



# Corporate Responsibility Report: Progressing on Real-World Change

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2023



# Corporate Responsibility Report: Real-World Change



**Greg Ehret**  
Chief Executive Officer



**Kate Faraday**  
Global Head of  
Corporate Responsibility

At the close of 2022, we took the opportunity to assess the breadth and velocity of advancements made on our corporate responsibility commitments over the course of the year. This exercise reaffirmed to us that a pragmatic and thoughtful approach to fulfilling our corporate responsibility goals can better serve the interests of our clients, employees, and local communities – and that implementing sound corporate responsibility practices should lead to more effective long-term results.

In 2022, we laid the groundwork for further real-world progress by formalizing or reaffirming our commitments to a number of prominent and actionable global corporate sustainability initiatives, including the [UN Global Compact](#), the [Net Zero Asset Managers initiative](#), and the [Principles for Responsible Investment](#). We believe concerted efforts such as these are the most efficient path to effecting real change, and they will help guide the roadmap for our own actions – enhancing an investment philosophy focused on improvement over exclusion when it comes to ESG and sustainability issues, and the assessment of these factors alongside other key elements of risk.

Beyond formalizing our industry commitments and participation, we took decisive actions toward meeting our corporate responsibility goals. We set our first interim targets as part of the Net Zero Asset Managers initiative. We launched new funds for our clients that specifically target the risks and opportunities associated with global carbon reduction and other ESG goals. And we repositioned an emerging market fixed income strategy to explicitly align with four critical [UN Sustainable Development Goals \(SDGs\)](#), which we share detail on within. In 2022, we also expanded our diversity, equity, and inclusion (DEI), career development, and mentoring programs to continue to attract and retain high-quality talent from a broad range of backgrounds, and we launched a number of exciting initiatives through various employee resource groups to continue building on our strong and inclusive corporate culture.

We are cognizant of both the importance and the difficulty of quantifying the impact of corporate responsibility programs with objective and measurable data. In the following pages, we report on some of the early results of our attempts to better define, measure, and capture the footprint of our advancements in three key domains: our people, our planet, and our portfolios.

We're proud of the advancements made to date, none of which would have been possible without the alignment of our people and our teams behind the firm's shared goals – and their continued efforts to create compelling investment opportunities for our clients while building an internal organization we can be proud of.



**Greg Ehret**  
Chief Executive Officer



**Kate Faraday**  
Global Head of Corporate Responsibility



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A large, semi-transparent circular graphic is positioned on the left side of the page, containing an aerial photograph of a two-lane asphalt road winding through a dense green forest. The road has a white dashed center line and solid white lines on the edges. Two small white cars are visible on the road, one moving away from the viewer and one towards it. The forest consists of tall, thin evergreen trees. The background shows a lighter area, possibly a body of water or a clearing.

## Our Philosophy and Principles: A Framework for Progress

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.

To do our part, one of the most important steps we've taken is to pledge our commitment to the world's largest corporate responsibility initiative, the United Nations Global Compact (UNGC), and its [Ten Principles](#) supporting the UN's [17 Sustainable Development Goals \(SDGs\)](#) for 2030. Under the SDG initiative, companies commit to support a range of goals – from ending global poverty and hunger to taking climate action and protecting life on land and in the water – and to incorporate them into their strategy, culture, and day-to-day operations. UNGC members in the private sector are encouraged to focus on the Ten Principles and contribute to the SDGs in the ways they believe they can have the greatest impact. Each goal has a target, with the understanding that meeting one target must frequently work in concert with and be balanced against the demands of meeting others. In seeking to meet our primary investment objective of optimizing clients' economic returns for a given level of risk, our responsible investment focus is first and foremost on improvement (rather than exclusion).

We have also been a signatory of the Principles for Responsible Investment (PRI), the leading set of guidelines for the financial industry for incorporating improvement in ESG metrics into investment and ownership decisions, since 2015. Together, the SDGs and the PRI help focus and guide our actions as a responsible employer and corporate citizen.

Specifically, we recognize that climate change poses an increasingly urgent threat to society and the global economy, and 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. We will engage with companies that demonstrate a prudent investment opportunity along with a path toward supporting global carbon neutrality.

We also view a diverse and inclusive corporate culture as central to driving better business outcomes and fostering growth, and we prioritize diversity, equity, and inclusion (DEI) within our firm and in our investments. Our belief is that each person brings unique strengths to a business and 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 and will hold company leaders accountable to promote these aims.

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 with gross human rights abuses or corporate negligence, as well as ensuring that PineBridge is aligned with applicable laws and UN conventions.

## We have focused our efforts on the following five SDGs:



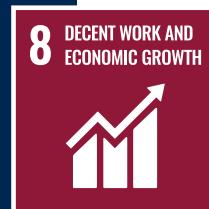
**Goal 3**

Ensure healthy lives and promote well-being for all at all ages



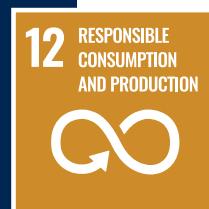
**Goal 5**

Achieve gender equality and empower all women and girls



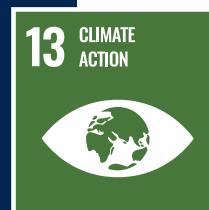
**Goal 8**

Promote inclusive and sustainable economic growth, employment, and decent work for all



**Goal 12**

Ensure sustainable consumption and production patterns



**Goal 13**

Take urgent action to combat climate change and its impacts

## Our Pledges: Regulations, Codes, and Initiatives

Recognizing that we can't move the boat far if we row on our own, 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.

### GLOBAL

- The Institutional Investors Group on Climate Change (IIGCC)
- Institutional Limited Partners Association (ILPA) Diversity in Action
- Net Zero Asset Managers Initiative (NZAM)
- Principles for Responsible Investment (PRI)
- Sustainability Accounting Standards Board (SASB)
- Task Force on Climate-related Financial Disclosures (TCFD)
- UN Global Compact (UNG)

## UNITED KINGDOM

UK Modern Slavery Act\*  
UK Stewardship Code<sup>1</sup>

## EUROPE

MIFID II – Sustainable Preferences\*  
UCITS & AIFMD Sustainable Risks\*  
Sustainable Finance Disclosure Regulation (SFDR)\*  
Shareholder Rights Directive II (SRD II)

## SWITZERLAND

Swiss Sustainable Finance Initiative

## HONG KONG

Hong Kong Fund Manager  
Code of Conduct\*

## JAPAN

Japan Stewardship Code

## TAIWAN

Taiwan Stewardship Code

## SINGAPORE

Monetary Authority of Singapore  
Guidelines on Environmental Risk  
Management for Asset Managers\*

## AUSTRALIA

Australia Modern Slavery Act\*

<sup>1</sup> PineBridge was a signatory of the UK Stewardship Code from September 6, 2021, to March 10, 2022. It was not listed as a signatory as of September 7, 2022, but has since rejoined the list as of February 15, 2023.

\* Denote regulations.



## Governance

In the long term, financial value aligns with stronger environmental and social governance practices. To ensure we manage ESG risk day-to-day, we view transparency via disclosure and rigorous management accountability as essential for all our investee companies, as well as for our own business. Effective management, board oversight, DEI assessments, fair compensation practices, and investor protections are all crucial components of organizational success. To achieve this, a culture of accountability, prudent risk management, and employee engagement must be fostered, ultimately driving what we call “organizational alpha.” These elements form the foundation of PineBridge’s holistic approach to corporate responsibility, enabling us to drive positive change.

We hold ourselves accountable to this commitment through both top-down and bottom-up oversight.

Our people are also vital to this oversight: Various policies govern employees’ conduct while providing mechanisms for identifying risks and reporting violations, including whistleblowing. Please see the [“Our Policies”](#) section for more details.

PineBridge's management team reports to the Board of Directors. The Board's Governance Committee members serve as advisors to the CEO on strategic, general management, governance, and related material matters. At the organizational level, the PineBridge Corporate Responsibility Steering Committee (CRSC) leads and helps drive our efforts across the organization to define, strengthen, and differentiate our corporate responsibility approach and to ensure its alignment with our mission and values. The CRSC reports to the CEO and oversees the firm's corporate responsibility strategy across four key areas:

### Diversity, Equity and Inclusion



Define and implement firm policies that create a diverse, equitable, and inclusive PineBridge workforce and global culture.

### Our Approach

- Professional development
- Flexible / hybrid work model
- Employee resource groups
- Diversity metrics
- DEI policies and practices

### Stewardship



Define and monitor the company's proxy voting strategy and process and provide oversight of engagement processes, including firmwide reporting, cross-asset collaboration, and escalation.

### Our Impact

- Engagement
- Proxy voting
- Active ownership through engagement

### Company Responsibility



Drive the firm's social responsibility strategy and company best practices as an employer, corporate citizen, industry player, and community member.

### Our Community

- Community relations
- Social responsibility
- Office environment
- Policies and best practices

### Environmental, Social and Governance (ESG) Investment



Promote 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.

