

# Statement on Principal Adverse Impacts of Investment Decisions on Sustainability Factors

**FINANCIAL MARKET PARTICIPANT** | Allspring Global Investments Luxembourg S.A (LEI 549300FKC2W4RW4DGP06)

## Summary (For local languages, please refer to the end of this document)

Allspring Global Investments Luxembourg S.A (LEI 549300FKC2W4RW4DGP06, “Allspring Luxembourg”)<sup>1</sup> considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Allspring Luxembourg.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January 2022 to 31 December 2022.

The Allspring Global Investments<sup>2</sup> (also referred to as “Allspring”) approach to integrating sustainability factors<sup>3</sup> and sustainability risks<sup>4</sup> (as defined under Regulation (EU) 2019/2088 (“SFDR”)) in our investment processes and decision-making is consistent with the terms and definitions under SFDR.

## Description of the principal adverse impacts on sustainability factors

At Allspring, we identify the following principal adverse impacts on sustainability factors in addition to those indicators from Table 1 of the SFDR RTS: Investments in companies without carbon emission reduction initiatives (from Table 2 of the SFDR RTS); and Lack of a supplier code of conduct (from Table 3 of the SFDR RTS). Actions taken to address principal adverse impacts during the reference period include security selection, risk management, application of exclusions, engagement, and proxy voting, depending on the specific adverse impact indicator.

## Description of policies to identify and prioritise principal adverse impacts on sustainability factors

As active managers, Allspring believes that companies that perform poorly on material sustainability factors—i.e., companies that may cause adverse impacts on those sustainability factors—demonstrate higher downside risk that is generally unrewarded in achieving long-term risk-adjusted returns. The identification and prioritisation of principal adverse impacts on sustainability factors is therefore focused on those sustainability factors that can lead to sustainability risks. The identification and prioritisation of principal adverse impacts on sustainability factors is implemented by the Allspring sub-investment managers of Allspring Luxembourg’s financial products through the application of Allspring policies and procedures described below and in accordance with this Allspring Luxembourg Statement on principal adverse impacts of investment decisions on sustainability factors.

Allspring Investment Analytics, fulfilling an independent risk management function, collaborates with the broader Allspring Sustainability team to identify, prioritise, and monitor adverse impacts on sustainability factors and related indicators and scores that are to be tracked across investment portfolios. The Allspring ESG Characteristics reports and information generated by Allspring Investment Analytics help our portfolio managers better understand the adverse impacts on sustainability factors and related risk profiles of investment. During the Reference Period of this Statement, these reports began incorporating the mandatory and certain voluntary adverse



sustainability indicators outlined by Tables 1, 2, and 3 of the SFDR RTS. Additionally, our approach to engagement with investee companies balances proactive, strategic themes, including those covering principal adverse impacts, with the flexibility to accommodate companies on a case-by-case basis as issues or controversies arise. The majority of investment teams draw on these centralised resources but may consider other sustainability factors or further prioritise adverse impacts in a way that is suitable for their asset class and investment strategies.

The methodology used to select the adverse impact indicators from Tables 2 and 3 of the SFDR RTS and to identify and assess principal adverse impacts is based on consideration of portfolio exposures across Allspring and whether the adverse impact indicator could relate to material sustainability risks across several sectors and portfolios.

## Engagement policies

Allspring's proxy voting and engagement policies are applied in accordance with the EU Shareholder Rights Directive II. Engagement outcomes may require multiple interactions over time (engagements tend to transpire over three years on average), and we develop milestone expectations that we establish with individual commitments that our investee companies pledge to us. If we conclude an issuer has material deficiencies, including for example, where there is no reduction of principal adverse impacts over more than one period reported on, our first course of action is to communicate our concerns to company management or its board of directors. Proxy votes can be an important conduit for us to express dissatisfaction with a given company. Ultimately, our progress with stewardship efforts with respect to relevant portfolios will affect our investment teams' fundamental assessment of these companies and, in turn, our remediation actions.

## References to international standards

At Allspring, we refer to the following international standards for considering principal adverse impacts: Paris Agreement, UN Global Compact principles, Taskforce on Climate-related Financial Disclosures, Taskforce on Nature-related Financial Disclosures, FAIRR Initiative, UN Sustainable Development Goals, UK Stewardship Code, Japan's Stewardship Code, and the Principles for Responsible Investment.

**Translations of this Summary can be found at the end of the document.**

<sup>1</sup> Allspring Luxembourg is a UCITS management company with MiFID permissions and is authorised by the Commission de Surveillance du Secteur Financier in Luxembourg ("CSSF"). Allspring Luxembourg is the appointed investment manager for certain institutional segregated mandates and oversees portfolio management activities and investments processes for the Allspring (Worldwide) Lux Fund, an umbrella fund incorporated with limited liability in the Grand Duchy of Luxembourg as a Société d'Investissement à Capital Variable under number RCS Luxembourg B 137.479.

The sub-investment managers of certain sub-funds and investment portfolios overseen by Allspring Luxembourg consider principal adverse impacts of investment decisions by investment managers and sub-investment managers on sustainability factors. This statement is its consolidated statement on principal adverse impacts on sustainability factors applied to the relevant sub-funds and portfolios for which Allspring Luxembourg has oversight responsibility.

<sup>2</sup> 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., including but not limited to; Allspring Funds Management, LLC, Allspring Global Investments (UK) Limited; Allspring Global Investments, LLC and Allspring Global Investments Luxembourg S.A.

<sup>3</sup> Reference to 'sustainability factors' means environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters, as defined under Article 2 (24) of SFDR.

<sup>4</sup> Reference to 'sustainability risk' means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment, as defined under Article 2 (22) of SFDR.



## Description of the principal adverse impacts on sustainability factors

### Climate and other environment-related indicators

#### INDICATORS APPLICABLE TO INVESTMENTS IN investee COMPANIES<sup>5</sup>

ADVERSE SUSTAINABILITY INDICATOR	METRIC	IMPACT 01/01/22 to 31/12/22	IMPACT 01/01/21 to 31/12/21	EXPLANATION	ACTIONS TAKEN, AND ACTIONS PLANNED AND TARGETS SET FOR THE NEXT REFERENCE PERIOD	
Greenhouse gas emissions	01 GHG emissions	Scope 1 GHG emissions	119,614 Tonnes of GHG emissions	not applicable as 2022 is the first reference period	Data source: Trucost	<p><b>Actions specific to Greenhouse Gas Emissions (GHG)</b></p> <p><b>Security selection:</b> Certain of Allspring Luxembourg financial products take into account adverse impacts related to GHG in line with the operative document of the relevant financial product.</p> <p><b>Exclusions:</b> Certain Allspring Luxembourg financial products which take adverse impacts into account apply the Allspring Core ESG Exclusions, and/or client-mandated exclusion lists, or ALWF sub-fund-specific negative screening criteria, which exclude companies with certain activities related to adverse impacts, including companies active in thermal coal and oil sands extraction and thermal coal power generation above a certain revenue threshold. More information on the Allspring Core Exclusions can be found here: <a href="https://www.allspringglobal.com/globalassets/assets/edocs/lux/legal/allspring-esg-core-exclusions.pdf">https://www.allspringglobal.com/globalassets/assets/edocs/lux/legal/allspring-esg-core-exclusions.pdf</a></p>
		Scope 2 GHG emissions	43,187 Tonnes of GHG emissions	not applicable as 2022 is the first reference period	Data source: Trucost	
		Scope 3 GHG emissions	261,818 Tonnes of GHG emissions	not applicable as 2022 is the first reference period	Data source: Trucost	
		Total GHG emissions	424,620 Tonnes of GHG emissions	not applicable as 2022 is the first reference period	Data source: Trucost	
02 Carbon footprint	Carbon footprint	136 Tonnes of CO2 per million EUR invested	not applicable as 2022 is the first reference period	Data source: Trucost	Where applicable, client-mandated exclusions are set out in the investment management agreement between Allspring Luxembourg and the relevant segregated mandate client.	
03 GHG intensity of investee companies	GHG intensity of investee companies	254 Tonnes of GHG emissions per million EUR revenue	not applicable as 2022 is the first reference period	Data source: Trucost	<b>Risk management:</b> The Allspring Investment Analytics team, provides independent risk management, creates ESG Characteristic Reports for the Allspring Luxembourg financial products that include a carbon profile of the portfolio, benchmark where applicable, and individual portfolio constituents. This uses data from S&P Trucost and includes, among other items, the GHG intensity of investee companies, their carbon footprint, and their GHG emissions.	
04 Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	5.8 Percent of market value	not applicable as 2022 is the first reference period	Data source: Sustainalytics	<b>Engagement:</b> Climate change and investee company GHG emissions and transition strategies will continue to be a perennial imperative for our engagement priorities given the range of sectors that can impact the climate and the urgency of addressing GHG emissions to keep global temperature rise well below 2 degrees Celsius to avoid the most severe climate impacts. These topics were on the Allspring list of 2022 high-priority engagement themes. We continue to meet with companies where	
05 Share of non-renewable	Share of non-renewable energy consumption of investee companies from	70.1 Percent of total energy sources	not applicable as 2022 is the first reference period	Data source: Sustainalytics		

<sup>5</sup> The metrics reported represent a composite of the Allspring Luxembourg financial products applying the criteria during the Reference Period, including the Allspring (Lux) Worldwide Fund (ALWF) and Allspring Luxembourg segregated mandates. Further information relating to environmental and social characteristics promoted and investment strategy, please refer to the Sustainability-Related disclosures published on the Allspring Global Investments website, <https://www.allspringglobal.com/legal/sustainable-investing-policies/>, as well as the ALWF Prospectus, <https://www.allspringglobal.com/globalassets/assets/edocs/lux/fund-literature/regulatory/prospectus/prospectus-europe-en.pdf>.



ADVERSE SUSTAINABILITY INDICATOR	METRIC	IMPACT 01/01/22 to 31/12/22	IMPACT 01/01/21 to 31/12/21	EXPLANATION	ACTIONS TAKEN, AND ACTIONS PLANNED AND TARGETS SET FOR THE NEXT REFERENCE PERIOD
energy consumption	non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources				we believe they operate in systemically important, high-emitting sectors where we have a large investment exposure across the company to evaluate the robustness of their climate transition strategies. This includes the following sectors including the year when the theme was launched by Allspring: <ul style="list-style-type: none"> <li>• Auto original equipment manufacturers (OEMs, launched 2020)</li> <li>• Utilities (2020)</li> <li>• Integrated energy (2021)</li> <li>• Airlines &amp; airline OEMs (2021)</li> <li>• Metals &amp; mining (2021)</li> <li>• Food &amp; agriculture (2022)</li> <li>• Insurance (2022)</li> <li>• Chemicals (2022)</li> </ul>
	Share of non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	15.0 Percent of total energy sources	not applicable as 2022 is the first reference period	Data source: Sustainalytics	We set expectations for companies in these systemically important sectors to: <ul style="list-style-type: none"> <li>• Have robust TCFD reporting that strengthens over time</li> <li>• Set 2030 or later science-based targets for scopes 1 and 2 GHG emissions in alignment with 1.5 degree scenario (and commit to SBTi verification or, if the SBTi has already issued sector guidance at 1.5 degree scenario, be verified)</li> <li>• Include scope 3 GHG emissions in net-zero commitment</li> <li>• Commit to a full inventory of scope 3 GHG emissions-relevant categories and disclose in line with guidance by GHG protocol</li> <li>• Include climate performance in executive compensation with clarity on weights and KPIs</li> <li>• Maintain a specific board committee overseeing climate strategy with the expertise of committee members</li> </ul>
06 Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector—Agriculture, Forestry & Fishing	3.7 GWh per million EUR of revenue	not applicable as 2022 is the first reference period	Data source: Sustainalytics The metrics are measured, according to the regulation, in terms of Gigawatt hours (GWh) per million euros of revenue. There is an important assumption underlying this data point, which is the rule One Company, One Sector. Due to practical limitations in disclosure of pertinent information, it is not possible at the current stage to dissect a company across the full spectrum of NACE <sup>6</sup> activities and sectors in which it is involved. For this reason, we apply an assumption that each company sits in only one sector, obtained via a mapping of its sub-industry to NACE sectors. Then, for each company where disclosure allows a calculation, only one of these data points will have a value greater than zero and the others will turn zero.	<ul style="list-style-type: none"> <li>• <b>Climate Action 100+ (CA100+):</b> in 2019, Allspring joined the CA100+, an investor initiative that ensures the world’s largest corporate GHG emitters take necessary action on climate change. We joined the CA100+ because we believe it is critical that companies in which Allspring is invested take action on climate change. As part of the Allspring commitment to CA100+, we are leading an engagement with CEMEX S.A.B. de C.V.—a large global construction materials company based in the emerging markets.</li> <li>• <b>Proxy voting:</b> We evaluate shareholder proposals on climate change in the context of where each company is in terms of its climate-transition strategy and on whether the proposal is addressing the most pertinent issues at the right time in that journey. We recognise the importance of companies’ commitment to engage with stakeholders, including</li> </ul>

<sup>6</sup> NACE (Nomenclature of Economic Activities) is the European statistical classification of economic activities. NACE groups organisations according to their business activities.



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				Energy consumption intensity is shown per high impact climate sector, using NACE sectors NACE code: A	shareholder proponents, and the value of negotiating constructive outcomes to progress on disclosure and climate commitments. For these reasons, our voting outcomes on shareholder proposals related to climate change may appear varied, but the detail of the analysis to support or not support is contextual.
Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector— Construction	0.1 GWh per million EUR of revenue	not applicable as 2022 is the first reference period		Data source: Sustainalytics For methodology and assumptions, please refer to the disclosure above under Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector— Agriculture, Forestry & Fishing Energy consumption intensity is shown per high impact climate sector, using NACE sectors NACE code: F	In 2021, we voted for 18 out of 56 shareholder proposals related to climate change and GHG emissions. In 2022, on management proposals known as Say on Climate, we voted with management on all but one (34 out of 35). Management teams' willingness to put proposals to shareholders outlining their climate transition strategies, commitments and progress is usually supported by most shareholders. However, in 2022, we voted against the management proposal of a large European multinational commodity trading and mining company to approve its Climate Progress Report on the basis of concerns that the company's exit plan for thermal coal stretches to 2050 (the International Energy Agency says even developing countries should stop burning coal by 2040, not 2050) and that its lobbying is not aligned with the Paris Agreement. This proposal was voted against by 24% of shareholders, so with 76% support, it passed. In 2022, we aligned with ISS's new climate accountability policy to hold the boards of the largest GHG-emitting companies accountable for progressing the agenda of the Climate Action 100+ coalition.
Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector— Electricity, Gas, Steam & Air Conditioning Supply	7.7 GWh per million EUR of revenue	not applicable as 2022 is the first reference period		Data source: Sustainalytics For methodology and assumptions, please refer to the disclosure above under Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector— Agriculture, Forestry & Fishing Energy consumption intensity is shown per high impact climate sector, using NACE sectors NACE code: D	<p data-bbox="1431 847 1877 874"><b>Actions applicable to all principal adverse impacts</b></p> <p data-bbox="1431 887 2130 1401"><b>Security selection and risk management:</b> The sustainability risk monitoring and reporting tools and risk-review meetings that the Allspring Investment Analytics team provides for each investment team (explained further below) highlight principal adverse sustainability impacts. Based on Investment Analytics' reports and risk-review meetings, as well as their own fundamental research, the Investment teams then independently determine how best to incorporate those considerations into their investment decision-making. While the emphasis is on managing or mitigating investment risks and meeting client objectives and guidelines, this can coincide with actions to reduce adverse impacts on sustainability factors from issuers, as discussed further below. These determinations can result in divestment, diversification, exercise of voting rights, and/or ESG engagement with the issuer/companies contributing to the significant adverse sustainability impacts and related sustainability risks highlighted in the reports and risk review briefings. The Office of the CIO oversees risk mitigation actions and provides credible challenges to portfolio management teams to ensure investment portfolio positions are well understood and consistent with each investment team's stated process.</p> <p data-bbox="1431 1422 2130 1468">Further, certain Allspring Luxembourg' financial products take into account several adverse impacts on sustainability factors when material</p>
Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector— Manufacturing	1.2 GWh per million EUR of revenue	not applicable as 2022 is the first reference period		Data source: Sustainalytics For methodology and assumptions, please refer to the disclosure above under Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector—Agriculture, Forestry & Fishing	



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Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector—Mining & Quarrying	3.0 GWh per million EUR of revenue	not applicable as 2022 is the first reference period	<p>Data source: Sustainalytics</p> <p>For methodology and assumptions, please refer to the disclosure above under Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector—Agriculture, Forestry &amp; Fishing</p> <p>Energy consumption intensity is shown per high impact climate sector, using NACE sectors</p> <p>NACE code: B</p>	<p>to a given company or sector. The portfolios for these financial products typically include companies with strong or improving performance related to sustainability factors and consistent with the team's investment philosophy, process, and asset class. However, at this time, we do not have Allspring-wide policies, targets, or requirements that bind investment teams to reducing adverse sustainability impacts.</p> <p><b>Stewardship:</b> We also use engagement and proxy voting tools through our firm-wide Stewardship platform to manage adverse impacts on sustainability factors. As a global, active investment manager, we have the benefit of using a “carrot and the stick” approach, when it comes to assessing investee companies’ commitments and Allspring’s recourse options. As long-term investors, we take a pragmatic and patient approach to our engagement framework, in an effort to build mutual understanding, which we believe can drive effective results with the issuers in which we invest. Engagement outcomes may require multiple interactions over time, and we develop milestone expectations that Allspring establishes with individual commitments that our investee companies pledge to us.</p>	
Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector—Real Estate Activities	0.8 GWh per million EUR of revenue	not applicable as 2022 is the first reference period	<p>Data source: Sustainalytics</p> <p>For methodology and assumptions, please refer to the disclosure above under Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector—Agriculture, Forestry &amp; Fishing</p> <p>Energy consumption intensity is shown per high impact climate sector, using NACE sectors</p> <p>NACE code: L</p>	<p>If we conclude an issuer has material deficiencies, our first course of action is to communicate our concerns to company management or its board. Proxy proposals are also strongly correlated to corporate governance issues, and proxy votes can be an important conduit for us to express dissatisfaction with a given company. Ultimately, our progress with stewardship efforts with respect to relevant portfolios will affect our investment teams’ fundamental assessment of these companies and, in turn, our remediation actions.</p> <p>The following are potential outcomes:</p> <ul style="list-style-type: none"> <li>• Poor progress on ESG performance or failure to deliver on commitments made in ESG engagements may influence our portfolio managers’ willingness to maintain a position in the company, which may in turn lead to reduced exposure and/or an exit from these investment positions.</li> <li>• For equities, proxy voting actions can be exercised to support ESG-oriented shareholder proposals and/or board accountability for company performance on ESG issues.</li> </ul>	
Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector—Transportation & Storage	2.6 GWh per million EUR of revenue	not applicable as 2022 is the first reference period	<p>Data source: Sustainalytics</p> <p>For methodology and assumptions, please refer to the disclosure above under Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector—Agriculture, Forestry &amp; Fishing</p>	<p><b>Proxy voting by the numbers:</b> overall, in 2022, we voted in 98% of all meetings, with at least one vote against management in 46% of all meetings. As most of our equity strategies are actively managed with deep fundamental research, we feel this proportion is intuitively in the right range: it largely reflects support of leadership at the companies in which we have conviction but also reflects a healthy range of disagreement on some issues. Our engagement, which serves as the</p>	





