero Asset Managers PineBridge Investments signatory disclosure site.

ii. Climate scenario analysis

PineBridge follows a materiality-based evaluation of climate-related risks in our portfolio risk management process with respect to:

- assessment of climate resilience of portfolio holdings;
- assessment of reputational risk surrounding potential corporate complacency of investee companies on the matter of climate risk preparedness, as well as emergency readiness (environmental as well as impact on local communities).

With respect to the first point above, in the case of developed market credit exposures, we follow in-house key risk indicators (KRIs) related to climate risk (i.e., greenhouse gas emissions, renewable energy programs, fuel economy, and low-carbon transition initiatives) in alignment with the SASB's guidance on environmental dimensions by sector.

With respect to the second point above, we conduct internal benchmarking analyses in alignment with the materiality portfolio risk framework. These rely on data analytics provided by RepRisk, a reputational and ESG risk provider, to augment due diligence efforts on ESG practices and business conduct. Among others, RepRisk indicators provide a real-time update on early warning signs of ESG risks, including climate-related risks within environmental, social, and governance dimensions. Our portfolio risk management process for sustainability risks relies on both longer-term and near-term evaluation of those emerging trends to address potential downside risk, as well as investment opportunities in companies that are building enterprise value through climate resilience.

Sustainability risks are integrated into investment decisions on an asset class-by-asset class basis

The integration of sustainability risks and how those risks are managed is determined on an asset class-by-asset class basis by teams of portfolio managers and analysts specialized in specific asset classes. It is these Investment Teams that implement investment decision-making, and the Company has, in consultation with these Investment Teams, formulated this policy.

Listed equity assets

For listed equity assets, the investment teams assess financially material issues as part of their Equity Risk Assessment Framework, which embeds ESG considerations and sustainability risk into the analysis of potential and current portfolio companies on an ongoing basis. As well as examining issues related to governance, such as business ethics, compensation alignment with shareholders and board independence, environmental impact and social strategy are also considered as part of the investment process. These ESG factors include GHG emissions trends, waste and waste-water impact, air quality impact, employee health and safety, community engagement and supply chain management. These factors are embedded within the overall assessment of the company and ultimately, will inform the decision about whether to engage with, add, hold or remove a company from the portfolio.

In the instance the Investment Manager has concerns about the results of its analysis, whether ESG risk or more broadly a sustainability risk, it will engage with the company to highlight the issue, address the concern and attempt to influence change within the organization. Where the engagement is less successful than hoped, or where the management response is unsatisfactory, the Investment Manager may follow proxy voting procedures to express its' view more publicly.

Fixed income assets

For fixed income assets, Investment Managers incorporate the review of multiple ESG- and sustainability-related factors and risks into the credit analysis process for potential and current portfolio investments on an ongoing basis. As well as examining issues related to governance, such as business ethics and the overall quality of corporate governance of the company, other environmental and social factors are also considered as part of the investment process. These include an issuer's impact on the environment and their level of investment to improve that impact, the issuer's treatment of human capital and the social decency of their suppliers, products or services.

The teams produce ESG scoring for each issuer covered by the research teams. Internal scoring ensures we have a view on the ESG risks of all issuers owned whether or not data exists from a 3rd part vendor such as MSCI. The scoring incorporates firm level priorities, such as GHG emissions and human rights, as well as industry level key risk indicators for environmental, social, and governance parameters. E, S, & G risks are each numerically scored on a scale of 1-5 and used further to create an average score for the issuer. The analyst also provides narrative on the rationale for the scoring, highlighting risks & mitigants. Scoring may be utilized in a variety of ways including choosing engagement targets and being incorporated into client specific investment restrictions & reporting. All scoring is recorded on our Credit Analysts Platform (CAP) and utilized in a variety of portfolio and risk management processes.

Where these issues are deemed material, they are actively evaluated, discussed and challenged through both research and through discussions with management. While a fixed income investor's ability to directly influence a company's behaviour is more limited than that of equity investors, the Investment Manager believes that active engagement around these issues may have a positive influence on companies seeking capital in fixed income markets.

Multi-asset investments

For multi-asset investments, the Investment Managers follow an investment process that integrates ESG into both the asset allocation and implementation of decisions.

In making asset allocation decisions, the Investment Managers ascribe an ESG Outlook to each asset class, with a focus on those expected to improve in the medium term. This Outlook is reviewed regularly and updated as necessary.

In ascribing the ESG Outlook, as well as examining issues related to governance, such as fraud, business ethics, board independence, and diversity in board-level positions, the Investment Manager also considers environmental issues such as emissions intensity.

The Investment Managers also identify the level of engagement expected to be required in each asset class and typically will invest passively where the expectation is that most companies or securities will have relatively low Sustainability Risk, and typically will invest with active managers where the Sustainability Risk is expected to be higher, and more active engagement is expected to be warranted.

The Investment Managers may seek to engage with portfolio companies directly to attempt to influence change within the organization in order to address any ESG- or sustainability-related issues. Where the engagement is less successful than hoped, where the management response is unsatisfactory, or where there is no demonstrable improvement, the Investment Manager may follow proxy voting procedures to express its' view more publicly. Only as a last resort, will the Investment Manager divest. The Investment Manager also may change its asset allocation if expected improvement does not occur over the medium term.

Alternatives

In Alternatives, we also integrate stewardship and ESG into our investment process. For instance, in Private Credit, the review of ESG considerations is formally integrated into our investment underwriting and monitoring processes, primarily through the incorporation of questions around company and sponsor approaches to ESG and their policies during our due diligence of the companies we consider for investment. We consult SASB's Engagement Guide for Asset Owners & Asset Managers during this pre-investment diligence process for relevant industry-specific topics. We also utilize the Loan Syndication and Trading Association's (LSTA) Questionnaire, when possible, to collect additional data on the companies in which we invest. We assign an internal ESG Score for each company and closely examine those with adverse scores or with meaningful exposures to sectors that may be perceived to have unfavorable E, S, or G characteristics. We periodically re-evaluate the ESG scoring via passive and active monitoring, including direct lines of communication with the borrower and/or management team, as necessary.

Real Estate

In Real Estate, identified ESG considerations cover topics including the below. These considerations are embedded into our decision and monitoring process with the objective of mitigating sustainability risk in and driving investment value.

Environmental

- Energy & Climate Change (e.g., energy consumption assessment and reduction)
- Waste Management (e.g., feasible waste management monitoring)
- Water Efficiency (e.g., long-term water reduction plans)
- Biodiversity & Habitat (e.g., seeking opportunities to enhance biodiversity)

Social

- Stakeholder Engagement (e.g., meaningful engagement with our tenants on key sustainability issues)
- Health & Wellbeing (e.g., regular tenant surveys)
- Culture & Community (e.g., considering opportunities to use vacant space for community benefit)

Ethics & Governance

- Management Systems (e.g., processes, procedures, and training)
- Reporting (e.g., participation in GRESB)

As a PineBridge Investments entity, internal procedures are aligned with PineBridge Investments' Code of Ethics, enabling the proper application of the corporate strategy, within the risk tolerance framework defined by the firm. A strong governance culture encourages exemplary day-to-day behavior and enables innovation.

Process & Procedure

Comprehensive processes and procedures to identify and manage environmental, social, and governance risks during the acquisition, development and operation of real estate assets are maintained. This includes integration of the above ESG considerations.

Assessments of the likely impacts of sustainability risks on the returns of financial products

Environmental, social or governance events or conditions could have a material adverse effect on the value of an investment and on the value of any Sub-Fund containing that investment. The impact may vary and may depend on several factors including, but not limited to, the type, extent, complexity and duration of the event or condition, prevailing market conditions and the existence (or not) of any mitigating factors.

Governance and leadership

Consistent with the belief that issues associated with ESG factors can materially impact the performance of companies in which it invests, PineBridge's investment teams seek to engage with investee companies on governance issues where relevant. The mechanisms and leverage points for such engagement vary across asset classes given where they reside in the capital stack. However, as part of our research processes within each asset class, our investment teams frequently spend time with senior-level management of the companies we are analyzing, and this frequently includes discussions of how ESG issues could affect their businesses and potential investment performance. We believe that such discussions can help draw management attention to these issues and their importance to the investment community.

PineBridge utilizes Institutional Shareholder Services (ISS) to consult on and administer our proxy voting process. ISS scores are a by-product of their proxy services and address the social and governance components of ESG. ISS analysis is based on four pillars: 1) Board Independence, 2) Shareholder Rights, 3) Executive Pay, and 4) Audit Score. ISS covers 7,000 issuers and assigns Quality Scores from 1 to 10, with 10 the highest risk. ISS information is available to all Bloomberg subscribers. Our investment teams utilize this information in their analysis of companies and to facilitate meaningful engagement.

Stewardship in Action

Within our investment processes, information gathered through stewardship frequently has an impact on buying, monitoring, and selling decisions. We have selected the following case studies as representative samples of how we integrate stewardship and ESG across our asset classes. Detailed metrics of our engagement on E, S and G characteristics can be found under *Principle 9*, and show visually the kinds of E, S and G issues that we prioritize as part of our integration process.

Stewardship Examples

Japanese Machinery company offering an SLB and robust reporting w/room for growth in strategy

Asset Class: IG Fixed Income

Country/Region: Asia

Company Description: Japan Diversified Manufacturing

Engagement Method: Group Meeting

Engagement Topic: Carbon Reduction

Engagement Objective: Assess validity of targets in SLB

Engagement Overview:

We participated in a conversation with a large Japanese machinery company ahead of issuance for a Sustainability Linked Bond (SLB). We noted that the SPT's on this sustainability linked bond focused on an indexed baseline (vs 2010), rather than working off the recently approved SBTi targets that we viewed as more challenging. We noted to management that we did appreciate the fact that the issuer targets Scope 3 (from an SLB perspective) which we view as a robust approach given that Scope 3 accounts for 90%+ of emissions. We view the issuer as relatively well positioned within the machinery sector where emissions intensity is lower than peers. From an SLB perspective, we note 2 SPTs, including targeting lower Scope 1 & 2 emissions intensity (45% CO_2 reduction vs 2010 by FY'2024), where missing the target would result in a +10bps step up in coupon. We note that the step is triggered if <2/3 of the SBTi approved target (for 2030) is achieved. The 2nd SPT targets lower CO_2 emissions intensity from product use (24% reduction by FY'2024 from 2010 baseline), which missing this target would result in a +15bps step, consistent w/achieving ~3/4 of the SBTI approved target for 2030. The issuer maintains, but doesn't include SPT's in SLB's for, SBTi's for Scope 1 & 2 and Scope 3 (vs 2019) of -30% and -15% respectively by 2030. As a Net Zero asset manager signatory, we encouraged the issuer to target Net Zero emissions, which it does not look prepared to do. The company responded that it aspires to achieve carbon neutrality by 2050, but that is an aspiration and not a target, nor is it likely that Net Zero will be a target in the near future. Given attractive valuation and still strong targets and approach in addition to strong fundamentals, we participated in issuance of the bond.

Outcome and Next Steps: Future engagement and monitoring on carbon reduction & NZAM path

How "green" is a rail transportation company?

Asset Class: IG Fixed Income

Country/Region: North America

Company Description: US Rail Transportation

Engagement Method: Group Meeting

Engagement Topic: Carbon Reduction

Engagement Objective: Assess Carbon Reduction plans

We participated in a Green Financing investor call with a rail transportation company with the company's Executive VP for Sustainability & Strategy and VP/Treasurer. The two discussed the company's ESG strategy and targets, summarized its green financing aspirations, and elaborated on key green projects underway where proceeds from an inaugural green bond could be used. They target reducing absolute Scope 1 & 2 emissions – specifically 26% by 2030 from a 2018 base year and Net Zero by 2050. Locomotive modernization programs were a key point of discussion. They entail reducing GHG emissions and increasing fuel efficiency and are a good example of what would fit within the framework of a potential green bond. In addition to spending on locomotives and rolling stock, there will also be capital allocated toward intermodal terminal expansions and network capacity expansions; to a lesser extent on wastewater management and building lighting, etc. They noted locomotives are long-lived assets with 50-year useful lives; as such many older locomotives do not have fuel injection or modern wiring so they can be modernized and brought up to current fuel standards. Upgrading the technology on locomotives would result in lower carbon emissions and greater fuel efficiency. We asked about executive compensation, and they noted that executive compensation metrics are already tied to ESG, including percent of renewable fuel that can be blended into a locomotive, as well as social metrics tied to employee safety, employee engagement and community safety. Overall, we see potential issuance of a green bond being met with strong interest from investors, not only driven by the company's aggressive emission targets but the fact that Rails are 3-4x more efficient than trucks and generate a comparatively small portion of GHG emissions within the broader Transportation sector.

Outcome and Next Steps: Monitor issuer for compliance with stated goals

Seeking better disclosure of ESG metrics with a focus on carbon emissions and plans for improvement

Asset Class: Equity

Country/Region: Switzerland/Europe

Company Description: Swiss-based global eye care company

Engagement Method: Video conference call

Engagement Topic: Better environmental disclosures and plans for improvement

Engagement Objective: Establish a baseline for monitoring and potential escalation

Engagement Overview:

The company was identified as a Climate Laggard in 2020 and 2021 due to insufficient green-house gas emissions disclosures and lack of improvement targets and related initiatives. We engaged successfully with the company in early 2022, outlining our concerns about the company's laggard status. PineBridge was very effective in advocating the importance of ESG to our firm, as well as the broader investment community. In fact, we had to explain a few times how we were not an ESG fund, but an investment company that values and advocates for ESG principles. We were very encouraged by management's commitment to improvement and the early 2022 hiring of their Head of ESG, a new position at the company. We requested a meeting, and we were able to speak directly to the ESG head, where we reiterated our concerns, and pressed the company for its improvement plan. We were very pleased with the early corrective actions taking place. The company has committed to better disclosure and an action plan, noting that this initiative has the backing of the CEO with reporting lines to the C-suite.

Outcome and Next Steps: The 2022 Social Impact and Sustainability Report demonstrates a commitment to ESG principles with clear Environmental and Social Impact Goals. In mid-2023, the company was upgraded to AAA from A by MSCI ESG, noting improvement across all ESG key issues. The company's Carbon Emissions Key Issue Score improved to 8.5 from 6.8 from the prior year. We continue to monitor the company's progress. We view this as a successful engagement, where PineBridge advocated for positive change with the proper approach for this situation.

Actively seeking ESG disclosures on lines of SFDR and requesting management to disclose data with reference to their efforts on sustainability.

Asset Class: Equity

Country/Region: India/Asia

Company Description: India's largest bank by market capitalization

Engagement Method: One on one call with Head of ESG team and IR

Engagement Topic: How to set organize data as required by EU Taxonomy?

Engagement Objective: Alignment of our portfolio for showcasing our investee companies have cut down CO2 emissions in line with EU taxonomy

Engagement Overview:

This bank has been amongst the forefront of ESG disclosures especially on the social and governance side. Our engagement with the bank was to convince management to provide more comprehensive reporting of the way the bank does business to cut down emissions or promote sustainability.

The bank officials were unaware that the EU Parliament had passed a comprehensive act requiring investee companies of our portfolio to report data as required under SFDR. We gave examples of Indian companies, such as Infosys, which has already aligned with SFDR reporting.

