

# Sustainable Investing Capabilities

Building for today and for the future

MARKETING COMMUNICATION, FOR PROFESSIONAL/QUALIFIED INVESTORS ONLY



Increasingly, investors are seeking sustainable investment solutions and want to demonstrate how their investments are making a positive difference for society and the environment.

Sustainability themes and environmental, social, and governance (ESG) topics are essential components of meeting traditional investment goals, such as capital preservation, dependable income streams, and competitive risk-adjusted returns.

At Allspring Global Investments, sustainable investing is both a core capability and part of our investment fabric. We believe that as investment professionals, we have a critical role to play in helping shape a resilient and sustainable future through thoughtful investing and purposeful planning. Our sustainable investing professionals partner with our investment teams to build frameworks for assessing ESG and climate risks across asset classes. Together, they strive to facilitate the type of innovations investors are demanding with positive social and environmental outcomes beyond financial gains alone.





# Our core pillars

## THE BELIEFS THAT GUIDE US

Invest thoughtfully



Plan with purpose



Look around the corner



Unlock what's possible



## FOUR KEY PILLARS OF SUSTAINABLE INVESTING

**Stewardship:** Centralize and strategically prioritize our engagement with issuers through our dedicated stewardship team

**Climate:** Integrate the consideration of climate change risks within investment processes and design portfolio decarbonization methodologies

**ESG risk:** Develop in-house methodologies and ESG scores to better understand the material risks impacting companies and issuers

**Impact:** Create ways to understand, report, and focus on driving positive environmental and social outcomes

# A specialized team

01

## Experience

Our 11 dedicated sustainability subject matter experts average 8 years of ESG experience and specialize in complementary functions.

02

## Partnership

We work with specialist investment teams throughout Allspring to incorporate ESG considerations in line with each team's investment style and analysis process and across a range of asset categories: fundamental active equity, corporate debt, sovereign debt, municipal bonds, liquidity instruments, systematic investing, and multi-asset solutions.

03

## Collaboration

Clients' needs and objectives drive our customized solutions, including strategies with explicit sustainability intentions and financial goals.

# Our capabilities in action

**Invest thoughtfully:** We consistently assess whether companies' business strategies are prepared for the future and believe strong active management plays an important role.

01

HOW DO WE THINK ABOUT COMPANIES RELATIVE TO THEIR DESIRE  
TO LINK THEIR ACTIONS TO THE UNITED NATIONS SUSTAINABLE  
DEVELOPMENT GOALS (SDGs)?

---

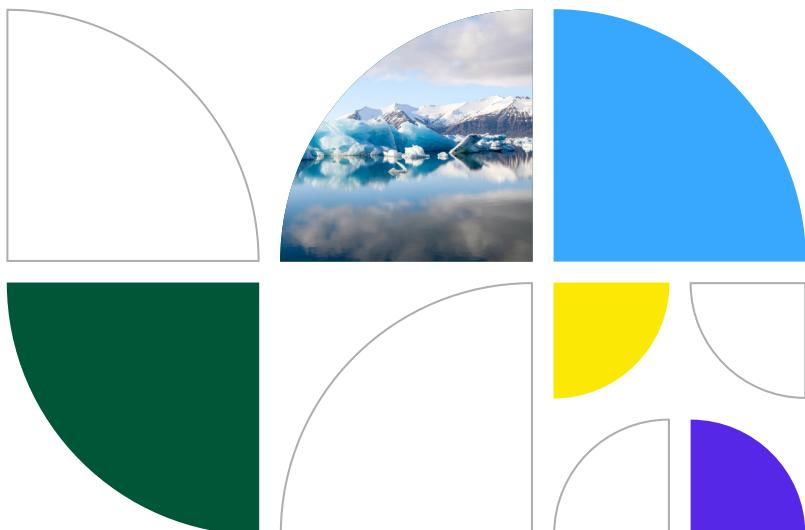
## Background and challenges:

- A growing number of investors want their investments to be tied to positive outcomes for society and the planet.
- The SDGs were originally developed for countries/governments, so adapting them for companies requires thoughtful application.
- For listed equities or corporate debt, we believe a holistic approach is required that considers more than just a company's products or services. It should also evaluate its operational impact, thereby linking company performance to specific metrics relevant to the intentions of the SDGs.

