AllianceBernstein®

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Sustainability-Related Disclosures

ALLIANCEBERNSTEIN (LUXEMBOURG) S.À R.L.

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Introduction

AllianceBernstein (Luxembourg) S.à r.l. ("**AB Lux**") is a Luxembourg UCITS management company and authorized Alternative Investment Fund Manager subject to the supervision of CSSF. In addition, AB Lux is authorized to provide discretionary portfolio management services ("**DPM**" services). All investment funds for which AB Lux acts as UCITS management company or Alternative Investment Fund Manager and all provided DPMs services are together referred to as the "**AB Products**".

AB Lux is a wholly-owned subsidiary of AllianceBernstein L.P. ("**ABLP**") who acts as investment manager for all AB Products. Any reference to "AB" thereinafter refers to ABLP, AB Lux and/or another ABLP subsidiary providing directly or indirectly investment management services to AB Products, as the case may be.

AB is committed to responsibility and stewardship, both as a firm and as investors. AB is a firm with a deep research culture that has integrated material environmental (including climate), social and governance ("**ESG**") considerations in the investing process for most actively managed strategies. More information can be found https://www.alliancebernstein.com/corporate-responsibility/overview.htm.

The following information represents, *inter alia*, the mission, implementation, and processes of AB with respect to sustainable investments, sustainability risks, and, as applicable, the principal adverse impacts of investment decisions on sustainability factors, when manufacturing and providing investment management for AB Products.

AB' SFDR Approach

Among AB's investment strategy offerings, there will be differences with respect to how AB considers sustainability (which includes the identification of sustainable investments, the sustainability risks, and the consideration of adverse impacts of investment decisions on sustainability factors) as part of its investment decision making process.

Depending on the degree to which AB considers sustainability, including, *inter alia*, the depth of integration and extent of stewardship activity in relation to engagement, policy advocacy and industry collaboration regarding ESG Factors, each AB Product will disclose additional information as required by Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related

disclosures in the financial services sector ("**SFDR**"), as amended and supplemented from time to time[1].

AB currently offers, or may offer in the future, a variety of investment strategies in the EU through different types of AB Products. These strategies include the following:

1. "**Article 9**" Products:
    a. While seeking to achieve their investment objective, strategies with an objective of sustainable investments, where such sustainable investments do not significantly harm any of the environmental or social objectives and provided that the corresponding investee companies follow good governance practices; or
2. "**Article 8**" products:
    a. Strategies that promote environmental and/or social characteristics, or a combination thereof, provided that the corresponding investee companies follow good governance practices (where the strategy does not have an objective of sustainable investments); and
3. "**Article 6**" products:
    a. Strategies that do not have an investment objective of sustainable investments and do not promote environmental and/or social characteristics, but consider sustainability risks as part of the investment decisions process; or
    b. Strategies that do not have an investment objective of sustainable investments and do not promote environmental and/or social characteristics and do not consider sustainability risks as part of their investment decisions process.

AB has undertaken a sustainability risks assessment for all AB Products to determine the likely effects of sustainability risks on the returns of AB Products. For sake of clarity, sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

For Article 9 and Article 8 products, AB determined that sustainability risks are likely affecting the returns of the AB Product and therefore integrates the consideration of material sustainability risks as part of its investment decision process as indicated in the "**AB Stewardship Approach**". Additionally, for Article 9 products please also refer to the

[1] This document has been prepared based on AB understanding of Regulation (EU) 2019/2088 of the European Parliament. Further clarifications will be made upon the date of application of supplementary guidance.

applicable offering document for more information on how these products meet their objective of sustainable investments.

For Article 6 products, AB has determined that sustainability risks are likely to affect certain AB Products in a limited way. Consideration of sustainability risks are only integrated as part of the investment decision process for certain strategies depending on the specific investment objective, strategy, and/or policy. For Article 6 product where AB has determined that sustainability risks are likely to affect the investment returns of the Article 6 products, AB may consider sustainability risks as part of the investment process, including, for example, using the AB Stewardship Approach.

Sustainability risks may not be relevant, for example, where an Article 6 product has a systematic or passive investment strategy.

