

Allspring's Approach to Sustainable Investing

Overview philosophy

Allspring Global Investments is a leading asset management company with a mission to elevate investing to be worth more. We aspire for a sustainable future that is aligned with meeting both our clients' expectations and our regulatory obligations. Our goal is to meet clients where they are in their investment journey in a way that will enable them to navigate what's ahead, and we appreciate that different clients have varying duties, regulations, objectives, and abilities to integrate sustainability across their investment portfolio.

We believe that sustainability factors and risks such as climate change and the energy transition, water stress, nature loss, data privacy, and human capital are meaningful considerations that can influence investment performance. Incorporating these factors into our investment considerations and stewardship activities contributes to our number one priority—generating positive investment outcomes for our clients.

We are committed to effective stewardship of the assets we manage on behalf of our clients. Stewardship encompasses both engaging with investee companies and voting proxies in a manner that we believe will maximize the long-term value of our investments, including a focus on material sustainability issues. Through our stewardship activities, our goal is to help protect client capital by improving investee disclosure and information flow that, in turn, informs thoughtful investment decision-making. Partnering with investee companies, we aspire to constructively advance the financial, operational, and sustainability performance and risk management of these companies for years to come.

Our investment approach

Allspring pursues more of what's possible by going beyond a single, standardized strategy. We bring together all of our specialized investment teams and more than 400+ investment professionals to address the varied goals of our broad, diversified, global client base. This approach unites independent thinking and diverse perspectives to deliver on our goal of achieving returns that expand beyond financial gains. In this way, we aim to combine the value of specialization with the benefits of scale.

Our diverse investment teams may integrate sustainability considerations into their investment processes in ways that are consistent with their asset classes and strategies, where material and aligned with their strategies and client objectives. We outline examples of specific asset class approaches below.

- **Corporate fixed income:** Allspring's Global Fixed Income Research (GFIR) team is at the heart of the fixed income platform, and portfolio management teams draw upon this resource to provide insight and analysis for a wide range of global issuers. The GFIR team's rigorous, proprietary research incorporates a comprehensive analysis of quantitative and qualitative factors, including a long-standing emphasis on governance issues and management quality. We believe environmental, social, and governance (ESG) analysis and climate considerations are critical to fully assess risk of corporate issuers, and we have constructed in-house systems to assess ESG and climate risk and opportunities—which we refer to, respectively, as ESGiQ and Climate Transition Framework—to embed these analyses into our overall research process. ESG and climate risk assessments inform, but do not drive, our analysts' fundamental opinions and relative value assessments.



- **Fundamental equity:** Our specialized investment teams may incorporate ESG analysis into their portfolios by following their own unique approach to bottom-up fundamental analysis. The diverse teams integrate material ESG information into different aspects of investment analysis, including industry analysis, assessment of management quality, company strategy analysis, or fair value analysis, where appropriate. Direct contact with company management teams on a range of issues, including ESG issues, is an important component of their extensive independent fundamental research.
- **Systematic investing:** Our teams capitalize on ESG and carbon information to derive complementary insights for their alpha models, risk models, and portfolio construction for relevant portfolios. We strive to meet a range of objectives customized to clients' preferences, including climate alignment and sustainability characteristics, along with tracking error, factor exposure, and alpha targets, among others. These efforts draw upon an extensive array of internal resources and external datasets.

Sustainable investing organization

Allspring's sustainable investing team brings sustainability expertise to the Allspring investment platform and collaborates with our investment professionals to advance sustainability initiatives on behalf of our clients.

The team develops and leverages myriad capabilities and tools across the investment platform to further sustainable innovation and deliver against client investment and sustainability objectives.