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				Energy consumption intensity is shown per high impact climate sector, using NACE sectors  NACE code: H	constructive, dynamic communication mechanism to proxy voting, allows us to communicate those issues we would like to see management improve upon.	
	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector—Water Supply, Sewerage, Waste Management & Remediation Activities	0.4 GWh per million EUR of revenue	not applicable as 2022 is the first reference period	Data source: Sustainalytics  For methodology and assumptions, please refer to the disclosure above under Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector—Agriculture, Forestry & Fishing  Energy consumption intensity is shown per high impact climate sector, using NACE sectors  NACE code: E		
	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector—Wholesale & Retail Trade & Repair of Motor Vehicles & Motorcycles	815.5 GWh per million EUR of revenue	not applicable as 2022 is the first reference period	Data source: Sustainalytics  For methodology and assumptions, please refer to the disclosure above under Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector—Agriculture, Forestry & Fishing  Energy consumption intensity is shown per high impact climate sector, using NACE sectors  NACE code: G		
Biodiversity	07 Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	4.8 Percent of market value	not applicable as 2022 is the first reference period	Data source: Sustainalytics  This data point takes a value of 'True' if a company has operations affecting biodiversity sensitive areas and 'False' otherwise. In addition, Sustainalytics provides a second data point that captures the headlines of a company's relevant incidents that affect	<b>Actions specific to Biodiversity</b>  Over the last few years, we have advanced several thematic engagement initiatives that are directly related to natural capital and biodiversity. Under the biodiversity umbrella, the issues engaged include climate change, water management, land use and forestry (including deforestation), plastics and the circular economy. We have addressed these topics with companies where these risks and opportunities are most material—for example, the food and agricultural, metals and mining, waste management, integrated energy and utility sectors. These are typically industries and companies with sites/operations located in or



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				<p>biodiversity sensitive areas to provide further context. Sustainalytics assesses this metric using their Incidents Research and matches spatially explicit incidents in the previous three years to sensitive areas as defined by the Natura 2000 network of protected areas, the UNESCO World Heritage Sites as well as other protected areas referred to by the SFDR RTS.</p>	<p>near to biodiversity-sensitive areas where activities of those investee companies could negatively affect those areas. As long-term investors, we encouraged these companies to disclose how they have adopted or plan to incorporate business practices consistent with the sustainable use and management of natural capital and the respect for the biodiverse contexts in which they operate. To enhance our engagement practices further, beginning in 2023, we plan to incorporate the final recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) into our research and disclosure guidance.</p> <p>Furthermore, following discussion with Farm Animal Investment Risk and Return (FAIRR) in 2021 and in line with our new thematic engagement topic (food systems) added at the end of 2021, in 2022 we joined the FAIRR initiative. FAIRR is a global network of investors addressing ESG issues in protein supply chains. Along with providing related research and data to investor members, FAIRR organises collaborative investor engagements with companies on topics such as labour risk in global meat supply chains, biodiversity and climate risks in food-related industries. We believe there is a valuable opportunity to join their collaborative engagements alongside other investors as FAIRR has the visibility as a global leader to companies in this sector and the scale of assets invested will amplify the collaboration's influence.</p> <p><b>Actions applicable to all principal adverse impacts</b></p> <p>Please refer to the actions applicable to all principal adverse impacts described under GHG Emissions above.</p>
Water	08 Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.63 Tonnes of emissions per million EUR invested	not applicable as 2022 is the first reference period Data source: Sustainalytics	<p><b>Actions specific to Water</b></p> <p><b>Engagement:</b> In 2022, under our Biodiversity and Natural Capital high-priority engagement theme, we engaged with companies on water management. As our planet's climate continues to warm and change, it is essential to take note of the increasing volatility of extreme weather events and the persistence of droughts across the globe. While acute weather events will increase the necessity for resiliency investments in infrastructure, chronic issues like drought will have far-reaching effects on agricultural output, power production, transportation prices, and municipalities, which depend on their ever-tenuous water supplies. As such, we must engage with our portfolio companies as part of our active management style on the issue of water management in order to maximize the long-term value of our client's capital.</p> <p>In 2021, Allspring's Stewardship team began a thematic engagement initiative with metals and mining companies focusing on water management. In 2022, this lens expanded to companies in the utilities, chemicals, and food and agricultural sectors. Of the 89 firm wide</p>





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					<p>engagements led by the stewardship team in 2022, 28 had water management as a focus.</p> <p>The cornerstone of our engagement process involves rigorous research to uncover material ESG issues specific to the targeted company. Through this research, we take into account the geographic influences, challenges and differences in terms of each company’s operations, supply chain, regulatory environment and geopolitical issues. With regards to water, this could include a company’s operational exposure to water-stressed regions, acute weather events, and/or its water stewardship practices in its operations relative to local stakeholders.</p> <p>We set expectations for companies in these systemically important sectors to:</p> <ul style="list-style-type: none"> <li>• Have robust water management plans</li> <li>• Have performed analysis assessing water related risks to company operations—including forward looking analysis</li> <li>• Set targets related to water usage, withdrawal, recycling, etc.</li> <li>• Track KPIs related to water management</li> <li>• Be in good standing with local stake holders with regards to water quality and pollution</li> </ul> <p>For example, in 2022 Allspring’s Stewardship team, along with its Equity and Fixed-Income analysts, met with a utility company that provides water and wastewater services in the United States. As a water utility company, it is at significant risk from climate variability – which poses several risks, including potential scarcity issues, degradation of water quality and increased costs to repair damaged facilities and adapt systems to be more resilient. Though our engagement, we discussed the company’s CAPEX plans over the medium term – focusing on allocations towards resiliency, water quality, and efficiency. There was a lack of clarity as to how the company would weigh geographic exposure vs. short-term and long-term water risk development. However, it was alluded to that its risk management practices were thorough and well-managed. Over time, these water risks will vary in diversity and severity across the company’s operations in the Northeastern and Western United States and Canada.</p> <p>Continuing this conversation with the utility company on how it plans to allocate capital to manage those risks while achieving use reductions will be a worthy exercise for assessing the company. It will also allow us to gather a more holistic view of how businesses and municipalities will need to handle water risks across geographies.</p> <p>These engagement efforts also leverage the expertise of Allspring’s Water Working Group (WWG). The cross-functional WWG focuses on advancing the understanding of water risks and opportunities and their investment implications. The WWG believes managing water-related risks and</p>



ADVERSE SUSTAINABILITY INDICATOR	METRIC	IMPACT 01/01/22 to 31/12/22	IMPACT 01/01/21 to 31/12/21	EXPLANATION	ACTIONS TAKEN, AND ACTIONS PLANNED AND TARGETS SET FOR THE NEXT REFERENCE PERIOD	
					<p>protecting water resources is essential and that as water risks intensify, understanding these dynamics will lead to improved security and industry analysis and better risk mitigation. The WWG enhances our engagement with companies and discussion of opportunities and implications of water management. It publishes white papers and research commentaries that examine investment implications across asset classes and geographies. We believe building this expertise will allow us to better assess companies we engage with as they navigate the ever-increasing risk of water scarcity.</p> <p><b>SDG Lens:</b> In 2022, we also worked on developing Allspring's proprietary corporate assessment framework for the UN Sustainable Development Goals (SDGs), called SDG Lens, specifically covering SDG 6 on Clean Water and Sanitation. In this framework, we assessed whether companies are helping or hindering on the achievement of SDG 6, including an assessment of emissions to water. This framework will enable clients and investment teams to understand the contribution of their portfolios towards SDG 6 and whether portfolios are causing adverse impacts related to water contamination and water scarcity. We are continuing to build out this framework and its applications at Allspring.</p> <p><b>Actions applicable to all principal adverse impacts</b></p> <p>Please refer to the actions applicable to all principal adverse impacts described under GHG emissions above.</p>	
Waste	09 Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	3.91 Tonnes of waste generated per million EUR invested	not applicable as 2022 is the first reference period	Data source: Sustainalytics	<p><b>Actions specific to hazardous waste and radioactive waste</b></p> <p><b>SDG Lens:</b> In 2022, we also began work on developing SDG Lens for SDG 12: Responsible Consumption and Production. This includes a consideration of hazardous waste and whether companies are helping or hindering on progress towards hazardous waste reduction.</p> <p><b>Actions applicable to all principal adverse impacts</b></p> <p>Please refer to the actions applicable to all principal adverse impacts described under GHG Emissions above.</p>



## INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

ADVERSE SUSTAINABILITY INDICATOR	METRIC	IMPACT 01/01/22 to 31/12/22	IMPACT 01/01/21 to 31/12/21	EXPLANATION	ACTIONS TAKEN, AND ACTIONS PLANNED AND TARGETS SET FOR THE NEXT REFERENCE PERIOD	
Social and employee matters	10 Violations of un global compact principles and organisation for economic cooperation and development (OECD) guidelines for multinational enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	1.1 Percent of market value	not applicable as 2022 is the first reference period	Data source: Sustainalytics	<p><b>Actions specific to violations of the UNGC and OECD Guidelines</b></p> <p><b>Exclusions:</b> The majority of Allspring Luxembourg's financial products subject to disclosure requirements under Article 8 of SFDR apply Allspring's core ESG exclusions, which exclude companies that are found to be in violation of the UN Global Compact principles according to an independent third-party data provider, Sustainalytics. Sustainalytics also maps UNGC violations to violations of the OECD Guidelines for Multinational Enterprises. More information on these core exclusions can be found here: <a href="https://www.allspringglobal.com/globalassets/assets/edocs/lux/legal/allspring-esg-core-exclusions.pdf">https://www.allspringglobal.com/globalassets/assets/edocs/lux/legal/allspring-esg-core-exclusions.pdf</a></p>
	11 Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multi-national Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	63.4 Percent of market value	not applicable as 2022 is the first reference period	Data source: Sustainalytics	<p>Exclusions that apply to the segregated mandates are set out in the investment management agreements between Allspring Luxembourg and the relevant mandate client.</p> <p><b>Purchase restriction and engagement:</b> One of the financial products, the Emerging Markets Equity Sub-Fund of ALWF, has in place a purchase restriction and required engagement for companies in the portfolio that are subsequently determined to violate the UNGC principles. More information on these requirements can be found here: <a href="https://www.allspringglobal.com/globalassets/assets/edocs/lux/legal/lux-fund-sustainability-related-disclosures.pdf">https://www.allspringglobal.com/globalassets/assets/edocs/lux/legal/lux-fund-sustainability-related-disclosures.pdf</a></p> <p><b>Actions applicable to all principal adverse impacts</b></p> <p>Please refer to the actions applicable to all principal adverse impacts described under GHG Emissions above.</p>
	12 Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	19.1 Percent	not applicable as 2022 is the first reference period	Data source: Sustainalytics	<p><b>Actions specific to gender pay gap</b></p> <p><b>SDG Lens:</b> In 2022, we also began work on developing SDG Lens for SDG 5: Gender Equality. This includes a consideration of the unadjusted gender pay gap as one component of assessing whether companies are helping or hindering on progress towards gender equality.</p> <p><b>Engagement:</b> As part of our 2022 high-priority engagement themes, we have focused on the social engagement topics of human capital management (HCM) in terms of Diversity, Equity, and Inclusion (DE&amp;I), engagement, talent development and pay equity. We generally encourage companies to demonstrate a robust approach to HCM and provide shareholders with the necessary information to understand how it aligns with their stated strategy and business model. These disclosures may address how a company identifies its key human capital priorities, the policies in place to address these priorities and how the board</p>



ADVERSE SUSTAINABILITY INDICATOR	METRIC	IMPACT 01/01/22 to 31/12/22	IMPACT 01/01/21 to 31/12/21	EXPLANATION	ACTIONS TAKEN, AND ACTIONS PLANNED AND TARGETS SET FOR THE NEXT REFERENCE PERIOD
13 Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	29.8 percent of all board members	not applicable as 2022 is the first reference period	Data source: Sustainalytics	<p>oversees management to ensure accountability. It is helpful to investors if companies provide details of any relevant goals and targets that will demonstrate progress over time. The gender pay gap is an issue that spans sector and industry. As such, where possible pay gaps were identified we set expectations of management to:</p> <ul style="list-style-type: none"> <li>• Perform a pay equity analysis</li> <li>• Report on pay statistics transparently</li> <li>• Have a plan in place to close any identified pay gaps</li> </ul> <p>As an example, in 2022, the stewardship team took time to meet with a global information technology services and consulting company to focus specifically on gender pay equity at the company. The company reports 100% gender pay equity for like-jobs in three markets: the US, the UK and South Africa. The company focuses on these markets because it has full access to pay data. However, the company reports that, overall, in the UK, there is a 16% pay gap between men and women. The rationale for such a gap is that it is caused by a disparity between men and women across company levels, meaning there are more women in lower-paying jobs by percentage. To combat this, the company has instituted the target of increasing the number of women in management/director positions by 30% by 2025.</p> <p><b>Proxy voting:</b> In 2022, we voted with management on 7 shareholder proposals related to pay disparity, and voted against management on 4.</p> <p><b>Actions applicable to all principal adverse impacts</b></p> <p>Please refer to the actions applicable to all principal adverse impacts described under GHG Emissions above.</p> <hr/> <p><b>Actions specific to Board gender diversity</b></p> <p><b>SDG Lens:</b> In 2022, we also began work on developing SDG Lens for SDG 5: Gender Equality. This includes a consideration of the Board gender diversity as one component of assessing whether companies are helping or hindering on progress towards gender equality.</p> <p><b>Security selection:</b> Within the security-selection process, gender, ethnic and cognitive diversity is an important and incremental data point in comprehensive investment case review. Perhaps the most direct and meaningful benefit of diversity is seen through the composition of companies' leadership teams and boards of directors, where we believe there is evidence that better long-term asset allocation decisions are created when diversity exists, especially when viewed through a risk-adjusted lens.</p> <p><b>Proxy voting:</b> Since 2019, we have sought a simple, consistent global expectation of companies of all sizes, regardless of domicile, to have at</p>



ADVERSE SUSTAINABILITY INDICATOR	METRIC	IMPACT 01/01/22 to 31/12/22	IMPACT 01/01/21 to 31/12/21	EXPLANATION	ACTIONS TAKEN, AND ACTIONS PLANNED AND TARGETS SET FOR THE NEXT REFERENCE PERIOD
14 Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.3 Percent of market value	not applicable as 2022 is the first reference period	Data source: Sustainalytics	<p>least one woman on the board, and we have codified that into our custom proxy policy as a top of house view. This differs from our proxy advisor ISS, which still has different standards for larger and smaller companies as well as different standards by region.</p> <p><b>Engagement:</b> Board diversity (including gender, racial, and ethnic mix) was one of the governance topics for high priority engagements in 2022.</p> <p>Case study with an US-based video game software company</p> <p>In recent years, the video game industry has been plagued by high-profile human capital issues such as the gender discrimination lawsuits at Activision and the prevalence of “crunch culture”. Cybersecurity risks are also increasing, as evidenced by the company’s own video game leak in September 2022. We discussed these issues with management in an investor ESG-dedicated meeting in late September 2022. Although the company’s representatives were proud of their emphasis on culture, we felt greater commitments could be made on the issues. For example, female representation was at less than 20% at the people manager and VP+ level, without evidence of DE&amp;I goals to improve these metrics. These ESG factors were part of the overall mosaic of decision-making behind our divestment decision in December 2022.</p> <p><b>Actions applicable to all principal adverse impacts</b></p> <p>Please refer to the actions applicable to all principal adverse impacts described under GHG Emissions above.</p> <hr/> <p><b>Actions specific to exposure to controversial weapons</b></p> <p><b>Exclusions:</b> Allspring Luxembourg's financial products subject to disclosure requirements under Article 8 of SFDR apply Allspring's core ESG exclusions and other negative screening criteria, which exclude companies with revenues derived from controversial weapons, according to an independent third-party data provider, Sustainalytics. More information on these core exclusions can be found here: <a href="https://www.allspringglobal.com/globalassets/assets/edocs/lux/legal/allspring-esg-core-exclusions.pdf">https://www.allspringglobal.com/globalassets/assets/edocs/lux/legal/allspring-esg-core-exclusions.pdf</a></p> <p><b>Actions applicable to all principal adverse impacts</b></p> <p>Please refer to the actions applicable to all principal adverse impacts described under GHG Emissions above.</p>