Additional information on specific AB Products, excluding DPM services, is available at www.alliancebernstein.com.

AB Stewardship Approach

2.1 Introduction

AB has long recognized that ESG considerations present both potential and actual material risks and opportunities that can affect the performance of an AB Product. The AB Stewardship Approach outlines the various ESG considerations, including sustainability risks (defined as those ESG events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of an investment) (herein, "**ESG Factors**"). AB has analyzed and integrated these material ESG Factors into each applicable step of its investment process for most of its actively managed strategies, which AB believes can lead to enhanced investment decisions and financial outcomes.

When AB became a "Principles for Responsible Investment signatory" in November 2011, AB formalized the integration of material ESG Factors into AB's investment processes for most actively-managed strategies, with the exception of certain strategies, where the integration of ESG Factors is either not relevant to the strategy or would possibly prevent AB from achieving the specific AB Product's investment objective (i.e. Article 6 products). For certain AB Products, language regarding the integration of ESG Factors was included in the applicable offering document.

AB created a management infrastructure for responsible investment leadership that today drives AB's firm's strategy and commitment to these issues. AB's Global Stewardship

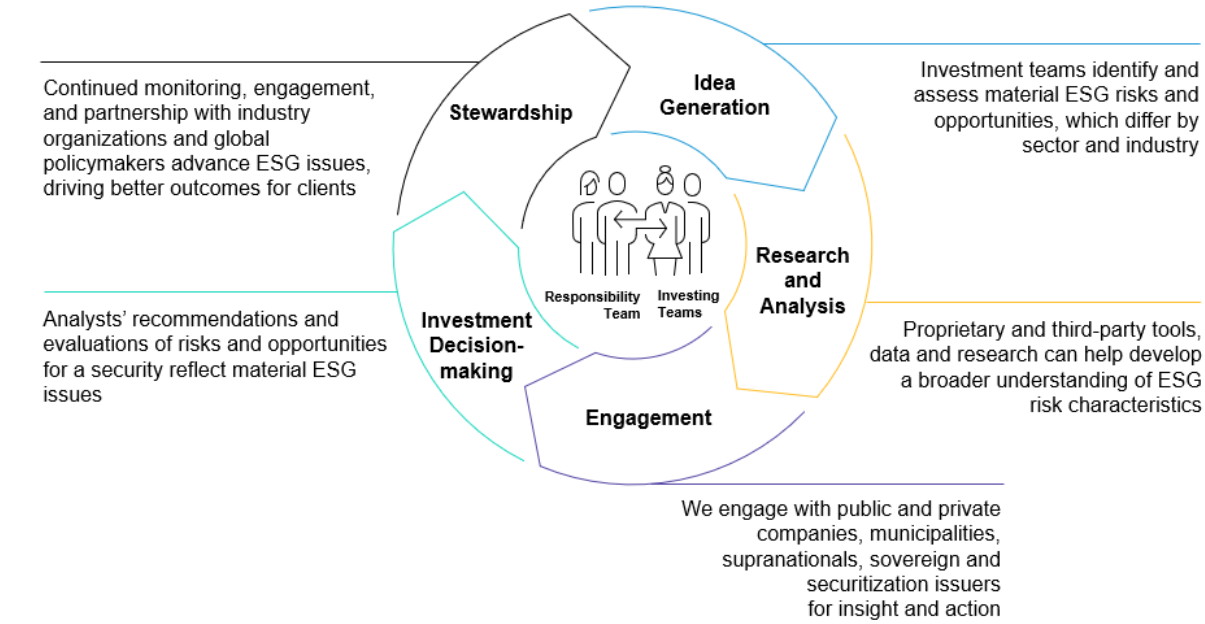
Statement and Annual Stewardship Report detail AB's activities. Please see https://www.alliancebernstein.com/corporate-responsibility/responsible-investing.htm for more information.

When implementing an investment strategy that integrates material ESG Factors, AB takes into account the desired level of risk and return of the strategy and the financial or economic effects of ESG Factors in the risk and return assessment. Analyzing and assessing issuers through the lens of long-term value creation can drive strong financial outcomes while reducing risks through a more thorough analysis of the risk factors, including material ESG Factors, that can affect a security throughout the course of the investment horizon and beyond.