Our team's areas of concentration include:

- **Research and development:** Provides differentiated research to distill climate, water, natural capital, and other sustainability risks and topics into actionable investment ideas
- **Investment integration:** Supports investment teams with educational training and process consulting, investment tool deployment, and ESG risk management
- **Stewardship:** Centralizes and strategically prioritizes voting and our ESG engagement with issuers, leveraging in-house research tools and frameworks and partnering with our specialized investment teams
- **Analytics and reporting:** Provides the risk and exposure metrics that portfolio managers require for effective investment management and supports our client groups with portfolio-level sustainability and climate-specific characteristics
- **Business intelligence:** Key strategy, communications, and analytics supporting the investment platform and clients
- **Product development:** Partnering across functions to shape innovation and ensure effective product management



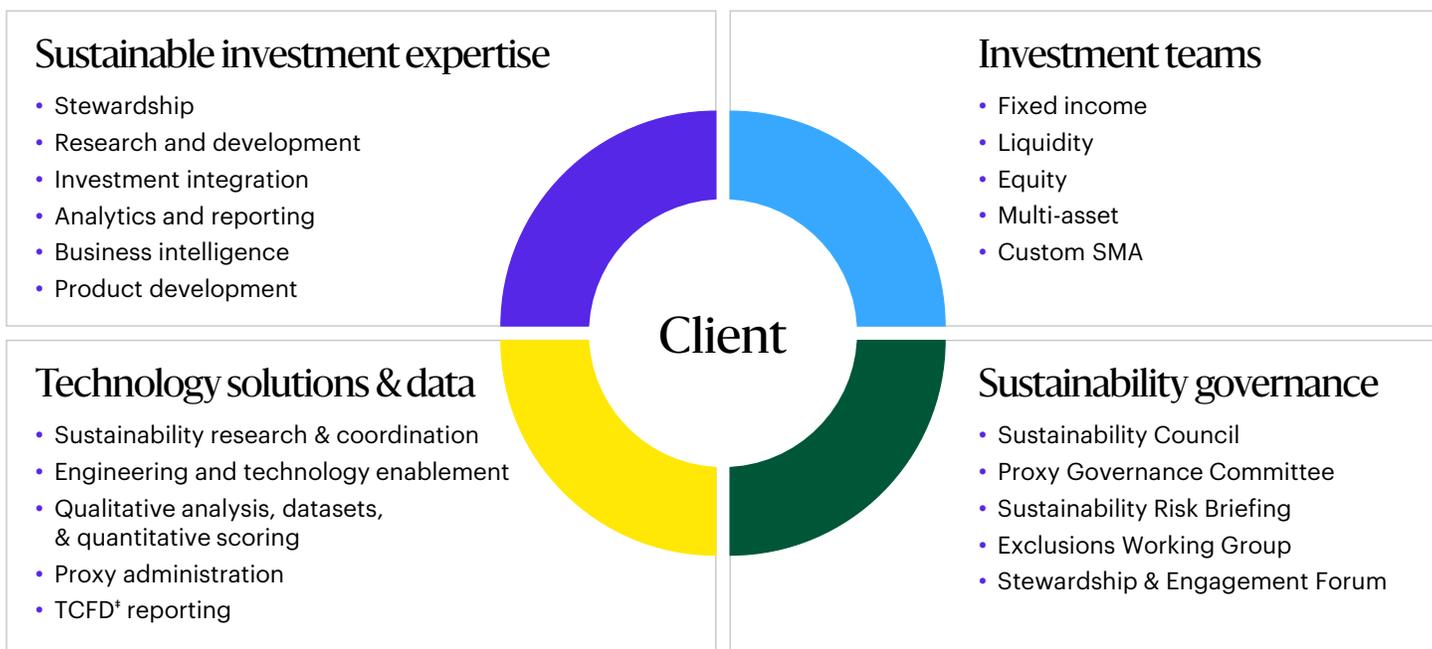
Allspring's sustainability organization



Under the leadership of Henrietta Pacquement, head of Sustainability and head of Global Fixed Income; Jamie Newton, deputy head of Sustainability and head of Global Fixed Income Research; and Chris McKnett, head of Sustainability Strategy, Stewardship, and Implementation, the team maintains strong connectivity to Allspring's investment professionals. Equally, effective execution requires partnering with key functional areas across the firm, such as distribution, legal, compliance, and risk, and therefore we have instituted multiple forums and structures to optimize collaboration.