## INDICATORS APPLICABLE TO INVESTMENTS IN SOVEREIGNS AND SUPRANATIONALS

ADVERSE SUSTAINABILITY INDICATOR	METRIC	IMPACT 01/01/22 TO 31/12/22	IMPACT 01/01/21 TO 31/12/21	EXPLANATION	ACTIONS TAKEN, AND ACTIONS PLANNED AND TARGETS SET FOR THE NEXT REFERENCE PERIOD
Environmental 15 GHG intensity	GHG intensity of investee countries	0.2 Tonnes of GHG Emissions per million Euro GDP	not applicable as 2022 is the first reference period	Data source: Sustainalytics The scope of this metric is limited to carbon rather than the full GHG spectrum	Allspring Luxembourg has limited exposure to sovereign issuers in investment portfolios. We have therefore not focused on actions related to reducing adverse impacts for these marginal assets.
Social 16 Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	-	not applicable as 2022 is the first reference period	Data source: Sustainalytics Sustainalytics interprets this metric to include the following items, in accordance with the Event Indicators used within their Country Risk Rating: <ul style="list-style-type: none"> <li>• Civil Conflict</li> <li>• State Repression</li> <li>• Transnational Conflict</li> <li>• Violent Crime</li> <li>• Labour Rights</li> <li>• Discrimination</li> </ul>	Allspring Luxembourg has limited exposure to sovereign issuers in investment portfolios. We have therefore not focused on actions related to reducing adverse impacts for these marginal assets

## INDICATORS APPLICABLE TO INVESTMENTS IN SOVEREIGNS AND SUPRANATIONALS

ADVERSE SUSTAINABILITY INDICATOR	METRIC	IMPACT 01/01/22 TO 31/12/22	IMPACT 01/01/21 TO 31/12/21	EXPLANATION	ACTIONS TAKEN, AND ACTIONS PLANNED AND TARGETS SET FOR THE NEXT REFERENCE PERIOD
Fossil fuels 17 Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	NA	not applicable as 2022 is the first reference period	Data source: Sustainalytics	Allspring Luxembourg does not have any real estate assets
Energy efficiency 18 Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	NA	not applicable as 2022 is the first reference period	Data source: Sustainalytics	Allspring Luxembourg does not have any real estate assets





## Other indicators for principal adverse impacts on sustainability factors

**TABLE 2 | Additional climate and other environment-related indicators**

### Climate and other environment-related indicators

#### INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES

ADVERSE SUSTAINABILITY IMPACT	ADVERSE IMPACT ON SUSTAINABILITY FACTORS (QUALITATIVE OR QUANTITATIVE)	METRIC	IMPACT 01/01/22 TO 31/12/22	IMPACT 01/01/21 TO 31/12/21	EXPLANATION	ACTIONS TAKEN, AND ACTIONS PLANNED AND TARGETS SET FOR THE NEXT REFERENCE PERIOD
Emissions	01 Emissions of inorganic pollutants	Tonnes of inorganic pollutants equivalent per million EUR invested, expressed as a weighted average				
	02 Emissions of air pollutants	Tonnes of air pollutants equivalent per million EUR invested, expressed as a weighted average				
	03 Emissions of ozone-depleting substances	Tonnes of ozone-depleting substances equivalent per million EUR invested, expressed as a weighted average				
	04 Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	53.8 Percent of market value	not applicable as 2022 is the first reference period	Data source: Sustainalytics	Please refer to the response on GHG Emissions above, as well as the discussion in the next few sections after that of how we prioritise principal adverse impacts and consider companies' carbon reduction initiatives and alignment with the Paris Agreement.
Energy performance	05 Breakdown of energy consumption by type of non-renewable sources of energy	Share of energy from non-renewable sources used by investee companies broken down by each non-renewable energy source				
Water, waste and material emissions	06 Water usage and recycling	<ol style="list-style-type: none"> <li>1 Average amount of water consumed by the investee companies (in cubic meters) per million EUR of revenue of investee companies</li> <li>2 Weighted average percentage of water recycled and reused by investee companies</li> </ol>				



ADVERSE SUSTAINABILITY IMPACT	ADVERSE IMPACT ON SUSTAINABILITY FACTORS (QUALITATIVE OR QUANTITATIVE)	METRIC	IMPACT 01/01/22 TO 31/12/22	IMPACT 01/01/21 TO 31/12/21	EXPLANATION	ACTIONS TAKEN, AND ACTIONS PLANNED AND TARGETS SET FOR THE NEXT REFERENCE PERIOD
	07 Investments in companies without water management policies	Share of investments in investee companies without water management policies				
	08 Exposure to areas of high water stress	Share of investments in investee companies with sites located in areas of high water stress without a water management policy				
	09 Investments in companies producing chemicals	Share of investments in investee companies the activities of which fall under Division 20.2 of Annex I to Regulation (EC) No 1893/2006				
	10 Land degradation, desertification, soil sealing	Share of investments in investee companies the activities of which cause land degradation, desertification or soil sealing				
	11 Investments in companies without sustainable land/agriculture practices	Share of investments in investee companies without sustainable land/agriculture practices or policies				
	12 Investments in companies without sustainable oceans/seas practices	Share of investments in investee companies without sustainable oceans/seas practices or policies				
	13 Non-recycled waste ratio	Tonnes of non-recycled waste generated by investee companies per million EUR invested, expressed as a weighted average				
	14 Natural species and protected areas	<p>1 Share of investments in investee companies whose operations affect threatened species</p> <p>Share of investments in investee companies without a biodiversity protection policy covering operational sites owned, leased, managed in, or adjacent to, a protected area or an area of high biodiversity value outside protected areas</p>				



ADVERSE SUSTAINABILITY IMPACT	ADVERSE IMPACT ON SUSTAINABILITY FACTORS (QUALITATIVE OR QUANTITATIVE)	METRIC	IMPACT 01/01/22 TO 31/12/22	IMPACT 01/01/21 TO 31/12/21	EXPLANATION	ACTIONS TAKEN, AND ACTIONS PLANNED AND TARGETS SET FOR THE NEXT REFERENCE PERIOD
	15 Deforestation	Share of investments in companies without a policy to address deforestation				
Green securities	16 Share of securities not issued under Union legislation on environmentally sustainable bonds	Share of securities in investments not issued under Union legislation on environmentally sustainable bonds				

**INDICATORS APPLICABLE TO INVESTMENTS IN SOVEREIGNS AND SUPRANATIONALS**

Green securities	17 Share of bonds not issued under Union legislation on environmentally sustainable bonds	Share of bonds not issued under Union legislation on environmentally sustainable bonds				
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## INDICATORS APPLICABLE TO INVESTMENTS IN REAL ESTATE ASSETS

ADVERSE SUSTAINABILITY IMPACT	ADVERSE IMPACT ON SUSTAINABILITY FACTORS (QUALITATIVE OR QUANTITATIVE)	METRIC	IMPACT 01/01/22 TO 31/12/22	IMPACT 01/01/21 TO 31/12/21	EXPLANATION	ACTIONS TAKEN, AND ACTIONS PLANNED AND TARGETS SET FOR THE NEXT REFERENCE PERIOD
Greenhouse gas emissions	18 GHG emissions	Scope 1 GHG emissions generated by real estate assets				
		Scope 2 GHG emissions generated by real estate assets				
		Scope 3 GHG emissions generated by real estate assets				
		Total GHG emissions generated by real estate assets				
Energy consumption	19 Energy consumption intensity	Energy consumption in GWh of owned real estate assets per square meter				
Waste	20 Waste production in operations	Share of real estate assets not equipped with facilities for waste sorting and not covered by a waste recovery or recycling contract				
Resource consumption	21 Raw materials consumption for new construction and major renovations	Share of raw building materials (excluding recovered, recycled and biosourced) compared to the total weight of building materials used in new construction and major renovations				
Biodiversity	22 Land artificialisation	Share of non-vegetated surface area (surfaces that have not been vegetated in ground, as well as on roofs, terraces and walls) compared to the total surface area of the plots of all assets				



**TABLE 3 | Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters**

**Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters**

**INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES**

ADVERSE SUSTAINABILITY IMPACT	ADVERSE IMPACT ON SUSTAINABILITY FACTORS (QUALITATIVE OR QUANTITATIVE)	METRIC	IMPACT 01/01/22 TO 31/12/22	IMPACT 01/01/21 TO 31/12/21	EXPLANATION	ACTIONS TAKEN, AND ACTIONS PLANNED AND TARGETS SET FOR THE NEXT REFERENCE PERIOD
Emissions	01 Investments in companies without workplace accident prevention policies	Share of investments in investee companies without a workplace accident prevention policy				
	02 Rate of accidents	Rate of accidents in investee companies expressed as a weighted average				
	03 Number of days lost to injuries, accidents, fatalities or illness	Number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average				
	04 Lack of a supplier code of conduct	Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour)	8.6 Percent of market value	not applicable as 2022 is the first reference period	Data source: Sustanalytics	<p><b>Actions specific to supplier code of conduct and labor issues in the supply chain</b></p> <p><b>Engagement:</b> Focusing on human rights is important, and was part of our engagement themes in 2022, as unmanaged potential or actual adverse human rights issues, such as modern slavery, can harm those directly affected and expose companies to significant legal, regulatory, operational and reputational risks. There are also more targeted social issues that we identify for engagement for specific sectors/industries, including conflict minerals in the supply chain for semiconductors.</p> <p><b>Case Study</b></p> <p>A large, global broadband food distributor had a shareholder proposal requesting it commission a third-party report assessing its supply chain risks. The shareholder filing the proposal said the distributor company's Supplier Code of Conduct lacks information on how compliance with labour requirements is monitored. It further asserts that the distributor company does not disclose whether its supplier audits—which are conducted for suppliers in high-risk Latin American and Asian countries—include migrant workers employed through recruitment agencies that are often not counted in such audits.</p> <p>The distributor company's Board contended that the distributor company's Supplier Code of Conduct applies to the distributor company's suppliers and their subcontractors and explicitly prohibits the abuse of foreign or migrant workers. It stated that suppliers that are found to violate the policy are required to implement a corrective action plan or face ending their business relationship</p>







ADVERSE SUSTAINABILITY IMPACT	ADVERSE IMPACT ON SUSTAINABILITY FACTORS (QUALITATIVE OR QUANTITATIVE)	METRIC	IMPACT 01/01/22 TO 31/12/22	IMPACT 01/01/21 TO 31/12/21	EXPLANATION	ACTIONS TAKEN, AND ACTIONS PLANNED AND TARGETS SET FOR THE NEXT REFERENCE PERIOD
		compensated individual to the median annual total compensation for all employees (excluding the highest-compensated individual)				
Human rights	09 Lack of a human rights policy	Share of investments in entities without a human rights policy				
	10 Lack of due diligence	Share of investments in entities without a due diligence process to identify, prevent, mitigate and address adverse human rights impacts				
	11 Lack of processes and measures for preventing trafficking in human beings	Share of investments in investee companies without policies against trafficking in human beings				
	12 Operations and suppliers at significant risk of incidents of child labour	Share of investments in investee companies exposed to operations and suppliers at significant risk of incidents of child labour in terms of geographic areas or type of operation				
	13 Operations and suppliers at significant risk of incidents of forced or compulsory labour	Share of the investments in investee companies exposed to operations and suppliers at significant risk of incidents of forced or compulsory labour in terms in terms of geographic areas and/or the type of operation				
	14 Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis				
Anti-corruption and anti-bribery	15 Lack of anti-corruption and anti-bribery policies	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption				
	16 Cases of insufficient action taken to address breaches	Share of investments in investee companies with identified insufficiencies in actions taken to				



ADVERSE SUSTAINABILITY IMPACT	ADVERSE IMPACT ON SUSTAINABILITY FACTORS (QUALITATIVE OR QUANTITATIVE)	METRIC	IMPACT 01/01/22 TO 31/12/22	IMPACT 01/01/21 TO 31/12/21	EXPLANATION	ACTIONS TAKEN, AND ACTIONS PLANNED AND TARGETS SET FOR THE NEXT REFERENCE PERIOD
	of standards of anti-corruption and anti-bribery	address breaches in procedures and standards of anti-corruption and anti-bribery				
	17 Number of convictions and amount of fines for violation of anti-corruption and anti-bribery laws	Numbers of convictions and amount of fines for violations of anti-corruption and anti-bribery laws by investee companies				

### INDICATORS APPLICABLE TO INVESTMENTS IN SOVEREIGNS AND SUPRANATIONALS

ADVERSE SUSTAINABILITY IMPACT	ADVERSE IMPACT ON SUSTAINABILITY FACTORS (QUALITATIVE OR QUANTITATIVE)	METRIC	IMPACT 01/01/22 TO 31/12/22	IMPACT 01/01/21 TO 31/12/21	EXPLANATION	ACTIONS TAKEN, AND ACTIONS PLANNED AND TARGETS SET FOR THE NEXT REFERENCE PERIOD
Social	18 Average income inequality score	The distribution of income and economic inequality among the participants in a particular economy including a quantitative indicator explained in the explanation column				
	19 Average freedom of expression score	Measuring the extent to which political and civil society organisations can operate freely including a quantitative indicator explained in the explanation column				
Human rights	20 Average human rights performance	Measure of the average human right performance of investee countries using a quantitative indicator explained in the explanation column				
	21 Average corruption score	Measure of the perceived level of public sector corruption using a quantitative indicator explained in the explanation column				
	22 Non-cooperative tax jurisdictions	Investments in jurisdictions on the EU list of non-cooperative jurisdictions for tax purposes				
	23 Average political stability score	Measure of the likelihood that the current regime will be overthrown by				



ADVERSE SUSTAINABILITY IMPACT	ADVERSE IMPACT ON SUSTAINABILITY FACTORS (QUALITATIVE OR QUANTITATIVE)	METRIC	IMPACT 01/01/22 to 31/12/22	IMPACT 01/01/21 to 31/12/21	EXPLANATION	ACTIONS TAKEN, AND ACTIONS PLANNED AND TARGETS SET FOR THE NEXT REFERENCE PERIOD
		the use of force using a quantitative indicator explained in the explanation column				
	24 Average rule of law score	Measure of the level of corruption, lack of fundamental rights, and the deficiencies in civil and criminal justice using a quantitative indicator explained in the explanation column				



## Description of policies to identify and prioritise principal adverse impacts on sustainability factors

### Policies to identify and prioritise principal adverse impacts on sustainability factors

Allspring's sustainable investing and stewardship policies, guidelines, and procedures collectively govern how we identify and prioritise principal adverse impacts on sustainability factors. While we may consider certain principal adverse impacts on sustainability factors, Allspring's investment portfolios typically do not employ explicit objectives to reduce adverse impacts related to environmental, social, and other sustainability factors. As active managers, Allspring believes that companies that perform poorly on material sustainability factors—i.e. companies that may cause adverse impacts on those sustainability factors—demonstrate higher downside risk that is generally unrewarded in achieving long-term risk-adjusted returns. As a result, as part of our assessment of sustainability risks, as described in Allspring Luxembourg's Sustainability Risk Policy<sup>7</sup>, our due diligence process considers whether companies are showing adverse impacts on a range of sustainability factors and in that way assesses the impact of investment decisions on such sustainability factors. The identification and prioritisation of principal adverse impacts on sustainability factors is therefore focused on those sustainability factors that can lead to sustainability risks. The identification and prioritisation of principal adverse impacts on sustainability factors is implemented by the Allspring sub-investment managers of Allspring Luxembourg financial products through application of Allspring policies and procedures described below and in accordance with this Allspring Luxembourg Statement on Principal Adverse Impacts of investment decisions on sustainability factors<sup>8</sup>.

### Allocation of responsibility for the implementation of those policies

#### Identification and prioritisation of principal adverse impacts at the organizational level

##### i Mitigating risk from double materiality of sustainability factors

At Allspring, we identify, prioritise, and monitor adverse impacts on sustainability factors through an independent risk management function fulfilled by the Allspring Investment Analytics team. The Investment Analytics team includes analysts specialising in sustainability, who collaborate with the broader Allspring Sustainability team to identify sustainability factors and related indicators and scores that are to be tracked across investment portfolios. These scores and indicators are generally related to issuer performance, programmes, policies, or controversies on sustainability factors. Prioritisation of adverse impacts on sustainability factors for this purpose is based on:

- the most salient and significant sustainability impacts that can be tracked across investment portfolios
- impacts that are relevant for understanding of sustainability risks and actual or potential material negative impacts on the value of the investment
- the availability of data
- the sustainability factors highlighted by third-party data providers

The Allspring Investment Analytics team, together with the broader Sustainability team, periodically reviews the suitability of such indicators and scores and assesses whether new or better-suited data could be used.

The Allspring Investment Analytics team creates proprietary ESG Characteristics reports that provide such scores and indicators at the portfolio level and issuer level across a substantial majority of Allspring investment portfolios. These reports are distributed to Allspring investment teams on a monthly basis. The reports utilise data from independent third-party data providers such as Sustainalytics and S&P Trucost, and also include internal sustainability risk scores using a proprietary Allspring ESGiQ

<sup>7</sup> Approved in 2021 and 2022 by delegated authority of the Allspring Luxembourg Board of Directors dated 8 December 2020.

<sup>8</sup> Approved in 2021 and 2022 by delegated authority of the Allspring Luxembourg Board of Directors dated 8 December 2020.



scoring framework. For more information on Allspring ESGiQ, please read the Allspring Luxembourg [Sustainability Risk Policy](#) statement and our paper, "[Meet ESGiQ: Allspring's ESG risk-assessment framework](#)".

During the Reference Period of this Statement, these ESG Characteristics reports began incorporating the mandatory and certain voluntary adverse sustainability indicators outlined by Tables 1, 2, and 3 of Commission Delegated Regulation (EU) 2022/1288 (the "SFDR RTS"), leveraging independent third-party data from Sustainalytics and S&P Trucost.

The Allspring ESG Characteristics reports and information generated by Allspring Investment Analytics help our portfolio managers better understand the adverse impacts on sustainability factors and related risk profiles of investments. Allspring believes that a range of sustainability factors, if impacted adversely, could create risk for Allspring investments, and accordingly, factors across the environmental, social, employee, human rights, and corruption dimensions are tracked for a substantial majority of our investments through the Allspring Investment Analytics team.

Further, on a weekly basis, the Allspring Investment Analytics team prepares a Controversial Holdings report for senior investment leadership, including Allspring's Office of the Chief Investment Officer (CIO). The Controversial Holding report contains information on certain principal adverse impact indicators, including those related to controversial weapons, thermal coal, oil sands, small arms, tobacco, and violations of the UN Global Compact principles. The Controversial Holdings report provides senior leadership with information on Allspring investment team portfolio exposure to such investments, as well as total Assets Under Advisement ("AUA") for Allspring Global Investments at year-end for the previous three years exposed to such issuers. Plus, product-specific, benchmark-relative ESG exposures as well as the firm's most significant exposures to securities with poor overall ESG scores are reviewed with the Office of the CIO as part of monthly investment risk reviews<sup>9</sup>. On a quarterly basis, a dedicated ESG risk briefing meeting is held with the Office of the CIO, and this includes the Allspring Investment Analytics and Sustainability teams. These monthly and in-depth quarterly ESG review processes help assess principal adverse impacts and their related risks across Allspring Global Investments.