In addition, we suggested to the bank ways they can use their sustainability report to highlight the way the bank has funded renewable and sustainability projects as a percentage of total lending, which would help investors understand the extent of sustainability financing driven by India's largest bank by market capitalization.

The management stated that they would study EU taxonomy norms and see what they can report which would help investors understand the extent of loans given by the company to drive sustainability.

Outcome and Next Steps: We feel encouraged by the efforts and eagerness of the bank to understand that reporting work done on sustainability as very important and in the manner required by legislation. We view this as a successful engagement, where PineBridge advocated for positive change with the proper approach for this situation.

Seeking better disclosure and improvement in ESG metrics, including board diversity, and change of executive pay practices to align with minority shareholder interests

Asset Class: Equity

Country/Region: Greece/Emerging Europe

Company Description: Greece-based regional retailer of toys and childcare products

Engagement Method: In-person meetings and conference calls

Engagement Topic: Better access to ESG metrics and change of executive pay practices to align with minority shareholder interests (variable compensation as greater % of total)

Engagement Objective: (i) Make it easier to obtain detailed ESG information and (ii) Change executive pay structure to align with best international practices.

Engagement Overview:

This company was identified as lacking in disclosure of ESG data. As a retailer with sourcing from jurisdictions with a previous history of deficient labor and environmental protection, it was important to obtain maximum disclosure on the matter. Upon reaching out to management, we were sent links to the data on the company website that offered additional disclosures. However, the data were in various places and presented in general form. We requested a more uniform and user-friendly format. Investor Relations advised us that it was undertaking a sizeable ESG publication project and in H2'22 the report was complete, which became accessible to all investors. It was pleasing to see that the company's labor policies, both own and supplier-mandated, are in line with EU practices, and so are its environmental policies.

Our team noticed that the senior management team is renumerated mostly by base salaries with bonuses or stock-linked compensation playing a very limited role in total incentive package. We engaged with management on the matter, asking that pay practices be adjusted to include more variable pay. The reply was that (i) pay factored local expectations and demand and as such was fully reflective of what is required to attract the best talent, and (ii) a number of senior managers were members of the founding family with a large portion of their net worth tied to company stock. As a result, the company does not intend to change its pay practices.

Outcome and Next Steps: The 2022 ESG Report demonstrates a commitment to ESG principles with clear Environmental and Social Impact Goals. Board diversity (% female) has increased. The company is controlled by a founding family which will continue to impact its pay practices and its MSCI ESG score is currently BBB. However, over the last three years, the company has progressed from a B to a BBB, which shows that its commitment to ESG is starting to bear fruit. While there is more to be done, we are optimistic about the improvement the company has made in its ESG attributes.

We continue to monitor the company's progress. We consider this engagement as moderately successful, where PineBridge engaged with management to achieve positive change and our approach was well suited to the circumstances at hand.

Create best in class affordable housing

Asset Class: Real Estate

Country/Region: United Kingdom

Portfolio Description: Affordable Single Family Rental in the UK

Objective: Environmental sustainability, affordable housing, community engagement

Overview:

The portfolio was not only designed to assist meeting the structural market demand for more affordable single family rental homes in the UK, but to create a best in class product and facilities. The homes are designed and built with sustainability at the forefront. Many developments are part of larger regeneration programmes built on brownfield sites, repurposing former industrial buildings and disused land. Development for such programmes is the responsibility of our housebuilding partners, therefore PBBE conducts an extensive due diligence process with potential house building partners focused on their policies regarding environmental practices. Both key delivery partners, Countryside Properties and Vistry are classified as 'low risk' by Sustainalytics.

Homes are constructed to relevant building regulations and have a minimum energy performance rating of 'B' and feature energy efficient LED lighting or low energy bulbs, whole house ventilation systems and efficient gas central heating systems. PBBE works with housebuilding partners to improve the performance and future proofing of the homes through regular specification reviews.

Additional environmental initiatives include:

- A commitment to planting 1,000 trees across all developments;
- The use of White Rose clothes banks across all apartment schemes;
- The provision of reusable gifts within customer welcome boxes;
- Accommodating existing wildlife by implementation of wooden swift boxes in the eaves of houses;
- The use of solar panels in house / apartment schemes; and
- The installation of car charging points for residents.

The other part of our sustainability measures include the wellness of our occupiers and collaboration with other stakeholders in the local vicinity. PBBE recognizes the importance of residents, communities and employees and its Social Responsibility initiatives and therefore focuses on creating and supporting communities and investing in its own people. Development sites are selected close to amenities, schools, transport links and employment hubs to maximize opportunity for building a close-knit community. For existing communities, family-oriented annual events are held on-site for residents such as: wood-fired pizza pop-ups, branded ice cream vans, Easter egg hunts, and Santa / elves visits. PBBE invests directly into the community by supporting and partnering with local schools, sports clubs and charities.

The strategy is underpinned by the 5 Ps.

- People – residents, colleagues and communities;
- Planet – commitment to biodiversity and planting;
- Partnerships – charities, education and supply chain;
- Prosperity – value, financial and human; and
- Peace – charities and wellbeing.

Seek to produce a new workplace focused on the occupants' experience and the environment with excellent energy efficiency credentials whilst designing out future obsolescence

Asset Class: Real Estate

Country/Region: United Kingdom

Portfolio Description: Class A ESG office property developed from obsolete building

Objective: Environmental sustainability, affordable housing, community engagement

Overview:

The property was originally developed in two phases in the 1960's, and then added to in the 1990s when the existing building was entirely refurbished. The existing building has since become chronically obsolete and falls deeply into the Category B class of City of London office stock. Class A being new build, or newly refurbished ESG positive offices, whilst Category B is secondary existing stock reaching, or already at, obsoletion.

We committed to deliver five key principles for the new development:

- A building that respects the planet and the smallest possible carbon footprint;
- A building that leads the way in circularity of design;
- A place that gives a positive social impact;
- A place where people want to be and can be well;
- A building with longevity and adaptability.

To achieve these principles, we worked with the team to first establish whether the best way forward was to refurbish and extend the existing building or demolish and build new. Detailed analysis and assessment of the existing building highlighted the bad bones of the existing structure and the amount of intervention required to bring this to a modern standard was calculated to be more carbon expensive than a new build with a compromised result in terms of finished product.

The demolition did, however, present opportunities to reuse the existing basement and we have identified that 98% of materials will be salvaged or reused. Reuse includes concrete, steel, upcycled some stone facade to new feature flooring, reuse of existing raised access floors and ceiling tiles, etc. The cumulative effect is a new building with a projected embodied carbon of less than 500kg C02/m2, which is currently London's best embodied carbon performing concrete building prior to any green offsetting.

As an all electric building, in use, the building will become Net Zero in operation through the use of energy efficient design and procurement of green energy. Water is recycled from the roof to flush toilets and used water passes through heat exchangers to recover energy. Environmental and well-being credentials will include BREEAM Outstanding, Nabers 5*, Well Platinum and an option to achieve total Net Zero Carbon status with some careful offsetting.

Well being for the occupiers was at the forefront of design of the building and all office floors have access to high quality terraces with a green planting coverage of 30% of the buildings footprint. The terraces provide outdoor meeting space and overlook some of London's most iconic places, including Tower Bridge, The Tower of London and the Shard.

The building was designed to be respectful and enhance its heritage surrounding which includes a new high quality public realm and activates a previously un-attractive stretch of London's street scape.

From the public realm you can access a new Heritage and Cultural Learning Centre that incorporates a touchdown space for community and tourists and incorporates a new digital immersive exhibition/lecture hall that is available for heritage-based learning, where schools can bring pupils to learn in an immersive environment and later enjoy views from the building's public terrace on the roof. The hall is also available for use by local community groups and organizations and businesses.

We believe that the property will deliver and exceed all the environmental and social targets and set out a new benchmark for London.

Principle 8: Monitoring service providers

Outsourcing Risk Categorisation

The Risk Management Framework sets out the Risk Category Taxonomy which establishes a set of risk categories that reflect the activities of the Company. The categories are designed to aggregate risks from various parts of the Company. These are classified as Level 1 risks. Sub-categories of risks, which map into the Level 1 risks, have also been established and these are classified as Level 2 risks.

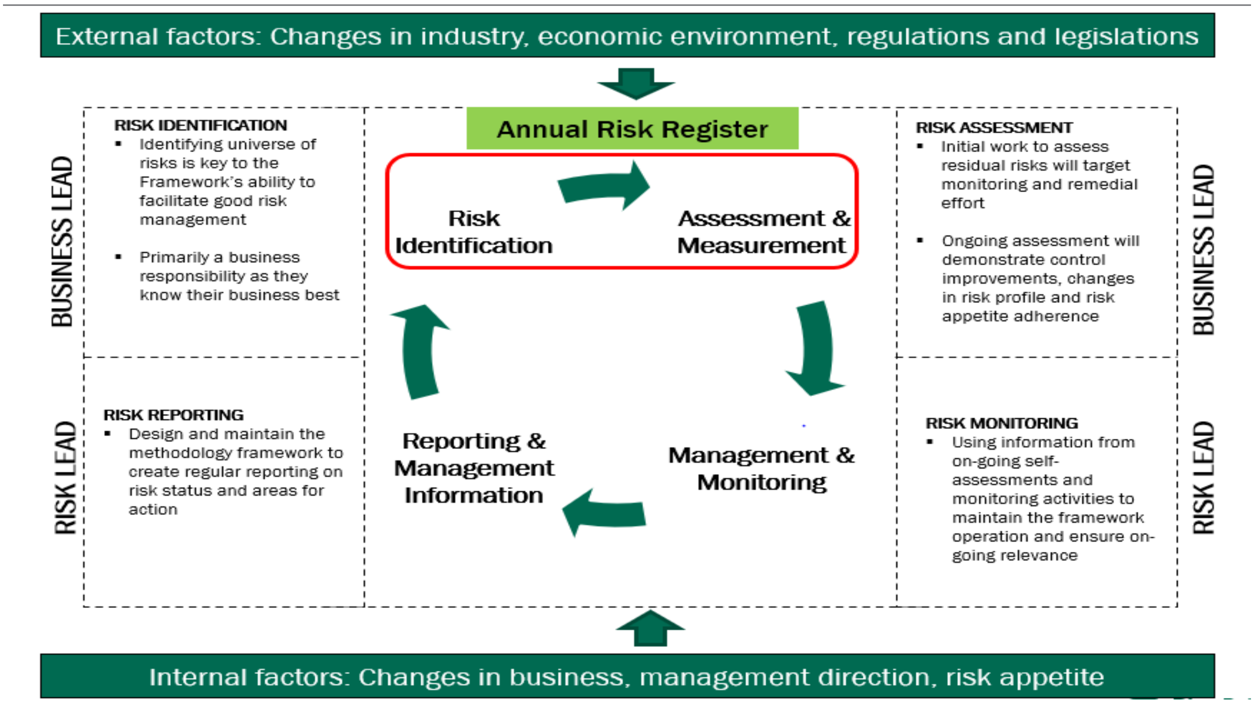
Outsourcing Risk has been classified as follows:

Level 1 Risk Category	Level 2 Risk Category	Level 2 Risk Description
Operational Risk	Delegation and Outsourcing Risk	The risk of inappropriate oversight (including investment risk) and due diligence of delegates and critical outsourced service providers
		The risk that delegates or outsourcing arrangements could cause the firm significant risks if the provider fails to meet expectations, if the firm has to find an alternate third party or if an outsourced activity has to be brought in-house.

The Company further assesses and identifies risks which are associated with outsourcing activities. Appendix I provides a list of the risks associated with outsourcing as identified by the Company.

Outsourcing and the Risk Management Process

The overarching risk management process entails four key areas: the identification of risk, the assessment / measurement of risk, the treatment / management of risk, the monitoring and reporting of risk, as shown in the schematic below.



The Company established a risk register that relates to the Company's activities. The risk register tracks the delegation and outsourcing risks that relate to the Company including a consideration of the likelihood of those risks occurring and the resultant impact.

The inherent delegation and outsourcing risks contain the probability or likelihood of the risk and the impact of the particular risk to generate the Gross/Inherent risk. Existing controls and mitigants are identified and assessed for effectiveness and overlaid to determine a residual risk level or net risk for each risk.

The Company reviews the risk register on at least an annual basis or in the event of changes to the operating environment and strategy of the Company or changes to regulations including new regulatory guidance. Risks taken into consideration as part of this process are outlined at the end of this section.

The Company's review of the risk register serves as a tool to highlight and monitor the key risks of the Company and its continued evolution will reflect changes in the business profile of the Company and its delegates and outsourced service providers and the corresponding impact to internal controls and related processes.

Measuring and Reporting Adherence to Outsourcing Risk Appetite– Key Risk Indicators (KRIs)

KRIs are quantifiable measures that are used to monitor adherence to PineBridge's risk appetite. KRIs are designed to be:

1. Measurable – the level of risk and control (for example number, count, percentage, etc);
2. Forward-looking – to provide early warning signals and indicate emerging trends;
3. Comparable – to track over a period of time (trends); and
4. Informational – facilitate risk reporting and escalation process.

PineBridge uses red-amber-green (RAG) status to set thresholds / tolerance levels and provide a visual indication of the status of KRIs for reporting purposes. Please refer to the UK Modern Slavery Act 2015 (the "Act") Review Process section below for an example of applying the RAG status.

The monitoring and due diligence of outsourced service providers forms part of the KRIs and are reported to the GRCC. The KRI also provides a visual comparison against the KRIs of the previous reporting period.

Outsourcing Risks

Risk Type	Description
Investor Risk	This refers to the most important risk of a fund provider, namely the risk that investors suffer losses apart of the inherent risk arising from investment in financial markets.
Access Risk	This refers to the risk that the Company, or another party (e.g., a regulator) will not have access to relevant data relating to the outsourced activity or to the service provider's business premise in order for it to be able to monitor the activity effectively.
Business Continuity Risk	This refers to the risk of the service provider, or the Company, not having appropriate contingency arrangements for the provision of the outsourced activity. Alternative, where the arrangements are part of an established business continuity plan, then this refers to the risk of these plans not being tested on a periodic basis.
Compliance Risk	This refers to the risk of the Company being unable to meet its regulatory obligations as a result of an outsourcing arrangement, e.g., where the service provider fails to provide the outsourced activity in a compliant manner or fails to make an appropriate notification of a regulatory breach to the Company.
Concentration Risk	This refers to the risk of the Company having a significant exposure to the service provider, e.g., instances where a number of outsourcing arrangements have been entered into with the same service provider.
Conflicts of Interest Risk	This refers to the risk of a conflict of interest arising which has a material impact on the interests of the Company, e.g., the service provider may use information it has to access to in relation to the Company to asset another client which is in a similar industry.
Contractual Risk	This refers to the risk of a contractual agreement between the Company and the service provider not being sufficient to allow the Company to enforce a desired outcome, e.g., where the Company is unable to manage or monitor the outsourcing or terminate arrangements where appropriate.
Currency Risk	This refers to the risk that the service provider transacts in a different currency to the Company (e.g., in instances where the service provider is based in a foreign country),

Risk Type	Description
	which could leave the Company exposed to fluctuations in currency, which could make the financial terms of the agreement less favourable for the Company.
Legal Risk	This refers to the risk of the Company breaching a legal requirement of being exposed to litigation as a result of the outsourcing arrangement.
Operational Risk	This refers to the risk of the Company experiencing damage to its reputation as a result of an outsourcing arrangement, e.g., instances where the service provider is unable to deliver the outsourced activity effectively or to the expected standard.
Reputational Risk	This refers to the risk of the Company experiencing damage to its reputation as a result of an outsourcing arrangement, e.g., instances where the service provider is unable to deliver the outsourced activity effectively or to the expected standard.
Regulatory Risk	This refers to the risk of the Company or service provider not complying with or being unable to meet its regulatory requirements.