The sustainability ecosystem

Allspring supports its specialized investment teams with dedicated professionals and resources focused on sustainability.



*Indicates cross-functional support

*TCFD = Taskforce on Climate-Related Financial Disclosures



Allspring proprietary sustainable investing frameworks

We have developed multiple asset-class- and use-case-specific frameworks designed to help investment teams formulate a rounded assessment of their investment universe from a sustainability perspective or to achieve specific client sustainability objectives. These frameworks include current-state assessments as well as forward-looking analysis to manage sustainability exposure in a way that is adapted to the breadth of asset classes and investment styles we manage and the diversity of client investment objectives.

See summary in the table below:

TOOLS	ESGiQ Corporate	Climate Transition Score	SDG Lens	ESGiQ Sovereign	Municipal Sustainability
DESCRIPTION	Broad ESG risk assessment	Climate readiness assessment	Impact assessment	Broad ESG risk assessment	Social contribution assessment
ASSET-CLASS APPLICABILITY	Equities, credit	Equities, credit	Equities, credit	Sovereign bonds	Municipal bonds
GEOGRAPHIC REACH	Global	Global	Global	Global	U.S.

The Sustainable Investing and Engineering & Technology teams collaborate to calibrate the frameworks and make them accessible across the investment platform, as appropriate, and investment teams may use these at their discretion. We outline some of them in the following sections.

We take great care and diligence in understanding client objectives in line with our mission statement: “to elevate investing to be worth more.” We partner with our clients to gain a full picture from sustainability and financial perspectives. Our suite of sustainability frameworks is adapted to deal with a full range of investment objectives, including return expectations, risk tolerance, liquidity, or income needs, as well as the spectrum of sustainability perspectives, from how ESG risks affect investments to how investments may affect society and the environment.

Sustainable investing foundations

Our responsibility is to be aware of how sustainability considerations influence investment outcomes today to help our clients succeed financially and to meet their sustainability objectives.

	ESG risk 	Climate 	Impact 	Stewardship 
OUR APPROACH	<ul style="list-style-type: none"> Develop in-house methodologies and scores to better understand and assess material ESG risks and opportunities affecting asset classes 	<ul style="list-style-type: none"> Research and integrate climate and water risks within designed decarbonization investment processes for clients 	<ul style="list-style-type: none"> Innovate ways to understand, assess, report, and help clients drive positive environmental and social outcomes 	<ul style="list-style-type: none"> Centralize strategic engagements, support investment team engagements, and coordinate proxy votes through our dedicated Stewardship team
IN ACTION	<ul style="list-style-type: none"> ESGiQ Corporate and Sovereign proprietary risk assessments 	<ul style="list-style-type: none"> Climate Change & Water Working Group, Climate Transition Framework, TCFD-aligned report 	<ul style="list-style-type: none"> SDG Lens[*] 	<ul style="list-style-type: none"> Engage on climate, water, human rights, and other priority topics; 2023 Annual Stewardship Report
ADVANTAGE	<ul style="list-style-type: none"> We believe ESG integration is crucial to risk management and highlights mispricing issues 	<ul style="list-style-type: none"> We use proprietary data and systems to analyze climate risks and opportunities 	<ul style="list-style-type: none"> We can allocate capital toward thematic and positive outcomes, such as SDGs or climate transition leaders 	<ul style="list-style-type: none"> We seek to protect capital by improving investee disclosure and information flow to inform investment decision-making

*SDG = UN Sustainable Development Goals; SDG Lens is in development.