### Our Investments

- Corporate initiatives (PRI, NZAM, UNGC)
- Environmental sustainability
- Thought leadership & education
- Enhanced analytical capabilities
- Reporting



Beyond effective management, board oversight, and fair practices, we believe fostering a culture of accountability and prudent risk management, supported by a diverse pool of talent, will drive superior results and enable us to deliver 'organizational alpha' – the essence of success in today's rapidly changing world."



#### Tracie E. Ahern

Chief Financial Officer and Chief Risk Officer, Company Responsibility Committee Co-Chair

**46%** of our 700+ global employees are women<sup>1</sup>

**28%** of our investment professionals advising on investable mandates are women,<sup>2</sup> versus 12% in the global industry<sup>3</sup>

**US\$120,200**  
was raised by the firm and employees for various charities and philanthropic causes through fundraising and other non-profit initiatives<sup>4</sup>

**37** initiatives led by the firm's employee resource groups (ERGs): LGBTQ+ & Allies Network, Women's Network, Black Employee Network, and GenBridge (Young Professionals Network)

## Our People: Change Starts at Home



We are big believers in the adage that corporate and social responsibility begins at home. Just as our portfolio managers aim to reduce risk through our analytical approach, choosing companies that have the structure and resilience to be successful in our changing world, we as a firm are actively working to be an enterprise in the same mold. We recognize that ensuring a strong and diverse workforce is critical to achieving our mission over the long term. As such, we dedicate significant resources not only to recruitment but to helping employees from different backgrounds achieve their full potential and make meaningful contributions to our success.

Our diverse global workforce reflects this commitment and our ongoing efforts to improve. We collect employee feedback through engagement and diversity surveys to better understand the firm's demographic makeup and employees' experiences to better support our people in a fast-changing world. Motivated by the latest findings, we've been expanding our responsible employer programs in the following key areas.

<sup>1</sup> Source: PineBridge Investments as of October 2022.

<sup>2</sup> Source: PineBridge Investments as of October 2022.

<sup>3</sup> Source: Thomas, H (21 September 2022). "Where are all the women in asset management?" Financial Times. <https://www.ft.com/content/309c7a63-bf95-455a-ab3e-0182a3523611>

<sup>4</sup> Source: PineBridge Investments as of 31 December 2022.



For the third year in a row, PineBridge was recognized as one of the “**Best Places to Work in Money Management**” by *Pensions & Investments*.<sup>5</sup>

## Professional Development

We prioritize providing each employee with the tools and training they need to succeed and advance in their roles and throughout their careers at the firm, which we see as a competitive advantage over the long term. Our employees have access to a global professional development platform that they can customize based on their individual development goals and career aspirations. This personalized approach empowers employees to own and drive their professional development. Some of our firmwide offerings include mentoring opportunities, management and leadership development programs, technical education, personality assessments, career coaching, support for industry designations, tuition reimbursement, and access to digital learning platforms, including language development.

In 2021, we launched a comprehensive global leadership development program for high-performing employees in investments. In 2022, we expanded participation to 30 professionals across the firm. This program received a Net Promoter Score (NPS) – a widely used market research metric that asks respondents to rate the likelihood that they would recommend a company, product, or a service to a friend or colleague – of 73, which is considered best in class.



**23% growth** in our global mentoring program from 2021 to 2022, with participants in 15 office locations

We view mentorship as one of the most effective professional development tools because it can be customized to meet an employee’s unique needs and career aspirations. Participation in our global mentoring program grew by 23% from 2021 to 2022, with participants in 15

office locations. We received positive feedback on how the program helped participants achieve their professional development goals while expanding their network. In 2022, we launched a reverse mentoring program, in which junior talent provided mentorship to senior leaders, which empowered emerging talent to help shape the firm’s culture and develop leadership skills. Furthermore, senior leaders gained a deeper perspective on the experience of more junior employees and intergenerational differences (and similarities) – and, yes, some new technological know-how.

On an annual basis, we conduct analyses to confirm that the compensation and benefits packages continue to be competitive and in-line with the market for similarly sized asset managers. Included in this process is an evaluation of the benchmark data as mapped to the appropriate roles and functions within the PineBridge structure. In determining whether any adjustments are necessary, PineBridge Human Resources considers, among other things, factors such as an individual’s previous experience, individual and team performance, firm and team profitability, and role location and the local market for that role.

“

At PineBridge, we believe corporate responsibility extends far beyond just financial performance. By investing in our employees and fostering a culture of inclusion, we are not only improving the lives of our workforce, but also enhancing our ability to innovate, adapt, and thrive in our rapidly changing world.”



**Jennifer Motz**

Global Head of Human Resources,  
Diversity, Equity and Inclusion  
Committee Co-Chair

<sup>5</sup> As of December 2022. For the Best Places to Work in Money Management, Pensions & Investments partnered with Best Companies Group, a research firm, to conduct a two-part survey for employers and their employees. For details on eligibility criteria and the survey’s methodology, please visit <https://www.bestplacetostoworkmm.com/eligibility-criteria>. PineBridge Investments did not pay to be considered for these awards.

# Diversity, Equity, and Inclusion (DEI)

We believe that cultivating a diverse and inclusive corporate culture is central to delivering superior service to clients and maintaining our competitiveness in the industry. In our view, a diverse workforce drives innovation, allows us to better serve our diverse client base, and helps foster cognitive diversity while avoiding “groupthink.” Our overarching aim is to identify exceptional individuals who will add value to our strategy, client service, and culture, and who will bring new perspectives to our teams.

To this end, we continually seek to attract and retain a diverse pool of talent across the globe, with employees who can bring to the table a variety of perspectives and ideas. We aim to achieve diversity across race, gender, sexual orientation, age, disability, nationality, geographic origin, religion, culture, and any other dimension of diversity.

PineBridge is dedicated to promoting diversity, equity, and inclusion for employees at all stages, beginning with recruitment. With the aid of an augmented writing software, our job descriptions are written in gender-neutral and inclusive language to attract a diverse pool of candidates. We follow a methodical and structured evaluation framework that targets inclusivity and avoidance of potential biases. Moreover, we implement best practices including diverse interview panels trained to conduct competency-based interviews and assess candidates utilizing objective criteria.

Human Resources conducts annual diversity reviews to objectively assess how we are tracking against our diversity metrics, including diversity at each job level and the pace of promotions. Gender diversity has been a significant focus for PineBridge from its start, and we have achieved a higher percentage of women among our senior leaders and investment professionals versus the broader industry.

## • Gender Diversity at PineBridge



**46%**  
of our **global workforce**  
**is female**<sup>6</sup>



**32%**  
**of senior leadership positions**  
(SVP and above) at PineBridge are  
held by women, versus 27% for  
corporate America more broadly<sup>7</sup>



**28%**  
**of our investment professionals**  
**advising on investable mandates**  
**are women**,<sup>8</sup> versus 12% in the  
global industry<sup>9</sup>

<sup>6</sup> Source: PineBridge Investments as of October 2022.

<sup>7</sup> Source: Women in the Workplace: 2022. McKinsey. <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/women-in-the-workplace>

<sup>8</sup> Source: PineBridge Investments as of October 2022.

<sup>9</sup> Source: Thomas, H (21 September 2022). “Where are all the women in asset management?” Financial Times. <https://www.ft.com/content/309c7a63-bf95-455a-ab3e-0182a3523611>

## Representation at PineBridge

**41%**  
of PineBridge employees were the **first person in their family to attend college or university**<sup>10</sup>



**25**  
**offices operating in 15 countries worldwide**, reflecting our global footprint and ethnic diversity<sup>11</sup>



**48%**  
of our employees **speak more than one language**<sup>12</sup>

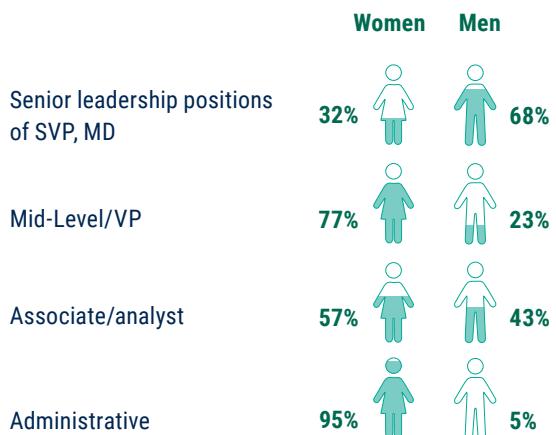


<sup>10</sup> Source: PineBridge Investments as of October 2022. Results from 2022 voluntary survey of employees of 618 respondents representing 86% of total employees.

<sup>11</sup> Source: PineBridge Investments as of October 2022.

<sup>12</sup> Source: PineBridge Investments as of October 2022. Results from 2022 voluntary survey of employees of 618 respondents representing 86% of total employees.

A commitment to advancing the careers of women runs deep at PineBridge. We offer progressive primary and non-primary caregiver leave, adoption and bonding leave, and flexible work policies to support working mothers as well as promote parental and family leave, which contributes to building a more equitable firm culture. PineBridge also participates in the McKinsey Annual Women in the Workplace Survey and provides benchmarking data.



