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PineBridge Investments

Stewardship & Engagement Policy

I. PineBridge Stewardship and Engagement Policy

The following stewardship and engagement policy sets forth how PineBridge endeavors to interact with companies, entities, and other market participants on environmental, social and governance (ESG) issues. The policy broadly applies to all asset classes, with the aim of achieving the investment and ESG objectives of PineBridge and its clients. Individual strategies may have specific policies that complement PineBridge's overarching policy.

Stewardship and engagement philosophy

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.

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 marketwide or systemic risk (such as climate change). 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*.¹

Engagement themes

In our engagement efforts, we distinguish between material bottom-up ESG *issues* and top-down ESG *themes*. The bottom-up engagement *issues* will differ from sector to sector and from asset class to asset class, and they inform our investment due diligence process and ESG incorporation. The top-down *themes* are engagement issues PineBridge has prioritized and committed to across all asset classes. Though specific implementation of engagement can differ from asset class to asset class, our objectives and the way we measure progress facilitate uniform tracking and reporting across all asset classes as we work to address the following three common themes:

1) Climate Change

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 play a critical role in supporting 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 the Net Zero Asset Managers Initiative. We will engage with companies that demonstrate a prudent investment opportunity along with a path toward supporting global carbon neutrality. For example, engaging with a car manufacturer to lower the CO2 emissions of their cars.

2) Diversity & Inclusion

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. In our stewardship and engagement efforts, we aim to ensure companies are espousing equitable and inclusive recruitment, development, and promotion practices. Where

¹ Defined according to definitions from the PRI and the Investment Consultants Sustainability Working Group (ICSWG, 2021) on engagement, and the CFA Global ESG Disclosure Standards for Investment Products (2021) on stewardship.

needed, we will hold company leaders accountable to promote a more inclusive and diverse workplace. An example is engagement to advocate for a more diverse board of directors at an investee company.

3) Human Rights

As a signatory of the UN Global Compact, we recognize that ensuring human rights and dignity is essential to sustainable development. Our obligation to our clients is to address the risk of (potential) involvement of companies or entities in which we invest or may invest in gross human rights abuses or corporate negligence, as well as ensuring that PineBridge is aligned with applicable laws and UN conventions. For example, engaging with a company to address serious health and safety incidents. We believe that a diverse, strong and inclusive workforce is central to driving better business outcomes and fostering growth

We believe strong governance and ESG performance drives both financial and societal value. Effective management and board oversight, programmatic assessments of D&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. Given our bottom-up incorporation of ESG into our investment process, stewardship around such ESG issues is an organic part of how we invest. Where we see potential or a need to seek improvements in material ESG practices or performance of an entity in which we invest, we will endeavor to formally engage with such company in addition to the engagements we perform related to our top-down prioritized ESG engagement themes. Such material ESG issues may not relate to specific themes but rather result from the bottom-up incorporation of ESG into our process and can differ from company to company, sector to sector, and asset class to asset class.

II. Engagement Approach

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, and our exposure to those concerns.
2. **Set objectives.** We formulate clear, distinct, time-bound, and measurable engagement objectives in line with our engagement themes.
3. **Select method.** We define the most suitable engagement method and engagement plan depending on the engagement objective(s).
4. **Record progress.** We document our engagement activities and progress made and any follow-up actions needed.

III. Methods of Stewardship and Engagement

Depending on our engagement objectives, we will employ any or all of the following methods in our stewardship and engagement efforts:

- **Verbal or written communication with investee companies or other entities.** This can be achieved via calls, emails, or any other means of formal communication.
- **In-person meetings.** Our teams host a variety of in-person and virtual meetings with investee companies and other entities to discuss our views or any concerns in accordance with our engagement themes.

- **Proxy voting.** In order to effectively exercise our shareholder voting rights, PineBridge has developed a voting policy that includes custom guidelines for proxy voting for our listed equity investments. Voting may also be relevant in other asset classes, including real estate and private equity, and we provide detailed guidance in our asset-class-specific policies.
- **Collaborative engagement.** As active investors, we are committed to work with peers and industry partnerships to advance action on ESG issues.

The methods and frequency of stewardship and engagement may vary from one asset class to another, as detailed in our asset-class-specific policies.

IV. Our Escalation Process

We believe in constructive engagement with investee companies and other entities. Our ambition is to support them in improving on ESG practices, ESG risk management, and development of sustainable business models. When investee companies or other entities do not respond in a timely and sufficient manner to our stated expectations and requests for improvement on issues of concern to PineBridge or its clients, PineBridge will consider any or all of the following escalation strategies where appropriate, depending on the investment strategy:

- Raise our concerns with non-executive directors and/or the chair of the board
- Collaborate with other investors to add weight to our requests for change
- Vote against relevant agenda items in general or as part of extraordinary shareholder meetings
- Vote against reelection of directors, the chair of the board committee, and/or the chair of the board
- Co-file or support shareholder resolutions
- Raise our concerns publicly
- Decrease our investment positions, decline to invest, or fully divest.

V. Managing Conflicts of Interest

PineBridge's approach to conflicts of interest is to take all appropriate steps to identify and prevent or manage potential and actual conflicts of interest that could pose a material risk to the interests of our clients.

VI. Review and Communication

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 endeavor to review our Stewardship and Engagement Policy on an annual basis.