## ii **Engaging with investee companies**

Additionally, our approach to engagement with investee companies balances proactive, strategic themes with the flexibility to accommodate companies on a case-by-case basis as issues or controversies arise. The Allspring approach to engagement, applied where appropriate, is summarised as follows:

- Uncover financially material sustainability risks and leverage our proprietary ESG tools to identify leaders and laggards, including those creating adverse impacts on sustainability factors
- Balance engagements on strategic ESG themes with the flexibility to accommodate companies on a case-by-case basis as issues or controversies arise
- Leverage proprietary research projects such as climate change and water management
- Emphasise transparency

The cornerstone of our engagement process involves rigorous research to uncover material sustainability risks, which often stem from issuers' adverse impacts on sustainability factors, actual or potential, specific to the targeted company. Through this research, at Allspring we take into account the geographic influences, challenges and differences in terms of each company's operations, supply chain, regulatory environment and geopolitical issues.

The Allspring Quarterly Stewardship and Engagement Forum ("QSEF") meets quarterly to enhance coordination and deepen collaboration across the investment platform to engage companies on ESG issues. As QSEF members are representatives from across the Allspring investment platform, including from Allspring Active Fixed Income

<sup>9</sup> The Office of the CIO provides oversight for all investment activities at Allspring Global Investments, including risk management oversight. It comprises senior investment leadership. 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 investment portfolio positions are well understood and consistent with each investment team's stated process.



and Active Equity teams and the Allspring Systematic teams, the forum also serves as a means for seeking input on strategic stewardship priorities and identifying ways the teams at Allspring can improve partnership and enhance communication.

Annually, the Allspring Stewardship team sets a strategic plan for thematic engagement by sectors/industries and material sustainability factors. In the fourth quarter of each year, the Allspring Stewardship team issues a survey to its investment professionals, including the QSEF, to solicit their perspectives and opinions on topical material sustainability factors and current market events. Our key engagement themes for the Reference Period are described in the next section.

The Allspring Stewardship team then maps the materiality of priority sustainability factors to industries and sectors of interest. Requests from companies seeking to engage with Allspring have been increasing, typically ahead of their annual general meetings, or in some instances six months later. When companies reach out to Allspring to engage on proxy issues, the firm may accept or decline depending mainly on a combination of thresholds:

- Do Allspring thematic ESG priorities resonate as material to the investee company?
- Does the proxy overlap with any of the issues that are high priorities for the firm?
- Are any Allspring investment strategies significantly invested in the company at the company-wide or portfolio levels?

## Investment portfolio-specific identification and prioritisation of principal adverse sustainability impacts

Through the Allspring Investment Analytics' ESG reports, regular risk-review meetings, and Allspring's stewardship platform, principal adverse impacts on sustainability factors are reviewed to attain consistency across Allspring. The majority of investment teams draw on these resources but may consider other sustainability factors or further prioritise adverse impacts in a way that is suitable for their asset class and investment strategies. Investment teams generally consider ESG topics and related scores and indicators that have potential for adverse impacts on both sustainability factors and the value of the investment. As noted above, when investee entities cause adverse impact on sustainability factors, we believe this can also be a source of risk for the investees and therefore the investment in such entities.

The ESG resources provided by Allspring Investment Analytics are intended to act as a catalyst for additional research and/or issuer engagement by the investment teams in order to address adverse sustainability impacts and related risks. Accordingly, our organisation of specialised investment teams conduct their own research and due diligence on sustainability factors, including through engagement with issuers. This research is supplemented with a variety of sources of sustainability information, including that of third-party data providers.

For more information on how Allspring considers adverse impacts on sustainability factors that can create investment risk, please see our [Sustainability Risk Policy](#).

## Methodologies to select the adverse impact indicators referred to in Article 6(1)(a), (b), (c)

At Allspring, we identify the following principal adverse impacts on sustainability factors in addition to those indicators from Table 1 of Commission Delegated Regulation (EU) 2022/1288 (the "SFDR RTS"):

- Investments in companies without carbon emission reduction initiatives (from Table 2 of the SFDR RTS)
- Lack of a supplier code of conduct (from Table 3 of the SFDR RTS)

The methodology used to select these indicators and to identify and assess principal adverse impacts is based on consideration of portfolio exposures across Allspring and whether the adverse impact indicator could relate to material sustainability risks across several sectors and portfolios. We believe that if an investee company causes severe adverse impacts on a given sustainability factor, then they could face associated material risks related to those impacts. The probability and severity of the adverse





impacts can depend on the investee companies' sector, among other factors such as geography and time, and we take sector-specific sustainability factors into account, particularly in our engagements and proxy voting.

For example, we consider lack of a supplier code of conduct in particular sectors where companies typically have extensive supply chains with a large labor force. We also consider the quality of that code of conduct and practices to address violations of the code. We take into account the potential severe adverse impacts in such supply chains that may occur due to unsafe working conditions and forced labor, among other possible issues, which in turn, could affect the value of our investments, through possible work stoppages, fines, liabilities, restrictions on doing business etc. We consider the probability of occurrence of such impacts to be higher where companies are lacking such codes of conduct or have gaps in the quality of the code or in how they are addressing potential violations. We might engage with such companies to improve their practices; the actions we take should remediation not be occurring, are described in the section on Engagement Policies further below.

The adverse impact indicator on investments in companies without carbon emission reduction initiatives is part of our priority engagement theme on climate change at the entity level. The probability and severity of adverse impacts from the lack of carbon emission reduction initiatives factors into the research of Allspring's Climate Change Working Group ("CCWG"), which has designed a Climate Transition Framework, described in the section on References to International Standards below. Companies are assigned a climate transition score, which considers each issuer's impact on climate change with focus on future emissions, and climate change's impact on issuer fundamentals and value. This research is leveraged in our engagements with companies to remediate adverse impacts and mitigate sustainability risks.

The quality and availability of data also factors into our selection of the above principal adverse impact indicators from Tables 2 and 3 of the SFDR RTS.

## Margin of error

A margin of error exists in selecting the above principal adverse impact indicators, where it is possible that we may not have correctly identified other adverse impacts that may occur in a small part of our overall portfolio exposures but may nonetheless be severe. We may also over- or under-estimate the potential adverse impacts from the two indicators selected above. Nonetheless, we believe these two indicators are most representative compared to others in Tables 2 and 3 of high probability and potentially severe adverse impacts on sustainability factors from our investment decisions at an entity-level. As described above, besides this entity-level assessment, there might be other possible adverse impacts, including their probability and severity, that may be considered in individual portfolios by our investment teams.

## Data sources and availability

Allspring leverages independent third-party data providers to measure the principal adverse impacts on sustainability factors outlined in the table in the previous section. The choice of third-party data providers is subject to change.

Vended data may include both reported and estimated data. The proportion of estimated ESG and sustainability data changes over time depending on availability of data accessible to data providers, process changes and methodological approaches, amongst other factors. The primary limitation to the data source is the lack of corporate disclosure. We do not expect the corporate reporting landscape to change significantly until global regulatory requirements come into effect which mandate greater disclosure. The assessment of principal adverse impacts is therefore supplemented through in-house active fundamental analysis and research at the portfolio level, besides the use of independent third-party vendors.



## Engagement policies

### Summary of engagement policies

As active owners of the companies in which we invest, stewardship is an integral component of the Allspring investment process. We have built our Stewardship Platform that reflects our values, which we express in two key ways: engagement with our investee companies and responsible proxy voting. These twin pillars of stewardship help us advance towards two important outcomes: a), improving disclosures and transparency to benefit investment decision-making, and b), driving improvement in corporate operating, financial, and sustainability performance to maximise long-term, risk-adjusted returns and provide value to stakeholders.

Our motivation for engagement originates from the intention both to deepen our knowledge of investee companies to which we allocate capital and, where appropriate, take action to protect invested capital. Importantly, our fundamental analysts across equities and fixed income collaborate alongside our Stewardship team to create strong alignment and to share perspectives. We recognise that there are many influences on the value of equity and fixed income instruments, and we attempt to identify and monitor issues that have the most material impact.

Allspring's proxy voting and engagement policies are applied in accordance with the EU Shareholder Rights Directive II<sup>10</sup>. To read more about our proxy voting and engagement policies, please refer to the following links:

- [Allspring Proxy Voting Policy and Procedures](#)
- [Allspring Engagement Policy](#)

We provide regular updates on our engagement and proxy voting activities and results.

Read [Allspring's 2021 Stewardship Report](#) for more details.

The Allspring Engagement Policy covers our philosophy and approach to engagement, how we establish engagement priorities and monitor and prioritise investee companies, how we leverage ESG research in stewardship, identify and manage conflicts of interest, escalation, industry collaborations, connecting engagement with proxy voting, and our commitment to transparency on stewardship activities.

### Indicators for adverse impacts considered in the engagement and proxy voting policies

The previous two sections discuss the role of principal adverse impacts in our engagement policies and practices. The specific indicators of adverse impacts considered in our engagements can vary depending on key engagement themes determined for the year through the processes outlined above as well as by sector and company. For the reference period of this statement, our key engagement themes included:

#### Environmental

- Climate change and investee company transition strategies
- Biodiversity and natural capital, including engagement on climate change, water management, land use and forestry (including deforestation), plastics and the circular economy

<sup>10</sup> Directive (EU) 2017/828 of the European Parliament and of the Council of May 17, 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement.



## Social

- Human capital management, in terms of Diversity, Equity & Inclusion (“DE&I”), engagement, talent development and pay equity
- Human rights and modern slavery
- Issues targeted to certain industries such as content governance for social media companies, data privacy and security for various sectors, antimicrobial resistance for animal, pharma, and the food and beverage value chain, conflict minerals in the supply chain for semiconductors and nutrition and food scarcity for food and beverage companies and other parts of the agriculture value chain

## Governance

- Corporate governance topics such as executive compensation and incentive links to ESG/sustainability performance, board diversity, and sustainability disclosures and board oversight over sustainability

Furthermore, we maintain two key differences with our proxy advisor ISS in our custom proxy policy (more on the custom policy below):

- We have a gender-diversity standard of requiring at least one woman on boards, regardless of company size or domicile. This differs from ISS, which still has different standards for larger and smaller companies as well as different standards by region.
- We have established “overboarding” standards for operating company directors (no more than four boards) and CEOs (no more than one outside board). This differs from ISS, which has a more generous standard for CEO overboarding and directors at large overboarding which differs regionally.

## Adapting policies where there is no reduction of the principal adverse impacts over more than one period reported

As a global, active, fundamental investment manager, Allspring adopts a “carrot and stick” approach when it comes to assessing investee companies’ commitments and our recourse options. As long-term investors, we take a pragmatic and patient approach to our engagement framework to build mutual understandings, which we believe can drive effective results with the issuers in which we invest. Engagement outcomes may require multiple interactions over time (engagements tend to transpire over three years on average), and we develop milestone expectations that we establish with individual commitments that our investee companies pledge to us.

We believe the key to effective escalation at Allspring is clear communication of engagement activities and outcomes with corporate issuers. Along with having our Allspring-wide Stewardship Platform focused on material ESG issues, our structure constitutes independent investment teams that conduct their own fundamental research, including engagement with company management teams across a variety of topics, among them sustainability. We believe engagement activities are the responsibility of both our investment teams and our company-wide Stewardship team, with collaboration between the two.

If we conclude an issuer has material deficiencies, including for example, where there is no reduction of principal adverse impacts over more than one period reported on, our first course of action is to communicate our concerns to company management or its board of directors. Proxy proposals are also strongly correlated to corporate governance issues, and proxy votes can be an important conduit for us to express dissatisfaction with a given company. Ultimately, our progress with stewardship efforts with respect to relevant portfolios will affect our investment teams’ fundamental assessment of these companies and, in turn, our remediation actions.

The following are potential outcomes:

- Poor progress on ESG performance or failure to deliver on commitments made in ESG engagements may influence our portfolio managers’ willingness to maintain a position in the company, which may in turn lead to reduced exposure and/or an exit from these investment positions.



- For equities, proxy voting actions can be exercised to support ESG-oriented shareholder proposals and/or board accountability for company performance on ESG issues.

The Allspring Proxy Voting Policy and Procedures are reviewed annually by the Proxy Governance Committee (“PGC”), but we also monitor regulatory changes related to proxy requirements that could necessitate further modifications. During the fourth quarter of each year, the PGC conducts a review of Allspring’s Top Of House (“TOH”) guidelines in light of industry trends in corporate governance, including the evaluation of the appropriateness of our proxy advisor’s ISS regional policies, which are enhanced annually. Where we seek a higher standard than ISS or more global consistency (e.g., eliminating regional differences), we will define our own custom TOH guidelines to be implemented ahead of the next proxy season.

## References to international standards

Allspring has close relationships with several industry associations, disclosures and standards bodies, and non-profit organisations. We recognise the importance of collective action initiatives in advancing investment thinking and practice to ensure successful investment outcomes and ultimately support the sustainability of capital markets. A list of our industry engagements can be found in the [Allspring Approach to ESG and Sustainable Investing](#).

Below we note how we consider the responsible business conduct codes and internationally recognised standards for due diligence and reporting related more specifically to principal adverse impacts.

## Alignment with the objectives of the Paris Agreement

Allspring is a signatory to Climate Action 100+, a coalition of institutional investors that seeks greater company disclosure around climate-change risk and company strategy alignment with the Paris Agreement. As a signatory, Allspring leads an engagement with one of the focus companies. To contribute to the advancement of understanding investment implications of climate change on sovereigns, Allspring is on the Advisory Council to the ‘Assessing Sovereign Climate Opportunities and Risks’ (“ASCOR”) initiative.

At the time of this statement, Allspring does not have a policy across the firm to align all our investments to the objectives of the Paris Agreement. However, we manage portfolios for some clients that have climate-related portfolio objectives. Furthermore, two sub-funds of the Allspring (Lux) Worldwide Fund (“ALWF”) explicitly consider portfolio and company alignment with the Paris agreement, while other sub-funds subject to SFDR Article 8 include considerations of indicators related to greenhouse gas emissions at the investee company and portfolio levels. These indicators include those from Table 1 of the SFDR RTS such as carbon footprint and GHG intensity of investee companies, as well as greenhouse gas emissions (Scope 1 + Scope 2 emissions and part of Scope 3 emissions) with data obtained from S&P Trucost, and from Table 2 of the SFDR RTS, investments in companies without carbon emission reduction initiatives. More information on how these sub-funds consider climate impacts, risks, and Paris alignment can be found in our [SFDR Article 10 website disclosures for these sub-funds](#).

Through the work of Allspring’s Climate Change Working Group (“CCWG”), we have designed a Climate Transition Framework (read more about Allspring’s CCWG in our [Approach to ESG and Sustainable Investing](#) document) that enables us to analyse issuers and construct client portfolios to achieve financial and climate objectives, such as alignment with the Paris Agreement and any industry commitments. The CCWG enhances our engagement with companies and discussion of opportunities and implications of climate change. The research outputs help us identify climate transition preparedness leaders and laggards within industry groups and relative to decarbonisation pathways, such as net zero by 2050.

Additionally, Allspring has been a member of Climate Action 100+ since August 2019, which, as discussed above, seeks investee company strategy alignment with the Paris Agreement. As the lead investor engaging with CEMEX S.A.B. de C.V. (“CEMEX”) and with the support of Climate Action 100+, we have had a consistent dialogue with



CEMEX since 2019. The Climate Action 100+ signatories have agreed on a common agenda for discussion with companies, including CEMEX. The initiative aims to secure commitments from the board of directors and senior management of its focus investee companies to:

- 01 Implement a strong governance framework that clearly articulates the board of directors' accountability and oversight of climate change risks and opportunities
- 02 Take action to reduce GHG emissions across the value chain, consistent with the Paris Agreement's goal of limiting the global average temperature increase to below 1.5 degrees Celsius above pre-industrial levels
- 03 Provide enhanced corporate disclosure in line with the final recommendations of the Taskforce on Climate-related Financial Disclosures ("TCFD"), including targets and scenario analysis that includes the IEA's NZE 1.5°C pathway (designed in 2022/2023).

Further, the Allspring Investment Analytics team's ESG reports include carbon and climate data, using an independent third-party data provider S&P Trucost, that allows us to analyse the carbon footprint, greenhouse gas intensity of investee companies and other climate related exposures of our portfolios and their benchmarks (including the climate-related indicators in Table 1 above). These reports also include a measure of the 'two-degree alignment' of a portfolio and also its benchmark i.e. taking into account the difference between a company's projected emissions pathway and the required pathway to reach two degree-alignment over the time horizon assessed. This is based on data from S&P Trucost, updated annually, and considers realised and forecasted carbon reductions from 2012 - 2025. It shows the metric tons of carbon dioxide equivalent that the portfolio and the index are over/under budget per \$ million invested. This data point is available to our investment teams, as part of the broader ESG data and tools available to them.

When engaging with any investee company on climate change, we emphasise the importance of the TCFD in terms of both endorsement and commitment to report in line with its recommendations. We believe this will improve our understanding as investors to appropriately assess and price climate-related risks and opportunities. The quality of governance on climate change influences our confidence in the company's resilience in a variety of climate scenarios. In terms of metrics and disclosures, we also emphasise the SASB metrics of the former Value Reporting Foundation, now part of the International Sustainability Standards Board ("ISSB"), as illuminating the material issues, including climate-related within the Environment pillar, for a company in any particular industry. SASB can inform companies of the most important metrics to include in their TCFD reporting. We also set expectations for companies in certain systemically important sectors to set 2030 or later science-based targets for scopes 1 and 2 in alignment with a 1.5 degrees Celsius scenario (and commit to Science Based Targets initiative ("SBTi") verification or, if the SBTi has already issued sector guidance for a 1.5 degrees Celsius scenario, be verified).