Source: PineBridge Investments as of October 2022; date sourced to align with the results of the voluntary employee diversity survey.

From the top down, we hold managers accountable for upholding DEI policies in hiring, retaining, and developing employees. Performance goals for officers and managers include supporting corporate social responsibility and DEI initiatives.

In addition, all employees must complete the following online training annually: Preventing Discrimination and Harassment; Unconscious Bias; Diversity, Inclusion and Sensitivity; and Modern Slavery in Supply Chains.

**We are proud to report that PineBridge outperformed the external finance benchmark<sup>13</sup> in several important areas, such as:**

Communicating to employees **+9** points higher

Team collaboration **+4** points higher

Manager support **+2** points higher

Receiving recognition for their work **+2** points higher

Having an equal opportunity to succeed **+2** points higher

Feeling comfortable being themselves at work **+2** points higher

Feeling free to speak their mind **+1** point higher

## **Employee Wellness and Culture**

At PineBridge, we understand that work is just one aspect of our employees' lives and believe maintaining a healthy work-life balance is crucial for our employees' happiness, productivity, and success.

Our wellness opportunities are designed to support our employees in all aspects of their lives, including physical, mental, and emotional health. We encourage our employees to take advantage of these resources and prioritize their health and well-being both inside and outside of work. Our offerings include:

- **Employee Assistance Program (EAP)**, which provides confidential counselling and referrals to mental health professionals.
- **Flexible work arrangements/hybrid work model**
- **Primary and non-primary caregiver, adoption, and bonding leave**
- **Mindfulness, meditation, and wellness resources**

Moreover, we conduct periodic employee surveys to ensure that we are continually enhancing our employee support initiatives and programs. These surveys measure employees' engagement and sense of inclusion and how they view our culture, flexible/hybrid work model, DEI efforts, collaboration and communication, and management support. We analyze the results to develop action plans as needed to ensure that our culture is collaborative and empowers employees to drive their professional development. The result is a highly engaged workforce with low turnover.

We believe that helping our employees to be actively engaged at work while promoting a healthy balance creates an environment where our employees can thrive both personally and professionally.

<sup>13</sup> Data Source: Employee Pulse Survey via Glint; April 2022. Finance benchmark includes 50+ companies.

# Employee Resource Groups (ERGs)

Over the past couple of years, we've bolstered our commitment to DEI and supported underrepresented groups at the grassroots level through the following global employee resource groups.

In 2022, our global ERGs:

hosted

**37**

events and initiatives supporting  
fundraising and employee engagement

with

**>500**

employees  
participating



## PineBridge | Women's Network

**Launched in 2019**

Initiatives included partnership events with the *Financial Times*' Women in Business Forum, providing tools to overcome "imposter syndrome" and supporting gender equality; a #breakthebias International Women's Day campaign; a podcast covering women in investing; hosting a McKinsey speaker discussing women in the workplace and supportive trends; and a working parents panel discussion.

## PineBridge | LGBTQ+ & Allies Network

**Launched in 2021**

Initiatives included a global DEI quiz event encouraging engagement between LGBTQ+ & Allies and other employee resource groups; an LGBTQ+ panel event supporting transgender and non-binary individuals; Pride Month fundraising across our offices for related charities and non-profit organizations; and a campaign to highlight the importance of the network and assist in inclusive recruitment efforts.

## PineBridge | GenBridge Network

**Launched in 2021**

Initiatives included events featuring senior leaders across all regions sharing their career journeys and advice, which provide younger members a direct line to senior members of the firm in which they can learn from their experiences, as well as social events to provide networking opportunities.

## PineBridge | Black Employee Network

**Launched in 2021**

Initiatives included special events with guest speakers, including the first all-Black team to summit Mount Everest; a Black History Month campaign; and panel discussions supporting Black employees at work.



## Partnering With Community Programs

Our community outreach efforts enable our employees to partner directly with leading organizations to effect change close to home. Several of these efforts build on our SDG priorities, reinforcing our commitment in areas such as supporting opportunities for women and first-generation college grads by extending the opportunities to girls and youth from traditionally underrepresented groups (and potentially future PineBridge employees). In 2022, PineBridge, along with its employees, raised and contributed over US\$120,000 to various initiatives.<sup>14</sup>

<sup>14</sup> PineBridge Investments as of 31 December 2022.



## Bridging the Opportunity Gap

PineBridge has partnered with the following global organizations to deliver a program of rewarding internships to aspiring students and young people interested in a career in financial services.

- **Girls Are Investors (UK)**, an organization dedicated to improving gender diversity in the asset management industry by inspiring young women and providing internship opportunities. PineBridge has hosted interns in London across our Private Funds Group, marketing, communications, and compliance teams.
- **The Opportunity Network (US)**, an organization founded as a direct response to the inequitable structures of access, college opportunity, and professional mobility that disproportionately affect students of color and first-generation college students. PineBridge has offered networking, internship, and career opportunities to students starting from 11th grade of high school to and through college.
- **Summer Internship Program (Hong Kong)**, PineBridge took part in this program as part of the Hong Kong government's effort to facilitate development of the asset management sector in Hong Kong by providing opportunities to students at local universities.

With its commitment to NZAM,  
PineBridge seeks to ensure that:

**70%** of financed emissions in Net Zero Scope are assessed as Net Zero, aligned, aligning, or subject to direct engagement by 2025

**90%** of financed emissions in Net Zero Scope are assessed as Net Zero, aligned, aligning, or subject to direct engagement by 2030

Over **7,900** trees were planted on our behalf since 2021 through our partnership with Tree Nation, the equivalent of taking nearly 300 internal combustion engine cars off the road<sup>15</sup>

**44%** market share: PineBridge Taiwan's award-winning platform<sup>16</sup> now dominates the island's ESG investment market, with the largest ESG-related AUM<sup>17</sup>

## Our Planet: Taking Up the Challenge of Bending the Curve



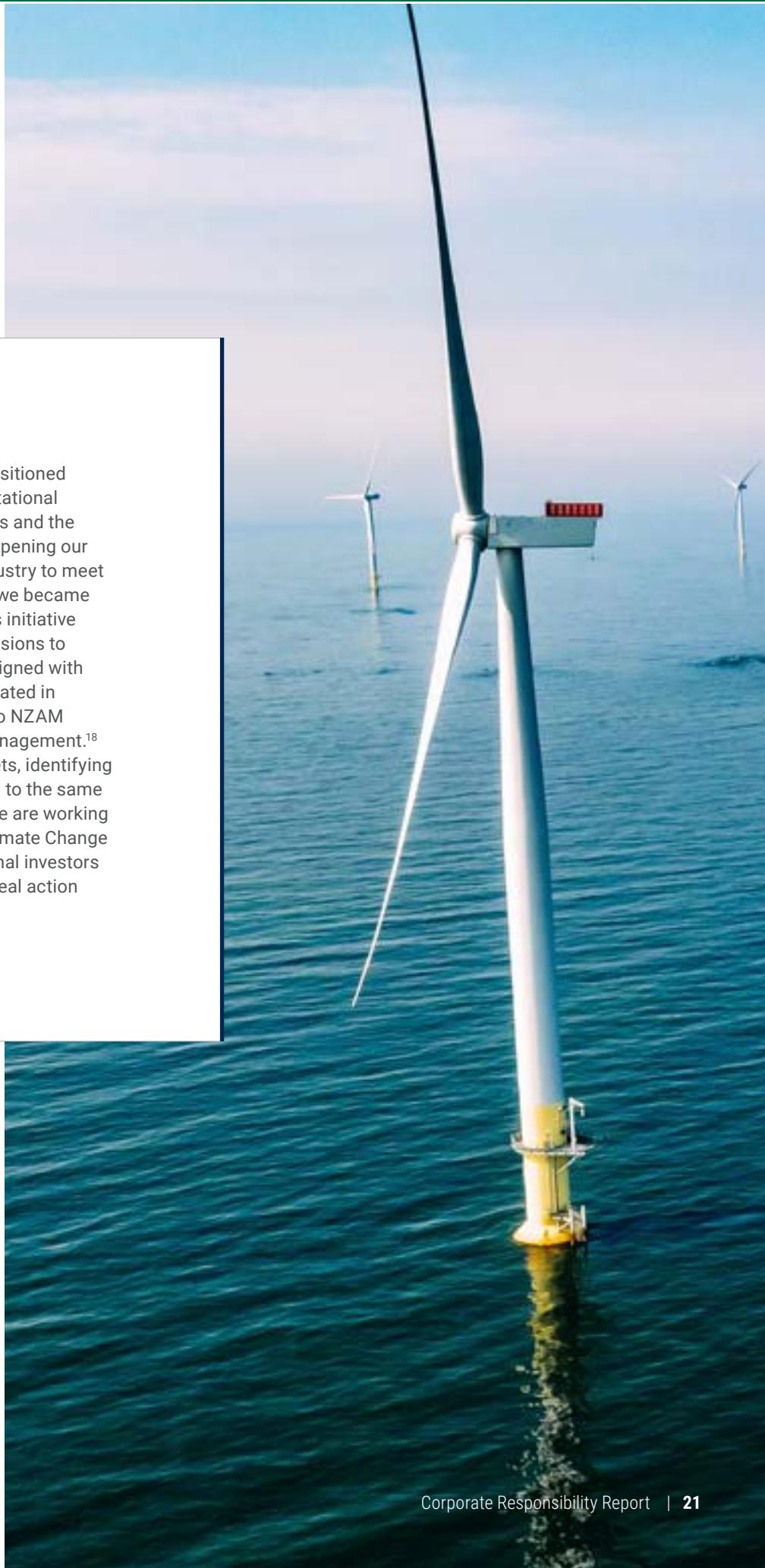
<sup>15</sup> Source: "The Forest of PineBridge Investments." Tree-Nation. <https://tree-nation.com/profile/pinebridge-investments>.