As further discussed below, when integrating ESG Factors and making investment decisions, AB will also consider the principal adverse impacts of investment decisions on those ESG Factors. These impacts are documented as part of the AB Stewardship Approach.

2.2 Integration of Sustainability Risks

AB integrates material ESG Factors as part of its investment decision process through six steps: **Idea Generation**, **Research and Analysis**, **Engagement**, **Investment decision-making** and **Stewardship**. Depending on the AB Product, the degree and focus of integration may differ but the goal will be the same of seeking to achieve the investment objective where the relevant AB investment teams utilize AB's ESG-experts and responsible investing professionals ("**Responsibility Team**") to integrate ESG at each applicable step of its research process.



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

(1) Idea Generation

For ESG-integrated strategies, the investment teams begin the ESG integration process by identifying and assessing material ESG risks and opportunities. Materiality differs by sector and industry. For example, the way a company or issuer manages its water consumption and treats wastewater could present ESG and financial risks for food and beverage companies. For many healthcare companies, product safety and quality are key considerations. To help identify these issues, the Responsibility team maintains an in-house materiality map, developed in partnership with more than 120 AB research analysts across asset classes. This tool covers more than 40 ESG issues and almost 70 subsectors, acting as a heat map to help investment teams identify material ESG issues that could affect our long-term financial forecasts—along with stakeholders more broadly. These ESG Factors currently include:

ENVIRONMENTAL	SOCIAL	GOVERNANCE
• Biodiversity and Land Use • Carbon Emissions • Climate Change Vulnerability • Climate Transition • Electronic Waste • ESG-Labeled Bonds • International Norms • Opportunities in Clean Technology • Opportunities in Green Buildings • Opportunities in Renewable Energy • Packaging Waste • Product Carbon Footprint • Resource Management • Supply Chain–Environmental • Toxic Emissions and Hazardous Waste • Water Management	• Diversity and Inclusion • Employee Health and Safety • ESG-Labeled Bonds • Financial Product Safety • Human Capital Development • Insuring Health and Demographic Risk • International Norms • Labor Management • Modern Slavery • Opportunities in Communications • Opportunities in Education • Opportunities in Financial Inclusion • Opportunities in Healthcare • Opportunities in Nutrition and Healthier Products • Privacy and Data Security • Product Safety and Quality • Responsible Investment • Stakeholder Engagement • Supply Chain–Social	• Accounting • Anti-Competitive Practices • Board Independence • Board-Level Diversity • Business Ethics • Combined CEO Chair • Corruption and Instability • Crisis Management • Entrenched Board • Financial System Instability • International Norms • One Share, One Vote • Organizational Culture • Pay • Proxy Access • Right to Call Special Meetings • Sanctions

(2) Research and Analysis

The Responsibility team equips our investors with proprietary and third-party tools, data and research that can help give them a broader understanding of the material ESG risk characteristics of an issuer, sector or portfolio. We combine third-party data and toolsets with proprietary research and collaboration tools to strengthen our ESG research and make integration systematic across the firm. Our proprietary tools include ESIGHT (our ESG research and collaboration tool), PRISM (for credit ratings and scoring), and asset class- or sector-specific frameworks.

- **Proprietary platforms**. To augment third-party data and toolsets, we've developed proprietary research and collaboration tools to strengthen ESG research and engagement, and systematize integration throughout the firm—including our proprietary ESIGHT platform for ESG research and collaboration and PRISM for credit ratings and scoring.