PineBridge performs research and due diligence before entering into relationships with any service provider. Various key factors, including governance, are evaluated to assess compatibility with PineBridge operations prior to entering into a contract. The relationships with service providers are monitored closely and reassessed periodically.

Before choosing contracted critical service providers, PineBridge undertakes a thorough process of due diligence. Typically, this is driven by a request for proposal (RFP) sent to multiple vendors to ensure the capabilities of each potential provider are robust and that all internal control environments would meet our expectations. These controls would need to pass our audit standards to be considered for our business. The vendor selection process is driven by competitive bidding among candidates deemed best of breed with respect to capabilities, which allows for vetting of costs and service levels. Before making a final decision, we conduct an on-site visit if possible, or, at a minimum, hold a meeting with the relevant parties at the service provider using the most appropriate technology to gain a further understanding of their capabilities. This meeting looks closely at the control environments built into the provider's business processes.

How stewardship is applied to service provider management

Stewardship is a vital aspect of managing assets on behalf of our clients, and it is an important component of ESG incorporation that benefits both PineBridge and the service providers we select.

The increased outsourcing to third party service providers has created a need for monitoring such entities for baseline compliance with PineBridge's standards, including but not limited to service level commitments, best practices in privacy and cybersecurity protections, and treatment of human capital and the social decency of their suppliers, products or services. We have adopted a set of guidelines to manage our external service providers throughout the life of the contracted service.

All outsourced processes, procedures, and practices relevant to PineBridge's business are monitored before engaging a service provider and on a regular basis under the Vendor Management and Outsourcing Policies. The policies and procedures relating to vendor and outsourced service provider (OSP) management for PineBridge strive to ensure the overall integrity, availability and confidentiality of the firm's network. When identifying the appropriate third parties to pursue for new or continuing contracted service, PineBridge considers existing in-house and current provider solutions, and how the engagement with the new or continuing service provider will impact compliance requirements, overall costs, operational efficiencies, and security enhancements. To further the firm's ideals and principles, we also incorporate social issues, such as the treatment of human capital and modern slavery, into the identification and selection process. In selecting potential engagements, we include consideration of small, woman-owned, minority-owned businesses and companies that value, develop, and advance the most talented individuals within their organization regardless of race, gender, culture, nationality, geographic origin, age, disability, sexual orientation, religion, or any other dimension of diversity.

PineBridge evaluates risks associated with new engagements through a pre-engagement due diligence review which includes an onsite visit, where possible, for critical OSPs and a comprehensive due diligence questionnaire or RFP consisting of a series of questions in the governance, risk, compliance, security, client information operational practices, and treatment of human capital, among others. The review is conducted by the firm's Legal, Finance, Human Resources, Compliance, Risk and Technology teams with a particular focus on the vendor's capabilities, practices, and systems from an operational, data security, and reputational standpoint. When potential risks are identified, we probe into the mitigation strategies, including disaster recovery procedures, crisis communication procedures, and backup processes. This ensures that the vendor can provide services that are in line with PineBridge and clients' interests.

PineBridge conducts ongoing due diligence throughout the life of the contract. The aforementioned teams review existing service level agreements ("SLAs") or performance requirements against products or services provided. This includes assessing complaints or discussions with employees or clients who utilize the service. For critical services, we assess publicly available information to identify legal, economic, and operational issues that may impact the service provider's ability to perform. We also require vendors to complete a due diligence questionnaire every year to confirm if there are any material changes to their processes and operational systems and the details of changes. When potential risks or conflicts of interest may require additional assessment, our in-house lawyers would seek further independent legal advice from a network of industry leading law firms.

Significant events that may impact a vendor's ability to provide the services that are in line with PineBridge and clients' interests would trigger out of cycle reviews/discussions. Significant events can include, but are not limited to:

- Changes in ownership, senior management or key staff;
- New litigation involving the vendor;
- Unfavourable news or media coverage;
- Sudden change in method or tone of communication;
- A qualified public audit opinion;
- Notification of security breaches, fraud, or theft;
- A significant decline in service provider performance;
- Regulatory changes;
- Significant technology changes such as platform conversions; and
- Change in strategic direction.

When negotiating the SLA, the following points are considered and included where appropriate in the contract document.

- Clarification of responsibilities between the firm and the service provider.
- Provision of access by the service provider to the firm, or an external party, such as the firm's auditors or the FCA, to data relating to the outsourced activity, as well as the service provider's business premises.
- Co-operation by the service provider with the FCA in relation to the outsourced activity.
- Maintenance by the service provider of the ability, capacity and appropriate authorization required to perform the outsourced activity.
- Disclosure by the service provider to the firm of any issues or developments which materially impact its ability to perform the outsourced activity effectively and/or in compliance with the applicable laws and regulatory requirements.
- Protection of any confidential or inside information relating to the firm and its clients.
- The extent to which the service provider must comply with the firm's policies and procedures, including personal account ("PA") dealing. The firm may provide the service provider a copy of this policy subject to prior approval by the Head of Compliance.
- Maintenance of a record of all PA dealing requests by the service provider, which is made available to the firm to inspect upon request.
- Provision of appropriate management information, as agreed in advance, on a regular basis to ensure the firm can monitor the outsourced activity.
- Other reporting and notification requirements which the service provider should adhere to.
- The requirement for the service provider to develop and regularly test a business continuity plan in respect of the outsourced activity. The plan and test results should be made available to the firm for monitoring purposes.

- The right by the firm to terminate the arrangement and the conditions under which either party can terminate the arrangement (e.g., in instances where the terms of the SLA or where other material provisions of the SLA are not adhered to).

PineBridge recognizes that additional complexities arise in the management of outsourcing risk from 'chain outsourcing' arrangements. Where chain outsourcing is identified from due diligence, the firm implements monitoring and oversight controls designed to ensure outsourced risks through the 'chain' are adequately captured by its process and controls.

The firm chain outsourcing controls include:

- Chain outsourcing notification requirements set out in the SLAs established with the service provider;
- The incorporation of chain outsourcing risks, controls, policies, procedures and governance considerations in the firm's Due Diligence Programme;
- Periodic calls and meetings held with the representative(s) responsible for outsourcing at the service provider.

Research provider oversight

While the firm's investment and research output are conducted primarily in-house, the PineBridge investment teams hold monthly Broker Data meetings to review all research providers for quality of service. Each research provider is assessed first internally, and subsequent feedback is discussed directly with the research providers.

Where the firm outsources functions related to the investment service of portfolio management provided to clients to a service provider located in a third country, the firm ensures that the following conditions are satisfied:

- the service provider is authorized or registered in its home country to provide that service and is effectively supervised by a competent authority in that third country;
- there is an appropriate cooperation agreement between the competent authority of the investment company and the supervisory authority of the service provider.

Proxy voting service provider oversight

In order to effectively discharge our fiduciary duty to exercise shareholder voting rights, PineBridge has developed proxy voting policies and procedures and custom guidelines to align with our assessment of Material ESG risks. The custom guidelines are reviewed and updated periodically to align with our ESG philosophy, including in key areas such as board membership/independence, executive remuneration, and climate change policy.

PineBridge has engaged a third-party vendor (ISS) to advise and assist us in developing our custom guidelines, enabling us to review peer information and leverage best practices, and then to administer proxy voting on our behalf, thereby leveraging operational efficiencies.

At the end of each proxy season, the firmwide Stewardship Committee and portfolio management teams review the voting record annually to ensure consistency with the stated guidelines, and completeness of votes cast. In certain instances, portfolio management may need to apply their specialized knowledge of the facts and circumstances and not just the prescribed voting guideline. These step-outs are reviewed by the Committee at least annually to ensure that portfolio managers in such events remain consistent with PineBridge's voting philosophy and are acting in the best interests of our clients.

As referenced in *Principle 2,* Governance, resources and incentives, the firmwide Stewardship Committee is responsible for defining and monitoring our proxy voting strategy and process. The Committee – which includes members of senior management, portfolio management, and our Product, Compliance, Legal, and Operations teams – meets with the service provider annually to conduct a review of its voting recommendations versus peers. These annual meetings cover a range of issues, including macro and regulatory trends, policy updates, and peer analysis, as well as corporate developments, followed by a detailed discussion of specific issues, which informs our review of the proxy voting guidelines for the upcoming season.

While the annual review assesses the proxy vendor's adherence to voting guidelines and thoroughness of implementation, it is often a time to get their advice on new topics which will emerge for the coming voting season and to discuss how the investment community's thinking on various issues is evolving. We evaluate their suggested voting guidelines and consider whether they are appropriate given our values as a firm and approach to Stewardship, and if not, we provide custom guideline(s) for PineBridge. The annual review provides a good opportunity to review the quality of their research staff. We evaluate other vendors periodically to ensure our current vendor choice remains best-in-class.

Additional Controls and Audit

PineBridge engages a service organization to perform a range of functions, including, but not limited to, pricing, custody, administration, collateral management, and sub-advisory services to support our investment management operations. We also use vendor services to provide IT solutions (application hosting, application maintenance, and change services, etc.). PineBridge performs research and due diligence before entering into relationships with any such service provider, including evaluating various key factors to assess their compatibility with PineBridge operations. For instance, before engaging with a third-party vendor for administration services, PineBridge performed detailed due diligence of available service providers to ensure they met our requirements, taking into consideration factors including the value, scope, and coverage of their services.

PineBridge closely monitors relationships with service organizations and vendors and reassesses them periodically. We review their SOC-1 reports annually to assess the design and operating effectiveness of the service organization or vendor's control environment. PineBridge also reviews the Vendor Assessment Questionnaire (VAQ) we require key vendors to complete annually. This questionnaire, issued by PineBridge, is a self-evaluation of the information technology and business risks associated with conducting business with a third party or vendor. PineBridge also receives and reviews the Key Performance Indicators (KPIs) of the controls performed by the critical vendors and conducts periodic service review meetings with key vendors to discuss outsourcing service activities and address any key questions or concerns.

When concerns arise about the level of service provided by a service organization or vendor function, based upon review of KPIs for expected service levels, information provided in the VAQ or SOC-1 reports, or by any other means, PineBridge will engage with the provider and may begin the process to evaluate other service providers. In one such example in 2022, PineBridge was unhappy with their production systems support service provider (i.e., for overnight batch processing) due to the quality of the service, increasing cost, and unfulfilled commitments to improve their services. PineBridge chose to conduct an RFP to identify and evaluate potential service providers. While the existing production service provider competed for the business, they did not win and PineBridge contracted a new provider that would be more compatible with our operations and better meet our expectations.

PineBridge has Standards for Attestation Engagements No. 18 (SSAE 18) SOC-1 reports issued by Ernst & Young. The reports cover the suitability of the design and operating effectiveness of controls in relation to the outsourced functions and vendors. We recently issued a clean SOC-1 report with no material findings for the period covering 1 October 2021 through 30 September 2022.

We maintain custom policies with our third-party providers. For more information, please refer to *Principle 12*, Exercising rights and responsibilities.

UK Modern Slavery Act 2015 (the "Act") Review Process

PineBridge Investments Europe Limited ("PBIEL") and PineBridge Benson Elliott ("PBBE") are dedicated to maintaining and improving our practices to support the protection and advancement of human rights and to combat slavery and human trafficking violations related to our own operations, supply chain and services. Any abuse of human rights, including slavery, human trafficking and child labor have no place in our organization or our supply chain.

Part of this pledge entails compliance with relevant regulation and policy. PBIEL and PBBE are committed to addressing the requirements of the UK Modern Slavery Act 2015 and ensuring that our supply chain is compliant with the regulations.

Objective

As part of this commitment, PBIEL and PBBE conducted due diligence on the supply chain in an effort to create a culture of transparency concerning the supply of goods and services to us. The objective of this was to assess the risk of slavery and human trafficking taking place within our supply chain and manage that risk.

Methodology

The due diligence review was structured into core elements as outlined below:

- Review of all invoices paid relating to PBIEL and PBBE for 2022 in order to determine a full list of entities supplying goods and services to the Companies;
- Risk Assessment of supply chain;
- Submission of questionnaires via email to selected high risk suppliers;
- Assessment of responses provided;
- Report to the Boards of PBIEL and PBBE.

Review of Invoices

The finance teams at PBIEL and PBBE were engaged to provide details of all invoices/entities paid relating to the Companies for the year ended 2022.

The details were initially filtered to include only UK entities and those whose payments over the course of the year amounted to > GBP 5,000.

115 entities were identified as in-scope. Duplications in identified suppliers were eliminated as part of the initial review process and these in-scope suppliers progressed to the risk assessment stage.

Risk Assessment

The risk assessment took place in stages as outline below:

- Website review for modern slavery policy / statement
- RAG rating for industry segments

Website review

All in-scope suppliers had websites reviewed for details relating to the UK Modern Slavery Act. Where a supplier provided confirmations regarding their adherence to the Act, these details were stored and the entity deemed compliant for the purposes of the Companies due diligence requirements. 65 suppliers were deemed out of scope for further follow up following this assessment.

RAG rating

A red/amber/green rating as outlined below was applied to all remaining suppliers in order to identify high risk categories. This categorization was on a best-efforts basis and agreed upon by the team engaged to perform due diligence.

Rag Rating	Industry Type
	Services
	Recruitment, Communications, Research, Publications, Professional Bodies, HR, Real Estate Professionals
	Financial, Government, Legal

Following the assessment, 20 of the 50 remaining suppliers were deemed high risk and required further follow-up. It was established as part of this follow-up that 2 suppliers were no longer in use and PineBridge was in the process of winding down their relationship with 1 supplier.

Submission of questionnaires

Email questionnaires were issued to each of the remaining in-scope suppliers. Suppliers were requested to provide confirmation that they agreed to the following statements as part of the oversight process:

- they are in compliance with (and shall ensure that their sub-contractors comply with) the Modern Slavery Act of 2015;
- they also undertake, warrant and represent that they shall implement appropriate due diligence procedures for their own suppliers, sub-contractors and other participants in their supply chains to ensure that there is no slavery or human trafficking in their supply chains; and
- they agree to notify PineBridge and confirm the same promptly in writing immediately upon discovering any breach or potential breach of the Modern Slavery Act or any actual or suspected slavery or human trafficking in their supply chains.

Emails were issued on 27 April 2023 and 4 May 2023 to request confirmations for calendar year 2022.

Assessment of Responses Provided

All suppliers contacted provided the confirmations as requested. No further actions were required in relation to the responses.

Principle 9: Engagement

At PineBridge, we believe change drives investment performance, and our role as active managers is to nurture change through corporate engagement to enhance investment results.