<sup>16</sup> Please refer to awards referenced on page 24.

<sup>17</sup> Source: SITCA as of December 2022.

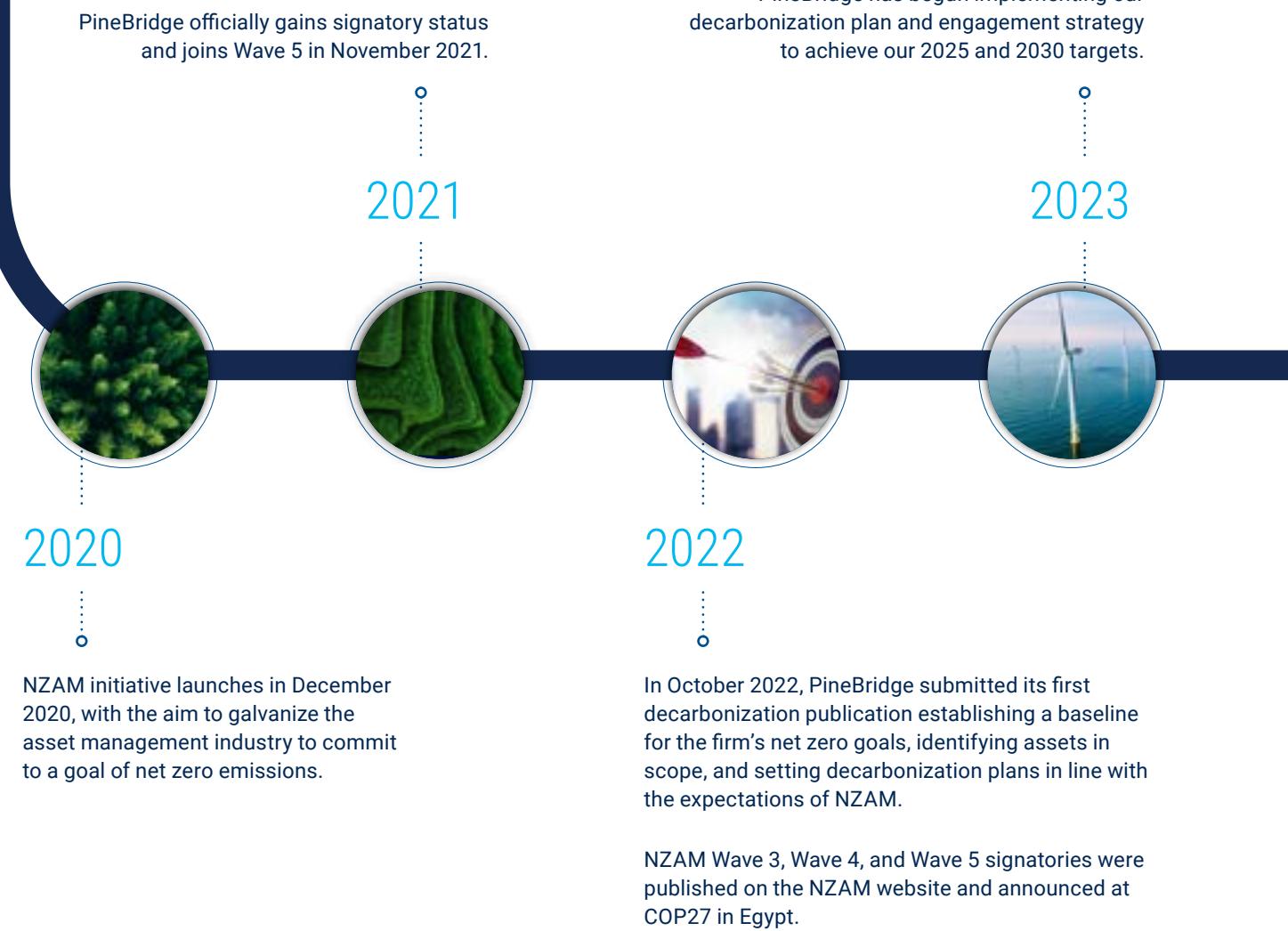
The focus of sustainable practices has transitioned from merely managing regulatory and reputational risks to ensuring the resilience of operations and the ability to adapt to changing conditions. Deepening our involvement with the global investment industry to meet universal climate and social goals, in 2021 we became a signatory to the Net Zero Asset Managers initiative (NZAM), which aims to reduce carbon emissions to align with 1.5° C and to support investing aligned with net zero emissions by 2050 or sooner, as stated in the Paris Agreement. The 301 signatories to NZAM represent US\$59 trillion in assets under management.<sup>18</sup> In 2022, we published our first interim targets, identifying investments in scope that we intend to hold to the same standards and timeline. In the same vein, we are working with the Institutional Investors Group on Climate Change (IIGCC), a consortium of over 370 institutional investors and asset managers, which seeks to drive real action toward reaching the same goals.

<sup>18</sup> Source: Net Zero Asset Managers initiative as of 31 December 2022, <https://www.netzeroassetmanagers.org/>



## Net Zero: We're on the Clock

When PineBridge signed onto NZAM in November 2021, we committed to a tight time frame to define, assess, and manage our investments in compliance with the goal of global net zero emissions. Now that our baseline and initial scope (10% of the firm's AUM, or US\$13.9 billion) has been set, the next step is assessing the emissions associated with each



investment and assigning it to one of four categories – Net Zero, aligned with net zero principles, committed to aligning, or subject to direct engagement – and using our power as capital allocators to press for progress.

As a result of our advocacy for more carbon reporting data and discussions with clients on evolving their mandates, we expect to meaningfully expand the scope of our targets.



**90%** of financed emissions in Net Zero Scope are assessed as Net Zero, aligned, aligning, or subject to direct engagement

by 2030

With its commitment to NZAM, PineBridge seeks to reach our engagement threshold target by ensuring that:



**70%** of financed emissions in Net Zero Scope are assessed as Net Zero, aligned, aligning, or subject to direct engagement

by 2025

Across regions and asset classes, our investment teams have been deepening their understanding of what exactly this global journey to carbon neutrality will look like, and what else we can be doing to accelerate it – and to leverage it for added risk-return potential for our clients.

One example is the emerging concept of a “**carbon handprint**.” While the traditional climate-related investing framework has focused on the footprint – the total amount of greenhouse gases generated by a given set of activities – the carbon handprint emphasizes activities that help others reduce their footprint. This could include anything from a tech firm that helps customers limit their travel by utilizing sustainably powered cloud and internet of things (IoT) services, to a copper mine unearthing a critical raw material for wind turbines, solar panels, and electric vehicle batteries, to a bond issuer that invests in crop engineering to breed plants that can store more carbon in their roots. In January 2023, our Global Equity team launched a strategy for our Taiwanese clients specifically aimed at limiting the risks and capturing the opportunities related to the fight against climate change. This is the latest of four ESG-focused funds available to investors in Taiwan.

## ESG Leadership in Taiwan

PineBridge Taiwan, which recently launched a carbon-reduction-focused fund, is a pioneer in developing ESG products in Taiwan, having established a suite of ESG solutions across multi-asset, equity, and fixed income assets. It now dominates the island's ESG investment market, with the largest ESG-related assets under management and a sweeping 44% market share<sup>19</sup> in actively managed ESG AUM. This leadership has earned PineBridge Taiwan four ESG-related awards over the past two years,<sup>20</sup> as follows:

- 
- 1 Best Securities & Futures Award for Forward-looking Innovation: PineBridge ESG Family, 2022<sup>21</sup>
  - 2 Asia Asset Management: Best ESG Manager, 2022<sup>22</sup>
  - 3 Asia Asset Management: Most Innovative Product (PineBridge Global ESG Quant Bond Fund), 2021<sup>23</sup>
  - 4 The Asset: ESG Fund Manager and Investors Awards (Editor's Triple Star), 2021<sup>24</sup>

<sup>19</sup> Source: SITCA as of December 2022.

<sup>20</sup> The referenced awards are for reference only. No representation or warranty is made. We reserve the right to revise any information at any time without prior notice. All investment involves risks, including loss of principal. Past performance is not indicative of future performance. Third-party rankings from rating publications are no guarantee of future investment success. Working with a highly rated advisor does not ensure that a client or prospective client will experience a higher level of performance or results. These ratings should not be construed as an endorsement of the advisor by any client nor are they representative of any one client's evaluation. Generally, ratings, rankings, and recognition are based on information prepared and submitted by the advisor, and are part of a process in which not all advisors elect to participate. A more detailed disclosure of the criteria used in making these rankings is included above.