- **Third-party data and research**. AB's investors have access to a range of data services that enable them to gain a broad understanding of the ESG risk characteristics of an issuer, a sector or a portfolio. These include, but are not limited to, ESG data from Bloomberg and FactSet, MSCI ESG Ratings, MSCI carbon emissions data, Sustainalytics ESG Risk Ratings, Sustainalytics Controversies Research, Sustainalytics or MSCI UN Global Compact data, ISS Research, ISS ESG Controversial Weapons Research, CDP Worldwide, Luxembourg Green Exchange, Moody's RMS, Moody's Helios, Revelio Labs, Investortools, HIP Investor, Impact Cubed, S&P Global Trucost and Glass Lewis corporate governance and proxy research. We view these third-party data sources as a starting point for analysis; on their own, these data sources don't provide the level of detail or insight necessary to fully understand the risks and opportunities inherent in an issuer or portfolio. Our Responsibility team continually evaluates our slate of current and new data providers to ensure that our investors have access to the most relevant data. We review third-party sources periodically, and our working relationships provide ongoing feedback on the quality and accuracy of data that we receive. We also provide timely and actionable feedback to service providers when our expectations have not been met. We provide investors with multiple ESG data sources. Third-party ratings provide a good starting point for our analysts as they begin to conduct their own research and engagement processes.

- **Strategic partnerships with world-class institutions**. AB has collaborated on climate change with the Columbia Climate School since 2019. Our investors partner with Columbia scientists and faculty to develop training and research on topics that may affect our investments. We embed that knowledge across AB investment teams through training sessions and other education, such as launching the second iteration of the Climate Change and Investment Curriculum for our investment teams. In 2023 we also hosted a training with eCornell, Cornell's external education unit, on the three pillars of our social research strategy: a Changing World, a Just World and a Healthy World. Finally, we share the insights from these partnerships with our clients and external stakeholders through thought leadership and reporting.

- **Ongoing training programs**. In addition to our flagship climate change curriculum, we offer ongoing ESG training to investment staff. We offer training on external data, systems and tools, as well as educational sessions across a suite of topics, including engagements, modern slavery, corporate governance, sector-specific themes and integrating ESG into portfolio decision-making. We include an ESG module in our annual compliance training, which is mandatory for all employees globally.

- **Global participation in developing ESG-related intellectual property, frameworks, tools and systems.** In addition to our dedicated Responsibility team, approximately 100 AB personnel participate in one or more ESG working teams centered on generating deeper ESG research insights within each asset class, developing new products and responding to various regulatory changes. In 2023, we continued to work with external organizations on Just Transition research, policy advocacy and shaping best practices on a variety of ESG factors. In addition, we have proprietary engagement guides, which are organized by sector and industry sub-groupings, as necessary, and they cover material risks for the sector/industry.

(3) Engagement

Our analysts, often in collaboration with members of the Responsibility team, frequently engage with leaders of public and private companies and noncorporate entities, including municipalities, supranationals, and sovereign and securitization issuers. Engaging specifically on material ESG issues is an important part of our research and stewardship processes.

Engagement helps AB to better understand issuers, protect AB Products' interests as shareholders and bondholders of such issuers, share our ESG research assessment with issuers, and encourage management teams to deploy strategies that may, *inter alia,* to address material ESG risks or take advantage of ESG opportunities, with the aim of driving better investment outcomes. AB does not outsource engagement. In AB's view, a hands-on engagement approach is the path to better research, better outcomes and better service to AB Products.

AB's Engagement Policy, found at: stewardship-statement-and-report.pdf" ab-global-stewardship-statement-and-report.pdf (alliancebernstein.com), describes in more detail AB's engagement with issuers. AB's Engagement Policy also outlines AB collaboration in

industry engagement and AB's identification and resolution of potential conflicts of interest when engaging with issuers. AB's engagement policy includes, *inter alia*, how AB exercises voting rights and other rights attached to shares, communicates with relevant stakeholders of the investee companies and manages actual and potential conflicts of interests in relation to their engagement.

(4) Investment decision-making

Based on the information and insights they've gained, our investment teams then integrate ESG factors into their decision-making process. Analysts' recommendations and evaluations of risks and opportunities for a security include material ESG issues, when applicable. For example, the effect of ESG Factors on cash flows, credit ratings or discount rates may have an influence on the investment decision and position sizing. We believe that deep ESG analysis helps us better assess material risks and identify opportunities, which can ultimately lead to better decision-making and client outcomes.