ESG risk assessment

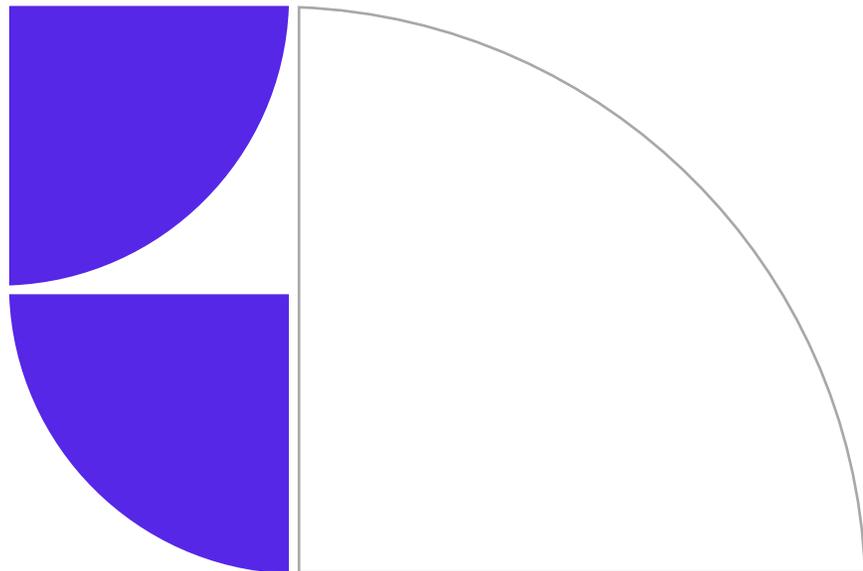
We have developed analytical frameworks to help investment teams formulate a rounded assessment of their investments from a sustainability perspective or to align with specific client objectives. One such example is ESGiQ, our own risk assessment framework for companies.

The ESGiQ methodology combines and enhances data from third-party providers with our analysts' in-depth sector knowledge and expertise. It focuses on industry-specific financially material risks aligned to the SASB Standards' Materiality Map.[†] There are two key dimensions* to ESGiQ:

- 01** A proprietary quantitative score distilled from multiple independent datasets. Produced by Allspring's Quantitative Insights and Data Science team, the numeric score leverages high-quality information from leading data providers to create a unique quantitative view while enabling broader coverage than that of a single provider.
- 02** An in-house qualitative score generated from our analysts' assessment of risk exposure, risk management, and trend/outlook. Allspring Global Fixed Income Research constructed this fundamental framework, and the assessment by our investment analysts complements vended data to ensure timeliness and capture trends.

Allspring's Investment Analytics team fulfills a crucial role in managing risk across our investment platform, providing oversight on each investment team's process as well as analytics to help teams understand investment risks. Overseen by the Office of the CIO, the team regularly administers assessments, reports, and analyses to facilitate a better understanding of intended and unintended investment risks.

Our Sustainability Analytics team is a subgroup of the broader Investment Analytics team and generates regular sustainability and climate-related characteristics for use by portfolio managers. Our investment teams are encouraged to use this information as a catalyst for further research or for engagement with portfolio holdings. As such, the responsibility for sustainability risk management is a partnership between the Investment Analytics team and each of our investment teams. These characteristics are also leveraged to evaluate risks relative to strategy benchmarks and escalate concerns to senior leadership.



[†]See sasb.ifrs.org/standards/materiality-map/

*When securities do not have a qualitative assessment, the ESGiQ score equals the quantitative score.



Climate

We recognize climate change is a systemic risk and a complex challenge. Allspring has developed a toolbox of technology and proprietary resources and uses third-party data providers to assess our investment portfolios relative to climate risks and opportunities alongside other risks. Allspring's investment teams integrate climate-related risk and opportunity assessments into their decision-making where material and aligned with their strategies and client objectives.