## UN Global Compact ("UNGC") Principles

All but one of Allspring Luxembourg's financial products subject to Article 8 disclosure requirements under SFDR apply the Allspring Core ESG exclusions, which exclude companies that are found to be in violation of the UN Global Compact principles according to an independent third-party data provider, Sustainalytics. Sustainalytics also maps UNGC violations to violations of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. These sub-funds therefore consider the adverse impact indicator in Table 1, Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development ("OECD") Guidelines for Multinational Enterprises. More information on these core exclusions can be found here:

<https://www.allspringglobal.com/globalassets/assets/edocs/lux/legal/allspring-esg-core-exclusions.pdf>

One of the ALWF sub-funds, the Emerging Markets Equity sub-fund, has in place a purchase restriction and required engagement for companies in the portfolio that are subsequently determined to violate the UNGC principles. More information on these requirements can be found here:

<https://www.allspringglobal.com/globalassets/assets/edocs/lux/legal/lux-fund-sustainability-related-disclosures.pdf>

Sustainalytics provides a "watch list" for companies whose actions put them in a position to be potentially considered violators of the UNGC in the future, which some investment teams may utilize.



As noted earlier, portfolio exposures to violations of the UNGC principles are also highlighted in Investment Analytics' weekly Controversial Holdings reports circulated to senior investment leadership.

## Biodiversity and natural capital

Allspring is represented on the Taskforce on Nature-related Financial Disclosures ("TNFD") Forum, a consultative network of institutional supporters who share the vision and mission of the TNFD, which aims to create resilience in the global economy by redirecting flows of finance to allow nature and people to flourish. Previously, Allspring was part of the Informal Working Group ("IWG") of the TNFD.

Additionally, 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.

Since we launched the Stewardship Platform in 2019, Allspring has advanced several thematic engagement initiatives that are directly related to natural capital and biodiversity. Under the biodiversity umbrella, the issues engaged include climate change, water management, land use and forestry (including deforestation) (covering the adverse impact indicator in Table 1 of the SFDR RTS, 'Activities negatively affecting biodiversity-sensitive areas'), plastics and the circular economy. We have addressed these topics with companies where these risks and opportunities are most material—for example, the food and agricultural, metals and mining, waste management, integrated energy and utility sectors. As long-term investors, we encouraged these companies to disclose how they have adopted or plan to incorporate business practices consistent with the sustainable use and management of natural capital and the respect for the biodiverse contexts in which they operate. To enhance our engagement practices further, beginning in 2023, we plan to incorporate the final recommendations of the TNFD into our research and disclosure guidance.

## Sustainable Development Goals

We consider the UN Sustainable Development Goals ("SDGs") representative of a useful impact framework—one that also highlights systemic impacts and risks, such as climate change, that can affect wide swathes of the global economy, endangering growth and prosperity. We believe the SDGs are an effective means of communicating to investors the impact of their investments on the global economy. We conduct research and are building frameworks to understand where contributions are being made across investor profiles to help sustainable (environmental and/or social) outcomes. To this end, we are developing a proprietary bottom-up, granular view on whether a company is helping or hindering an SDG's achievement, and we are seeking to address concerns with current SDG approaches that often rely simply on "alignment".

We have completed our assessment on 4 of the 17 SDGs. Examples of the adverse impact indicators from Table 1 of the SFDR RTS relevant to these 4 SDGs are some of the indicators on greenhouse gas emissions, emissions to water, unadjusted gender pay gap, and Board gender diversity.

## Governance

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. Allspring actively engages with investee companies, publicly discloses Allspring stewardship and voting activities, monitors investee companies, and manages conflicts of interest through robust policies and procedures.





## Other relevant initiatives

Allspring has been a signatory to the Principles for Responsible Investment (PRI) since 2015. Along with fulfilling the requirements to be a signatory in good standing, Allspring actively support the work of the PRI by contributing our investment expertise to PRI's Sub-Sovereign Debt Advisory Committee and Soft Commodities Practitioners Group, which is in addition to our previous contributions to other PRI forums.

## Historical comparison

Not applicable for this reference period as there are no periods preceding the period for which this information has been disclosed.

# Erklæring om de vigtigste negative indvirkninger af investeringsbeslutninger på bæredygtighedsfaktorer

**Finansiell markedsdeltager** Allspring Global Investments Luxembourg S.A (LEI 549300FKC2W4RW4DGP06)

## Sammenfatning

Allspring Global Investments Luxembourg S.A (LEI 549300FKC2W4RW4DGP06, "Allspring Luxembourg")<sup>1</sup> tager de vigtigste negative indvirkninger af investeringsbeslutningerne på bæredygtighedsfaktorerne i betragtning. Denne erklæring er den konsoliderede erklæring om de vigtigste negative indvirkninger på bæredygtighedsfaktorerne i Allspring Luxembourg.

Denne erklæring om de vigtigste negative indvirkninger på bæredygtighedsfaktorer dækker referenceperioden fra 1. januar 2022 januar til 31. december 2022.

Strategien fra Allspring Global Investments<sup>2</sup> (også kaldet "Allspring") til integration af bæredygtighedsfaktorer<sup>3</sup> og bæredygtighedsrisici<sup>4</sup> (som defineret i forordning (EU) 2019/2088 ("SFDR")) i vores investeringsprocesser og beslutningstagning er i overensstemmelse med vilkårene og definitionerne i SFDR.

### *Beskrivelse af de vigtigste negative indvirkninger på bæredygtighedsfaktorer*

Hos Allspring identificerer vi de følgende vigtigste negative indvirkninger på bæredygtighedsfaktorer i tillæg til disse indikatorer fra tabel 1 i SFDR RTS: Investeringer i virksomheder uden initiativer til reduktion af CO<sub>2</sub>-udledning (fra tabel 2 i SFDR RTS) og fraværet af et adfærdskodeks for leverandører (fra tabel 3 i SFDR RTS). Foranstaltninger, der træffes for at afhjælpe de vigtigste negative indvirkninger i referenceperioden, omfatter valg af værdipapirer, risikostyring, anvendelse af udelukkelse, aktivt ejerskab og fuldmagtsafstemning afhængigt af den specifikke indikator for negativ indvirkning.

### *Beskrivelse af politikker, der skal identificere og prioritere de vigtigste negative indvirkninger på bæredygtighedsfaktorer*

Som aktive forvaltere mener Allspring, at virksomheder, der klarer sig dårligt i forhold til væsentlige bæredygtighedsfaktorer, dvs. virksomheder, der kan negativt påvirke bæredygtighedsfaktorerne, udviser en højere negativ risiko, der generelt ikke belønnes med henblik på at opnå langsigtede risikojusterede afkast.

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<sup>1</sup> Allspring Luxembourg er et UCITS-administrationsselskab med MiFID-tilladelse og er godkendt af Commission de Surveillance du Secteur Financier i Luxembourg ("CSSF"). Allspring Luxembourg er den udpegede investeringsforvalter for visse institutionelle adskilte mandater og overvåger porteføljevaltningsaktiviteter og investeringsprocesser for Allspring (Worldwide) Lux Fund, en paraplyfond, der er stiftet med begrænset ansvar i Storhertugdømmet Luxembourg som *Société d'Investissement à Capital Variable* under nummer RCS Luxembourg B 137.479.

Underfondsforvalterne af visse underfonde og investeringsporteføljer, som hører under Allspring Luxembourg, tager de vigtigste negative indvirkninger af investeringsbeslutninger truffet af investeringsforvaltere og underfondsforvaltere i betragtning i forhold til bæredygtighedsfaktorer. Denne erklæring er den konsoliderede erklæring om de vigtigste negative indvirkninger på bæredygtighedsfaktorer, der anvendes på de relevante underfonde og porteføljer, som Allspring Luxembourg har ansvaret for.

<sup>2</sup> Allspring Global Investments™ er handelsnavnet for aktivforvaltningsselskaber i Allspring Global Investments Holdings, LLC, et holdingselskab, der indirekte ejes af visse private fonde i GTCR LLC og Reverence Capital Partners, L.P., herunder, men ikke begrænset til: Allspring Funds Management, LLC, Allspring Global Investments (UK) Limited, Allspring Global Investments, LLC og Allspring Global Investments Luxembourg S.A.

<sup>3</sup> En henvisning til "bæredygtighedsfaktorer" kan defineres som miljømæssige, sociale og medarbejdermæssige forhold, respekt for menneskerettighederne, bekæmpelse af korruption og bekæmpelse af bestikkelse som defineret i artikel 2, stk. 24, i SFDR.

<sup>4</sup> En henvisning til "bæredygtighedsrisiko" kan defineres som en miljømæssig, social eller ledelsesmæssig begivenhed eller betingelse, der, hvis den opstår, kan forårsage en faktisk eller potentielt væsentlig negativ indvirkning på værdien af investeringen, som defineret i artikel 2(22) i SFDR

Identificeringen og prioriteringen af de vigtigste negative indvirkninger på bæredygtighedsfaktorer er derfor fokuseret på de bæredygtighedsfaktorer, der kan føre til bæredygtighedsrisici. Identificeringen og prioriteringen af de vigtigste negative indvirkninger på bæredygtighedsfaktorer gennemføres af Allsprings underfondsforvaltere af Allspring Luxembourg's finansielle produkter gennem anvendelse af Allsprings politikker og procedurer, som er beskrevet nedenfor, og i overensstemmelse med denne Allspring Luxembourg-erklæring om de vigtigste negative indvirkninger af investeringsbeslutninger på bæredygtighedsfaktorer.

Allspring Investment Analytics, der opfylder en uafhængig risikostyringsfunktion, samarbejder med det overordnede Allspring Sustainability-team om at identificere, prioritere og overvåge negative indvirkninger på bæredygtighedsfaktorer og relaterede indikatorer og scorer, der skal spores på tværs af investeringsporteføljer. Rapporter og oplysninger om Allspring ESG Characteristics, der er genereret af Allspring Investment Analytics, hjælper vores porteføljeforvaltere med bedre at forstå de negative indvirkninger på bæredygtighedsfaktorer og relaterede risikoprofiler for investering. I løbet af referenceperioden for denne erklæring begyndte disse rapporter at inkludere obligatoriske og visse frivillige negative bæredygtighedsindikatorer, som er beskrevet i tabel 1, 2 og 3 i SFDR RTS. I vores tilgang til aktivt ejerskab i investeringsmodtagende virksomheder balancerer vi proaktive, strategiske temaer, herunder dem, der dækker de vigtigste negative indvirkninger, med fleksibilitet til at imødekomme virksomheder fra sag til sag, når der opstår problemer eller kontroverser. De fleste investeringsteams trækker på disse centraliserede ressourcer, men kan overveje andre bæredygtighedsfaktorer eller prioritere yderligere negative indvirkninger på en måde, der er egnet til deres aktivklasse og investeringsstrategier.

Den metode, der anvendes til at vælge indikatorerne for negative indvirkninger i tabel 2 og 3 i SFDR RTS og til at identificere og vurdere de vigtigste negative indvirkninger, er baseret på overvejelse af porteføljeeksponeringer på tværs af Allspring, og om indikatoren for negative indvirkninger kan relatere til væsentlige bæredygtighedsrisici på tværs af flere sektorer og porteføljer.

#### *Politikker for aktivt ejerskab*

Allsprings politikker for fuldmagtsafstemning og aktivt ejerskab anvendes i overensstemmelse med EU's andet direktiv om aktionærrettigheder (Shareholder Rights Directive II). Resultater af aktivt ejerskab kan kræve flere interaktioner over tid (aktivt ejerskab viser generelt resultater over tre år i gennemsnit), og vi udvikler forventninger ift. milepæle, som vi fastlægger med individuelle forpligtelser, som vores investeringsmodtagende virksomheder lover os. Hvis vi konkluderer, at en udsteder har væsentlige mangler, herunder eksempelvis i situationer, hvor der ikke er nogen reduktion af de vigtigste negative indvirkninger i mere end én periode, der er rapporteret om, er vores første fremgangsmåde at kommunikere vores bekymringer til virksomhedens ledelse eller dens bestyrelse. Stemmeafgivelse via fuldmagt kan være en vigtig mulighed for os til at udtrykke utilfredshed med en given virksomhed. I sidste ende vil vores fremskridt med forvaltningsindsatsen med hensyn til relevante porteføljer påvirke vores investeringsteams grundlæggende vurdering af disse virksomheder og vores afhjælpende foranstaltninger.

#### *Henvisninger til internationale standarder*

Hos Allspring henviser vi til følgende internationale standarder for overvejelse af de vigtigste negative indvirkninger: Paris-aftalen, FN's Global Compact-principper, Taskforce on Climate-related Financial Disclosures, Taskforce on Nature-related Financial Disclosures, FAIRR Initiative, FN's verdensmål for bæredygtig udvikling, Storbritanniens kodeks for forvaltning, Japans kodeks for forvaltning og principperne for ansvarlig investering.

# Verklaring inzake de belangrijkste ongunstige effecten van beleggingsbeslissingen op duurzaamheidsfactoren

**Financiëlemarktaandeelnemer** Allspring Global Investments Luxembourg S.A (LEI 549300FKC2W4RW4DGP06)

## Samenvatting

Allspring Global Investments Luxembourg S.A (LEI 549300FKC2W4RW4DGP06, "Allspring Luxembourg")<sup>1</sup> beschouwt de belangrijkste ongunstige effecten van zijn beleggingsbeslissingen op duurzaamheidsfactoren. Deze verklaring is de geconsolideerde verklaring van de belangrijkste ongunstige effecten op duurzaamheidsfactoren van Allspring Luxembourg.

Deze verklaring over de belangrijkste ongunstige effecten op duurzaamheidsfactoren dekt de referentieperiode van 1 januari 2022 tot 31 december 2022.

De aanpak van Allspring Global Investments<sup>2</sup> (ook wel "Allspring" genoemd) voor de integratie van duurzaamheidsfactoren<sup>3</sup> en duurzaamheidsrisico's<sup>4</sup> (zoals gedefinieerd in Verordening (EU) 2019/2088 ("SFDR")) in onze beleggingsprocessen en besluitvorming is in overeenstemming met de voorwaarden en definities van de SFDR.

### *Beschrijving van de belangrijkste ongunstige effecten op duurzaamheidsfactoren*

Bij Allspring identificeren we naast de indicatoren uit tabel 1 van de SFDR RTS de volgende belangrijkste ongunstige effecten op duurzaamheidsfactoren: Beleggingen in ondernemingen zonder initiatieven voor koolstofemissiereductie (uit tabel 2 van de SFDR RTS); en het ontbreken van een gedragscode voor leveranciers (uit tabel 3 van de SFDR RTS). Maatregelen die worden genomen om de belangrijkste ongunstige effecten tijdens de referentieperiode aan te pakken, omvatten effectenselectie, risicobeheer, toepassing van uitsluitingen, engagement en volmachtstemming, afhankelijk van de specifieke indicator voor ongunstige effecten.

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<sup>1</sup> Allspring Luxembourg is een icbe-beheermaatschappij met MiFID-toestemmingen en is erkend door de Commission de Surveillance du Secteur Financier in Luxemburg ("CSSF"). Allspring Luxembourg is de aangestelde beleggingsbeheerder voor bepaalde institutionele afzonderlijke mandaten en houdt toezicht op de portefeuillebeheeractiviteiten en beleggingsprocessen voor het Allspring (Worldwide) Lux Fund, een paraplufonds opgericht met beperkte aansprakelijkheid in het Groothertogdom Luxemburg als een *Société d'Investissement à Capital Variable* onder het nummer RCS Luxemburg B 137.479.

De subbeleggingsbeheerders van bepaalde subfondsen en beleggingsportefeuilles onder toezicht van Allspring Luxembourg houden rekening met de belangrijkste ongunstige effecten van beleggingsbeslissingen door beleggingsbeheerders en subbeleggingsbeheerders op het gebied van duurzaamheidsfactoren. Deze verklaring is de geconsolideerde verklaring over de belangrijkste ongunstige effecten op duurzaamheidsfactoren die van toepassing zijn op de betreffende subfondsen en portefeuilles waarvoor Allspring Luxembourg de verantwoordelijkheid voor het toezicht heeft.

<sup>2</sup> Allspring Global Investments™ is de handelsnaam voor de vermogensbeheerfirma's van Allspring Global Investments Holdings, LLC, een holdingmaatschappij die indirect eigendom is van bepaalde private fondsen van GTCR LLC en Reverence Capital Partners, L.P., met inbegrip van, maar niet beperkt tot: Allspring Funds Management, LLC, Allspring Global Investments (UK) Limited; Allspring Global Investments, LLC en Allspring Global Investments Luxembourg S.A.

<sup>3</sup> Verwijzing naar 'duurzaamheidsfactoren' die verband houden met ecologische en sociale thema's en arbeidsomstandigheden, eerbiediging van de mensenrechten en bestrijding van corruptie en omkoping, zoals gedefinieerd in artikel 2 (24) van de SFDR.

<sup>4</sup> Verwijzing naar 'duurzaamheidsrisico' verwijst naar een ecologische, sociale of governancegebeurtenis of -voorwaarde die, indien deze zich voordoet, een werkelijk of potentieel materieel ongunstig effect kan hebben op de waarde van de belegging, zoals gedefinieerd in artikel 2 (22) van de SFDR

### *Beschrijving van het beleid om de belangrijkste ongunstige effecten op duurzaamheidsfactoren te identificeren en prioriteit te geven*

Als actieve beheerder is Allspring van mening dat ondernemingen die slecht presteren op het gebied van materiële duurzaamheidsfactoren, d.w.z. bedrijven die een ongunstig effect op deze duurzaamheidsfactoren kunnen hebben, een hoger risico vertonen dat over het algemeen niet wordt beloond voor het behalen van risicogewogen rendement op lange termijn. De identificatie en prioritering van de belangrijkste ongunstige effecten op duurzaamheidsfactoren is daarom gericht op de duurzaamheidsfactoren die kunnen leiden tot duurzaamheidsrisico's. De identificatie en prioritering van de belangrijkste ongunstige effecten op duurzaamheidsfactoren wordt door de subbeleggingsbeheerders van Allspring Luxembourg van de financiële producten geïmplementeerd via de toepassing van de hieronder beschreven beleidslijnen en procedures van Allspring en in overeenstemming met deze Verklaring van Allspring Luxembourg over de belangrijkste ongunstige effecten van beleggingsbeslissingen op duurzaamheidsfactoren.