Throughout most actively managed investment strategies, we monitor for United Nations Global Compact breaches. However, we believe that whether an issuer is breaching international norms is subjective. We have found that there is no reliable source of data and that the various lists published by third-party providers differ, often with very little overlap. Also, these data sources are historical in nature; many of the breaches occurred several years (if not decades) in the past, and it is unclear what an issuer must do to be removed from the list. Instead of relying on third-party data in this regard, we believe that the risk of breaching international norms is best understood and addressed through ongoing in-depth fundamental research, which enables us to fully analyze a wide range of information and properly assess the risk at an issuer-specific level. Where our selected major third-party service provider has deemed an issuer to be in violation of international norms, our investment teams are required to research and document the nature of the breach, including, if applicable, why our internal research demonstrates that the security remains a reasonable investment. Our Responsibility team, in conjunction with our risk and compliance divisions, has implemented a process to ensure that this research is completed.

(5) Stewardship

ESG integration doesn't stop once we've made an investment. To generate long-term value, AB's Responsibility team and analysts monitor issuers through continued stewardship, including engagement and proxy voting. We also partner with industry

organizations and engage with global policymakers to generate better outcomes for our clients.

2.3 Structure and Governance to Support ESG Sustainability Integration

To oversee AB's ESG and sustainability activities, including the AB Stewardship Approach, AB created a structure that reflects AB's commitment to responsibility throughout AB's organization.

AB's Board of Directors and CEO established the position of Chief Responsibility Officer in 2020. AB's Chief Responsibility Officer spearheads the development of AB's corporate responsibility and responsible investing strategies. The Chief Responsibility Officer is also a member of AB's Operating Committee and leads the Responsibility SBU. AB's responsible investing strategy is also supported by other committees and teams:

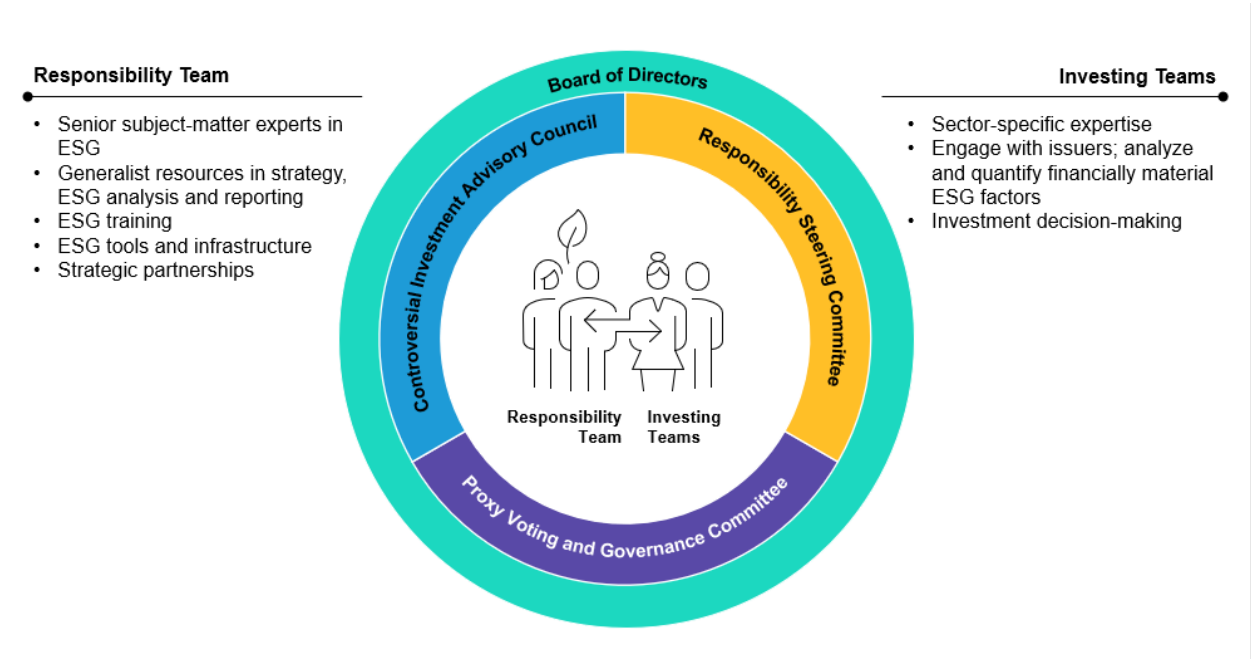
- The Audit and Risk committee of AB's Board of Directors provides formal oversight over corporate responsibility and responsible investing and receives annual updates on strategic direction. This ensures that members at the highest level of our organization play a role in overseeing our responsibility strategy. The board also approves our ESG-related reports and statements on an annual basis.