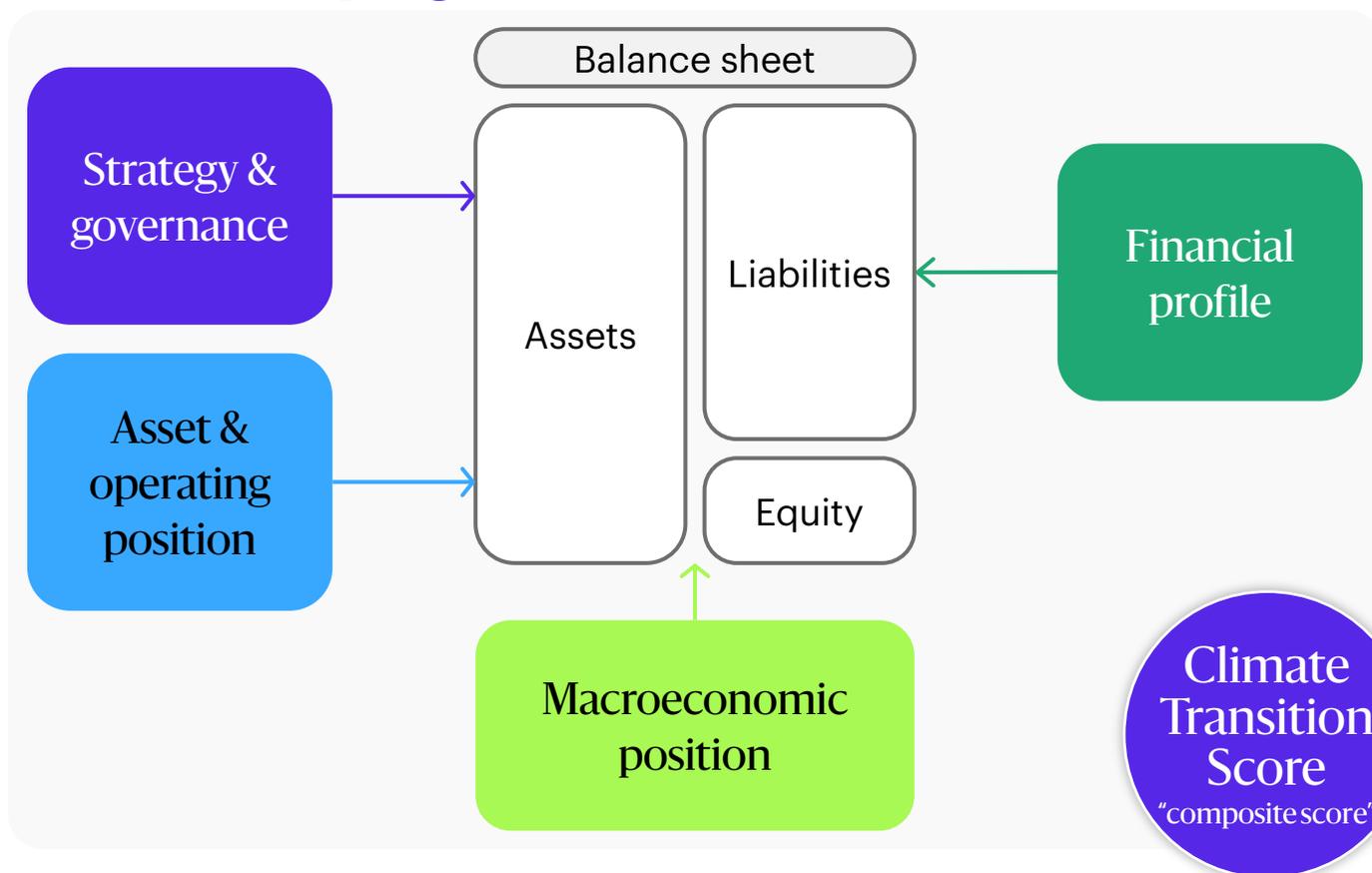
Our Climate Change & Water Working Group (CCWWG) leads the understanding of climate change and investment performance. Allspring created the CCWWG in 2019 to marshal cross-functional resources and build a platform for educating, understanding, and acting on climate risks. The group supports the assessment of climate change's impact on security value and portfolio risk by marrying top-down, systemic analysis with

bottom-up sector expertise, aiming to improve investment performance and help clients achieve climate-related goals.