<sup>21</sup> Source: Securities & Futures Institute (SFI), announced in November 2022. The award is awarded based on qualitative scorings. For details of the awards, and methodology, please visit: <https://webline.sfi.org.tw/paperaward/index.html>. PineBridge Investments did not pay to be considered for these awards.

<sup>22</sup> Source: Asia Asset Management (AAM), announced in February 2022. The award is awarded based on qualitative scorings. For details of the awards, and methodology, please visit: <https://www.asiaasset.com/p/37063>. PineBridge Investments did not pay to be considered for these awards.

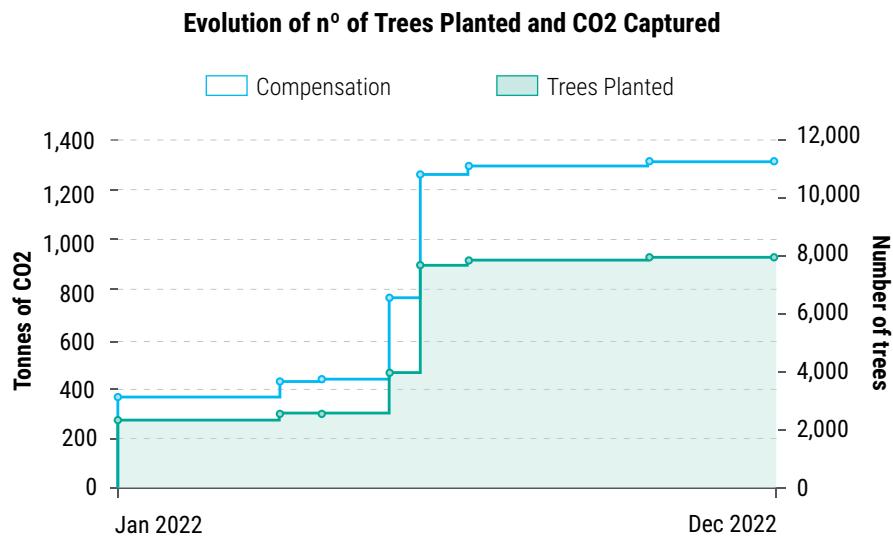
<sup>23</sup> Source: Asia Asset Management (AAM), announced in January 2021. The award is awarded based on qualitative scorings. For details of the awards, and methodology, please visit: <https://www.asiaasset.com/p/37063>. PineBridge Investments did not pay to be considered for these awards.

<sup>24</sup> Source: The Asset, announced in May 2020. The award is awarded based on qualitative scorings. For details of the awards, and methodology, please visit: <https://www.theasset.com/awards>. PineBridge Investments did not pay to be considered for these awards.

## Reforestation Project:



In 2021, PineBridge began reforestation initiatives in Peru, Madagascar, and India through a partnership with Tree-Nation,<sup>25</sup> a non-profit organization that works with corporations and local planters around the world to plant trees. Aside from protecting biodiversity and offsetting carbon emissions, this initiative helps create jobs and support local communities. So far, Tree-Nation has planted over 7,900 trees on our behalf, enough to eventually offset 1,317.79 metric tons of carbon dioxide emissions – the equivalent of taking nearly 300 internal combustion engine cars off the road.



Source: Tree-Nation as of 31 December 2022. See "The Forest of PineBridge Investments." <https://tree-nation.com/profile/impact/pinebridge-investments>.

## Empowering Our Employees to Act

To inspire and empower our employees to act as stewards of change, PineBridge provides resources, training, and opportunities for our employees to partake in building a more resilient and future-ready world.



PineBridge supports employees in obtaining the **CFA Certificate in ESG Investing and the CFA Climate & Investing Certificate**



We host an **annual internal ESG forum** featuring both in-house and external experts discussing key topics, including geopolitics, the energy transition, commodities trends, and evolving policies. The forum furthers our commitment to educating employees on ESG topics and approaches as part of continued learning and development.

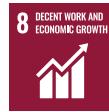


We conduct quarterly training with employees on our Net Zero Asset Managers initiative to track commitment, progress, and key actions.

<sup>25</sup> Source: "The Forest of PineBridge Investments." TreeNation, as of 31 December 2022. <https://tree-nation.com/profile/pinebridge-investments>.



## Our Portfolios: Using Our Power as Capital Allocators



We believe that a responsible investment approach should be wholly aligned with the core forward-looking investment philosophy and processes we employ across asset classes and investments to optimize our clients' capital preservation and investment returns.



We recognize that ESG issues may create both opportunities and risks for our clients' portfolios. At PineBridge, we address these factors through our investment processes across our investment platform, including equity, fixed income, multi-asset, and alternatives, to gain a better understanding of their potential impact on current asset values, future performance, and best practices.

PineBridge believes an analytical approach that considers how companies are seeking to improve upon environmental, social, and governance issues can be material to risk mitigation and investment returns over the medium to long term. In evaluating ESG issues, PineBridge recognizes that business models which improve their approach to sustainability often create value and reduce adverse outcomes, which should be rewarded by markets.

**PineBridge's approach to responsible investing is guided by three main principles:**

01

02

03

Integration  
of ESG  
considerations

A focus on  
improvement on  
ESG measures in  
key priority areas

Embracing  
active  
engagement

“

As active investors, we often have a rare seat at the table with company management, and a focus on companies' improvement and potential for further gains – rather than simply point-in-time measures – is a consistent feature driving our distinct asset-class-specific approaches to sustainable investing and engagement.”



**Kate Faraday**  
Global Head  
of Corporate  
Responsibility

# 01

## Integration of ESG considerations

We've found that improvement in key ESG metrics post-investment is increasingly associated with investment alpha. We believe a forward-looking ESG analysis can and should be incorporated into the end-to-end due diligence, asset selection, and portfolio monitoring processes for all investments – not just those with explicit ESG mandates – in coordination with and on a similar footing as other risk and return drivers.

Recently, we launched a series of funds, starting in Taiwan, focused on specific areas of ESG-related risks and opportunities. We believe factors such as carbon reduction have risen to a level where they are worthy of an even higher-conviction approach for interested clients whose objectives and time horizons allow. The new portfolios are similar to other types of strategies we offer where we think a tighter regional, sector, or thematic focus, appropriately risk-managed, can support even greater return potential; however, these new funds may come with even more concentrated potential to effect positive change.



### Customizing ESG Solutions for Clients



ASIA

#### Client demand / investment challenge

A growing demand for ESG investing opportunities from retail investors across risk appetites

#### Solution

A comprehensive series of ESG funds in Taiwan, focused on fixed income, equity, and multi-asset

Meeting net zero commitments by investing in lower carbon-emitting assets

An ESG equity product focused on companies specializing in decarbonization, and the first local fund in Taiwan linked to the Paris Agreement Climate Index



US

A broad-based, quantitative approach to US equities that factors in ESG-related risks and opportunities

A sub-advised US equity strategy utilizing our research-enhanced quant framework that overlays ESG metrics and research to guide allocation ranges and portfolio structuring

## 02

### A focus on improvement on ESG measures in key priority areas

We believe asset selection and monitoring should consider a thorough review of a company's risks and encourage a proactive effort to mitigate those risks over time. We believe that if the underlying fundamentals of a business are sound and there is a willingness and ability on the part of management to make ESG improvements, this is an area where we can find opportunities to effect change and reap the potential risk premiums associated. Not simply excluding issuers broadly, but encouraging opportunity for their improvement on ESG metrics, may result in investments where attractive opportunities – both in terms of sustainable objectives and investment returns – are likely to be found.

“

Management teams respond more to owners than to conscientious objectors. We believe divestment should not be the first port of call in ESG if one's goal is to have an impact, as well as another source of alpha.”



**Michael Kelly, CFA**  
Global Head  
of Multi-Asset  
Investing

## 03

### Embracing active engagement

Related to the above, PineBridge takes an active approach to engagement, aligning ourselves with management teams receptive to making improvements. When we refer to engagement, we mean purposeful, targeted communication on particular matters of concern, with the goal of encouraging change or addressing risk. We focus on situations where active engagement can drive improvement in a company's practices, which may increase asset prices and develop the investment opportunities we seek.

We view engagement as an active dialogue between investors and the companies they invest in, which:

- Fosters productive discussions of risks and opportunities
- Provides companies with insight into best practices for corporate behavior
- Offers actionable solutions
- Measures progress based on continued dialogue

By their nature, different asset classes have different platforms from which to engage, but we maintain a consistent approach across our investment platforms that prioritizes action and maintains a two-way dialogue to assess management teams' commitment to improving and monitoring progress. We feel this is the best way to ensure that our engagement efforts will help move the needle on ESG improvements that can benefit our clients' portfolios.