Stewardship is a vital aspect of managing assets on behalf of our clients' behalf, and it is an important component of ESG incorporation that benefits both PineBridge and the companies or entities in which we invest. We believe that an ongoing open dialogue with our investee companies is an effective way to drive positive change, encourage transparency, and ultimately promote and participate in sustainable long-term value creation. As high active share investors, we seek investment in companies that seek to improve various aspects of their performance, including ESG.

When we refer to engagement, we mean purposeful, targeted communication with an entity (e.g., a company, government, industry body, or regulator) on particular matters of concern, with the goal of encouraging change with an individual issuer or addressing a market-wide or systemic risk (such as climate change). Engagement is a two-way dialog with the management team where we give advice that requires management action to improve the company's sustainability. While we treat regular communications to gain information as part of our ongoing research or investment due diligence, and in turn as part of our ESG incorporation and stewardship activities, we do not categorize such communication as engagement, per se. Engagement is undertaken to improve ESG risk management or to develop more sustainable business practices.

Identifying Priorities

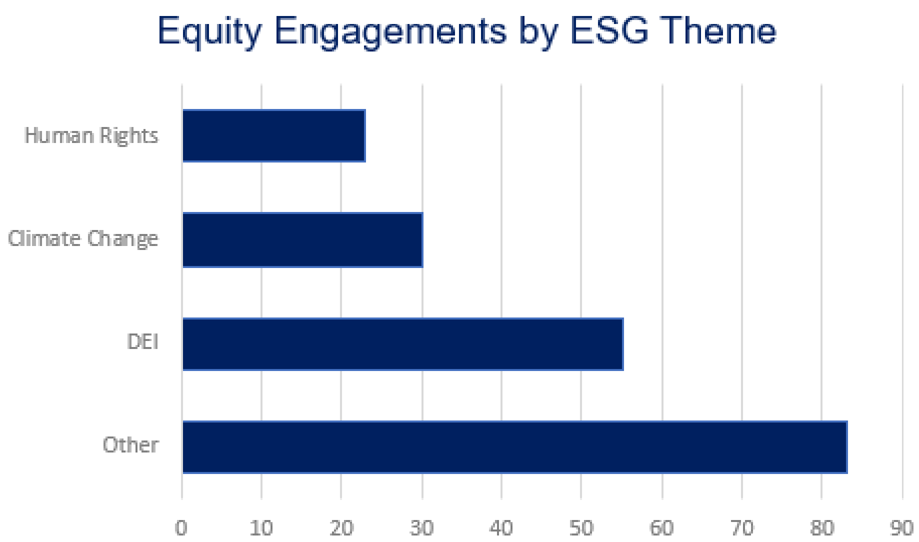
A company's board and management can influence nearly all aspects of the business and are key to our assessment of a company within our due diligence frameworks. Encouraging improvement in corporate governance through engagement is a key aspect of our investment philosophy and process, which looks for the sustainability of a business over the medium to long term to generate superior investment returns. While our investment teams' mechanisms for such engagement necessarily vary across asset classes, we believe these discussions can draw management attention to relevant issues that are important to the investment community. As a globally based and well-connected team of investment professionals, we harness information on best practices from around the world and around our firm to promote targeted improvements in corporate governance. We've found that many management teams (certainly those we seek to invest in) appreciate this form of feedback, which may encourage companies to continue with current practices or at times advocate for change. Our firm's breadth and global reach makes it possible to collaborate across our investment teams, sharing knowledge spanning the world and across industries.

Our investment due diligence frameworks fully integrate ESG analysis in an end-to-end process as described in *Principle 7*. Because no company is likely to get 'top marks' across all the various assessment criteria, a key aspect of our due diligence framework is to identify ESG items that need improvement or better disclosure. We do not assign a hierarchy of emphasis or prioritize certain items in our due diligence framework and generally disagree with the propensity to do so in much of the industry. Each situation is different, and our investment staff need to appreciate this to gain respect in our engagement. We do, however, take special note of the materiality of the various issues by reference to the SASB Materiality Map, a recognition that materiality varies greatly by industry.

As climate change is a firmwide priority, we have retained ISS's customized climate service. This service helps to identify portfolio holdings where the current state of being is not at an acceptable level, and where management does not appear committed to an improved path, along with material disclosures that can be tracked to help us evaluate these situations. This is one of the many ways we ensure that we are actively engaging with portfolio holdings that may not be measuring up to the original investment thesis.

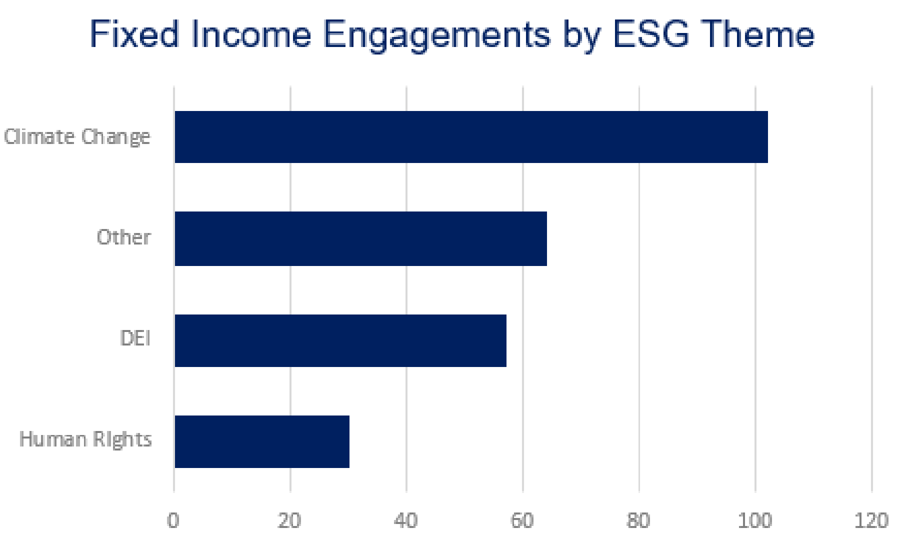
Our Approach

Engaging with companies in a dialogue with the objective of encouraging change can enhance our (and the capital markets') understanding of the business while helping management better understand evolving investor expectations. As stated in Principle 1, our approach focuses on how companies plan to address their own specific ESG factors. Our Equities Team believes that a dialogue with companies is essential to nurture long-term sustainable improvements rather than prescribing short-term remedies in pursuit of quick financial returns. Our investment professionals treat each meeting with top management as a valuable opportunity to provide feedback for improvement or to reinforce positive aspects of the company. This practice often enhances the company's longer-term sustainability, leading to a higher valuation of the security both for the management team and for our clients. While our focus is mitigating risk through ESG frameworks, there may be potential societal benefits when ESG factors, such as climate, diversity & inclusion, or human rights issues (as well as other ESG issues) are addressed at a company-wide level.



Please note that an engagement can be categorized under multiple engagement themes and therefore there will be double counting of engagements in the table.
Source: PineBridge's internal research platform. Equity Platform for Investment Communication.

In Fixed Income, we view the evaluation of Environmental, Social and Governance ("ESG") risk factors and issuer engagement on ESG as vital aspects of our commitment to responsible investing. Engagement helps us evaluate management's handling of ESG risk issues and how changes to address these risks affect an issuer's ESG risk profile. We seek dialogue with an issuer to gather data and other information about its ESG policies, management of ESG risks, and how those risks will be mitigated in the future. While we recognize the legal limitations of creditors to bring about change in an issuer's business practices, we believe we can make a difference via engagement. Our objective is to identify an issuer's material ESG risk issues, gather information, and evaluate how they are being managed towards a sustainable outcome.



Please note that an engagement can be categorized under multiple engagement themes and therefore there will be double counting of engagements in the table.
Source: PineBridge's internal research platform Fixed Income Credit Analysis Platform (CAP).

ESG is integral to our risk analysis and is embedded in our investment process. We believe that open dialogue on ESG with the management teams of our investment universe provides an effective way to improve ESG disclosure, encourage transparency, mitigate risks, and drive positive change. We identify known risk factors for an issuer, determine management's commitment to ameliorating those risks, and track actions and expenditures that have been committed to and over time. Strong governance also drives both financial and societal value. Effective management and board oversight, strong ethical standards, continuous business and strategy improvements, and the protection of investor rights accompany a culture that promotes accountability, favors prudent risk management, encourages employee engagement and the creation of organizational value.

Under the newly established Stewardship and Engagement Policy, we follow a four-step approach in our engagement process:

1. Identify opportunities. We identify engagement opportunities based on the most material and salient ESG issues flagged as part of our continual bottom-up ESG analysis and our top-down focus themes. We prioritize engagement based on the scale of our holdings of the underlying securities, the materiality or salience of the ESG concerns, our exposure to those concerns, and client interests.

2. Set objectives. We formulate clear, distinct, time-bound, and measurable engagement objectives in line with our engagement themes. These themes are described more fully in the Stewardship and Engagement Policy. The engagement themes are viewed through the lens of the commitments the firm has made, for example as a signatory to the Net Zero Asset Managers initiative and UN Global Compact. In some instances, the objectives of the specific engagement will mirror a portfolio's strategy and objectives. For instance, in 2022 some of our funds promoted environmental and/or social characteristics that were described in their offering documents, and those same environmental and/or social characteristics guide engagement in relation to those funds' investments.

3. Select method. We define the most suitable engagement method and engagement plan depending on the engagement objective(s). These methods are more fully described in our Stewardship and Engagement Policy, but in essence they comprise: verbal or written communications; in-person meetings; proxy voting; and collaborative engagement.

4. Record progress. We document our engagement activities and progress made and any follow-up actions needed. Timeline of engagement will vary case-by-case basis.

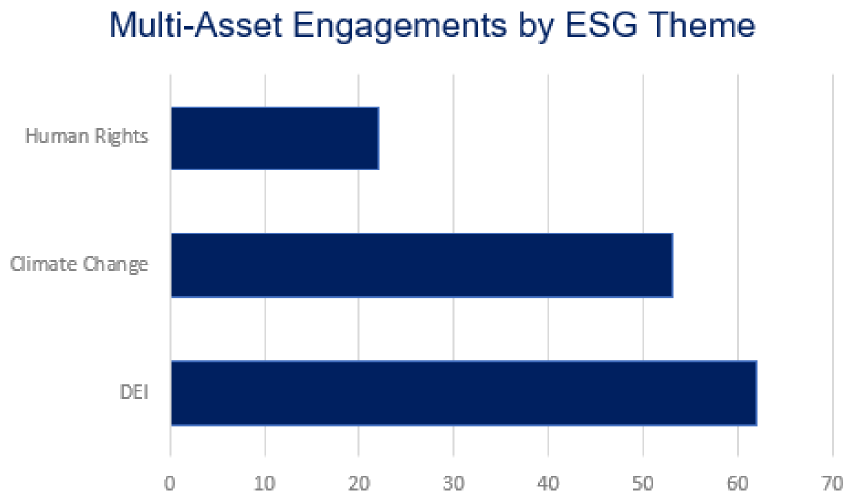
Multi-Asset

PineBridge's Global Multi-Asset Team ("GMAT") actively engages with managers (who themselves engage with their company holdings) when we implement with active management, and with investee companies when we implement passively. The GMAT understands that the more passive the selection of securities, the more active their engagement must be.

When we implement with active management, GMAT's Manager Selection team engages with the manager at least quarterly to review the integration of ESG into security selection, as well as engagement activities. In addition, the Manager Selection team identifies underlying holdings that are not improving regarding carbon intensity or Board gender diversity, if any, and discusses these companies with the manager, as well.

For passive implementation, we identify companies that are not improving with regard to our ESG themes. We do this in two ways: (1) we engage the ISS Climate Research Team to identify climate laggards and refer climate-related votes, triggering engagement, and (2) we use MSCI data to identify companies that are not improving with regard to carbon intensity or Board gender diversity, as well as any companies in violation of social norms as defined by the UN Global Compact. We engage first, vote our proxies to drive ESG improvement, escalate when sustained engagement is not effective, and will divest from a security when we determine that the company is not committed to improve on the ESG characteristics. The engagement process overall unfolds over a multi-year period, driven by demonstrated improvement and our forward-looking assessment of management commitment and improvement.

Please see below for the GMAT's 2022 engagement activity.



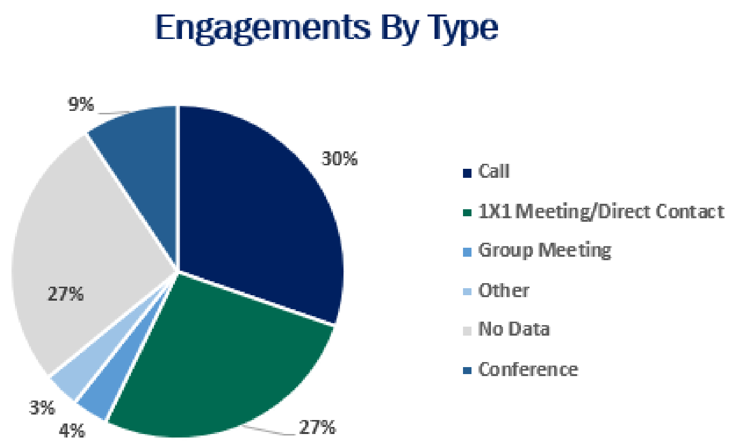
Please note that an engagement can be categorized under multiple engagement themes and therefore there will be double counting of engagements in the table.
Source: PineBridge's internal research platform

Alternatives Engagement

For private equity assets, the firm's investment teams actively engage with portfolio company management teams on PRI and ESG issues throughout the investment process. In addition, where the investment team obtains board positions through its investment activity, it actively engages with management and other directors to proactively address PRI and ESG opportunities and risks. For private credit assets, closely examine issuers with adverse internal ESG scores or with meaningful exposures to sectors that may be perceived to have unfavorable E,S, or G characteristics. We periodically re-evaluate the ESG scoring via passive and active monitoring, including direct lines of communication with the borrower and/or management team, as necessary.

How we Engage

As mentioned, when we refer to engagement, we mean purposeful, targeted communication with an entity (e.g., a company, government, industry body, or regulator) on particular matters of concern, with the goal of encouraging change with an individual company or addressing a market-wide or systemic risk (such as climate change). Engagement is a two-way dialog with the management team where we give advice that requires management action to improve the company's sustainability. We engage in various ways in which we have started to track more closely. Please see below for our activity by engagement type across asset classes for 2022.



Source: PineBridge's internal research platform. Multi-Asset Portal (MAP). Fixed Income Credit Analysis Platform (CAP), Multi-Asset Portal (MAP), Equity Platform for Investment Communication. (EPIC).