---

## Solution:

- We're building a sector-based framework that focuses on whether companies are helping or hindering achievement of the SDGs and looks for tangible links to the SDGs' targets and indicators.





**Plan with purpose:** With intentionality and clarity, we're building solutions that connect clients with what matters most to them and provide the potential to create a far-reaching positive impact.

## 02

## WHAT TOOLS DO WE HAVE TO PROACTIVELY ACT ON CLIMATE TRANSITION?

### Challenge:

- The response to threats from climate change is driving structural decarbonization of the global economy, with the urgency for action now much more widely appreciated by companies, investors, and policymakers. How can we best respond to this opportunity?

### Solution:

#### ALLSPRING'S CLIMATE TRANSITION FRAMEWORK

- The framework evaluates a company's contribution to, and preparedness for, a decarbonized economy and is grounded in fundamental active-management thinking.
- Capabilities of the framework include identifying the range of ways that business model, technological, physical, and regulatory climate risks and opportunities affect a company's competitiveness.
- Our cross-functional Climate Change Working Group—comprising equity and credit investors and sustainability strategists—is crucial to the framework's success.

### 01 EVALUATE

Fundamental analysts build upon their deep knowledge to evaluate and score the implications of climate change on a company's fundamentals.

### 02 ANALYZE

The risks and opportunities identified in Step 1 are mapped to our Climate Transition Framework, structured around four assessment pillars: strategy and governance, asset and operating position, financial profile, and macroeconomic position.

### 03 ASSESS

The results from Step 2 are combined with deep credit research, incorporating our proprietary assessment of ESG risks.

### 04 ALLOCATE

The framework's output provides the ability to create decarbonizing fixed income portfolios that allocate capital to companies we believe are best positioned to thrive in a carbon-constrained global economy.