Allspring Investment Analytics, dat een onafhankelijke risicobeheerfunctie vervult, werkt samen met het bredere Allspring Sustainability-team om ongunstige effecten op duurzaamheidsfactoren en daarmee samenhangende indicatoren en scores die in alle beleggingsportefeuilles moeten worden gevolgd, te identificeren, te prioriteren en te bewaken. De rapporten over de ESG-kenmerken van Allspring en de informatie die door Allspring Investment Analytics worden gegenereerd, helpen onze portefeuillebeheerders een beter inzicht te krijgen in de ongunstige effecten op duurzaamheidsfactoren en de gerelateerde beleggingsprofielen. Tijdens de Referentieperiode van deze Verklaring werden in deze rapporten de verplichte en bepaalde vrijwillige duurzaamheidsindicatoren opgenomen, zoals beschreven in tabel 1, 2 en 3 van de SFDR RTS. Bovendien brengt onze benadering van engagement bij ondernemingen waarin is belegd bedrijven proactieve, strategische thema's, waaronder thema's die de belangrijkste ongunstige effecten dekken, in evenwicht met de flexibiliteit om bedrijven per geval te ondersteunen wanneer er problemen of controverses ontstaan. Het merendeel van de beleggingsteams gebruikt deze gecentraliseerde middelen, maar kan andere duurzaamheidsfactoren in overweging nemen of ongunstige effecten verder prioriteren op een manier die geschikt is voor hun activaklasse en beleggingsstrategieën.

De methodologie die wordt gebruikt om de indicatoren voor ongunstige effecten te selecteren uit tabel 2 en 3 van de SFDR RTS en om de belangrijkste ongunstige effecten te identificeren en te beoordelen, is gebaseerd op de overweging van portefeuilleblootstellingen van Allspring en of de indicator voor ongunstige effecten verband kan houden met belangrijke duurzaamheidsrisico's in verschillende sectoren en portefeuilles.

### *Engagementbeleid*

Het beleid van Allspring voor stemmen bij volmacht en het engagementbeleid wordt toegepast in overeenstemming met de EU-richtlijn inzake rechten van aandeelhouders II. Voor de resultaten van de engagement kunnen in de loop van de tijd meerdere interacties nodig zijn (de engagement zal gemiddeld over drie jaar oplopen) en we ontwikkelen mijlpaalverwachtingen die we vaststellen met individuele verplichtingen die ondernemingen waarin is belegd ons toezeggen. Als wij concluderen dat een emittent wezenlijke tekortkomingen heeft, bijvoorbeeld wanneer er geen vermindering van de belangrijkste ongunstige effecten is over meer dan één periode waarover wordt gerapporteerd, is onze eerste handelswijze het melden van onze zorgen aan het management van het bedrijf of de raad van bestuur. Volmachtstemmen kunnen voor ons een belangrijk kanaal zijn om ontevredenheid over een bepaald bedrijf uit te drukken. Uiteindelijk zal onze vooruitgang in rentmeesterschap met betrekking tot relevante portefeuilles een invloed hebben op de fundamentele beoordeling van deze ondernemingen door onze beleggingsteams en op hun beurt op onze herstelacties.

### *Verwijzingen naar internationale normen*

Bij Allspring verwijzen we naar de volgende internationale normen voor het overwegen van de belangrijkste ongunstige effecten: Overeenkomst van Parijs, beginselen van het VN Global Compact, Taskforce on Climate-related Financial Disclosures (werkgroep voor klimaatgerelateerde financiële informatie), Taskforce on Nature-related Financial Disclosures (werkgroep natuurgerelateerde financiële informatie), FAIRR-initiatief, duurzameontwikkelingsdoelstellingen van de VN, Stewardship Code van het VK, Stewardship Code van Japan en de beginselen voor verantwoord beleggen.

## Ilmoitus sijoituspäätösten pääasiallisista haitallisista vaikutuksista kestävyystekijöihin

**Finanssimarkkinatoimija** Allspring Global Investments Luxembourg S.A (LEI 549300FKC2W4RW4DGP06)

### Tiivistelmä

Allspring Global Investments Luxembourg S.A (LEI 549300FKC2W4RW4DGP06, "Allspring Luxembourg")<sup>1</sup> ottaa huomioon sijoituspäätöstensä pääasialliset haitalliset vaikutukset kestävyystekijöihin. Tämä ilmoitus on Allspring Luxembourgien yhdistetty ilmoitus pääasiallisista haitallisista vaikutuksista kestävyystekijöihin.

Tämä ilmoitus pääasiallisista haitallisista vaikutuksista kestävyystekijöihin kattaa viitekauden 1.1.2022–31.12.2022.

Allspring Global Investments -yhtiön<sup>2</sup> ("Allspring") tapa sisällyttää kestävyystekijät<sup>3</sup> ja kestävyysriskit<sup>4</sup> sellaisina kuin ne on määritelty Euroopan parlamentin ja neuvoston asetuksessa (EU) 2019/2088 yhtiön sijoitusprosesseihin ja päätöksentekoon on yhdenmukainen SFDR-asetuksen termien ja määritelmien kanssa.

*Kuvaus pääasiallisista haitallisista vaikutuksista kestävyystekijöihin*

Allspring tunnistaa SFDR-asetusta täydentävien teknisten sääntelystandardien taulukossa 1 mainittujen indikaattorien lisäksi seuraavat pääasialliset haitalliset vaikutukset kestävyystekijöihin: Sijoitukset yrityksiin, joilla ei ole hiilipäästöjen vähentämiseen tähtääviä aloitteita (SFDR-asetusta täydentävien teknisten sääntelystandardien taulukko 2) ja Toimittajia koskevien käytännesääntöjen puute (SFDR-asetusta täydentävien teknisten sääntelystandardien taulukko 3). Tunnistettuja pääasiallisia haitallisia vaikutuksia ehkäistään tai vähennetään viitekaudella muun muassa seuraavilla toimilla: arvopaperien valinta, riskienhallinta, poissulkemiskriteerien soveltaminen, osakkeenomistajavaikuttaminen ja valtakirjaäänestäminen. Toimet riippuvat kyseessä olevasta haitallisten vaikutusten indikaattorista.

*Kuvaus kestävyystekijöihin kohdistuvien pääasiallisten haitallisten vaikutusten tunnistamista ja priorisointia koskevista toimintaperiaatteista*

Aktiivisena sijoitusten hoitajana Allspring uskoo, että yrityksillä, jotka suoriutuvat oleellisten kestävyystekijöiden suhteen huonosti – eli yritykset, jotka saattavat

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<sup>1</sup> Allspring Luxembourg on MiFID-direktiivin mukainen yhteissijoitusyrityksen rahastoyhtiö, joka on saanut toimiluvan Luxemburgissa, ja sitä sääntelee Commission de Surveillance du Secteur Financier (CSSF). Allspring Luxembourg on tiettyjen institutionaalisten erillistoimeksiantojen nimetty sijoitusten hoitaja, joka vastaa Allspring (Worldwide) Lux Fund -sateenvarjorahaston sijoitussalkun hoidosta ja sijoitusprosesseista. Allspring (Worldwide) Lux Fund on Luxemburgin suurherttuakunnassa numerolla RCS Luxembourg B 137.479 perustettu vaihtuvapääomainen sijoitusyhtiö (*Société d'Investissement à Capital Variable*).

Tiettyjen Allspring Luxembourgien valvomiin alarahastojen ja sijoitussalkkujen sijoitusten varahoitajat ottavat huomioon sijoitusten hoitajien ja sijoitusten varahoitajien tekemien sijoituspäätösten pääasialliset haitalliset vaikutukset kestävyystekijöihin. Tämä ilmoitus on Allspring Luxembourgien yhdistetty ilmoitus pääasiallisista haitallisista vaikutuksista kestävyystekijöihin, joita sovelletaan asiaankuuluviin Allspring Luxembourgien valvomiin alarahastoihin ja sijoitussalkkuihin.

<sup>2</sup> Allspring Global Investments™ on Allspring Global Investments Holdings, LLC:n varainhoitoyhtiöiden toiminimi. Allspring Global Investments Holdings, LLC on GTCR LLC:n ja Reverence Capital Partners, L.P.:n tiettyjen yksityisten rahastojen (esimerkiksi Allspring Funds Management, LLC; Allspring Global Investments (UK) Limited; Allspring Global Investments, LLC ja Allspring Global Investments Luxembourg S.A.) välillisessä omistuksessa.

<sup>3</sup> Kestävyystekijöillä tarkoitetaan ympäristöön, yhteiskuntaan ja työnteekijöihin liittyviä asioita, ihmisoikeuksien kunnioittamista sekä korruption ja lahjonnan torjuntaan liittyviä asioita, kuten SFDR-asetuksen 2 artiklan kohdassa 24 on määritetty.

<sup>4</sup> Kestävyysriskillä tarkoitetaan ympäristöön, yhteiskuntaan tai hallintotapaan liittyvää tapahtumaa tai olosuhdetta, jonka toteutumisella saattaisi olla sijoituksen arvoon tosiasiallinen tai mahdollinen kielteinen olennainen vaikutus, kuten SFDR-asetuksen 2 artiklan 22 kohdassa on määritetty.

aiheuttaa haittaa kyseisille kestävyystekijöille – on suurempi heikomman kehityksen riski, joka yleensä heikentää riskipainotetun tuoton saavuttamista pitkällä aikavälillä. Kestävyystekijöihin kohdistuvien pääasiallisten haitallisten vaikutusten tunnistaminen ja priorisointi kohdistuu siis niihin kestävyystekijöihin, jotka saattavat aiheuttaa kestävyysriskejä. Allspringin rahoitustuotteiden sijoitusten varahoitajat vastaavat kestävyystekijöihin kohdistuvien pääasiallisten haitallisten vaikutusten tunnistamisesta ja priorisoinnista, joka toteutetaan soveltamalla alla kuvattuja Allspringin toimintaperiaatteita ja käytäntöjä ja noudattamalla tätä Allspring Luxembourgil ilmoitusta sijoituspäätösten pääasiallisista haitallisista vaikutuksista kestävyystekijöihin.

Allspring Investment Analytics on riippumaton riskienhallinnasta vastaava taho, joka tekee yhteistyötä laajemman Allspring-kestävyyttiimin kanssa tunnistaakseen, priorisoidakseen ja valvoakseen kestävyystekijöihin kohdistuvia haitallisia vaikutuksia sekä niitä koskevia indikaattoreita ja pisteytyksiä, joita sijoitussalkkujen osalta on seurattava. Allspring Investment Analyticsin tuottamat ESG-ominaisuusraportit ja -tiedot auttavat sijoitusten hoitajia ymmärtämään kestävyystekijöihin kohdistuvia haitallisia vaikutuksia ja niihin liittyviä riskiprofiileja paremmin. Ilmoituksen viitekauden aikana näihin raportteihin alettiin sisällyttää SFDR-asetusta täydentävien teknisten sääntelystandardien taulukoissa 1, 2 ja 3 kuvatut vaaditut haitallisuutta kuvaavat kestävyysindikaattorit ja tietyt vapaaehtoiset lisäindikaattorit. Lisäksi sijoituskohteina oleviin yrityksiin soveltamassamme vaikuttamispolitiikassa proaktiivisia ja strategisia teemoja, kuten pääasiallisia haitallisia vaikutuksia koskevat teemat, pyritään tasapainottamaan joustavalla lähestymistavalla, jossa yritysten tarpeita voidaan harkita ristiriitailanteissa tapauskohtaisesti. Suurin osa sijoitustiimeistä hyödyntää näitä keskittyviä resursseja, mutta saattavat ottaa huomioon myös muita kestävyystekijöitä tai priorisoida haitallisia vaikutuksia kulloinkin kyseessä olevalle omaisuusluokalle ja sijoitusstrategialle sopivalla tavalla.

Menetelmä, jolla haitallisten vaikutusten indikaattorit valitaan SFDR-asetusta täydentävien teknisten sääntelystandardien taulukoista 2 ja 3 ja jonka avulla pääasiallisia haitallisia vaikutuksia tunnistetaan ja arvioidaan, perustuu Allspringin sijoitussalkkujen altistumiseen ja siihen, voiko haitallisten vaikutusten indikaattori liittyä olennaisiin kestävyysriskeihin yleisesti eri sektoreilla tai sijoitussalkuissa.

#### *Vaikuttamispolitiikat*

Allspringin valtakirjaäänestys- ja vaikuttamispolitiikkaa sovelletaan osakkeenomistajien oikeuksia koskevan EU:n direktiivin mukaisesti. Vaikuttamispolitiikan toteutuminen saattaa vaatia pitkäaikaista vaikuttamista (vaikutukset näkyvät yleensä noin kolmen vuoden ajanjaksolla), joten kehitämme sijoituskohteina oleville yrityksille yksilöllisiä tavoitteita, joihin kyseiset yritykset sitoutuvat. Jos toteamme, että liikkeeseenlaskijan toiminnassa on olennaisia puutteita, mukaan lukien tapaukset, joissa pääasialliset haitalliset vaikutukset eivät vähene useamman kuin yhden raportointikauden aikana, ilmoitamme siitä ensiksi yhtiön johdolle tai hallitukselle. Valtakirjaäänestäminen on tärkeä väline, jolla voimme ilmaista tyytymättömyytemme tietyn yhtiön toimintaan. Soveltuvien sijoitussalkkujen hallinnointitoimenpiteiden edistyminen vaikuttaa lopulta sijoitustiimien yhtiöille suorittamaan perusteelliseen arviointiin, joka vuorostaan vaikuttaa mahdollisiin korjaaviin toimenpiteisiin.

#### *Viittaukset kansainvälisiin standardeihin*

Allspring noudattaa seuraavia kansainvälisiä standardeja, jotka koskevat pääasiallisia haitallisia vaikutuksia: Pariisin ilmastopöytäkirja, YK:n Global Compact -periaatteet, TCFD-suositukset (Taskforce on Climate-related Financial Disclosures), TNFD-suositukset (Taskforce on Nature-related Financial Disclosures), FAIRR-aloite, YK:n kestävä kehityksen tavoitteet, Yhdistyneen kuningaskunnan varojen hallinnointia koskevat säännöt, Japanin varojen hallinnointia koskevat säännöt sekä YK:n vastuullisen sijoittamisen periaatteet (PRI).

# Déclaration relative aux principales incidences négatives des décisions d'investissement sur les facteurs de durabilité

**Acteur du marché financier** Allspring Global Investments Luxembourg S.A. (LEI 549300FKC2W4RW4DGP06)

## Résumé

Allspring Global Investments Luxembourg S.A. (LEI 549300FKC2W4RW4DGP06, « Allspring Luxembourg »)<sup>1</sup> prend en considération les principales incidences négatives de ses décisions d'investissement sur les facteurs de durabilité. Le présent document est la déclaration consolidée des principales incidences négatives sur les facteurs de durabilité d'Allspring Luxembourg.

La présente déclaration relative aux principales incidences négatives sur les facteurs de durabilité couvre une période de référence allant du 1<sup>er</sup> janvier 2022 au 31 décembre 2022.

L'approche d'Allspring Global Investments<sup>2</sup> (également appelée « Allspring ») visant à intégrer les facteurs<sup>3</sup> et les risques de durabilité<sup>4</sup> (tels que définis dans le règlement (UE) 2019/2088 (« SFDR »)) dans nos processus et prise de décision d'investissement est conforme aux termes et définitions du SFDR.

### *Description des principales incidences négatives sur les facteurs de durabilité*

Chez Allspring, nous identifions les principales incidences négatives suivantes sur les facteurs de durabilité, en plus des indicateurs figurant dans le tableau 1 des normes RTS du SFDR : Investissements dans des sociétés n'ayant pas pris d'initiatives pour réduire leurs émissions de carbone (tableau 2 des normes RTS du SFDR) ; et Absence de code de conduite pour les fournisseurs (tableau 3 des normes RTS du SFDR). Les mesures prises pour remédier aux principales incidences négatives au cours de la période de référence comprennent la sélection des titres, la gestion des risques, l'application d'exclusions, l'engagement et le vote par procuration, en fonction de l'indicateur spécifique d'incidence négative.

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<sup>1</sup> Allspring Luxembourg est une société de gestion d'OPCVM agréée par la Commission de Surveillance du Secteur Financier au Luxembourg (« CSSF »). Allspring Luxembourg est le gestionnaire d'investissement désigné pour certains mandats institutionnels séparés et supervise les activités de gestion de portefeuille et les processus d'investissement pour Allspring (Worldwide) Lux Fund, un fonds à compartiments multiples enregistré au Grand-Duché de Luxembourg sous la forme d'une Société d'Investissement à Capital Variable à responsabilité limitée sous le numéro B 137.479 du RCS du Luxembourg.

Les gestionnaires d'investissement par délégation de certains compartiments et portefeuilles d'investissement supervisés par Allspring Luxembourg examinent les principales incidences négatives des décisions d'investissement prises par les gestionnaires d'investissement et les gestionnaires d'investissements par délégation sur les facteurs de durabilité. Le présent document est la déclaration consolidée relative aux principales incidences négatives sur les facteurs de durabilité appliqués aux compartiments et portefeuilles concernés que Allspring Luxembourg est responsable de superviser.

<sup>2</sup> Allspring Global Investments™ est le nom commercial des sociétés de gestion d'actifs d'Allspring Global Investments Holdings, LLC, société de portefeuille indirectement détenue par certains fonds privés de GTCR LLC et de Reverence Capital Partners, L.P., y compris, sans s'y limiter ; Allspring Funds Management, LLC, Allspring Global Investments (UK) Limited ; Allspring Global Investments, LLC et Allspring Global Investments Luxembourg S.A.

<sup>3</sup> Par « facteurs de durabilité », on entend les questions environnementales, sociales et de personnel, le respect des droits de l'homme et la lutte contre la corruption et les actes de corruption, tels que définis à l'article 2, point 24, du SFDR.