Identifying Opportunities for Engagement

The four-step approach of our equity engagements, described above, starts with the identification of material aspects in the investment case that would benefit from engagement with the purpose of nurturing change. As mentioned earlier in this report, each asset class necessarily has a different approach towards engagement. For example, equities has the power to wield its proxy vote as escalation, whereas fixed income does not. In equities, we take the view that engagement is about improvement in any materiality item, and it should not be confined to only the below-median scoring items in our 77 data point due diligence framework called Equity Risk Assessment (ERA) but should extend to even those items that have above-median scores in ERA that could be further improved. This is a key distinction from most asset managers since the common approach towards engagement is to focus narrowly on below-average areas of the current state of a company as identified by ESG data vendors, which in many cases may even be the result of a misunderstanding of a company, as we have found in several instances where we have done in-depth due diligence. Our engagement process is focused on materiality items that truly affect the investment case as well as on our chosen priorities as a firm on emissions reduction, diversity & inclusion and human rights. For non-materiality items, we could raise these issues with management during our regular discussions, but since they are not material, we do not consider these discussions to constitute engagement. To identify materiality, we rely on the specialist knowledge of a company of our investment professionals who have the freedom to choose any of the 77 data points (or the aggregation of the Level III data points into Level II or Level I within ERA) as materiality items rather than relying on industry level materiality identification from external bodies, which we have found to be too general for practical purposes. We also take the view that engagement should not be a new arms race in the asset management industry but should be a careful, model-based due diligence approach, focused around materiality, that truly has the power to improve the investment case in the company. Once we have identified the areas for engagement, we develop the engagement plan as set out above in steps 2 to 4.

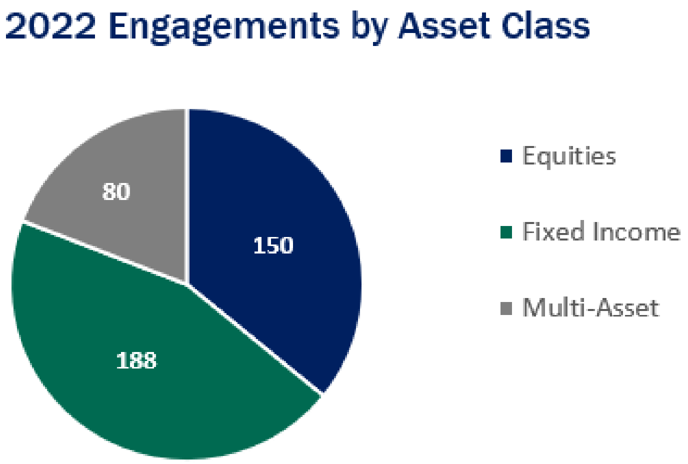
We have engagement plans that are on-going. One notable example is in Japan where we have engaged with a large number of our investee companies to raise the percentage of women on company boards. This has involved writing to the chairman and having conversations with top management to explain why we consider this to be important in our investment case. We expect this engagement will take some time, but we have been encouraged with the attention we have received so far. By June of 2023, the number of companies in the portfolio without female directors had dropped to 6 from 25. The team continues to advocate for improvement in this metric across its portfolio companies, with a focus on the 6 companies that have yet to address this risk. Please refer to the example in *Principle 12* for additional details.

When bilateral engagement finds its limits, we will often discuss the relevant issues in large group meetings with the company and its top shareholders. We may also write to the board of a company expressing our viewpoints. In Equities, for instance, we exercise our shareholder rights on behalf of our asset-owning clients, ensuring that our investment philosophies are expressed through proxy voting policy customization on key issues. In Fixed Income, we believe it is important to maintain relationships with all issuers under active coverage. Our analysts have regular contact with company management teams and generally meet with each company one to three times per year at on-site visits, investment conferences, issuer roadshows, and other venues. We take an active approach to engaging with management teams on the ESG issues that are most relevant to the issuer's financial and operational sustainability. Although fixed income investors do not have equity voting rights, we have found that active engagement of bondholders can be effective in promoting increased awareness and responsiveness to ESG risks.

Our Engagement Reporting Journey

In 2022, PineBridge embarked on building an internal engagement reporting tool to house information on engagements across asset classes. The portal captures many data points, including and not limited to, the type of engagement, asset class, topic, theme, country and other details. Data is gathered using the respective asset classes internal research tools (fixed income's CAP, equities' EPIC, and multi-asset's MAP, as described in *Principle 2*). This portal is for internal use and continues to be developed to complete the data population from each investment team to make it a more robust tool. While still in pre-production, this is another step PineBridge is taking to monitor and track engagements, as well as our alignment with NZAM.

In 2022, the firm had over 415 engagements with companies in 39 countries representing 63 sectors across the three primary asset classes, as shown below. Detailed engagement examples for the asset classes follow.



Source: PineBridge's internal research platform. Multi-Asset Portal (MAP). Fixed Income Credit Analysis Platform (CAP), Multi-Asset Portal (MAP), Equity Platform for Investment Communication. (EPIC).

Engagement Examples

Midstream Energy Company lagging disclosure as it relates to environmental data

Asset Class: IG Fixed Income

Country/Region: North America

Company Description: Midstream Energy

Engagement Method: Conversation with Management

Engagement Topic: Targets around GHG emissions

Engagement Objective: Increased disclosure and targets for GHG emissions

Engagement Overview:

While the company's focus on managing and monitoring its emissions profile is relatively robust as proven by a 30% reduction in emissions intensity since 2011, the issuer does not have a numerical target or timeline for further reducing emissions, though it does seek to identify areas of improvement. It's worth noting that with the September 2022 report, the issuer revised a decades worth of GHG emissions data for improved accuracy (improved data collection methods, checks and consistent calculation methodologies). Between 2017 and 2019, absolute emissions have all increased (in large part due to growth over that time period), though we note a decline over the past several years in emissions per barrel of oil equivalent moved and emissions intensity per $1b of gross operating margin. Over the prior decade, Company E has more than doubled processing volume handled, increased liquid pipeline volume by 65%, petrochemical volumes by 65%, NGL fractionation by 23%, but only saw a 17% increase in emissions. Emissions/BOE improved 19%, while intensity (as measured against operating margin) improved 45%. Several Midstream Energy companies only report Scope 1 emissions data – and the issuer is among the largest to which we've suggested to the company they need to take a leadership role in disclosure and others will follow. In a follow-up to the FY'22 sustainability report, we discussed the continued lack of Scope 2 data or any relevant emissions related targeting with the management team. Management acknowledges that they should report Scope 2, and while they did have a consultant in to help with the data (pre-COVID), the issuer does not have a specific timeline for reporting. We'll continue to engage with the issuer on more fulsome disclosure of emissions data. While the issuer leans on the progress they've made (on an intensity basis) over the past decade, we continue to encourage the company to explicitly target further emissions reduction from the operating footprint, as is becoming best practice among peers.

Outcome and Next Steps: Continued engagement encouraging better data disclosure and GHG reduction targets.

Maintaining Engagement to Document Sustainability Progress

Asset Class: EM Fixed Income

Country/Region: Asia

Company Description: Oil & Gas Production

Engagement Method: Group Meeting + direct contact

Engagement Topic: Environmental Improvement

Engagement Objective: Increased Disclosure and GHG reduction targets

Engagement Overview:

In Q2 2022 we met with an Indonesia oil & gas company at a conference to discuss, among other topics, the company's ESG strategy and longer-term targets. The company outlined 10 sustainability focuses, each aligned with SDGs, with climate change as their primary focus. Some of these targets included 30% of emission reduction by 2030 from a 2010 baseline, net positive impact on biodiversity, zero accidents/fatalities, zero tolerance on fraud and corruption, among others.

Following the release of the company's FY 2021 results in Q3 2022 we had a call with the company to gain clarity on the initiatives a few months earlier. During that call the company explained plans to invest just under half its annual capex budget on non-fossil fuel energies, while also planning to divest or seek strategic partners to manage old and unproductive oil & gas blocks. The group over the years has already re-organized subsidiaries into sub-holding companies based on their nature of operation and is currently seeking to raise funds through rights issuances and IPOs for various units, starting with a subsidiary which houses the company's geothermal assets. Through this sub-holding entity, the company is exploring issuance of green bonds, sustainability-linked notes, or transition bonds to fund new geothermal project investment. We will continue to regularly follow progress on the company's stated targets and outlined initiatives.

Outcome and Next Steps: Continued engagement on GHG reduction targets

Engaging With a Mexican Retailer to Discuss Governance Concerns

Asset Class: EM Fixed Income

Country/Region: Central America

Company Description: Retail

Engagement Method: Direct Contact

Engagement Topic: Governance

Engagement Objective: Increased Disclosure

Engagement Overview:

We engaged with a Mexican retailer to discuss some of the weak points of their sustainability plan and ESG strategy, particularly as it relates to corporate governance, where we note that the company lags peers. We expressed our concerns regarding an entrenched board, non-executives that may have too many other public board commitments, executives who serve on too many other boards of public companies and poor disclosure of executive pay and encouraged the company to follow practices of international peers. The team mentioned that they have increased the transparency of the board meetings and are now sending out documents on the proposed board and compensation. Management is working on individual voting, reducing board tenure and over boarding but this may be more difficult to address.

From a social perspective, the company does well in terms of employee training and development and has already achieved some of its 2025 goals. Regarding environmental issues, the company is behind in providing clear carbon emissions reductions targets for the long term. The company said it would soon announce Net Zero plans.

Generally, the company is committed to improving its ESG standards and when the company refinances its 2024 notes, they expect to come to the market with a sustainability linked note. We will continue to monitor the credibility of initiatives to improve governance.

Outcome and Next Steps: Continued engagement and monitoring of governance

Seeking improvement in environmental disclosures and overall ESG trends

Asset Class: Equity

Country/Region: US/North America

Company Description: global provider of food, facilities, and uniform services

Engagement Method: Phone call and in-person meetings

Engagement Topic: Lagging environmental disclosures and ESG trends

Engagement Objective: Improvement in environmental disclosures and overall ESG trends

Engagement Overview:

In December 2021, we began engaging with a company in our portfolio that is a leading global provider of food, facilities, and uniform services. Through our Equity Risk Assessment (ERA) work, we determined that the company's GHG Intensity trend vs peers and overall ESG disclosures needed improvement. We highlighted this as a material business risk, as the company's customers were increasingly evaluating GHG emissions and overall ESG trends in contract award decisions. Through consistent dialog with senior management, including the CEO, CFO, and Head of Sustainability for the company, we urged them to focus on improving their GHG emissions trend and expanding their ESG disclosures to be in-line with peers.

Outcome and Next Steps: We are seeing signposts of improvement in emissions performance, as well as reporting. While the engagement is ongoing, we believe we have clearly made a positive impact and received an email recently from Investor Relations thanking us for our valuable insights after their ESG rating was double upgraded at MSCI.

Seeking better disclosure of Environment with a focus on carbon emissions and plans for improvement

Asset Class: Equity

Country/Region: Japan/Asia

Company Description: Japan-based factory automation components supplier

Engagement Method: telephone conference call

Engagement Topic: Better environmental disclosures

Engagement Objective: Let the company collect information on Scope 3 disclosure

Engagement Overview:

The company is identified as a laggard in terms of Scope 3 disclosure of GHG emission. Given the fabless business model of the company, it is difficult for them to grasp Scope 3 GHG emission volume, so the company was reluctant to work on it before 2021 despite our engagement.

However, the company started to comment on its preparation of Scope 3 disclosure in 2022. We discussed how other companies disclose Scope 3 and the company understood that other companies used various assumptions to calculate Scope 3 disclosure. The company also started to comment that it is now thinking 1) collecting and disclosing Scope 3 data, and once they disclose Scope 3 data, it is highly likely that they will be asked how to reduce it, so 2) how to reduce Scope 3 emission volume.

Outcome and Next Steps: Although the company does not disclose Scope 3 data yet, it will be fair to say that our engagement over the past years changed the company's attitude on environment, so the company is now preparing not only for disclosing Scope 3 data of GHG emission but also plans to reduce GHG emission. We continue to engage with the company and monitor the progress.

Seeking better disclosure of Environment with a focus on carbon emissions and plans for improvement

Asset Class: Equity

Country/Region: Japan/Asia

Company Description: Japan-based contact lens manufacturer

Engagement Method: telephone conference call

Engagement Topic: Better environmental disclosures

Engagement Objective: Ask the company to collect information on Scope 1 &2 disclosure

Engagement Overview:

The company is identified as a laggard in terms of the disclosure of GHG emission, as the company did not disclose any data relating to GHG emission volume (not only Scope 1 &2 but also Scope 3 until 2021, so we engaged to stress that it is important to disclose GHG emission volume and plans for improvement as early as possible.

Outcome and Next Steps: The company finally disclosed GHG emission volume of Scope 1 &2 in its integrated report 2022 (published in October 2022). Although the company has much more to do in terms of GHG disclosure and plans for improvements, it will be fair to say that our engagement over the past years changed the company's attitude on the environment. We continue to engage with the company and monitor the progress.

Trucking company headquartered in the US looks to reduce emissions and improve disclosures

Asset Class: Multi-Asset

Country/Region: United States

Company Description: Inter-regional and multi-regional motor carrier, primarily transporting general commodities, such as consumer goods, textiles, and capital goods; serves regional markets throughout the United States

Engagement Method: Phone call

Engagement Topic: Emissions and Diversity metrics and disclosure

Engagement Objective: Improve disclosure and encourage efforts to improve metrics

Engagement Overview:

The company was identified as a Climate Laggard in 2021, primarily due to insufficient climate disclosures. After our initial engagement in 2021, the company improved its disclosures, releasing an inaugural SASB-aligned report in 2022 with additional updates anticipated on a regular basis. While the forward progress was encouraging, there was room for improvement prompting PineBridge to engage with the company again in 2022.

During the engagement call, the company disclosed that it had established an internal ESG working group and steering committee that reports quarterly to the Board on ESG issues. PineBridge encouraged the company to disclose this information publicly to demonstrate the increased commitment and governance structure designed to drive progress.

When PineBridge asked for an update on the company's efforts to reduce its emissions profile, the company disclosed that it had purchased its first electric Class 8 truck and electric yard tractor, but deliveries were delayed due to supply chain issues. Management is cautious about the viability of electric Class 8 trucks due to range limitations compared to its diesel trucks and the impact on its business model with respect to fleet size and employee work-life balance commitments. However, PineBridge is encouraged by the company's willingness and actions taken to explore alternatives.

The company has maintained the strategy of utilizing a young fleet of trucks for efficiency; however, supply chain disruptions have increased the average age marginally. Management expects the age to return to normal as supply chains improve. The company also has been able to expand the use of EV forklifts in its operations.

Overall, emissions have flatlined and marginal improvements are being made through route optimization and idling reduction. Significant further reductions likely will require technological advances. PineBridge encouraged the company to set emissions reduction targets. While receptive to the idea, in general management is hesitant to do so until viable pathways exist.

On diversity, the company understands the value of diversity in perspective. The company has had success increasing gender diversity in corporate roles and is working to increase gender diversity among drivers, which currently is low. The company has partnered with a female trucking association and is partnering with other organizations to improve racial diversity. The company plans to disclose diversity metrics in its 2023 report. PineBridge suggested incorporating diversity and inclusion into its Board nominating committee charter, which management agreed to consider.

Outcome and Next Steps: We plan to continue engaging with the company to ensure the company remains on track by monitoring progress with improving climate and diversity disclosures and setting emissions targets.