## 03

## HOW ARE WE INCORPORATING SUSTAINABLE INVESTING APPROACHES WITH MUNICIPAL BONDS IN OUR ESG-FOCUSED STRATEGY?

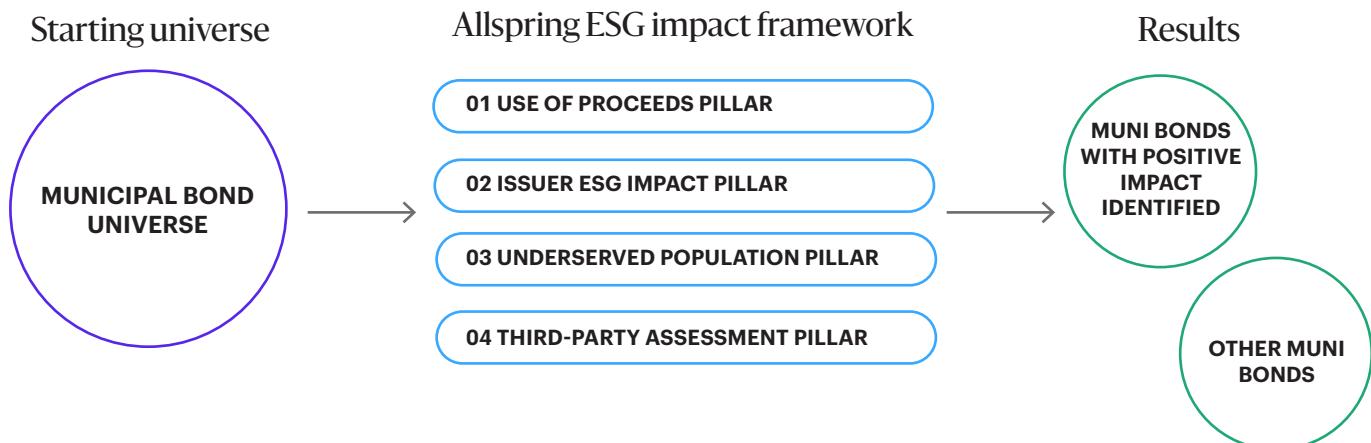
**Background and challenge:**

- Municipal fixed income markets are an ideal space for identifying securities that can create positive impacts in local communities and beyond.
- While the municipal bond asset class is designed for public good, it can be inefficient, creating opportunities for investors.
- Historically, the municipal bond market lacked ESG information in an accessible format.

**Solution:****U.S. MUNICIPAL BOND ESG IMPACT FRAMEWORK**

- Our U.S. Municipal Bond ESG Impact Framework seeks to identify securities that offer positive environmental or social outcomes.
- We assess sustainability attributes at the issuer and bond level on multiple dimensions:
  - Use of proceeds: Assesses proceeds for an activity or project that has tangible environmental or social benefits (aligned with the [International Capital Market Association's Green Bond Principles<sup>1</sup>](#) or Social Bond Principles [SBP])
  - Issuer ESG impact: Observes whether the issuer of securities in potential high-impact subsectors has demonstrated positive ESG impacts to the environment or society historically
  - Underserved populations: Analyzes whether the issuer or bond proceeds serves an underserved population group using SBP-defined guidance

## Municipal Bond ESG Impact Framework



1. You are leaving Allspring Global Investments and entering a website that Allspring does not control. Allspring has provided this link for your convenience but does not endorse and is not responsible for the content, links, privacy policy, or security policy of this website.



**Look around the corner:** Understanding risks is a key factor in helping clients navigate the future and make smarter financial decisions. We work to evolve our products and solutions to what we see ahead.

## 04 HOW DOES ALLSPRING DEAL WITH A VARIETY OF ESG RISK ASSESSMENTS IN THE MARKET?

### Background:

- We believe investors should have a view of ESG risks into their decision-making process. This is crucial to better risk management and capturing important issues that may be mispriced by the markets.

### Solution:

WE CREATED ALLSPRING'S ESGiQ SCORES TO PROVIDE OUR ASSESSMENTS OF ESG RISK.

#### Corporate debt ESGiQ

- This rating framework leverages:
  - **High-quality ESG data and analyses from external providers.** This enables broader coverage and provides a quantitative score distilled from multiple independent ESG datasets.
  - **Assessments by our fundamental investment analysts.** Our analysts use their sector expertise to complement the combined external data, thereby ensuring timeliness, capturing trends, and highlighting their assessments of ESG risk exposures and risk management.

#### Sovereign ESGiQ

- The sovereign ESGiQ risk framework expresses our view on ESG risks faced by countries. We believe that quantifying inherent ESG risks at the sovereign level may allow us to better manage these risks and generate sustainable long-term returns.
- This framework enables the measurement of relative ESG risks among countries.
- Each country is evaluated using the same set of topics. However, certain topics tend to resonate more, or less, on a country-by-country basis.



**Unlock what's possible:** We intend to help move the industry forward to create a more sustainable economy and to unlock the potential for the future of investing as partners and advocates.