- The Responsibility Steering Committee, chaired by our Chief Responsibility Officer, serves as an advisory council to the Responsibility SBU. This committee, which meets quarterly, comprises senior professionals from across AB, giving different businesses within the firm an opportunity to shape AB's approach.

- Our Responsibility SBU is a team of subject-matter experts who partner with investors to develop ESG research insights and often engage with issuers. In conjunction with our various ESG working groups, the team develops proprietary frameworks and toolsets, manages our strategic ESG-related partnerships and develops training programs. The team also develops our firm's approach to corporate responsibility and is responsible for the firm's purpose and values and corporate responsibility strategy, as well as specific corporate responsibility–related activities.

- AB's investors—analysts, portfolio managers and traders—are at the heart of our responsible investing process. They engage with issuers, analyze and quantify material ESG factors and climate risks, and ultimately incorporate this information into their investment decisions. Investment teams collaborate with the

Responsibility team, and some teams also have a dedicated ESG analyst. These specialists bring ESG knowledge to bear on a specific asset class or investment strategy.



In addition to the Responsibility Steering Committee, AB maintains other committees that are crucial to the oversight Responsibility, Responsible Investing and Stewardship, which include:

- **Proxy Voting and Governance Committee.** This committee meets at least three times annually and includes senior representatives from our equity and fixed-income investment teams, Responsibility team, Operations Department, and Legal & Compliance Department. Through constructive debate, this committee establishes our policy, oversees proxy-voting activities and provides formal oversight of the proxy-voting process. It also ensures that our proxy policies and procedures capture our latest thinking, formulates AB's position on new proposals, and consults on votes that are contentious or not covered by our policy.

- **Controversial Investments Advisory Council.** This council meets at least annually or more frequently as needed, consists of senior representatives from across AB, and is co-chaired by our CEO and Chief Responsibility Officer. The council provides a forum for discussion and debate on issues such as controversial weapons, tobacco, private prisons, fossil fuels and international norms. The

council provides advice and guidance to the investment teams related to controversial investments. Specifically, the council is responsible for establishing general policies and procedures to mitigate conflicts and risks associated with controversial investments.

- **Responsibility Risk Oversight Committee (R-ROC).** The R-ROC is responsible for monitoring ESG-related risks, projects and policies. The R-ROC provides a forum for reporting and tracking of ESG-related risk issues, overseeing the implementation of strategic projects related to mitigating ESG-related risks, and developing risk-management policies and procedures to support our responsibility activities. Local risk-management functions present and escalate material sustainability risk issues that they have identified independently. The R-ROC also reviews, analyzes and makes determinations regarding ESG-related regulations that affect our products.

- **Asia-Pacific (APAC) Responsibility Steering Committee.** This regionally based subcommittee aims to meet bimonthly and is co-chaired by the Head of Asia Business Development—Equities and our Director of Social Research and Engagement. Its principal function is to provide governance and direction regarding responsible investing topics, events and initiatives relevant to activities in the APAC region, and to stay current on the rapid ESG-related regulatory changes across the region that affect our firm strategy, products and risk management. Its cross-SBU membership represents the interests of the firm and of individual SBUs in understanding firmwide responsible investing initiatives, and enables members to provide feedback on global or regional strategies and our responses to regulation across the region.

- **Diversity Champions Council (DCC)/Diversity, Inclusion, Culture & Equity (DICE) Committees.** AB has three regional DEI-focused committees, which help ensure that DEI remains at the center of AB's culture, policies and practices, as well as three SBU-led DEI-focused committees. Members of these councils and committees champion and model DEI by emphasizing accountability within the SBUs. Members also share best practices across the firm.