Broad engagement spanning emissions and diversity rights driven by insufficient disclosures

Asset Class: Multi-Asset

Country/Region: France

Company Description: Manufacturer of automotive body parts and fuel systems

Engagement Method: Phone call

Engagement Topic: Net Zero goals; diversity; human rights

Engagement Objective: Urge greater transparency; advocate for management gender diversity

Engagement Overview:

The company was identified as a Climate Laggard due to insufficient climate disclosures. We engaged with the company primarily to drive improved transparency and encourage emissions reporting using a global standard, discussing the GRI, SASB, and TCFD frameworks, and recommending CDP reporting. Company management admitted that their culture is more one of "doing" than "saying", yet they are beginning to realize the importance of disclosure. To that end, they reported to CDP in 2021 and have taken steps to improve their initial grade. They also will begin to disclose climate objectives, aligned with the Paris Agreement and certified by SBTi. While they conduct scenario analysis to satisfy TCFD reporting requirements, they plan to use the results to drive their business strategically but will not disclose the results because they do not want to benefit competitors.

While the company's board is gender diversified, with females representing more than 50% of the board, the company recognizes that the current 15.7% of females in management is low. They aim to have 40% female management by 2030. The company also is committed to the inclusion of disabled people and has partnered with an organization promoting employment opportunities for disabled people.

Escalation: Our assessment following the engagement is that management is committed to both improving transparency and achieving climate and diversity objectives. We voted "for" the longest tenured director.

Outcome and Next Steps: With the majority of shares held by the founding family, we plan to continue engaging with the company to ensure the company remains on track by monitoring progress with climate and diversity objectives, and continuing discussions on related environmental issues, recycling in particular.

Principle 10: Collaboration

PineBridge believes in inside out, and outside in learning, and sharing of approaches in our journey to keep improving upon our ESG and engagement. We take a collaborative approach to sharing best practices with respect to ESG integration and engagement internally, among our various portfolio management teams. We also share and learn with our peers and industry associations.

Collaboration Examples

Utilizing practices in adjacent asset classes to encourage better and standardized disclosure of ESG data

Asset Class: Private Credit

Country/Region: Global

Company Description: NA

Collaboration Topic: ESG reporting and data

Collaboration Objective: Increased and standardized disclosure of ESG data

Collaboration Overview:

In private credit, we have found that ESG reporting in this segment of the market has been limited relative to public companies and larger-sized private companies. The management teams of many lower middle market companies have not been previously asked to elaborate on ESG-related themes or their approach to ESG overall. We look to enhance our approach of gathering ESG-related data from companies. Whereas we previously relied primarily on an internally generated list of ESG-related questions, we embarked on understanding how other leveraged lenders were collecting ESG data on their existing and potential portfolio investments. As a part of this process, we considered the Loan Syndications and Trading Association's ("LSTA") ESG Diligence Questionnaire ("LSTA Questionnaire"). In 2022, following our review of the Questionnaire, as well as several informal conversations with representatives from the LSTA, of which we are a member, we formally incorporated their Questionnaire (in addition to our internally generated list) into our underwriting and portfolio management processes.

The LSTA Questionnaire contains questions that prompt companies to disclose if they have formal ESG policies, the ESG frameworks to which they adhere, other ESG commitments they have made, and the level of exposure to industries that may be deemed controversial or that may warrant enhanced diligence. We find our utilization of the LSTA's questionnaire beneficial in several ways. As the Questionnaire was developed with the input of many LSTA members and informed by their experiences with their respective investor clients and other stakeholders, it provides a streamlined list of questions that not only addresses topics we've identified individually, but also those topics that are broadly important to institutional loan investors. By virtue of completing the Questionnaire, it helps management teams focus on ESG topics they might not have focused on otherwise. Since adopting the LSTA Questionnaire, we have communicated our use of it to the LSTA. While many participants in the broadly syndicated market have utilized the LSTA questionnaire, we believe we were an early adopter in the lower middle market direct lending market to utilize the Questionnaire.

Outcome and Next Steps: Continue to work with the LSTA and encourage issuers to complete the standardized questionnaire

Joining Investor Coalition to Express Animal Rights Concerns

Asset Class: EM Fixed Income

Country/Region: Group Collaboration

Company Description: NA

Collaboration Method: Direct contact

Collaboration Topic: Animal Welfare

Collaboration Objective: Phasing out gestation crates

Collaboration Overview:

In the fourth quarter of 2022 we joined a consortium of investors to express concerns regarding animal welfare policies. As part of this engagement, we signed letters to management teams at select agriculture, food and restaurant companies requesting a commitment to phasing out gestation crates. The letters asked companies to adopt specific, measurable and time-bound commitments to phasing out gestation crates across their supply chain and share progress through clear and consistent reporting.

Outcome and Next Steps: Continued contact and monitoring of the industry

Engaging With Ministry of Finance to Accelerate Energy Transition

Asset Class: EM Fixed Income

Country/Region: Asia

Company Description: NA

Collaboration Method: Group Collaboration

Collaboration Topic: GHG reduction/Energy Transition

Collaboration Objective: Encourage GHG reduction

Collaboration Overview:

We collaborated with a working group aimed at engaging governments on decarbonization efforts, submitting a letter to the ministry of finance of a southeast Asian country to accelerate their energy transition. The letter specifically asked for engagement on the current state of climate and energy policies, possible areas for increased innovation, issues related to climate finance and the potential for private sector innovation & collaboration.

Outcome and Next Steps: Continued contact and monitoring of the country

Positive outcome, following engagement requesting numeric environmental KPIs

Asset Class: IG Fixed Income

Country/Region: Australia

Company Description: Pharmaceuticals

Collaboration Method: Group Meeting Engagement Topic

Collaboration Objective: Establish ESG Targets

Collaboration Overview:

In April 2022, we had an investor group call with the management of an Australia based global biotech company, focused on plasma protein biotherapies and vaccine business. Initially, the call was conducted to address the company's new debt issuance and understand better the group's financial policy and capital allocation priorities. However, during the discussion we also addressed the company's ESG strategy. Our concern was that the company had a broad sustainability framework with no established numeric targets but rather a generic outline of Core Values (Patient Focus, Innovation, Integrity, Collaboration, etc.). During the call, the management told us an updated ESG strategy with more precise environmental targets was undergoing a review and would be released shortly. In August 2022, the company officially released its 2030 carbon emissions reduction targets. The group has also committed to establishing SBTs in the near future. While we don't think the action was purely driven by our request, we do believe our engagement contributed to the broader investor push towards the company's management to provide higher quality ESG disclosure and commit to numeric KPIs, comparable with the industry peer group.

Outcome and Next Steps: Continued monitoring and engagement

Thought leadership and case studies

We explore timely and relevant research topics and regularly author articles on a variety of ESG issues impacting the industry and our portfolios, across equities, fixed income, multi-asset, and alternative asset classes.

Industry Presence

We actively participate in global industry discussions through working groups and formal and informal partnerships to help further progress the ESG conversation. Key activities are highlighted below. Please refer to *Principle 1* for further information on the firm's industry presence.

The SASB Standards Advisory Group (SAG) is a standing committee of volunteer industry experts from corporations, financial institutions, and third parties that provide ongoing feedback on the implementation and use of the SASB standards, as well as emerging sustainability issues to be considered as part of the **SASB Standards Setting Process**.

The Swiss Sustainable Finance (SSF) initiative strengthens the position of Switzerland in the global marketplace for sustainable finance by informing, educating, and catalyzing growth. The association, founded in 2014, has representation in Zurich, Geneva, and Lugano. Currently SSF unites 171 members and network partners, from financial service providers and investors to universities and business schools, public sector entities, and other interested organizations.

The Institutional Investors Group on Climate Change (IIGCC) is the leading European membership body enabling the European investment community in driving progress by 2030 towards a Net Zero future. IIGCC provides investors with a collaborative platform to encourage public policies, investment practices, and corporate behavior that address long-term risks enabling investment managers like PineBridge to act independently based on better information.

The Institutional Limited Partners Association (ILPA) Diversity in Action initiative, of which PineBridge was a founding signatory, brings together limited partners (LPs) and general partners (GPs) that share a commitment to advancing diversity, equity, and inclusion in the private equity industry.

Principle 11: Escalation

We find exclusionary investing alone may fail to identify the potential good actors in segments that tend to lag in terms of ESG or other issues – companies that deserve to see their cost of capital favorably differentiated from their peers who are not taking appropriate actions. Yet investing in such areas requires elevated investment diligence, sustained engagement, escalation when engagement does not appear to be working, voting against if necessary, and always explaining why to the portfolio company when we do – and finally, if all else fails, divesting. While we are improvers and not up-front excluders, we do back-end divestment when managements are not committed to or successful in improving upon their ESG metrics, potentially resulting in a high level of material risk. We believe this approach will drive the most change. Escalation is an important step in the process, providing management the opportunity to shift course.

ESG extends through the full life of the relationship with investee companies. Among other things, we review our Priorities for Assessing Investment annually, as described in *Principle 7*. Stewardship, investment and ESG integration, and our engagement and escalation are designed to deliver on these specific priorities related to environmental, social, and governance factors.

The key priorities for the firm's engagement and escalation are reviewed annually by a cross-asset portfolio manager group. The group exchanges experiences over the prior year, discusses changing priorities from our clientele and our firm's employees, and share experiences in driving engagement, including escalation. Although the precise approaches may vary by asset class and by geography (as you will see in some examples below), there is consensus not only around the fundamental principles of escalation (transparency, integrity, persistence, and use of the appropriate forum) but also the end goals.

We use a range of tools to achieve our objectives. These include in-depth analysis of publicly available materials, detailed fact-finding, consulting with experts, and sourcing third-party data, supplemented with proprietary analysis, discussions with management teams, and when it comes to ESG, sharing our insights with otherwise competitors. Within this framework, we escalate strategically only after we engage and before we vote.

Most investee companies are highly responsive to our suggestions and welcome the open and ongoing dialogue we promote. We find that many small and mid-sized companies need to be educated on many typical ESG issues and best practices, and they appreciate our doing so. Some companies provide data that we request, and hold periodic meetings with our analysts, ESG specialists, and activist portfolio managers. Forums are in place for two-way communication, often in collaboration with like-minded stakeholders.

However, there are occasions when we need further information, need to address specific concerns with a company, or simply need confirmation that a company is taking a suitable approach to a priority or other item that we believe is key for the sustainability of the company's investment thesis. When that happens, we increase the level of engagement and may intervene more strongly in a carefully thought-out process, which varies by asset class. We will be exploring enhancements on the tracking of the escalation of engagements.

Equities Escalation

For equity investments, an ongoing forum between investors and management enables us to have an impact on stewardship and ESG outcomes. Our first approach is to arrange further meetings with management or, if this is difficult, with the company's advisors; in these meetings, we seek to work collaboratively with management to improve outcomes.

As portrayed at the beginning of this report, we highlighted the firm's very significant presence in Asia. We're proud to be bringing ESG concepts to many countries in Asia. In India and Korea and parts of Asia, we make sure to be at the table when there is a significant issue by attending general meetings in person and vocalizing our views to reach consensus with other investors and help to sway management. Annual general meetings (AGMs) provide us with an audience of not just the executives running the company, but the entire board of directors; in this way, if our view, suggestion, or idea is noteworthy, it could be implemented quite rapidly even if the executives have reservations. AGMs are attended by shareholders who really care about the company and thus provide an ideal platform to make our views public. If our ideas are in the interest of long-term shareholders, they will be magnified and likely will place pressure on management to implement them (if they do not, someone else will point it out in the next AGM).

In an equity context, if we cannot speak directly with management on a regular analyst call, our first step is to arrange additional meetings with company officers. We held one such meeting in late 2022 with the interim CFO of a US industrial company that we had engaged with twice before to acknowledge their efforts to improve transparency and provide their first ESG Report. We also discussed Net Zero alignment and their commitment to diversity. Over the course of the meeting, it became clear that management commitment to improve had plateaued and the new management was of the mindset to do as little as possible to appease investors. We further escalated to vote our proxies accordingly, and voted "against" the re-election of the Board member charged with championing continued ESG improvement as Chair of both the Nominating and Sustainability committees. Additional detail for this engagement is provided in the examples section below.

Fixed income escalation

Engagement with issuers helps analysts better understand companies, improves ESG disclosure, improves the management and mitigation of financial risks, and maximizes positive sustainability outcomes. Engagement also helps issuers to understand our expectations as investors, allowing them to provide us with relevant information. It allows companies to explain how their approach to sustainability relates to their broader business strategy and can provide an opportunity for companies to comment on our assessment. In addition to underlying fundamental research analysis, our analysts engage in dialogue with management around the ESG practices of the issuer and explain how this affects investment decisions. This is done in group and individual meetings with management in a proactive manner. For new issues, analysts give feedback to the syndicate and issuer about their views of the ESG risk of the issuer and how this risk is reflected in market pricing of an issuer, highlighting the economic costs of their business practices.

A key objective for our research team is to identify an issuer's material ESG risk issues and evaluate how they are being managed towards a sustainable outcome. For example, when the emission of GHG is a known environmental risk factor for an issuer, we endeavor to determine if management has committed to reducing GHG emissions, what actions and expenditures have been committed to accomplish the reductions and on what timeline. While we recognize the legal limitations lenders have in effecting change in an issuer's business practices, we believe we can make a difference via engagement, predominantly questioning management, requesting increased disclosure, and highlighting business practices and procedures to reduce the impact of known risks.

Our objective is to support issuers in improving their ESG practices, ESG risk management, and the development of sustainable business models over time. When an issuer does not respond in a sufficient manner to our stated expectations and requests for improvement on issues of concern to PineBridge or its clients, our analyst leading the engagement will review the matter with the portfolio management teams for escalation of the engagement. Escalation generally begins with increased monitoring and dialogue with the issuer, allowing us to judge an appropriate timeframe for change implementation. Additionally, we may collaborate with other investors to maintain dialogue with the issuer and present a consensus view for requested change. Finally, we will conduct a review of these actions, making a determination of whether or not the issuer is willing or able to implement appropriate changes to its business practices. If it is not, the issuer may be viewed as unsuitable for investment and may be divested, as appropriate, from portfolios based on their specific investment restrictions and objectives.