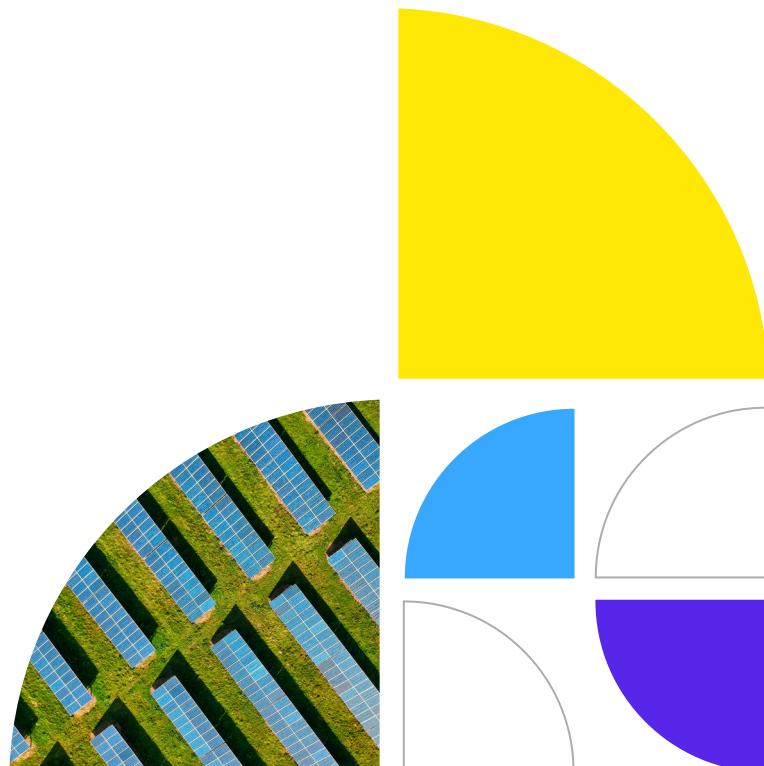
We participate in industry initiatives to build sustainable investing awareness in topics like nature and biodiversity, and in asset classes such as commodities, derivatives and innovative financing instruments for corporates. Working together with the investing industry, we unlock the potential for how investing can deliver a sustainable world.

## 05

### CASE STUDY: IN OUR VIEW, INVESTING IN COMMODITIES IN THE TRADITIONAL FASHION APPEARS MISALIGNED WITH SUSTAINABILITY PRINCIPLES, SO A RETHINK IS REQUIRED.

- The commodities market wasn't originally designed with environmental and social impacts in mind. Standardized commodities contracts generally don't include sustainability considerations.
- As investors look to employ a sustainable investing approach in all asset classes, how should we approach commodities?
- We believe that sustainability-driven investors need a new approach that takes into account the production considerations of natural resources and a perspective on alignment with the needs of a future sustainable economy.
- In search of ways to approach this complex topic, we partnered with a leading master's program to assess primary commodities in terms of their environmental and social impacts.

Read our findings [here](#).





# Contact us

At Allspring, we look to ask thoughtful questions steeped in sustainability thinking, and we build frameworks and tools to answer those questions for the benefit of the clients we serve.

**Our ultimate goal:** We strive to deliver value for investors by tackling ESG risks, climate and decarbonization, positive impacts, and investment stewardship.

We want to help clients build for successful outcomes, defend portfolios against uncertainty, and create long-term financial well-being. To learn more, investment professionals can contact us:

- To reach our U.S.-based investment professionals, contact your existing client relations director, or contact us at [AllspringInstitutional@allspringglobal.com](mailto:AllspringInstitutional@allspringglobal.com).
- To reach our U.S.-based intermediary sales professionals, contact your dedicated regional director, or call us at **1-866-701-2575**.
- To reach our U.S.-based retirement professionals, contact **Nathaniel Miles**, head of Global Client Strategy, at [nathaniel.s.miles@allspringglobal.com](mailto:nathaniel.s.miles@allspringglobal.com).
- To discuss sustainable investing solutions, contact **Henrietta Pacquement**, head of Sustainability, and **Jamie Newton**, deputy head of Sustainability, at [henrietta.pacquement@allspringglobal.com](mailto:henrietta.pacquement@allspringglobal.com) and [jamie.newton@allspringglobal.com](mailto:jamie.newton@allspringglobal.com).
- To reach our non-U.S.-based investment professionals, contact us at [AllspringInternational@allspringglobal.com](mailto:AllspringInternational@allspringglobal.com).