## Equities: Ideally Positioned for Engagement

The PineBridge Fundamental Equities team is ideally positioned to serve as ESG advocates for our clients through our Engagement and Escalation process. Our Equity Risk Assessment (ERA) framework highlights the sustainability issues that are most material to the investment case, and our deep due diligence and strong relationships with company management teams ensure that we can have productive dialogues on these issues. Our medium- to long-term holding periods enable us to track companies' progress against the engagement goals over the proper time frame. Additionally, we engage with companies across our Equities platform, so we can typically communicate best practices for a target company's peer group.



In Equities, we are analyzing where a company is headed fundamentally over a multi-year horizon, and what might keep it from getting there – and ESG sustainability-related risks are key to this determination."



**Ken Ruskin, CFA**

Director of Research  
and Head of Sustainable  
Investing – Global Equities,  
Stewardship Committee  
Co-Chair

### Urging a global consumer discretionary company to address greenhouse gas emissions

In December 2021, we began an engagement with a company in our portfolio that is a leading global provider of food, facilities, and uniform services. Through our ERA framework, we determined that the company's greenhouse gas (GHG) intensity trend versus peers was relatively high and that their overall ESG disclosures needed improvement. We highlighted both issues as material business risks, as the company's customers were increasingly evaluating GHG emissions and overall ESG trends when awarding contracts. Through a consistent dialogue with senior management, including the CEO, CFO, and Head of Sustainability for the company, we urged the company to focus on improving its GHG emissions trend and expanding ESG disclosures to align with peers. Since our engagement, the company has improved its disclosures and submitted its near-term net zero targets to the Science Based Targets initiative (SBTi).

**Outcome:** We are seeing signposts of improvement in the company's emissions performance as well as reporting. While the engagement is ongoing, the company acknowledged our contribution and insights after its ESG rating was double upgraded by MSCI.

## Fixed Income: Engagement on the Issuance Level

Maintaining relationships with all bond issuers under active coverage is critical, and our Fixed Income analysts have regular contact with company management teams and generally meet in person 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've found that in many ways our active engagement of bondholders can be just as needle-moving – extending even to the very terms under which bonds are issued.

“

The UN Sustainability Development Goals help us maintain a balanced view of sustainability issues.”



**Jonathan Davis**

Client Portfolio Manager  
and Sustainable  
Investment Strategist,  
ESG Committee Co-Chair

### Helping an Indonesian utilities company form actionable carbon-reduction plans

PineBridge has been engaging with a large utility in Indonesia, a longtime portfolio holding currently rated BB on MSCI's ESG rating scale (upgraded from B in November 2022). Management announced plans to invest around a quarter of its annual budgeted capex of approximately US\$4.5 billion toward ESG initiatives over the next several years to transition from majority coal and gas-fired generation facilities to renewables, all part of a pledge to achieve carbon neutrality by 2060. We've been probing how the company intends to fund these plans and challenging why it is simultaneously moving ahead with a pipeline of coal-fired plants, as well as how they will impact its credit quality and its long-term ESG commitments. Our engagement has focused on helping the company develop a practical and time-bound roadmap while determining whether the magnitude of improvement is realistic, with a push to enhance transparency and reporting and ensure accountability.

**Outcome:** The company enhanced communications on its targets, indicating that 52% of new capacity through 2030 will be renewables, to roughly 25% of the portfolio from 13% currently, and detailed the new infrastructure needed. The company signed a memorandum of understanding with the Asian Development Bank and the Indonesian Investment Authority, indicating movement toward early retirement of coal facilities.

Case study

# Multi-Asset: More Active Engagement When Investing Passively

PineBridge's Global Multi-Asset Team assigns both current-state ESG ratings as well as ESG outlook ratings at the asset class level. We incorporate these into our asset class valuations and convictions and use them when considering whether a particular asset class can be implemented passively or if a high component of underperforming ESG constituents requires a more active approach. We understand that the more passive we are in portfolio implementation, the more active we must be in engagement. An asset class with a high percentage of poorly ranked ESG firms without plans or commitments to improve places an unrealistic burden on engagement. Investing in such an asset class is often deemed feasible only through appropriate active strategies – those with very high active share and ESG considerations. We believe improvement in material ESG factors can enhance companies' performance and that an open dialogue with active managers and investee companies can encourage transparency, drive change, and ultimately contribute to long-term sustainable value creation. We use independent data sources to assess investee companies' current state and engage with those that are lagging with regard to climate, diversity, and labor practices to drive improvement and inform our proxy voting and investment decisions.



In Multi-Asset, we understand that the more passive we are in portfolio implementation, the more active we must be in engagement."



**Deanne Nezas, CFA, FSA, MAAA**  
Portfolio Manager, Global Multi-Asset, Stewardship Committee Co-Chair

Case study

## Advocating that a US trucking company reduce emissions and improve disclosures

Our analysis of this passively invested US-based trucking company revealed that it lacked adequate emissions disclosures, which impeded the company's understanding of its fleet dynamics and areas of improvement. We met with company management to advocate for increased transparency and to discuss the benefits of disclosing under the Task Force on Climate-related Financial Disclosures (TCFD) framework and reporting into the Carbon Disclosure Project (CDP). The company agreed that reducing emissions will enhance profit margins given that improvements in fuel efficiency of its fleet both drive profits and lower emissions. To reduce emissions, the company maintains a young fleet of vehicles, allowing it to take advantage of improving technology. It also is transitioning from propane to electric-powered forklifts and yard trucks in areas where electricity generation is cleaner than propane. Company management acknowledged that it has lagged on climate disclosures and is actively working toward rectifying the issue.

**Outcome:** The company has engaged an ESG consultant to assist with disclosures and a third-party engineering firm to gather data, enabling the company to report emissions and to identify critical areas of improvement. The company also produced a SASB-aligned disclosure and is evaluating additional reporting frameworks, including plans to disclose directly to ESG rating companies.

For illustrative purposes only. The selected case studies have been chosen by PineBridge to illustrate our ESG engagement process. They are not necessarily representative or indicative of all investments made in any existing strategy or fund. Information provided about a portfolio company is intended to be illustrative and should not be used as an indication of current or future engagements. Past performance is not indicative of future results.

## Quantifying Our Impact With ESG Data: Our Proprietary Cross-Asset-Class Monitoring Tool

If there is one impediment to matching asset managers' sustainability ambitions with reality, it's access to relevant, high-quality ESG data related to their targets. This is part of the reason we support standards like those of the Sustainability Accounting Standards Board (SASB), which has developed industry-specific materiality standards for company-reported data and advocates for more comprehensive reporting practices.

An area where we continue to identify room for significant progress is in asset managers' ability to capture precise, relevant, and comprehensive data about their own activities. To this end, PineBridge has begun to build and fine-tune an internal ESG data-capture and reporting tool designed to gather information on our engagement efforts across asset classes, house the data in a centralized location, and ensure we're capturing the details in a standardized way. The tool first enables our investment teams to track company engagements by asset class, country, sector, industry, analyst, and ESG theme. It then allows for further data analysis to assess where we've spent the most time and where we've achieved the greatest impact across our ESG goals. This tool will help us remain accountable and to make progress toward our commitments.

As an active manager engaging in ESG-related communications with company management teams around the world, the ability to more precisely quantify and analyze our entire body of activity is imperative to measuring our true impact.