Escalation Examples

Large Diversified Manufacturer, with legacy issues that span environmental, social and governance categories

Asset Class: IG Fixed Income

Country/Region: North America

Company Description: Chemicals

Engagement Method: Direct Contact

Engagement Topic: Environmental Remediation

Engagement Objective: Assess environmental targets vs remediation plans

Engagement Overview:

We have engaged with the company over the prior few years. Overall, we view them as providing thorough disclosures that are in-line with GRI, SASB and UN SDGs, as well as strong forward-looking targets. The issuer is committed to the principles of the UNGC and aligns its goals with the SDGs. In terms of its existing core operating businesses, the issuer consistently provides disclosures and discussions around metrics and achievable targets for the future. We judge the issuer as maintaining solid targets around core environmental goals regarding reducing water usage, improving lifecycle circularity of products, incorporating renewable electricity in manufacturing processes and committing to a meaningful reduction in its carbon footprint including a commitment to carbon neutrality by 2050. Our continued engagement with the C-suite has been primarily regarding potential liabilities related to legacy business practices, particularly as it relates to the production and use of perfluoroalkyl and polyfluoroalkyl substances (PFAS), also known as forever chemicals. While only produced/used by them in limited quantities in recent years, legacy use of these products has resulted in meaningful contamination of soil (and ground water) in various locations around the US and across the globe. We've long worried that these legacy direct and indirect liabilities would result in meaningful requirements to cleanse industrial (and other) sites, resulting in substantial monetary payments to affected individuals for damages suffered. We believed if not addressed quickly and adequately, prospective liabilities could rise to the extent of having a meaningful negative impact on credit metrics. In an effort to prepare the balance sheet for potential multi (10s) of billions in liabilities from this primary PFAS issue, as well as prospective litigation relating to an acquired business which sold faulty ear plugs, we encouraged the management team to reduce debt leverage in an effort to protect credit ratings as liabilities mount. While the issuer has defended positions with regard to PFAS contamination and its acquired business, management has listened to our and other stakeholder concerns and reduced gross debt from near $23B to around $16B over the prior couple of years, taking a turn off the issuers leverage multiple. We believe pressure on credit ratings (and bond spreads) remains. While various legal strategies have pushed reckoning and liabilities into the future, we anticipate PFAS related litigation efforts will pick up and provide more evidence of ultimate long-term liabilities in 2023. The company continues to contend they are appropriately reserved and will continue to plan accordingly and evaluate as circumstances develop. We believe that adverse litigation could result in significant multi-billion-dollar liabilities to be paid out over a decade or more that may negatively impact the issuers A1/A+ credit ratings. We anticipate greater clarity around potential call on cash related to these liabilities during 2023. Clarity of that liability in a year from now and a potential call on cash could result in a more aggressive M&A view or share repurchase activity, which is historically a key driver of share outperformance, issues we do not view as credit friendly. While management has responded and reduced balance sheet leverage, we viewed the prospective legal liabilities and tight credit spreads as not worthy of investment in the issuer, reducing or limiting investment in the issuer where appropriate.

Outcome and Next Steps: Unsatisfactory outcome resulted in reduced exposure & divestment, were appropriate

Seeking more diversified board structure

Asset Class: Equity

Country/Region: Japan/Asia

Company Description: Japan-based electrical equipment/power semiconductor manufacturer

Engagement Method: video conference call

Engagement Topic: More diversified board structure

Engagement Objective: Let the company invite females to the board

Engagement Overview:

The company is identified as a laggard since the board did not include any females till 2022. We engaged via 1x1 meetings several times in 2020, and we took steps toward escalation in 2021 with the objective that the board required more diversified members. The company became responsive to ongoing engagement. The company mentioned early in 2021 that it started the recruitment activity of an independent director.

Outcome and Next Steps: In June 2022, the company successfully invited a female on board. Although we welcome that Fuji Electric invited a female on board, we believe that the company could do more to diversify board structure, such as inviting more females, foreigners, etc. We will continue to engage with the company for a more diversified board and monitor the progress.

Voting 'against' re-election to the Board of Directors of the incumbent Chair of the Nominating and Governance Committee and the Sustainability Committee

Asset Class: Multi-Asset

Country/Region: United States

Company Description: US-based global auto wholesaler

Engagement Method: Phone call

Engagement Topic: Net Zero goals; Board and broader diversity

Engagement Objective: Urge greater transparency; advocate for Net Zero commitment and goals; advocate for Board diversity

Engagement Overview:

The company was identified as a Climate Laggard in 2020 and 2021 due to insufficient climate disclosures. We engaged successfully with the company in each year primarily to drive improved transparency and encourage reporting using a global standard, discussing the GRI, SASB, and TCFD frameworks. We were pleased with the management commitment and improvement trajectory and note that the company published its first ESG Report in October 2022, using the GRI and SASB frameworks and including diversity information and metrics. The company was not identified as a Climate Laggard in 2022, demonstrating the positive impact of increased disclosures. We engaged with company management again in November of 2022, and acknowledged their efforts to improve transparency and the production of their first ESG Report.

We informed company management that we are signatories to the Net Zero Asset Managers initiative, aligned with the Paris Agreement in achieving Net Zero emissions mid-century. We noted that we did not see any reference to Net Zero in the ESG Report and asked Management if they have discussed, and if not, if they would consider Net Zero alignment. Company management responded that they are not and likely will not because they would rather "focus on the right thing more so than fancy reports". Also, they believe their role as an enabler in the global "circular economy" and the resulting "avoided emissions" is enough.

We then noted that the company's percentage of female board members is slightly below that of peers and well below the global average, discussed our view on the importance of diversity of perspective for sustainable businesses, and asked if they would consider adding diversity language to their Board Nominating and Governance Committee Charter to demonstrate management commitment to board diversity. Management responded "no". The proxy statement notes that they believe they comply with the NASDAQ Board Diversity Rule, approved by the SEC on 6 August 2021, as required for companies listed on the exchange.

The CFO we spoke with in 2020 and 2021 left the company and in 2022, the company was holding one group engagement with investors. We informed the company that we would like to discuss ESG, with particular focus on emissions and diversity. The company assured us that company management would be prepared to discuss these issues and invited us to the group engagement. Company management dismissed our inquiries after only about six minutes, not wanting to use additional time in the group engagement to discuss ESG issues despite giving us assurance they would address these issues when they invited us to the call.

Escalation: Our assessment following the 2022 engagement is that the company has plateaued with regard to ESG improvement and the current company management mindset is that of doing the minimum needed to appease investors. We reviewed the engagement and assessment with the firmwide Stewardship Committee and decided to vote 'against' the re-election of the board member charged with championing continued ESG improvement as Chair of both the Nominating and Governance Committee and the Sustainability Committee.

Outcome and Next Steps: We sent an email to the company's head of Investor Relations to communicate our assessment and vote decision, and indicated the desire to continue engaging with the company in 2023.

Principle 12: Exercising rights and responsibilities

PineBridge's Stewardship Committee is comprised of members from Senior Management, Portfolio Management, Compliance, Legal, Product, and Operations. The Committee is responsible for defining and monitoring the company's proxy voting strategy and process and maintains the proxy voting procedures and guidelines contained in the company's Proxy Voting Policies and Procedures policy. The Committee is also responsible for oversight of the engagement process, monitoring the cross-asset class activities designed to discuss engagement, share best practices, and collaborate on shared engagements.

The Committee is charged with establishing overall voting procedures that are in the best interests of our clients, as well as in assuring that the investment beliefs and practices employed by our investment teams when evaluating investments – particularly with respect to our integration of ESG and engagement – are harmonised with and reinforced by our voting guidelines. Our key ESG priorities across the firm and across asset classes are climate change, diversity and inclusion, and human rights. Modern slavery is also a priority although one still at a stage where more data is vital to progress further with transparency and disclosure, something we need to advocate for.

While our full voting guidelines are lengthy, we begin with new guidelines never before put to votes and review how Institutional Shareholder Services (ISS) evaluates these proposals and recommends that their clients vote. When sufficient given our firm's values and ESG priorities, we then adopt that as our own. Where we differ, we create a custom guideline that they then implement on our behalf. Where we have differed over time the most from other of-breed asset managers when it comes to Stewardship, as well as ISS, is that we are more stringent on non-performance-based compensation. With larger firms that are no longer in an entrepreneurial state, alignment of interest principles in our view calls for more stringent dilution criteria via stock options in comparison to public companies in a more entrepreneurial stage. We are also focused on CEO compensation relative to peers in the context of performance, and in relation to the median employee at their firm.

We became more stringent in votes related to climate and diversity issues in 2020 and 2021, respectively. In 2022, we also became more rigorous in votes related to climate-related shareholder proposals. These are particular areas in which our guidelines will be more stringent than those of the proxy advisor and the peer group we compare ourselves to.

In carrying out these duties, the Committee coordinates with the company's investment teams to ensure that the teams consider an issuer's ESG practices in the proxy voting context, strictly adhere to fiduciary standards, and comply with applicable securities laws and best practices, including but not limited to the implementation of recommendations and standards of the Shareholder Rights Directive II, the UK Stewardship Code, and the Task Force on Climate-Related Financial Disclosures (TCFD).

The Committee maintains guidelines for all issues expected to come forth on proxies and formally reviews these issues from the prior season at least annually, since best practices evolve over time. The Committee periodically assesses voting activity to ensure the company's voting practices are consistent with the policy, and it reports to the CRSC concerning its activities, either verbally or in writing, at regular meetings of the CRSC, or at other times or occasions as the CRSC Chair determines. The Committee also is responsible for evaluating the performance, pricing, and ongoing engagement of our proxy voting service provider(s).

Proxy Voting Policies and Procedures

PineBridge views proxy voting as an important right of shareholders such as our clients, and we take reasonable care and diligence to ensure such rights are properly and timely exercised. As a fiduciary for our clients, we must vote proxies in each client's best interest.

As a registered investment adviser that votes securities held in client portfolios, PineBridge has implemented proxy voting procedures that are reasonably designed to help ensure that a) PineBridge votes proxies in the best interest of its clients; b) describes its proxy voting procedures to its clients; and c) discloses to clients how they may obtain information on how PineBridge voted their proxies. These procedures are designed to help PineBridge manage material conflicts of interest.

PineBridge does not engage in securities lending. We believe the vote has value, and the risk of not receiving shares back in time to vote is typically not adequately compensated.

Please click for our summary of our voting policies and procedures which are available on our firms website.

For our proxy voting policy, please refer to the ISS Voting Policies link, with codes on how each of the numerous issues which surface on guidelines should be voted. We review each with ISS, starting with their recommendation, considering whether we agree and should make it our own. There are seven areas in particular, where we have found it necessary to scope the voting codes quite differently than what ISS would do if we delegated shaping the policy for us. Please see the attached pdf document named **Attachment – PineBridge Policy Implementation Document (CarveOuts).**

Voting Records

PineBridge discloses its votes upon request to clients, and disclosure is required for any mutual funds advised by PineBridge, on SEC Form N-PX. In addition, please click here for a link to PineBridge's complete voting records.

Client-directed voting

Our voting model is as outlined above. Where a client has invested through a pooled vehicle, it generally is not possible to enable proxy voting at the client level. However, it is our policy that clients investing through separately managed accounts (SMAs) may choose to vote themselves rather than leverage our proxy voting policies and procedures. This choice is specified during the client onboarding process. We have evaluated services who poll investors on certain issues yet are not of the view that clients who have evaluated our voting policies and procedures wish for us to instead vote based upon a poll. Fund platforms, however, often choose to vote their own proxies for consistency across their platforms. For clients choosing to vote themselves, the custodian will send proxies received to the client. For clients choosing to leverage our proxy voting policies and procedures, the custodian will send the proxies to ISS on our behalf. ISS maintains company-level records for each client SMA, including the number of shares owned.

Recordkeeping

PineBridge must retain (i) proxy voting policies and procedures; (ii) proxy statements received regarding client securities; (iii) records of votes it casts on behalf of clients; (iv) records of client requests for proxy voting information; and (v) any documents prepared by PineBridge that were material to vote decisions and rationale. We may rely on proxy statements filed on EDGAR (the Electronic Data Gathering, Analysis, and Retrieval system of the SEC) instead of keeping our own copies and rely on proxy statements and records of proxy votes cast by PineBridge that are maintained by contract with a third-party proxy voting service or other third party.

Proxies of shares of non-US corporations

PineBridge has implemented general voting guidelines with respect to non-US shares owned by clients. However, although US companies must give shareholders at least 20 days' advance notice to vote proxies, some non-US companies may provide considerably shorter notice or none at all. PineBridge is not required to 'rush' voting decisions to meet an impractical deadline, and as a result, PineBridge or our affiliates' regional designees under certain circumstances may not vote certain proxies. In addition, certain non-US regulations impose additional costs to a portfolio that votes proxies, and PineBridge will take that into consideration when determining whether to vote. Despite these hurdles, of the 3,270 voting meetings that required votes to be cast, we were able to deliver those 98.6% of the time, with the remaining 1.4% due to transactional timing at the time of voting which prevented us from being able to vote.

In the case of a material conflict between our own interests and those of our clients, PineBridge will take steps to address such conflicts (which may include consulting with counsel) and will attempt to resolve all conflicts in the client's best interest.

Voting Process

All geographies, funds, and separately managed accounts adhere to the firm's voting guidelines. Certain countries contain country level voting codes, and in these cases our intent is to lean toward our own views on global best practice while not getting too far ahead of established precedent in an individual country. Yet all such country-level voting code guidelines are determined between the Committee and ISS, often after consultation with our colleagues from various affiliates.

PineBridge maintains its own customized voting guidelines, which are numerous. To bring the best expertise to this fiduciary task, the Stewardship Committee has retained ISS to assist us in developing and maintaining our customized guidelines. This involves reviewing the rationale behind ISS's starting point on each voting principle, surveying how other critical thought leaders and asset managers vote the issue, reaching out to our specialists for input, and debating within the Committee before establishing a policy on how that issue will be voted for all proxies containing the issue. These deliberations crystalize in specific voting codes that we give to ISS, which then executes our custom-designed guidelines on our behalf. On matters of principle, we maintain voting codes for all such issues expected to come up on one of the proposals we voted in 2022 over numerous countries, funds, and separate accounts.

While integrating ESG in a forward-looking manner, once we purchase securities on behalf of clients, we look for improvement by portfolio companies. In seeking such, our approach to stewardship is to engage first, vote against second, and divest only when we do not find management themselves engaged on the issue, transparent, and committed to improvement on ESG grounds.

Equity Stewardship

Stewardship is a vital aspect of managing assets on behalf of our clients' behalf, and it is an important component of ESG incorporation that benefits both PineBridge and the companies or entities in which we invest. We believe that an ongoing open dialogue with our investee companies is an effective way to drive positive change, encourage transparency, and ultimately promote and participate in sustainable long-term value creation.

We define stewardship as individual or collaborative activities that seek to protect and enhance the value of the companies and entities in which we invest and thereby help attain our investment objectives. Stewardship activities may include, but are not limited to, engagement with issuers (in all asset classes and for both current and potential investees); voting at shareholder meetings; filing shareholder resolutions/proposals; taking direct roles on investee boards and board committees; negotiating with and monitoring suppliers with regard to stewardship actions in the investment chain; engaging with policymakers; engaging with standard-setters; and contributing to public goods (such as research) and public discourse (such as media) that support stewardship goals.

Fixed Income Stewardship

In Fixed Income, our investment process involves rigorous analysis of each issuance's Offering Circular and supporting documentation. This includes, among other issues:

- terms and conditions of the offering;
- financial information;
- the various risk factors;
- use of proceeds;
- capitalization;
- management's discussion and analysis of the financial and operational results;
- a review of the overall industry sector;
- analysis of the management, principal shareholders, related-party transactions, relevant sustainability targets, taxation considerations, and listing information.

The investment teams have frequent engagement with the issuers and invest only in issuers that have a high level of transparency and access to information provided in the trust deeds. All documents are stored in our internal research databases. In issuance-oriented meetings, we do speak up to ensure that ESG-related issues are properly taken into consideration in pricing. The investment teams also have a Corporate Actions Process operated by State Street, which flags any amendments to the terms and conditions, and a formal process is in place that requires the approval of the dedicated analyst, as well as the portfolio management team.