This information is a Marketing Communication, unless stated otherwise, for professional clients, professional investors, institutional investors, investment professionals, eligible counterparties or qualified investors only (as defined by the local regulation in the respective jurisdiction). Not for retail use.

THIS MATERIAL DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY JURISDICTION OR TO ANY PERSON WHERE IT WOULD BE UNAUTHORISED OR UNLAWFUL TO DO SO.

**Past performance is not a guarantee or reliable indicator of future results.** Any past performance, forecast, projection, simulation or target is indicative and not guaranteed. All investments contain risk. The value, price or income of investments or financial instruments can fall as well as rise and is not guaranteed. You may not get back the amount originally invested. Your capital may be at risk.

Investment strategies that are not ESG-focused strategies may consider ESG related factors when evaluating a security for purchase but are not prohibited from purchasing or continuing to hold securities that do not meet specified ESG criteria.

Allspring Global Investments™ (Allspring) is the trade name for the asset management companies of Allspring Global Investments Holdings, LLC, a holding company indirectly owned by certain private funds of GTCR LLC and Reverence Capital Partners, L.P. Unless otherwise stated, Allspring is the source of all data (which is current or as of the date stated); content is provided for informational purposes only with no representation regarding its adequacy, accuracy or completeness and should not be relied upon; views, opinions, assumptions or estimates are not necessarily that of Allspring Global Investments Holdings, Allspring or their affiliates and are subject to change without notice; and this communication does not contain investment advice, an investment recommendation or investment research, as defined under local regulation of the respective jurisdiction.

**Distribution in the United States:** Allspring Global Investments™ is the trade name for the asset management firms of Allspring Global Investments Holdings, LLC, a holding company indirectly owned by certain private funds of GTCR LLC and Reverence Capital Partners, L.P. These companies include but are not limited to Allspring Global Investments, LLC, and Allspring Funds Management, LLC. Certain products managed by Allspring entities are distributed by Allspring Funds Distributor, LLC (a limited-purpose broker-dealer and Member FINRA/SIPC). Associated with Allspring is Galliard Capital Management, LLC (an investment advisor that is not part of the Allspring trade name/GIPS firm).

**Distribution in the United Kingdom (UK), European Economic Area (EEA) and Switzerland:** Allspring Global Investments™ (Allspring) is the trade name for certain investment management companies owned by Allspring Global Investments Holdings, LLC, including, but not limited to, Allspring Global Investments (UK) Limited (Allspring UK), an investment management company authorised and regulated by the UK Financial Conduct Authority (FCA), and Allspring Global Investments Luxembourg S.A. (Allspring Luxembourg), authorised and regulated by the Commission de Surveillance du Secteur Financier (CSSF). Allspring Luxembourg has branches in Frankfurt and Paris and is allowed to provide services on a cross-border basis in the EEA. This material has been approved for distribution in the UK by Allspring UK for the purposes of Section 21 of the Financial Services and Markets Act 2000 (FSMA). Allspring UK does not provide services to retail clients, the FSMA rules for retail clients will not apply and the United Kingdom Financial Services Compensation Scheme is not available. Unless otherwise stated, information does not contain investment advice, an investment recommendation or investment research as defined under UK FCA regulations or the Markets in Financial Instruments Directive (Directive 2014/65/EU (MiFID II) and therefore does not comply with the requirements for the provision of such services. For professional investors only. Recipients who do not wish to be treated as professional should notify their Allspring contact immediately.