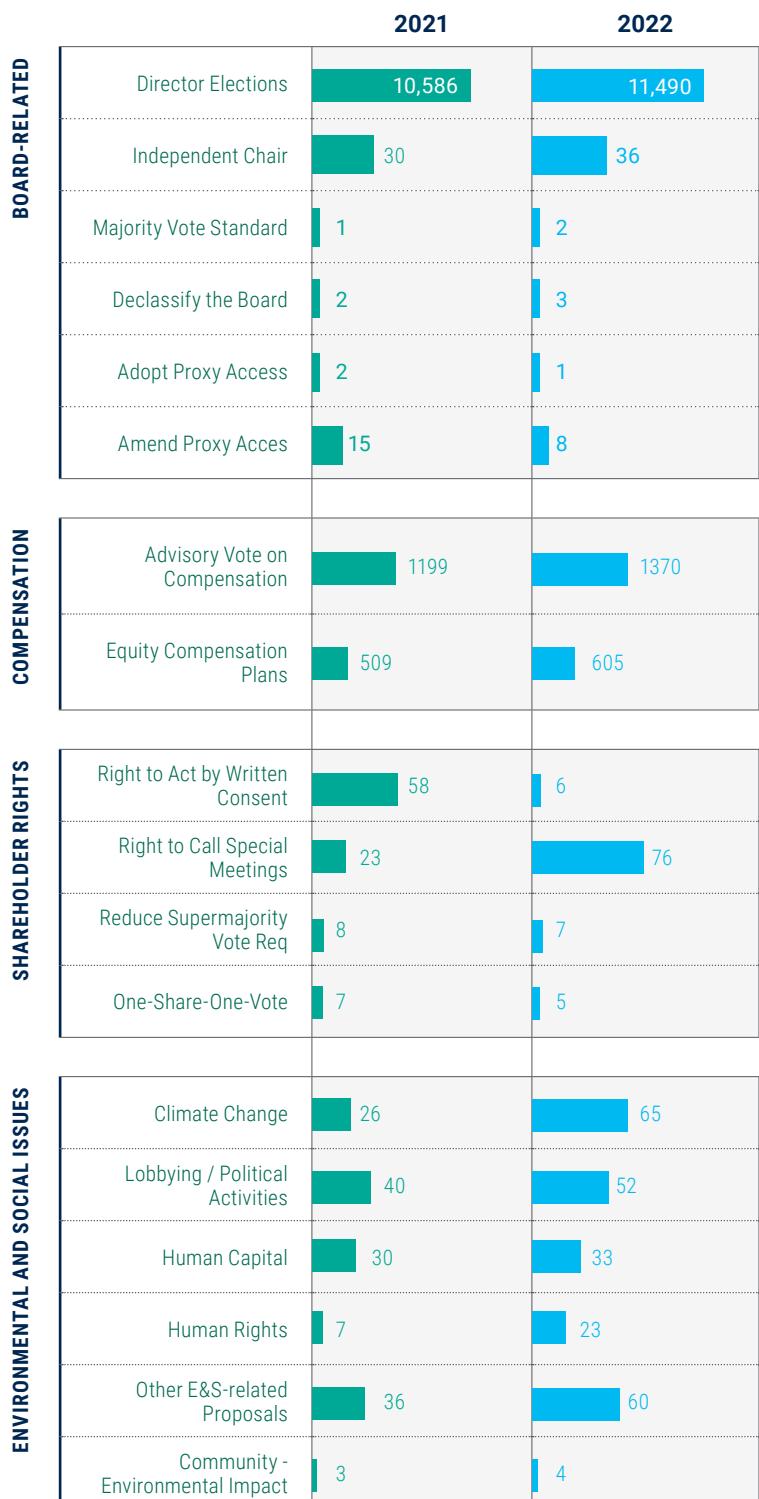


# Terms of Engagement

Given the central role of company engagement in our investment management, it's all the more critical that we have well-thought-out and well-articulated policies and procedures in place to govern these efforts.

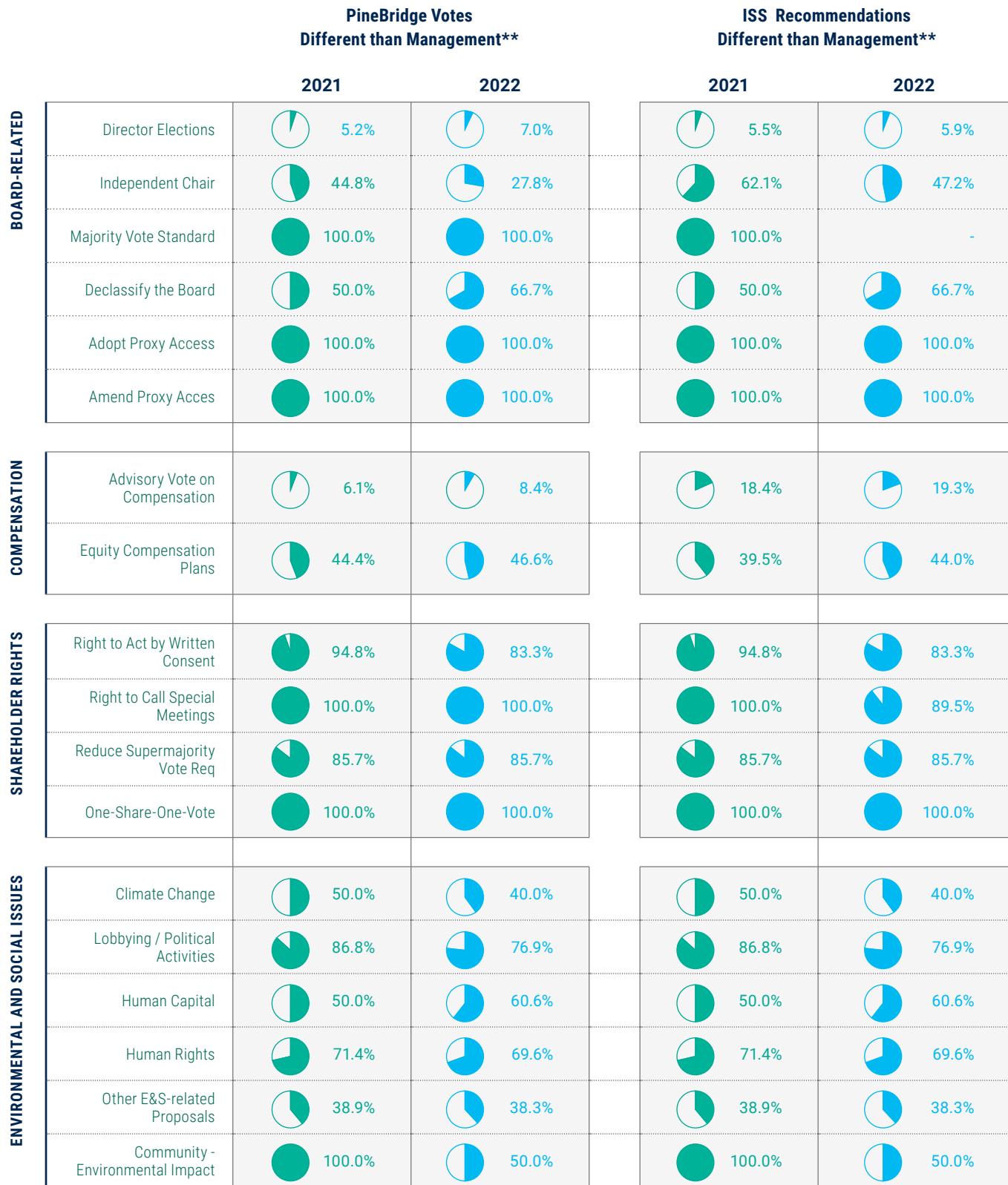
**Stewardship and engagement.** When engaging with company management teams, we always represent and advocate for our clients' best interests. Our main engagement priorities are climate change, DEI, and human rights, although investment teams may supplement these priorities with other factors that may be material given the nature of the investment. To learn more about our efforts, read our [Stewardship and Engagement Policy](#).<sup>26</sup>

**Proxy voting and procedures.** Our objective is to vote proxies in the best interests of our clients, and to ensure that our voting procedures are clearly outlined and that clients have ready access to how we voted and why. We decide how to cast proxy votes on a case-by-case basis, taking into consideration our policies and procedures, obligations under management agreements and fund bylaws, and other pertinent considerations. Moreover, we conduct annual reviews of our procedures and votes to ensure they are continuing to serve our clients' best interests within the context of changes in the investment, regulatory, and ESG landscape. Access our [Proxy Voting Policy](#)<sup>27</sup> to learn more about our approach.



<sup>26</sup> Access our policies via <https://www.pinebridge.com/en/about-us/corporate-responsibility>.

<sup>27</sup> Access our policies via <https://www.pinebridge.com/en/about-us/corporate-responsibility>



Source: Institutional Shareholder Services (ISS), PineBridge Investments as of 31 December 2022.

\*\* Excludes instances where management vote recommendation is "NONE".

## ESG Alpha: EM Bonds Mark the Spot

Emerging markets are home to four-fifths of the world's population and responsible for more than two-thirds of its carbon emissions.<sup>28</sup> This means EM countries will need significant climate financing to reduce emissions and better prepare for climate disasters. Yet until recently, there were broad concerns among investors and the asset management community that EM investing was incompatible with sustainable investing, largely due to misconceptions about corporate governance and concerns about the availability of ESG-related reporting data.

Improvements in the quality of EM data reporting have made it possible for more managers focused on ESG to invest in EM. But there's another reason EMs are finally moving up investors' ESG priority lists: More are recognizing that ESG considerations layered onto the usual market inefficiencies in EMs can be a rich source of alpha.

For our part, we have seen robust growth in assets under management (AUM) in the past six years, particularly among our EM corporate bond strategies, which now exceed US\$15 billion<sup>29</sup> across PineBridge's global and Asia-focused strategies. This growth provides a greater platform from which we can engage with companies on sustainability issues. It also, in our view, carries the responsibility of leadership to define well-rounded sustainability objectives and values for the benefit of our investment partners, both investors and investees. With that in mind, we have galvanized our sustainable investment efforts in the pursuit of well-defined goals, including environmental and social sustainability, with a focus on four key UN Sustainable Development Goals (see graphic).



<sup>28</sup> Source: World Bank as of 30 September 2022. We are not soliciting or recommending any action based on this material. Any opinions, projections, estimates, forecasts and forward-looking statements presented herein are valid only as of the date of this presentation and are subject to change. For illustrative purposes only.

<sup>29</sup> Source: PineBridge Investments as of 31 December 2022.



PineBridge Benson Elliot

## Outside In: The Next Wave in 'Greening' Real Estate With PineBridge Benson Elliot

In some sectors, the costs associated with the green energy transition are some of the greatest risks that business and asset owners face today. Manage those costs well, however, and it can be a major source of differentiation and, ultimately, savings for decades to come.