The CCWWG assisted in the development of our proprietary Climate Transition Framework as a structured approach for our analysts to assess how company fundamentals may be affected by climate change and how companies may contribute to decarbonization. The framework identifies a broad range of ways in which business model, technology, physical, and regulatory and other climate risks and opportunities affect the competitiveness of a company, both positively and negatively. This disciplined research process helps us optimize risk decisions at the portfolio level and formulate industry-level insights.

The analysis results in a proprietary Climate Transition Score that, when associated with our analysts' fundamental opinions and relative value fundamental recommendations, provides a rounded assessment of a given investment opportunity.

Allspring's Climate Transition Framework





Impact

Allspring recognizes that climate and many other sustainability issues are meaningful investment risk factors and alpha opportunities. We seek to be both good investors and good stewards of our society and planet, always aligned to meeting client expectations and fulfilling our regulatory obligations.

Many investors are searching for investment solutions designed to generate financial returns while creating positive outcomes or mitigating negative environmental and social outcomes. The Sustainable Development Goals (SDGs) are a global blueprint of a sustainable future that many investors use as a guide. Allspring has constructed a bottom-up framework to help determine which companies are supporting progress on chosen SDGs and which are hindering. The framework employs a structured and detailed approach to weigh positive and negative outcomes across a company's value chain, taking an industry-specific and detailed view of the SDG targets to formulate key questions about company actions.

Our sustainability experts and investment professionals use granular and specific data points to help answer these questions and inform multiple use cases, such as illuminating portfolio exposures to clients, informing investment decisions, and steering allocations to SDGs of client choosing.

Stewardship

As active owners of the companies in which we invest, stewardship is an integral component of our investment process. We have built a stewardship platform to reflect our values of exercising care, prudence, and fiduciary duty to our clients, and we express our values from this platform in two key ways: engagement with our investee companies and responsible proxy voting. These twin pillars of stewardship help us advance toward two important outcomes: one, improving disclosures and transparency to benefit investment decision-making, and two, partnering with investee companies to advance the financial, operational, and sustainability performance of those companies in years to come. Allspring's approach to stewardship is exemplified by our stewardship statement highlighted in the violet box.

We support sound corporate governance principles in our proxy voting and engagement activities. In terms of issues, we focus on the risk and materiality brought

forward by our own research and by using the Sustainability Accounting Standards Board (SASB) materiality framework. Our motivation for engagement results from a strong desire to deepen our knowledge of investee companies to which we allocate capital, or where material and appropriate, to take action to protect invested capital.

Importantly, our engagement approach involves fundamental analysts across equities and fixed income alongside our Stewardship team to leverage the deep research and perspectives of our investment teams.

Annually, the Stewardship team sets a strategic plan for thematic engagement. In the fourth quarter of each year, we survey our investment professionals for their perspectives and opinions on topical, material ESG issues and current market events. Once themes are identified, we then map the materiality of priority issues to industries.

Stewardship then leads the prioritization of which companies to engage across the strategic themes established, filtering holdings to flag sector laggards and leaders on material ESG issues through our proprietary analytical tools ESGiQ and Climate Transition Framework. Potential engagement targets are then prioritized by impact potential, which is determined by assessing the company's systemic importance to the issue, its significance in our aggregate exposure across the investment platform, and its potential significance in portfolio-level exposure.

Along with the company-wide stewardship platform, Allspring's independent investment teams conduct their own fundamental research, which includes engaging with company management. Given our structure, we believe engagement activities are the responsibility of both our investment teams and Stewardship team, with robust collaboration between the two.