<sup>4</sup> Par « risque en matière de durabilité », on entend un événement ou une condition d'ordre environnemental, social ou de gouvernance qui, s'il venait à se produire, pourrait avoir un impact négatif important, qu'il soit réel ou potentiel, sur la valeur de l'investissement, tel que défini à l'article 2, point 22, du SFDR



### *Description des politiques visant à identifier et hiérarchiser les principales incidences négatives sur les facteurs de durabilité*

En tant que gestionnaire actif, Allspring estime que les sociétés qui enregistrent de mauvaises performances sur les facteurs essentiels de durabilité - c'est-à-dire les sociétés susceptibles d'avoir des incidences négatives sur ces facteurs de durabilité - présentent un risque de baisse plus élevé qui n'est généralement pas pris en compte dans l'obtention de rendements à long terme ajustés en fonction des risques. L'identification et la hiérarchisation des principales incidences négatives sur les facteurs de durabilité portent donc sur les facteurs de durabilité susceptibles d'entraîner des risques de durabilité. L'identification et la hiérarchisation des principales incidences négatives sur les facteurs de durabilité sont mises en œuvre par les gestionnaires d'investissement par délégation d'Allspring Luxembourg pour les produits financiers d'Allspring Luxembourg par l'application des politiques et procédures d'Allspring décrites ci-dessous et conformément à la présente déclaration d'Allspring Luxembourg relative aux principales incidences négatives des décisions d'investissement sur les facteurs de durabilité.

Allspring Investment Analytics, qui remplit une fonction indépendante de gestion des risques, collabore avec l'équipe élargie d'Allspring Sustainability afin d'identifier, de hiérarchiser et de surveiller les incidences négatives sur les facteurs de durabilité et les indicateurs et scores connexes qui doivent être suivis dans les portefeuilles d'investissement. Les rapports sur les caractéristiques ESG d'Allspring et les informations générées par Allspring Investment Analytics aident nos gestionnaires de portefeuille à mieux comprendre les incidences négatives sur les facteurs de durabilité et les profils de risque liés à l'investissement. Au cours de la période de référence de la présente déclaration, ces rapports ont commencé à intégrer les indicateurs de durabilité obligatoires et certains indicateurs de durabilité issus de publications volontaires d'informations, décrits dans les tableaux 1, 2 et 3 des normes RTS du SFDR. En outre, notre approche de l'engagement avec les sociétés dans lesquelles les investissements sont réalisés établit un équilibre entre les thèmes stratégiques proactifs, y compris ceux qui couvrent les principales incidences négatives, et la souplesse nécessaire pour répondre aux besoins des sociétés au cas par cas, lorsque des problèmes ou des controverses surviennent. La majorité des équipes d'investissement s'appuient sur ces ressources centralisées, mais peuvent prendre en compte d'autres facteurs de durabilité ou hiérarchiser davantage les incidences négatives d'une manière adaptée à leur catégorie d'actifs et à leurs stratégies d'investissement.

La méthodologie utilisée pour sélectionner les indicateurs d'incidence négative dans les tableaux 2 et 3 des RTS SFDR et pour identifier et évaluer les principales incidences négatives est basée sur la prise en compte de l'exposition des portefeuilles à travers Allspring et sur la question de savoir si l'indicateur d'incidence négative pourrait être lié à des risques de durabilité importants dans plusieurs secteurs et portefeuilles.

### *Politiques d'engagement*

Les politiques de vote par procuration et d'engagement d'Allspring sont appliquées conformément à la directive II de l'UE relative aux droits des actionnaires. Les résultats de l'engagement peuvent nécessiter de multiples interactions au fil du temps (les engagements ont tendance à se dérouler sur trois ans en moyenne), et nous développons des attentes spécifiques que nous définissons à l'aide d'engagements individuels que les sociétés dans lesquelles nous investissons s'engagent à respecter. Si nous concluons qu'un émetteur présente des lacunes importantes, par exemple lorsqu'il ne montre pas de réduction des principales incidences négatives sur plus d'une période couverte par le rapport, notre première démarche consiste à faire part de nos préoccupations à la société de gestion ou à son conseil d'administration. Les votes par procuration peuvent être un moyen important pour nous d'exprimer notre mécontentement à l'égard d'une société donnée. À terme, nos progrès réalisés en termes d'efforts de gérance des portefeuilles concernés auront une incidence sur l'évaluation fondamentale de ces sociétés par nos équipes d'investissement et, par conséquent, nos mesures correctives.

### *Références aux normes internationales*

Chez Allspring, nous nous référons aux normes internationales suivantes pour examiner les principales incidences négatives : Accord de Paris, principes du Pacte mondial des Nations unies, Groupe de travail sur la publication d'informations financières relatives aux changements climatiques, Groupe de travail sur la publication d'informations financières relatives à la nature, Initiative FAIRR, Objectifs de développement durable des Nations unies, Code de gérance du Royaume-Uni, Code de gérance du Japon et Principes pour l'investissement responsable.

# Erklärung zu den wichtigsten nachteiligen Auswirkungen von Investitionsentscheidungen auf Nachhaltigkeitsfaktoren

**Finanzmarktteilnehmer** Allspring Global Investments Luxembourg S.A. (LEI 549300FKC2W4RW4DGP06)

## Zusammenfassung

Allspring Global Investments Luxembourg S.A. (LEI 549300FKC2W4RW4DGP06, „Allspring Luxembourg“)<sup>1</sup> berücksichtigt die wichtigsten nachteiligen Auswirkungen von Anlageentscheidungen auf Nachhaltigkeitsfaktoren. Die vorliegende Erklärung ist die von Allspring Luxembourg zusammengefasste Erklärung zu den wichtigsten nachteiligen Auswirkungen auf Nachhaltigkeitsfaktoren.

Diese Erklärung zu den wichtigsten nachteiligen Auswirkungen auf Nachhaltigkeitsfaktoren bezieht sich auf den Zeitraum vom 1. Januar 2022 bis 31. Dezember 2022.

Der Ansatz von Allspring Global Investments<sup>2</sup> (auch „Allspring“ genannt) zur Integration von Nachhaltigkeitsfaktoren<sup>3</sup> und Nachhaltigkeitsrisiken<sup>4</sup> (gemäß der Verordnung (EU) 2019/2088 („SFDR“)) bei unseren Anlageprozessen und -entscheidungen steht im Einklang mit den Begriffen und Definitionen gemäß der SFDR.

### *Beschreibung der wichtigsten nachteiligen Auswirkungen auf Nachhaltigkeitsfaktoren*

Allspring identifiziert zusätzlich zu den Indikatoren aus Tabelle 1 der SFDR RTS folgende wichtigste nachteilige Auswirkungen auf Nachhaltigkeitsfaktoren: Investitionen in Unternehmen ohne Initiativen zur Verringerung der CO2-Emissionen (aus Tabelle 2 der SFDR RTS) und ohne Verhaltenskodex für Lieferanten (aus Tabelle 3 der SFDR RTS). Zu den Maßnahmen, die ergriffen werden, um den wichtigsten nachteiligen Auswirkungen in diesem Zeitraum entgegenzuwirken, gehören: Titelauswahl, Risikomanagement, Anwendung von Ausschlüssen, Engagement und Stimmrechtsausübung, abhängig vom jeweiligen Indikator für nachteilige Auswirkungen.

### *Beschreibung der Strategien zur Feststellung und Gewichtung der wichtigsten nachteiligen Auswirkungen auf Nachhaltigkeitsfaktoren*

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<sup>1</sup> Allspring Luxembourg ist eine OGAW-Verwaltungsgesellschaft mit Zulassungen gemäß MiFID und wurde von der Commission de Surveillance du Secteur Financier in Luxemburg („CSSF“) zugelassen. Allspring Luxembourg ist der ernannte Anlageverwalter für bestimmte institutionelle getrennte Mandate und überwacht das Portfoliomanagement sowie den Anlageprozess für den Allspring (Worldwide) Lux Fund. Dies ist ein Umbrella-Fonds, der im Großherzogtum Luxemburg als *Société d'Investissement à Capital Variable* unter der Nummer RCS Luxembourg B 137.479 gegründet wurde.

Die Untieranlageverwalter bestimmter Teilfonds und Anlageportfolios, die von Allspring Luxembourg überwacht werden, berücksichtigen die wichtigsten nachteiligen Auswirkungen von Anlageentscheidungen der Anlageverwalter und Untieranlageverwalter auf Nachhaltigkeitsfaktoren. Bei dieser Erklärung handelt es sich um die zusammengefasste Erklärung zu den wichtigsten nachteiligen Auswirkungen auf die Nachhaltigkeitsfaktoren, die auf die jeweiligen von Allspring Luxembourg überwachten Teilfonds und Portfolios angewendet werden.

<sup>2</sup> Allspring Global Investments™ ist der Handelsname für die Vermögensverwaltungsgesellschaften von Allspring Global Investments Holdings, LLC. Dies ist eine Holdinggesellschaft, die sich indirekt im Besitz bestimmter Privatfonds von GTCR LLC und Reverence Capital Partners, L.P. befindet. Dazu gehören unter anderem Allspring Funds Management, LLC, Allspring Global Investments (UK) Limited; Allspring Global Investments, LLC und Allspring Global Investments Luxembourg S.A.

<sup>3</sup> Der Begriff „Nachhaltigkeitsfaktoren“ bezieht sich auf die Bereiche Umwelt, Soziales und Beschäftigung, Achtung der Menschenrechte, Bekämpfung von Korruption und Bestechung, wie in Artikel 2 (24) der SFDR bestimmt.

<sup>4</sup> „Nachhaltigkeitsrisiko“ bezeichnet ein Ereignis oder einen Zustand in den Bereichen Umwelt, Soziales oder Unternehmensführung, was sich in einem solchen Falle tatsächlich oder möglicherweise wesentlich nachteilig auf den Wert der Anlage auswirken könnte, wie in Artikel 2 (22) der SFDR definiert.

Als aktiver Manager ist Allspring der Ansicht, dass Unternehmen, die bei wesentlichen Nachhaltigkeitsfaktoren schlecht abschneiden – d. h. Unternehmen, die sich nachteilig auf diese Nachhaltigkeitsfaktoren auswirken könnten – ein höheres Verlustrisiko aufweisen, das in der Regel bei der Erzielung langfristiger risikobereinigter Renditen nicht berücksichtigt wird. Die Identifizierung und Priorisierung der wichtigsten nachteiligen Auswirkungen auf Nachhaltigkeitsfaktoren richtet sich daher an jene Nachhaltigkeitsfaktoren, die zu Nachhaltigkeitsrisiken führen können. Die Identifizierung und Priorisierung der wichtigsten nachteiligen Auswirkungen auf Nachhaltigkeitsfaktoren wird von den Allspring-Unteranlageverwaltern der Finanzprodukte von Allspring Luxembourg durch die Anwendung der nachstehenden Richtlinien und Verfahren von Allspring und in Übereinstimmung mit dieser Erklärung von Allspring Luxembourg zu den wichtigsten nachteiligen Auswirkungen von Investitionsentscheidungen auf Nachhaltigkeitsfaktoren umgesetzt.

Allspring Investment Analytics erfüllt eine unabhängige Risikomanagementfunktion und arbeitet zudem mit dem Allspring Sustainability Team zusammen, um so nachteilige Auswirkungen auf Nachhaltigkeitsfaktoren sowie zugehörige Indikatoren und Scores, die bei allen Anlageportfolios nachverfolgt werden sollen, zu identifizieren, zu priorisieren und zu überwachen. Die Allspring ESG Characteristics-Berichte und die von Allspring Investment Analytics erlangten Informationen helfen unseren Portfoliomanagern, die nachteiligen Auswirkungen auf Nachhaltigkeitsfaktoren und die damit verbundenen Risikoprofile der Anlagen besser nachzuvollziehen. Diese Berichte beziehen für den genannten Zeitraum dieser Erklärung die in den Tabellen 1, 2 und 3 des SFDR RTS aufgeführten obligatorischen sowie bestimmte freiwillige Nachhaltigkeitsindikatoren ein. Darüber hinaus bietet unser Ansatz für die Zusammenarbeit mit Unternehmen, in die wir investieren, ein ausgewogenes Verhältnis zwischen proaktiven, strategischen Themen, einschließlich solcher, die die wichtigsten nachteiligen Auswirkungen betreffen, und der Flexibilität, Unternehmen im Falle von Problemen oder Kontroversen entgegenzukommen. Die meisten Anlageteams nutzen diese zentralisierten Ressourcen, können jedoch auch andere Nachhaltigkeitsfaktoren berücksichtigen oder nachteilige Auswirkungen weiterhin priorisieren, sodass sie für ihre jeweilige Anlageklasse und Anlagestrategien geeignet sind.

Die Methode, die zur Auswahl der Indikatoren für nachteilige Auswirkungen aus den Tabellen 2 und 3 des SFDR RTS und zur Identifizierung und Bewertung der wichtigsten nachteiligen Auswirkungen verwendet wird, basiert auf der Berücksichtigung von Portfoliopositionen bei Allspring und darauf, ob der Indikator für nachteilige Auswirkungen mit wesentlichen Nachhaltigkeitsrisiken in mehreren Branchen und Portfolios in Verbindung stehen könnte.

#### *Mitwirkungspolitik*

Die Richtlinien von Allspring zur Stimmrechtsausübung und zum Engagement werden in Übereinstimmung mit der EU-Richtlinie zu Aktionärsrechten II angewendet. Die Ergebnisse des Engagements können im Laufe der Zeit mehrere Interaktionen erfordern (die Engagements erstrecken sich im Durchschnitt über drei Jahre). Zudem setzen wir Meilensteine mit individuellen Zusagen von Unternehmen, in die wir investieren. Wenn wir zu dem Schluss kommen, dass ein Emittent erhebliche Mängel aufweist, z. B. wenn sich die wichtigsten nachteiligen Auswirkungen über mehr als einen Berichtszeitraum hinweg nicht verringern, teilen wir zu aller Erst der Unternehmensleitung oder dem Verwaltungsrat unsere Bedenken mit. Die Ausübung der Stimmrechtsvertretung kann ein wichtiges Mittel für uns sein, um unsere Unzufriedenheit mit einem bestimmten Unternehmen auszudrücken. Letztendlich werden sich unsere Fortschritte bei den Stewardship-Anstrengungen in Bezug auf die jeweiligen Portfolios auf die grundlegende Beurteilung dieser Unternehmen durch unsere Anlageteams und damit auch auf unsere Korrekturmaßnahmen auswirken.

#### *Bezugnahme auf internationale anerkannte Standards*

Allspring bezieht sich auf die folgenden internationalen Standards zur Berücksichtigung der wichtigsten nachteiligen Auswirkungen: Pariser Abkommen, Grundsätze des UN Global Compact, Taskforce für klimabezogene finanzielle Offenlegungen, Taskforce für naturbezogene finanzielle Offenlegungen, die FAIRR Initiative, UN Sustainable Development Goals, UK Stewardship Code, Japans Stewardship Code sowie die Grundsätze für verantwortungsbewusstes Anlegen.

# Dichiarazione sui principali effetti negativi delle decisioni di investimento sui fattori di sostenibilità

**Partecipante ai mercati finanziari** Allspring Global Investments Luxembourg S.A (LEI 549300FKC2W4RW4DGP06)

## Sintesi

Allspring Global Investments Luxembourg S.A (LEI 549300FKC2W4RW4DGP06, "Allspring Luxembourg"<sup>1</sup>) prende in considerazione i principali effetti negativi delle proprie decisioni di investimento sui fattori di sostenibilità. La presente dichiarazione è la dichiarazione consolidata sui principali effetti negativi sui fattori di sostenibilità di Allspring Luxembourg.

La presente dichiarazione sui principali effetti negativi sui fattori di sostenibilità riguarda il periodo di riferimento dal 1° gennaio 2022 al 31 dicembre 2022.

L'approccio di Allspring Global Investments<sup>2</sup> (altrimenti definita "Allspring") all'integrazione dei fattori di sostenibilità<sup>3</sup> e dei rischi di sostenibilità<sup>4</sup> (come definiti nel regolamento (UE) 2019/2088 ("SFDR")) nei nostri processi d'investimento e nel processo decisionale è coerente con i termini e le definizioni dell'SFDR.

### *Descrizione dei principali effetti negativi sui fattori di sostenibilità*

In Allspring, identifichiamo i seguenti principali effetti negativi sui fattori di sostenibilità, in aggiunta agli indicatori riportati nella Tabella 1 di RTS SFDR: Investimenti effettuati in imprese che non adottano iniziative per ridurre le emissioni di carbonio (dalla Tabella 2 di SFDR RTS) e Assenza di un codice di condotta del fornitore (dalla Tabella 3 di SFDR RTS). Le azioni intraprese per fronteggiare i principali effetti negativi durante il periodo di riferimento comprendono, a seconda dell'indicatore di effetto avverso specifico, la selezione dei titoli, la gestione del rischio, l'applicazione di esclusioni, l'impegno con le società e il voto per delega.

### *Descrizione delle politiche relative all'individuazione e alla prioritizzazione dei principali effetti negativi sui fattori di sostenibilità*

In qualità di gestore attivo, Allspring ritiene che le società che presentano performance mediocri su fattori di sostenibilità rilevanti, ossia le società che possono causare effetti negativi su tali fattori di sostenibilità, dimostrino un rischio di ribasso più elevato e generalmente inefficace nel conseguimento di rendimenti

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<sup>1</sup> Allspring Luxembourg è una società di gestione OICVM con autorizzazione MiFID ed è autorizzata dalla Commission de Surveillance du Secteur Financier in Lussemburgo ("CSSF"). Allspring Luxembourg è il gestore degli investimenti nominato per determinati mandati istituzionali segregati e supervisiona le attività di gestione del portafoglio e i processi d'investimento di Allspring (Worldwide) Lux Fund, un fondo multicomparto a responsabilità limitata costituito nel Granducato di Lussemburgo come *Société d'Investissement à Capital Variable* con numero RCS Luxembourg B 137.479.

I sub-gestori degli investimenti di alcuni comparti e portafogli d'investimento supervisionati da Allspring Luxembourg prendono in considerazione i principali effetti negativi delle decisioni d'investimento dei gestori degli investimenti e dei sub-gestori degli investimenti sui fattori di sostenibilità. La presente dichiarazione è la dichiarazione consolidata sui principali effetti negativi sui fattori di sostenibilità applicati ai comparti e ai portafogli pertinenti per i quali Allspring Luxembourg è responsabile della supervisione.