Perhaps nowhere are the stakes as clear as in the commercial real estate sector, especially in Europe, where tightening regulatory standards and the rising



expectations of commercial tenants are making the future prospect of green conversions a not-so-hidden cost in almost any legacy property. PineBridge Benson Elliot, our UK-based real estate subsidiary, is tackling the issue along several fronts.<sup>30</sup>

1

**Take the logistics space, where our team is focused on projects designed to high environmental specifications, including a zero-carbon in-operation footprint.** Not only does such an approach reduce potential future conversion costs, it helps protect against rising energy costs, a significant driver of near-term inflation. One example is a project in northeast Turin, Italy, that is part of an Italian real estate investment fund (REIF) with a portfolio aggregation strategy focused on acquiring existing properties close to urban centers, major roads, and labor, alongside the development of Grade A modern logistics assets.

2

**Likewise, in the office sector, PineBridge Benson Elliot is working toward implementing BREEAM certifications,**<sup>31</sup> which are internationally recognized assurances that a project conforms to the requirements of the scheme. The firm is also focused on sustainable design, beginning with the choice of building materials to lower the carbon intensity of buildings – for example, by using cross-laminated timber instead of concrete, where appropriate.

3

**The building shown above is one example of our sustainable office approach.** This iconic grade-A office building was extended from the shell of a blocky 1970s-era structure in La Défense, an office district just west of Paris. Other examples include several properties in regional hubs throughout Poland, where the relatively low acquisition costs allowed for green refurbishments.

<sup>30</sup> Note: The examples provided refer to specific investments and are not representative of the whole portfolio. Please refer to [www.pinebridge.com](http://www.pinebridge.com) for more information.

<sup>31</sup> Source: BREEAM website. <https://bregroup.com/products/breeam/breeam-usa/?infinity=ict2~net~gaw~cmp~1768086303>



## Our Policies: The Codes We Work and Live By

Serving our clients' best interests begins with each of us at PineBridge, and we have instituted several policies that reflect our value system and principles and guide how we conduct ourselves worldwide.

These policies align with the UN Global Compact, the umbrella framework for the UN SDGs that are so central to our "real-world change" approach to corporate and social responsibility. The compact requires signatories to "at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment, and anti-corruption."<sup>32</sup>

As a responsible global asset manager, investor, and stakeholder, we are committed to meeting the distinct legal and regulatory obligations and

<sup>32</sup> Source: UN Global Compact. <https://unglobalcompact.org/what-is-gc/mission/principles>

the highest ethical standards of all regions in which we do business. In addition, PineBridge continually evaluates applicable and forthcoming regulatory requirements and industry best practices globally to ensure up-to-date compliance in each region where we manage investors' assets.

**The following are the key aspects of our policies on ethical business conduct that help ensure our firm remains responsible and principled from the ground up.**

### **Code of Ethics**

Our Code of Ethics governs our fiduciary responsibility to place the interests of our clients first. The code covers matters including, but not limited to, conflicts of interest, personal trading, data security, fair dealing, anti-money laundering, political activities, confidentiality, anti-bribery, and ethical business standards.

### **Product Governance**

PineBridge reviews the investment products it develops on a regular basis, considering any event that could materially affect potential risks to, or suitability for, the identified target market. When reviewing existing products, we consider whether the product remains consistent with the needs, characteristics, and objectives of the target market and adjust where necessary.

### **Anti-Corruption and Bribery**

We maintain a global Anti-Corruption Policy that is designed to comply with the U.S. Foreign Corrupt Practices Act, the UK Bribery Act, and similar laws in other jurisdictions in which PineBridge conducts business. The firm also maintains a global Economic Sanctions Policy, which is designed to comply with applicable economic sanctions lists, as well as Anti-Money Laundering policies that are designed to comply with regional regulatory requirements relating to the prevention of money laundering and terrorist financing activities. The firm's financial crimes control framework encompasses firmwide compliance controls that are integrated into enterprise risk monitoring and management. The firm's approach conforms with our principal regulators' mandates and expectations and applies the most stringent compliance control standards firmwide.



## Climate Policy

Our climate change policy is centered on modifying our business activities to support carbon reduction, engaging with portfolio companies to improve their approach to sustainability, and finding opportunities with companies that demonstrate a prudent investment opportunity along with a path toward supporting global carbon neutrality. Read our [Climate Policy<sup>33</sup>](#) to learn more.



## Modern Slavery

Modern slavery refers to forced or bonded labor, deprivation of personal freedom, and facilitating the movement of people for exploitation. We are committed to acting ethically to protect human rights and to combat slavery and human trafficking violations related to our own operations, supply chains, and services. While we believe there is a low risk of modern slavery or human trafficking within the firm's operations or supply chain, we maintain ongoing due diligence of both our internal processes and material outsourced third-party functions. We have also implemented firm-wide mandatory employee training programs on the issues of modern slavery and human trafficking.



## Risk Management

Managing and mitigating risks is a top priority and a key area of oversight by our Board of Directors. PineBridge's Global Risk Committee reports to the Board and is tasked with identifying, assessing, and managing risks across the firm. Co-chaired by the Chief Operating Officer and the Chief Finance and Risk Officer, the committee comprises senior representatives from the IT, Compliance, Investment, Legal, and Operations departments, providing a comprehensive and multi-faceted view of critical business areas.

- **Cybersecurity**

We take cybersecurity seriously and manage this critical function through the Data Privacy and Security Subcommittee of our Global Risk Committee, which in turn reports to the Board of Directors. We have also used external vendors in an advisory capacity, including engaging with vendors through our cyber insurance provider to address any real-time attacks and using a third party to investigate and remediate any future potential breaches.

- **Data protection and client privacy**

Ensuring privacy is fundamental to maintaining the trust and confidence of our investors. We are committed to maintaining the confidentiality, integrity, and security of non-public personal information about current, prospective, and former clients and individual investors in our funds.

<sup>33</sup> Source: PineBridge Investments' Climate Policy (November 2021). [https://www.pinebridge.com/\\_assets/pdfs/pinebridge-climate-policy-nov-2021.pdf](https://www.pinebridge.com/_assets/pdfs/pinebridge-climate-policy-nov-2021.pdf)

Our precautions include the adoption of certain procedures designed to maintain and secure such person's non-public personal information and prevent inappropriate disclosure to third parties.

- **Business continuity**

PineBridge maintains full business continuity capabilities for its critical office locations. Plans are maintained to facilitate crisis communications to all staff, along with evacuation procedures and relocation of key business functions to alternate facilities, and the recovery of critical information technology systems.



## Stewardship and Engagement Policy

Our Stewardship and Engagement policy sets forth how PineBridge endeavors to interact with companies, entities, and other market participants on 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. To learn more about our approach read our [Stewardship and Engagement Policy](#).<sup>34</sup>



## Proxy Voting and Procedures

As with our other engagements, our objective is to vote proxies in the best interests of our clients, and to ensure that our voting procedures are clearly outlined and that clients have ready access to how we voted and why. We conduct annual reviews of our procedures and votes to ensure they are continuing to serve our clients' best interests within the context of changes in the investment, regulatory, and ESG landscape. Access our [Proxy Voting Policy](#)<sup>35</sup> to learn more about our approach.

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At our firm, trust is the most important currency. Holding ourselves accountable is not just about meeting regulatory requirements but demonstrating that we always act in the best interests of our investors. To achieve this, we must be proactive in anticipating regulatory changes and understanding their implications for our clients.”



**William Corson**  
Global Head of  
Compliance

<sup>34</sup> Source: PineBridge Investments' Stewardship & Engagement Policy (20 December 2021). [pinebridge-engagement-policy-dec-2021.pdf](#)  
<sup>35</sup> Source: PineBridge Investments' Proxy Voting Policies and Procedures (20 December 2021). [pinebridge-investment-llc-proxy-voting-summary.pdf](#)



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## Our Purpose-Driven Future



**Sergio Ramirez**

Head of Global Client Group & Head of Americas  
Chair of Corporate Responsibility Steering Committee  
Co-Chair of Diversity, Equity, and Inclusion Committee

At PineBridge we believe the success of our business is intrinsically linked to our commitment to being responsible corporate citizens. By prioritizing responsible practices in all aspects of our business, we can build a stronger, more resilient organization that is better equipped to meet the challenges and opportunities of tomorrow.

As we come to the end of our second annual corporate responsibility report, we want to thank you for taking the time to learn about our efforts – all of which ultimately seek to fulfill our commitments to clients as capital allocators focused on risk management and alpha generation, while striving to be conscientious corporate citizens. We recognize that quantifying the impact of our corporate responsibility programs with real, objective data is a challenging but important task. We hope that this report has provided you with a comprehensive overview of our progress toward becoming a more responsible and sustainable firm.

We are proud of our achievements in 2022 and remain committed to advancing our corporate responsibility goals and reporting on our progress to our clients and other stakeholders. With a focus on resilience and responsibility, we are confident in our ability to create positive change and make a lasting impact.

Thank you for your continued support and partnership as we work toward a better tomorrow.



**Sergio Ramirez**  
Head of Global Client Group & Head of Americas

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