**Distribution in the United Arab Emirates (excluding Dubai International Financial Centre and Abu Dhabi Global Market):** Allspring Global Investments™ (Allspring) is the trade name for certain investment management companies owned by Allspring Global Investments Holdings, LLC, including, but not limited to, Allspring Global Investments (UK) Limited (Allspring UK), an investment management company authorised and regulated by the UK Financial Conduct Authority (FCA), Allspring Global Investments Luxembourg S.A. (Allspring Luxembourg), authorised and regulated by the Commission de Surveillance du Secteur Financier (CSSF); and Allspring Global Investments, LLC. This material is intended for professional clients (defined by DFSA). This material, and the information contained herein, does not (intend to) constitute a public offer in the United Arab Emirates (UAE) and should not be construed as such. It is offered to a limited number of exempt investors in the UAE who fall under one of the following categories of non-natural qualified investors: 1. an investor that is able to manage its investments on its own, namely the federal government, local governments, government entities and authorities or companies wholly owned by any such entities; international entities and organisations; or a person licensed to carry out a commercial activity in the UAE, provided that investment is one of the objects of such person, or 2. an investor who is represented by an investment manager licensed by the Securities and Commodities Authority (SCA), each a non-natural qualified investor. The materials have not been approved by or licensed or registered with the UAE Central Bank, the SCA, the DFSA, the Financial Services Regulatory Authority or any other relevant licensing authorities or governmental agencies in the UAE (the authorities). The authorities assume no liability for any investment that the named addressee makes as a non-natural qualified investor.

**Distribution in Australia:** Allspring Global Investments, LLC, is exempt from the requirements to hold an Australian financial services license in respect of the financial services it provides to wholesale clients in Australia. Allspring Global Investments is regulated under US laws, which differ from Australian laws. Any offer or documentation provided to Australian recipients by Allspring Global Investments in the course of providing financial services will be prepared in accordance with the laws of the United States and not Australian laws.

**Distribution in New Zealand:** this material and the information contained in or accompanying this material are not, and are under no circumstances to be construed as, an offer of financial products for issue requiring disclosure to an investor under Part 3 of the Financial Markets Conduct Act 2013 (N.Z.) (the Financial Markets Conduct Act (N.Z.)). This material and the information contained in or accompanying this material have not been registered, filed with or approved by any New Zealand regulatory authority or under or in accordance with the Financial Markets Conduct Act (N.Z.). This material and the information contained in or accompanying this material is not a disclosure document under New Zealand law and does not contain all the information that a disclosure document is required to contain under New Zealand law. Any offer or sale of any interests described in these materials in New Zealand will be made only: (a) to a person who is an "investment business" within the meaning of clause 37 of Schedule 1 of the Financial Markets Conduct Act (N.Z.), (b) to a person who meets the investment activity criteria specified in clause 38 of Schedule 1 of the Financial Markets Conduct Act (N.Z.), (c) to a person who is "large" within the meaning of clause 39 of Schedule 1 of the Financial Markets Conduct Act (N.Z.), (d) to a person who is a "government agency" within the meaning of clause 40 of Schedule 1 of the Financial Markets Conduct Act (N.Z.), (e) to a person who is an "eligible investor" within the meaning of clause 41 of Schedule 1 of the Financial Markets Conduct Act (N.Z.) or (f) in other circumstances where there is no contravention of the Financial Markets Conduct Act (N.Z.) (or any statutory modification or re-enactment of, or statutory substitution for, the Financial Markets Conduct Act (N.Z.)). In subscribing for interests, each investor represents and agrees that it is not acquiring those interests with a view to dealing with them (or any of them) other than where an exclusion under Part 1 of Schedule 1 of the Financial Markets Conduct Act (N.Z.) applies to such dealing and, accordingly: (a) it has not offered or sold, and will not offer or sell, directly or indirectly, any interests; and (b) it has not distributed and will not distribute, directly or indirectly, any offering materials or advertisement in relation to any offer of interests, in each case in New Zealand within 12 months after the issue of interests to that investor other than to persons who meet the criteria set out in (a) to (d) above.

**Distribution in South Korea:** this document is distributed in the Republic of Korea by Allspring Global Investments, LLC, which is registered with the Financial Services Commission pursuant to the Financial Investment Services and Capital Markets Act (the Act) to conduct investment advisory and discretionary investment business with qualified professional investors (as defined in the Act). This document is not intended for, and should not be relied on by, any person other than qualified professional investors.