As fiduciaries, we are committed to effective stewardship of the assets we manage on behalf of our clients. To us, good stewardship reflects responsible, active ownership and includes both engaging with investee companies and voting proxies in a manner that we believe will maximize the long term value of our investments.



We view proxy voting as a significant opportunity to advocate for strong corporate governance and in turn generate long-term value. We've developed five broad governance principles that underpin how we generally vote on proxy issues:

- 01 Boards should have strong, independent leadership.
- 02 Boards should adopt structures that enhance their effectiveness.
- 03 Companies should strive to maximize shareholder rights and representation.
- 04 Boards are accountable to shareholders and should be responsive to shareholders.
- 05 Boards should oversee company management's formulation and communication of long-term corporate strategy.



Read more about [proxy voting and engagement](#)



Industry engagement

Understanding and contributing to industry best practices is an essential part of our sustainable investing strategy. We have relationships with numerous leading industry associations, disclosures and standards bodies, and nonprofit organizations. We recognize the important role of collective initiatives to advance investment thinking and practice to ensure successful investment outcomes and ultimately support the sustainability of capital markets.



SIGNATORIES

Allspring is a signatory to the United Nations–supported **Principles for Responsible Investment (PRI)**, committing to implementing six principles related to ESG integration. We are represented on the Fixed Income Advisory Committee and their deforestation practitioners’ group, and we contribute to publications and case studies.

Allspring is a signatory to the **UK Stewardship Code** and **Japan’s Stewardship Code**. The codes aim to encourage investor and company engagement in promoting sustainable growth. We are committed to actively engaging with companies in which we invest, publicly disclosing our stewardship and voting activities, monitoring investee companies, and managing conflicts of interest through robust policies and procedures.

As a signatory of the **Carbon Disclosure Project (CDP)**, Allspring has firm-wide access to CDP’s investor dashboard, the world’s largest, most comprehensive dataset on environmental action in the world.



MEMBERS

We are Investor Network Members at **Ceres**, a sustainability nonprofit working with influential investors and companies to tackle the world’s biggest sustainability challenges, including climate change, water scarcity and pollution, and human rights abuses.

Allspring is a member of the **FAIRR Initiative**, a collaborative investor network that raises awareness of the ESG risks and opportunities brought about by the global food sector.

At the **IFRS Sustainability Alliance**, a global membership program for sustainability standards, integrated reporting, and integrated thinking, Allspring is a member and is represented on the ISSB Investor Advisory Group.

Allspring is a member of the **Institutional Investors Group on Climate Change (IIGCC)**, which focuses on equipping investors with expertise and promoting transparency, helping them understand and manage the risks and opportunities associated with climate change in their investments.



ADVISORS

Allspring is part of the **Advisory Group for the Assessing Sovereign Climate-related Opportunities and Risk (ASCOR) Project**, established to provide investors with a common lens to understand sovereign exposure to climate risk and how governments plan to transition to a low-carbon economy.

REPRESENTED

Allspring is represented on the **Taskforce on Nature-related Financial Disclosures (TNFD) Forum**, a consultative network of institutional supporters aiming to create resilience in the global economy by redirecting flows of finance to allow nature and people to flourish.



Governance

Monitoring and oversight

Sustainability risk oversight at Allspring involves a multilayered approach that extends from our investment and operations teams through to the Allspring Risk Committee and, ultimately, to Allspring's Board of Directors. The Board is supported by an internal governance framework that provides connectivity and clarity across Allspring as we manage known and emerging risks in support of helping our clients meet their financial goals and our pursuit of Allspring's own corporate sustainability objectives.