Multi-Asset Stewardship

Consistent with the belief that issues associated with ESG factors can have a material impact on the financial performance of companies, the firm's investment teams seek to engage with investee companies on financially material issues where relevant. The mechanisms for such engagement vary across asset classes. As part of our investment teams' due diligence processes, we frequently engage with senior-level management of the companies we are analyzing on how ESG issues could affect their businesses and investment performance. We believe that active ownership influences management teams' attention to these issues and their importance to the investment community.

PineBridge maintains strong relationships with company managements, as well as employees, customers, suppliers, lenders, and shareholders, which allows access to the key individuals and decision makers within the organizations. We take an active approach, where we use each meeting with management as an opportunity to provide feedback, no matter how small the issue might be. Very often we find that, regardless of the size of our holding in the company, management teams are extremely receptive to feedback. We also observe that our feedback is usually considered and often implemented, based on observations and subsequent discussions with senior management. Because our size and global reach allow PineBridge to share and synthesize company level information efficiently (something that is usually not possible at the large asset managers due to dis-economies of scale), we find that management teams are usually receptive to our deep insights that are garnered around the world and across a wide range of industries.

We believe stewardship is an important part of the investment process and maintain this responsibility in the investment team. We engage with managers (who themselves engage with their company holdings) when we implement with active management, and with investee companies when we implement passively. The Team understands that the more passive the selection of securities, the more active their engagement must be.

When we implement with active management, the Multi-Asset Manager Selection team engages with the manager at least quarterly to review the integration of ESG into security selection as well as engagement activities. In addition, the Manager Selection team identifies underlying holdings that are not improving with respect to carbon intensity or Board gender diversity, if any, and discusses these companies with the manager, as well.

For passive implementation, we identify companies that are not improving with regard to our ESG themes. We do this in two ways: (1) we engage the ISS Climate Research Team to identify climate laggards and refer climate-related votes, triggering additional scrutiny and potential engagement, and (2) we use MSCI data to identify companies that are meaningful contributors to the carbon intensity of the portfolio, or are not improving with regard to carbon intensity or Board gender diversity, as well as any companies in violation of social norms as defined by the UN Global Compact. We engage first, vote our proxies to drive ESG improvement, escalate when sustained engagement is not effective, and will divest from a security when we determine that the company is not committed to improve on the ESG characteristics.

Alternatives Stewardship

The firm has varying approaches to exercising rights relating to its Alternatives asset class.

For Private Equity direct investment assets, the investment team actively engages with portfolio company management teams on PRI and ESG issues throughout the investment process. In addition, where the investment team obtains Board positions through its investment activity, it actively engages with management and other Directors to proactively address PRI and ESG opportunities and risks. Specifically for the Private Funds Group (PFG), the intention is to ensure that the due diligence performed as part of each initial investment includes consideration of ESG principles and encourage portfolio funds and companies to apply ESG principles in their operations whenever relevant and practicable. We recognize that it may not always be feasible to address every ESG consideration, and our efforts are often subject to the constraints of the investing context, such as being a minority non-control investor, acquiring an interest in a secondary transaction or otherwise lacking the leverage to drive ESG points due to other circumstances of the investment in question. We thus recognize that PFG will need to be risk-adjusted and opportunistic in its implementation of the foregoing in order to meet fiduciary and investor objectives as well as promote a viable and thriving business model in each of the market segments in which it operates.

In Private Credit, the Team seeks to monitor relevant ESG factors as uncovered in the initial ESG Due Diligence by portfolio company through active and passive monitoring as well as utilizing the LSTA ESG Due Diligence Questionnaire. The Team may determine that certain ESG related items require further monitoring. The Team seeks direct lines of communication with the borrower and/or management team as relevant with respect to such items. Further, the Team seeks to follow up on material ESG matters internally through routine team discussion and portfolio reviews and externally as appropriate.

The loan documents negotiated by the Private Credit team contain customary lender protections which are triggered upon the occurrence of an event of default. These lender protections available pursuant to the credit agreements and at law vary in scope, which provide the lenders flexibility when enforcing rights. Certain remedies allow the borrower to maintain ownership and control over the business, though provide lenders with additional information rights and economic return, such as inspection rights, meetings with management, default interest rate (typically a 2.0% increase), and additional fees. Lenders also have the ability to "accelerate" the loan and require all outstanding amounts to be paid immediately. If payment is unable to be made, the lenders may take control of certain voting stock and replace management or foreclose on collateral in order to repay the loan.

Investments in Real Estate related assets (in funds which are managed (under delegated authority) by PineBridge Benson Elliot LLP) are typically majority held with investment and senior finance team members holding board positions in the asset owning structures and/or entities. Asset level diligence includes ESG related factors and where operating groups or companies are acquired (rather than new entities being set up), diligence will cover board constitution, regulatory, tax compliance and employment law considerations. Quarterly board meetings are held and third party asset, property and development managers are required to report using pre-agreed reporting packs and meeting protocols, with the agenda and reporting packs including appropriate reporting on ESG matters not otherwise covered in regular business updates as well as confirmations in relation to anti-bribery & corruption, insurance and health & safety. Further governance is embedded via the pan-portfolio holding entities, the boards of which are constituted with a mix of PineBridge Benson Elliot group and external independent directors.

Examples

Oil & Gas Producer's Carbon Reduction Goals Dependent on Government Subsidies

Asset Class: High Yield Fixed Income

Country/Region: North America

Company Description: Independent Oil & Gas Production

Engagement Method: Direct Conversation

Engagement Topic: GHG Reduction

Engagement Objective: Assess viability of issuer's GHG reduction plan

Engagement Overview:

We challenged a Calgary based oil exploration & production company operating exclusively in Canada on its carbon reduction plans. The business is sponsored by a small Canadian energy sponsor. The company's assets sit within three distinct plays: (1) thermal oil sands in Alberta, (2) rich gas in Alberta/British Columbia, and (3) conventional enhanced oil recovery in Saskatchewan. The company's investor marketing materials state that Scope 1 emissions intensity will decline by ~60% by 2030 through carbon capture projects. We challenged management to explain this because the company has no investments in carbon capture projects. The emissions reduction goal is predicated on the Canadian government subsidizing carbon transportation and sequestration projects. There's some amount of momentum behind these projects, but the pace has been slow. It's not clear if the 2030 goal is achievable. Therefore, the issuer will remain a more frequent of engagement target, monitoring progress on carbon reduction, with the potential for further escalation in the future.

Outcome and Next Steps: Continued engagement with management.

Maintaining Consistent Follow-Up For Increased Transparency at a Middle-Eastern Utility

Asset Class: EM Fixed Income

Country/Region: Middle East

Company Description: Electric Generation

Engagement Method: Written correspondence

Engagement Topic: Increased ESG disclosure

Engagement Objective: Increased ESG disclosure to assess ESG risk factors

Engagement Overview:

We have consistently asked management of a middle eastern utility company to provide better ESG disclosures, most recently discussing the issue at a conference in 2022. While management regularly claims to be working toward disclosure and the publication of a sustainability report, we have yet to see any progress. To further escalate the importance of such disclosure, we formally sent a letter to management stating the importance of ESG disclosure to our clients, ourselves, and investment managers more broadly.

Included in our letter was a request to create an investor relations list to ensure timely company updates and improve transparency of such updates, which includes not only the need for greater sustainability reporting (of which there currently is none) but also the reporting of financial performance. We stressed the importance of environmental targets, with a clear plan for energy transition and disclosure of emissions intensity. As a large employer, we also raised the need to disclosure more detail regarding labor practices, including employee training and health and safety performance.

Outcome and Next Steps: Continued engagement/possible escalation

Seeking improvement in Board diversity in Japan Small Cap stocks

Asset Class: Equity

Country/Region: Japan/Asia

Company Description: Japan Small Cap Stocks

Engagement Method: Letters to the Board of Directors

Engagement Topic: Female representation on the Board

Engagement Objective: Establish female representation on the Boards of companies where none exists

Engagement Overview:

Our Equities Risk Assessment process focuses on risks to a company's sustainability, including Diversity, Equity and Inclusion risks. As a result, for each potential stock in the portfolio we assess the percentage of its board members that are women. In doing so, we are less focused on the current situation and more focused on the trend and visibility into future improvement.

Our Japan Small Cap Equity team has engaged with companies without female representation on the board over the years, including 38 distinct engagements on gender diversity in 2021. However, in February 2022, the team determined that there were 25 companies in their portfolio without female directors, and that management action on gender diversity had been slow. Therefore, the team escalated the issue by sending 24 letters to the boards of these companies indicating the importance of gender diversity at the board level, and communicated our proxy voting change to vote against the top management nomination when there is no female on board, starting 1 January 2022. Over 2022, we continued to engage with the companies, with 49 distinct engagements on gender diversity, and voted against the election of the top executive of 11 investee companies.

Outcome and Next Steps: By June of 2023, the number of companies in the portfolio without female directors had dropped to 6 from 25. The team continues to advocate for improvement in this metric across its portfolio companies, with a focus on the 6 companies that have yet to address this risk.

Actively seeking clarifications on AGM proposals with respect to ESOP and abstaining from voting for the proposal as we were not fully convinced that proposed ESOP incentives employees to work for shareholder wealth creation

Asset Class: Equity

Country/Region: India/Asia

Company Description: Licensed certifying authority involved in issuing digital signature certificates in India

Engagement Method: One on one call with CFO/JT MD and email interaction with Chairman and MD

Engagement Topic: AGM resolution seeking shareholder's approval for ESOP scheme

Engagement Objective: Understanding management thought process on how ESOP scheme can add to shareholder's wealth creation and also explain how employee stock option can be used as a way to incentive employees for wealth creation.

Engagement Overview:

We raised queries with the management on how the ESOP is being priced. The chairman and MD replied that, "The stock option plan was introduced in 2016 and shares have been fully diluted by allotment to trust at that time itself. Any further allotment or exercise of shares by any employee will not further dilute the shareholders as there will be no further allotment of shares from the company under the scheme. It will only be a transfer of shares from Trust to the concerned employee.

Further number of shares left for which further option can be given is extremely small, i.e., about 6 lakh shares on a total shares of about 8 crore shares. We feel that there is nothing wrong in giving discretion to Nomination and Remuneration committee on such a small portion of shares which are already fully diluted and hence will not affect the shareholders."

Outcome and Next Steps: We escalated this issue internally and felt that unlike other companies the ESOP incentives do not appear to be linked to stock performance and decided to abstain from voting in favor of the resolution.

Asset Class: Multi-Asset

Country/Region: US/Global

Company Description: Food manufacturing company

Escalation Method: Proxy voting

Escalation Objective: Drive management to increase focus and efforts to reduce plastic packaging

Overview:

We own shares in a large food manufacturing company whose primary business is manufacturing and marketing processed consumer foods. PineBridge voted "for" the environment-related shareholder proposal to provide a report on the absolute reduction in the use of plastic packaging, at a reasonable cost and omitting proprietary information. While the company states that it is working on alternatives for plastic packaging and has established a medium-term goal, we observed that the company's goals significantly lag those of its peers. In addition, several states in the US are enacting legislation to address increasing concerns around environmental pollution. Additional disclosures, such as the proposed report, would benefit us and other shareholders in assessing how well the company is managing these risks.

Outcome and Next Steps: The vote did not pass yet received meaningful shareholder support. PineBridge will continue escalation efforts regarding absolute reduction in the use of plastic packaging.

Voting 'against' management, "for" shareholder DE&I proposal at an energy company in North America

Asset Class: Multi-Asset

Country/Region: North America

Company Description: Sustainable energy generation and distribution services

Escalation Method: Proxy voting

Escalation Objective: Drive management to improve diversity disclosures

Overview:

We own shares in a company that provides sustainable energy generation and distribution services, where female representation on the company's board currently is below the global average. PineBridge voted "for" the shareholder proposal requiring a report on the effectiveness of diversity, equity, and inclusion efforts. While the company has stated its commitment to DE&I and does publish some metrics, it is lagging its peers and shareholders would benefit from the enhanced disclosure to better assess the company's long-term value creation and oversight of reputational and legal risks associated with discrimination.

Outcome and Next Steps: The vote did not pass yet received meaningful shareholder support. PineBridge will continue escalation efforts regarding the benefits of gender diversity on its board and on other areas of improvement.

Voting 'against' management, "for" shareholder proposal one of the world's largest auto manufacturers

Asset Class: Multi-Asset

Country/Region: US/Global

Company Description: Auto manufacturer

Escalation Method: Proxy voting

Escalation Objective: Drive management to improve disclosures regarding child labor

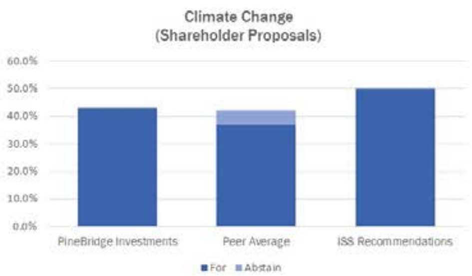
Overview:

We own shares in one of the worlds' largest auto manufacturers. PineBridge voted "for" the shareholder proposal requesting information regarding the extent to which its electric vehicles business may involve child labor. The company has a zero tolerance policy towards child labor, and is not lagging its peers. However, there are gaps in its disclosures and shareholders would benefit from the enhanced disclosure to better assess the company's long-term value creation and oversight of reputational and legal risks associated with discrimination.

Outcome and Next Steps: The company received a similar request in 2020, garnering approximately one-third shareholder support. The vote did not pass and received similar shareholder support. PineBridge will continue escalation efforts regarding child labor.

Please see below for a brief synopsis of our 2022 voting record.

Proxy Voting Summary Highlights: Votes Cast Different Than Management in 2022



Voting Statistics 2022 [9]

For further details, please refer to our 2021 Voting Summary in the pdf provided.

	Total	Percent
Votable Meetings	3,270	-
Meetings Voted	3,223	98.56%
Votable Ballots	14,804	-
Ballots Voted	14,138	95.50%

	All Proposals		Management Proposals		Shareholder Proposals	
	Total	Percent	Total	Percent	Total	Percent
Votable Proposals	36,854	=	35,504	=	1,350	=
Proposals Voted	36,042	97.80%	34,725	97.81%	1,317	97.56%
FOR Votes	32,123	87.16%	31,151	87.74%	972	72.00%
AGAINST Votes	3,435	9.32%	3,110	8.76%	325	24.07%
ABSTAIN Votes	213	0.58%	203	0.57%	10	0.74%
WITHHOLD Votes	237	0.64%	227	0.64%	10	0.74%
Votes WITH Management	32,515	88.23%	31,507	88.74%	1,008	74.67%
Votes AGAINST Management	3,527	9.57%	3,218	9.06%	309	22.89%

Source: ISS. Note: Instructions of Do Not Vote are not considered voted; Frequency on Pay votes of 1, 2 or 3 Years are only reflected statistically, where applicable, but present in the underlying detail; and in cases of different votes submitted across ballots for a given meeting, votes cast are distinctly counted by type per proposal where total votes submitted may be higher than unique proposals voted.

[9] Source: ISS. The peer average displayed reflects six large, global asset managers provided by PineBridge's proxy voting service, ISS
The link to PineBridge's 2022 vote summary report, including votes withheld, can be accessed here:
https://www.pinebridge.com/_assets/pdfs/firmwide_vote-summary-report-2022.pdf