**Distribution in Japan:** this material and the information contained herein does not constitute and is not intended to constitute investment advice or an offer of securities and accordingly should not be construed as such. Any products or services referenced in this material may not be licensed or registered in all jurisdictions and, unless otherwise indicated, no regulator or government authority has reviewed this material or the merits of the products and services referenced herein. This material and the information contained herein have been made available in accordance with the restrictions and/or limitations implemented by any applicable laws and regulations. This material is directed at and intended for "professional" or "institutional" investors (as such term is defined under the laws of each applicable jurisdiction). This material is provided on a confidential basis for informational purposes only and may not be reproduced in any form. Allspring does not provide tax, legal or accounting advice, and this material does not take an investor's personal investment objectives or financial situation into account. Before acting on any information in this material, prospective investors should inform themselves of and observe all applicable laws, rules and regulations of any relevant jurisdictions and obtain independent advice if required. This material is for the use of the named addressee only and should not be given, forwarded or shown to any other person (other than employees, agents or consultants in connection with the addressee's consideration thereof).

**Distribution in China:** this material may not be provided, sold, distributed or delivered, or provided or sold or distributed or delivered to any person for forwarding or resale or redelivery, in any such case directly or indirectly, in the People's Republic of China (the PRC, excluding Hong Kong, Macau and Taiwan) in contravention of any applicable laws. This material does not constitute an offer to sell or the solicitation of an offer to buy anything referred to in the material, expressly or impliedly, in the People's Republic of China (excluding Hong Kong, Macau and Taiwan, the "PRC") to any person to whom it is unlawful to make the offer or solicitation in the PRC.

**Distribution in Taiwan:** any Investment Management & Advisory Services will be provided by Allspring Global Investments (Allspring), which does not hold the required licences under the law of the Republic of China ("Taiwan"). The provision of any Investment Management & Advisory Services has not been and will not be approved by the Financial Supervisory Commission of Taiwan. Any transaction will be consummated outside of Taiwan. The clients within the territory of Taiwan may be required to comply with certain qualification requirements and restrictions as set forth in the relevant laws and regulations of the jurisdiction where Allspring is registered.

**Distribution in Indonesia:** investment management and advisory services will be provided to Indonesian clients from an Allspring office located outside the territory of Indonesia. No services are provided in the territory of Indonesia. Allspring is not licensed under Indonesian laws or supervised by the OJK.

**Distribution in Thailand:** this material, when distributed in Thailand, is intended only for "institutional investors", as defined in the Notification of the Office of the Securities and Exchange Commission No. Gor Nor. 43/2549 Re: Investment management not considered as private fund management dated 27 December 2006 (as may be amended). It is solely for the use of such investors and shall not be distributed, forwarded, passed on or disseminated to any other person.

**Distribution in Canada:** Allspring Global Investments™ (Allspring) is not registered as an investment advisor in any of the Canadian provinces, is only authorised to provide investment advisory services in Canada pursuant to an exemption available to foreign investment advisors under Canada's National Instrument 31-103 (NI 31-103) and can provide such services only to "permitted clients" as defined under NI 31-103. Allspring is registered as an investment advisor with the United States Securities & Exchange Commission. Its head office is located at 525 Market Street, 12th Floor, San Francisco, California, 94105, and, thus, substantially all of its assets are situated outside of Canada. As a result, there may be difficulty enforcing legal rights against Allspring because of the above, and investors are directed to Blakes Vancouver Services, Inc., Allspring's agent for service of process, in the event of any disputes at the following address, phone number and email address: Blakes Vancouver Services, Inc., 595 Burrard Street, Suite 2600, Three Bentall Centre, Vancouver, BC, V7X 1L3; phone: +604-631-3300; email: lisa.marchese@blakes.com.

FOR PROFESSIONAL/QUALIFIED INVESTORS ONLY