The Allspring Risk Committee is the key governance body that oversees risk for the firm. The Risk Committee decides risk remediation actions and escalates key risks to the Audit & Risk Committee of the Allspring Board of Directors. Sustainability-related investment risks are reported to the Allspring Risk Committee through the Investment Oversight Committee (IOC). Allspring's IOC oversees investment and investment-related topics, including investment risks in support of Allspring's obligations to clients, employees, regulators, and other key stakeholders.

The Sustainability Council and Sustainability Risk Briefings inform the IOC review of sustainability risks. The Sustainability Council oversees risks and opportunities related to corporate sustainability and sustainable investing. On a quarterly basis, it brings together senior stakeholders from across the organization to enable cross-functional consideration of sustainability matters.

The Sustainability Risk Briefing is coordinated by Investment Analytics and held at the Office of the CIO. The function of the Office of the CIO is to oversee risk mitigation actions and to provide credible challenges to portfolio management teams to ensure portfolio positions are well understood and consistent with the investment team's stated process. At the briefing, the Office of the CIO receives and reviews information on certain strategies with sustainability objectives or that promote environmental or social characteristics and may, in its discretion, direct follow-up or remediation to the relevant investment team and/or other parties.

Managing conflicts of interest

Allspring has policies and procedures to identify, manage, and mitigate the risks of potential or perceived conflicts of interest. Allspring's registered investment advisers have fiduciary responsibilities to act in the best interests of our clients. Such responsibilities include: maintaining a reasonable and independent basis for our investment advice, obtaining best execution, ensuring that any investment advice given is suitable to the client's objectives, and refraining from engaging in personal securities transactions inconsistent with client interests. To minimize any potential conflicts with our clients, Allspring manages its advisory services, fee structure, proxy voting, and investment selection process in accordance with preestablished client investment guidelines, the advisory contract with the client, and all applicable policies and procedures pursuant to Rule 206(4)-7 of the Investment Advisers Act of 1940. The firm has a fiduciary responsibility to manage all client accounts in a fair and equitable manner. It seeks to provide best execution of all securities to aggregate where appropriate and allocate securities to client accounts in a fair and timely manner. To this end, the firm has developed policies and procedures designed to mitigate and manage the potential conflicts of interest and conducts periodic reviews of trades for consistency with these policies. Further, Allspring's SEC-registered advisers disclose their identified potential conflicts of interest within its Form ADV Part 2A.



For further information

We want to help clients build for successful outcomes, defend portfolios against uncertainty, and create long-term financial well-being. Visit our website at www.allspringglobal.com.

Contact details

FOR U.S. INVESTORS ONLY

- For retail clients, contact your financial advisor.
- To reach our intermediary sales professionals, contact your dedicated regional director, or call us at +1-866-701-2575.
- To reach our institutional investment professionals, contact your existing client relations director, or email us at AllspringInstitutional@allspringglobal.com.
- To reach our retirement professionals, contact your dedicated defined contribution investment only specialist, or call us at +1-800-368-1370.

FOR EMEA AND APAC INVESTORS ONLY

- To reach our EMEA- and APAC-based investment professionals, contact us at AllspringInternational@allspringglobal.com.

An investment strategy that emphasizes sustainability and environmental, social, and governance (ESG) characteristics may perform differently than a strategy without such an emphasis, or the market as a whole. The investment strategy may forgo investments or make investments that differ from an otherwise similar investment strategy that does not evaluate and select investments on the basis of their sustainability and ESG credentials. ESG information from third-party data providers may be incomplete, inaccurate, or unavailable. As a result, there is a risk that the investment manager may incorrectly assess a security or issuer.

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.

This material is provided for informational purposes only and is for professional, institutional, or qualified clients/investors (as defined by the local regulation in the respective jurisdiction). Not for retail use outside the U.S.

THIS DOCUMENT AND THE INFORMATION WITHIN DO NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY JURISDICTION WHERE OR TO ANY PERSON TO WHOM IT WOULD BE UNAUTHORIZED OR UNLAWFUL TO DO SO.

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); all investments contain risk; 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 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.