<sup>2</sup> Allspring Global Investments™ è la denominazione commerciale delle società di gestione patrimoniale di Allspring Global Investments Holdings, LLC, una holding indirettamente posseduta da alcuni fondi privati di GTCR LLC e Reverence Capital Partners, L.P., ivi compresi a titolo esemplificativo ma non esaustivo: Allspring Funds Management, LLC, Allspring Global Investments (UK) Limited; Allspring Global Investments, LLC e Allspring Global Investments Luxembourg S.A.

<sup>3</sup> Il riferimento ai "fattori di sostenibilità" indica questioni ambientali, sociali e concernenti il personale, il rispetto dei diritti umani e le questioni relative alla lotta alla corruzione attiva e passiva, come definito nell'art. 2 (24) dell'SFDR.

<sup>4</sup> Con riferimento al "rischio di sostenibilità" si intende un evento o condizione ambientale, sociale o di governance che, qualora si verificasse, potrebbe arrecare un impatto negativo effettivo o potenziale sul valore dell'investimento, secondo la definizione di cui all'art. 2 (22) dell'SFDR

rettificati per il rischio a lungo termine. L'identificazione e l'assegnazione di priorità ai principali effetti negativi sui fattori di sostenibilità sono quindi incentrate su quei fattori di sostenibilità che possono comportare rischi di sostenibilità. L'identificazione e la prioritizzazione dei principali effetti negativi sui fattori di sostenibilità sono implementate dai sub-gestori degli investimenti di Allspring Luxembourg attraverso l'applicazione delle politiche e procedure di Allspring descritte di seguito e in conformità alla presente Dichiarazione sui principali effetti negativi delle decisioni di investimento sui fattori di sostenibilità di Allspring Luxembourg.

Allspring Investment Analytics, che svolge una funzione di gestione del rischio indipendente, collabora con il più ampio team di Allspring Sustainability per identificare, prioritizzare e monitorare gli effetti negativi sui fattori di sostenibilità e i relativi indicatori e punteggi da seguire nei portafogli di investimento. Le relazioni e le informazioni sulle caratteristiche ESG di Allspring prodotte da Allspring Investment Analytics aiutano i nostri gestori di portafoglio a comprendere meglio gli effetti negativi sui fattori di sostenibilità e i relativi profili di rischio degli investimenti. Durante il Periodo di riferimento della presente Dichiarazione, tali relazioni hanno iniziato a includere gli indicatori di sostenibilità avversi obbligatori e facoltativi delineati nelle tabelle 1, 2 e 3 di SFDR RTS. Inoltre, il nostro approccio all'impegno con le società in cui si investe bilancia temi proattivi e strategici, compresi quelli che coprono i principali effetti negativi, con la flessibilità di agire sulle società caso per caso laddove emergano problemi o controversie. La maggior parte dei team d'investimento si avvale di queste risorse centralizzate, tuttavia può prendere in considerazione altri fattori di sostenibilità o dare priorità agli effetti negativi in modo adeguato alla propria classe di attivi e alle proprie strategie d'investimento.

La metodologia utilizzata per selezionare gli indicatori di effetto negativo dalle Tabelle 2 e 3 di SFDR RTS e per identificare e valutare i principali impatti negativi si basa sulla valutazione delle esposizioni di portafoglio in Allspring e sulla possibilità che l'indicatore di impatto negativo possa riferirsi a rischi di sostenibilità rilevanti in diversi settori e portafogli.

#### *Politiche di impegno*

Le politiche di voto per delega e impegno di Allspring sono applicate in conformità alla direttiva II dell'UE sui diritti degli azionisti. I risultati dell'impegno possono richiedere più interazioni nel tempo (gli impegni tendono a svilupparsi in media su tre anni) e stabiliamo aspettative con tappe fondamentali delineate da obiettivi individuali che le società in cui si investiamo si impegnano a realizzare. Qualora dovessimo giungere alla conclusione che un emittente presenti carenze sostanziali, ad esempio laddove non vi sia alcuna riduzione degli effetti negativi principali in più di un periodo di riferimento, la nostra prima linea di condotta consiste nel comunicare le nostre preoccupazioni al management della società o al suo consiglio di amministrazione. I voti per delega possono rappresentare un importante mezzo per esprimere insoddisfazione nei confronti di una data società. In ultima analisi, i progressi compiuti con gli sforzi di stewardship in relazione ai portafogli pertinenti influenzeranno la valutazione fondamentale dei nostri team d'investimento di queste società e, di volta in volta, le nostre azioni correttive.

#### *Riferimenti alle norme internazionali*

In Allspring, facciamo riferimento alle seguenti norme internazionali per valutare i principali effetti negativi: Accordo di Parigi, Principi del Global Compact delle Nazioni Unite, Unità operative per la comunicazione finanziaria correlata al clima e alla natura, Iniziativa FAIRR, Obiettivi di Sviluppo Sostenibile delle Nazioni Unite, Stewardship Code del Regno Unito, Stewardship Code del Giappone e Principi per l'investimento responsabile.

## Redegjørelse om viktigste negative konsekvenser for bærekraftsfaktorer

**Finansmarkedsaktør** Allspring Global Investments Luxembourg SA (LEI 549300FKC2W4RW4DGP06)

### Sammendrag

Allspring Global Investments Luxembourg SA (LEI 549300FKC2W4RW4DGP06, «Allspring Luxembourg»)<sup>1</sup> vurderer de viktigste negative konsekvensene av sine investeringsbeslutninger mht. bærekraftsfaktorer. Denne redegjørelsen er den samlede erklæringen om de viktigste negative konsekvensene mht. bærekraftsfaktorene for Allspring Luxembourg.

Denne redegjørelsen for de viktigste negative konsekvensene for bærekraftsfaktorer omfatter referanseperioden fra 1. januar 2022 til 31. desember 2022.

Allspring Global Investments<sup>2</sup> (også kalt «Allspring») tilnærming til å integrere bærekraftsfaktorer<sup>3</sup> og bærekraftsrisikoer<sup>4</sup> (som definert i europaparlaments- og rådsforordning (EU) 2019/2088 («SFDR»)) i våre investeringsprosesser og beslutningstaking er i samsvar med vilkårene og definisjonene under SFDR.

#### *Beskrivelse av de viktigste negative konsekvensene mht. bærekraftsfaktorer*

Hos Allspring identifiserer vi følgende negative konsekvenser mht. bærekraftsfaktorer i tillegg til disse indikatorene fra tabell 1 i SFDR RTS: Investeringer i selskaper uten tiltak for reduksjon av karbonutslipp (fra tabell 2 i SFDR RTS); og manglende etiske retningslinjer hos leverandørene (fra tabell 3 i SFDR RTS). Tiltak som er iverksatt for å håndtere de viktigste negative konsekvensene i referanseperioden inkluderer utvelgelse av verdipapir, risikostyring, anvendelse av utelukkelse, engasjement og stemmegivning ved fullmektig, avhengig av den spesifikke indikatoren for negativ konsekvens.

#### *Beskrivelse av retningslinjer for å identifisere og prioritere de viktigste negative konsekvensene mht. bærekraftsfaktorer*

Som aktive forvaltere anser Allspring at selskaper med svak innsats innen materielle bærekraftsfaktorer – dvs. selskaper som kan forårsake negative konsekvenser for disse bærekraftsfaktorene – viser høyere nedsiderisiko som generelt ikke belønnes for å oppnå langsiktig risikojustert avkastning. Identifisering og prioritering av de

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<sup>1</sup> Allspring Luxembourg er et UCITS-forvaltningsselskap med MiFID-tillatelse og er godkjent av Commission de Surveillance du Secteur Financier i Luxembourg («CSSF»). Allspring Luxembourg er utnevnt investeringsforvalter for visse institusjonelle atskilte mandater og fører tilsyn med porteføljeforvaltningsaktiviteter og investeringsprosesser for Allspring (Worldwide) Lux Fund, et paraplyfond med begrenset ansvar i Storhertugdømmet Luxembourg som et *Société d'Investissement à Capital Variable* med nummer RCS Luxembourg B 137.479.

Underinvesteringsforvalterne for visse underfond og investeringsporteføljer som overvåkes av Allspring Luxembourg, vurderer de viktigste negative konsekvensene av investeringsbeslutninger fra investeringsforvaltere og underinvesteringsforvaltere mht. bærekraftsfaktorer. Denne redegjørelsen er dennes samlede erklæring om de viktigste negative konsekvensene mht. bærekraftsfaktorer som anvendes på de relevante underfondene og porteføljene som Allspring Luxembourg har tilsynsansvar for.

<sup>2</sup> Allspring Global Investments™ er handelsnavnet for kapitalforvaltningsselskapene til Allspring Global Investments Holdings, LLC, et holdingselskap som indirekte eies av visse private fond fra GTCR LLC og Reverence Capital Partners, L.P., deriblant Allspring Funds Management, LLC, Allspring Global Investments (UK) Limited; Allspring Global Investments, LLC og Allspring Global Investments Luxembourg S.A.

<sup>3</sup> Henvvisning til «bærekraftsfaktorer» betyr miljømessige, sosiale og ansattes forhold, respekt for menneskerettigheter, antikorrupsjon og antibestikkelser, som definert under artikkel 2 (24) i SFDR.

<sup>4</sup> Henvvisning til «bærekraftsrisiko» betyr en miljømessig, sosial eller styringsmessig hendelse eller betingelse som, hvis den oppstår, kan føre til en faktisk eller potensiell negativ effekt på verdien av en investering, som definert i artikkel 2 (22) i SFDR

viktigste negative konsekvensene mht. bærekraftsfaktorer er derfor fokusert på bærekraftsfaktorene som kan føre til bærekraftsrisiko. Identifiseringen og prioriteringen av de viktigste negative konsekvensene mht. bærekraftsfaktorer implementeres av Allsprings underinvesteringsforvaltere av Allspring Luxembourg's finansielle produkter gjennom bruk av Allsprings retningslinjer og prosedyrer beskrevet nedenfor og i samsvar med denne redegjørelsen fra Allspring Luxembourg om de viktigste negative konsekvensene av investeringsbeslutninger på bærekraftsfaktorer.

Allspring Investment Analytics, som oppfyller en uavhengig risikostyringsfunksjon, samarbeider med det bredere Allspring Sustainability-teamet for å identifisere, prioritere og overvåke negative konsekvenser på bærekraftsfaktorer og relaterte indikatorer og poengsummer som skal spores på tvers av investeringsporteføljer. Allsprings rapporter om ESG-egenskaper og informasjon generert av Allspring Investment Analytics hjelper våre porteføljeforvaltere med bedre å forstå de negative konsekvensene på bærekraftsfaktorer og relaterte risikoprofiler for investeringene. I løpet av referanseperioden for denne erklæringen har disse rapportene begynt å inkludere obligatoriske og visse frivillige indikatorer for negativ bærekraft som er skissert av tabell 1, 2 og 3 i SFDR RTS. I tillegg vil vår tilnærming til samarbeid med selskaper det investeres i, skape balanse mellom proaktive, strategiske temaer, inkludert temaer som omfatter de viktigste negative konsekvensene, og fleksibilitet til å ivareta selskaper fra sak til sak når problemer eller kontroverser oppstår. Flertallet av investeringsteamene trekker veksler på disse sentraliserte ressursene, men kan vurdere andre bærekraftsfaktorer eller ytterligere prioritere uønskede effekter på en måte som passer for deres aktivklasse og investeringsstrategier.

Metodikken som brukes for å velge indikatorene for negative konsekvenser fra tabell 2 og 3 i SFDR RTS og for å identifisere og vurdere de viktigste negative konsekvensene er basert på vurdering av porteføljeeksponeringer på tvers av Allsprings virksomhet og hvorvidt indikatoren for negative konsekvenser kan relateres til vesentlige bærekraftsrisikoer på tvers av flere sektorer og porteføljer.

#### *Retningslinjer for engasjement*

Allsprings retningslinjer for fullmaktsstemmegivning og engasjement brukes i samsvar med EUs aksjonærrettighetsdirektiv II. Utfallet av engasjementet kan kreve ytterligere samhandling over tid (engasjement har en tendens til å skje over tre år i gjennomsnitt), og vi utvikler milepælsforventninger med individuelle forpliktelser som våre selskaper som det investeres i, yter overfor oss. Hvis vi konkluderer med at en utsteder har vesentlige mangler, inkludert for eksempel hvor det ikke er noen reduksjon av de viktigste negative konsekvensene over mer enn én rapporteringsperiode, er vårt første tiltak å formidle våre bekymringer til selskapets ledelse eller dets styre. Fullmaktsstemmer kan være en viktig kanal for å uttrykke vår misnøye med et gitt selskap. Til syvende og sist vil vår fremgang med forvaltningsinnsats med hensyn til relevante porteføljer påvirke investeringsteamenes fundamentale vurdering av disse selskapene og, i sin tur, våre utbedringstiltak.

#### *Henvisninger til internasjonale standarder*

Hos Allspring henviser vi til følgende internasjonale standarder for å vurdere de viktigste negative konsekvensene: Parisavtalen, FNs Global Compact-prinsipper, Taskforce on Climate-related Financial Disclosures, Taskforce on Nature-related Financial Disclosures, FAIRR Initiative, FNs bærekraftsmål, UK Stewardship Code, Japans Stewardship Code og Principles for Responsible Investment.

# Declaração relativa aos principais impactos negativos das decisões de investimento sobre os fatores de sustentabilidade

**Interveniente no mercado financeiro** Allspring Global Investments Luxembourg S.A (Identificador de entidade jurídica 549300FKC2W4RW4DGP06)

## Resumo

A Allspring Global Investments Luxembourg S.A (Identificador de entidade jurídica 549300FKC2W4RW4DGP06, «Allspring Luxembourg»)<sup>1</sup> considera os principais impactos negativos das suas decisões de investimento nos fatores de sustentabilidade. A presente declaração constitui a declaração consolidada dos principais impactos negativos nos fatores de sustentabilidade de Allspring Luxembourg.

Esta declaração sobre os principais impactos negativos nos fatores de sustentabilidade abrange o período de referência de 1 de janeiro de 2022 a 31 de dezembro de 2022.

A abordagem Allspring Global Investments<sup>2</sup> (também referida como «Allspring») à integração de fatores de sustentabilidade<sup>3</sup> e riscos em matéria de sustentabilidade<sup>4</sup> (conforme definido no Regulamento (UE) 2019/2088 relativo à divulgação de informações relacionadas com a sustentabilidade no setor dos serviços financeiros [«SFDR»]) nos nossos processos de investimento e na nossa tomada de decisões é consistente com os termos e definições constantes no SFDR.

### *Descrição dos principais impactos negativos sobre os fatores de sustentabilidade*

Na Allspring, identificamos os seguintes principais impactos negativos nos fatores de sustentabilidade para além dos indicadores no Quadro 1 sobre as normas técnicas de regulamentação do SFDR: investimentos em empresas sem iniciativas de redução das emissões de carbono (com base no Quadro 2 das normas técnicas de regulamentação do SFDR) e ausência de código de conduta de fornecedor (com base no Quadro 3 das normas técnicas de regulamentação do SFDR). As ações adotadas para abordar os principais impactos negativos durante o período de referência incluem a seleção de títulos, a gestão de riscos, a aplicação de exclusões, o envolvimento e a votação por procuração, dependendo do indicador de impacto negativo específico.

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<sup>1</sup> A Allspring Luxembourg é uma sociedade gestora de OICVM com permissões ao abrigo da Diretiva Mercados de Instrumentos Financeiros («DMIF») e está autorizada pela Commission de Surveillance du Secteur Financier no Luxemburgo («CSSF»). A Allspring Luxembourg é o gestor de investimento nomeado para determinados mandatos institucionais segregados e supervisiona as atividades de gestão da carteira e os processos de investimento do Allspring (Worldwide) Lux Fund, um agrupamento de fundos constituído com responsabilidade limitada no Grão-Ducado do Luxemburgo como uma *Société d'Investissement à Capital Variable* com o número RCS Luxemburgo B 137.479.

Os subgestores de investimento de determinados subfundos e carteiras de investimento supervisionados pela Allspring Luxembourg consideram os principais impactos negativos de decisões de investimento adotadas pelos gestores e subgestores de investimento nos fatores de sustentabilidade. Esta declaração é a respetiva declaração consolidada relativa aos principais impactos negativos nos fatores de sustentabilidade aplicados aos subfundos e às carteiras relevantes pelos quais a Allspring Luxembourg é responsável pela supervisão.

<sup>2</sup> Allspring Global Investments™ é a denominação comercial das sociedades de gestão de ativos da Allspring Global Investments Holdings, LLC, uma holding detida indiretamente por determinados fundos privados da GTCR LLC e da Reverence Capital Partners, L.P., incluindo, entre outras, a Allspring Funds Management, LLC, a Allspring Global Investments (UK) Limited, a Allspring Global Investments, LLC e a Allspring Global Investments Luxembourg S.A.

<sup>3</sup> A referência a «fatores de sustentabilidade» diz respeito a questões ambientais, sociais e laborais, o respeito dos direitos humanos, a luta contra a corrupção e o suborno, conforme definido no Artigo 2.º (24) do SFDR.

<sup>4</sup> A referência a «risco em matéria de sustentabilidade» diz respeito a um acontecimento ou condição de natureza ambiental, social ou de governação cuja ocorrência é suscetível de provocar um impacto negativo significativo efetivo ou potencial no valor do investimento, conforme definido no Artigo 2.º (22) do SFDR.



### *Descrição das políticas de identificação e definição de prioridades no que se refere aos principais impactos negativos das decisões de investimento sobre os fatores de sustentabilidade*

Enquanto gestores ativos, a Allspring acredita que as empresas que apresentam um fraco desempenho em matéria de fatores de sustentabilidade materiais, ou seja, empresas que podem causar impactos negativos nesses fatores de sustentabilidade, demonstram um risco de perda mais elevado, que geralmente não é recompensado no que respeita a obter retornos ajustados ao risco a longo prazo. A identificação e a definição de prioridades no que se refere aos principais impactos negativos nos fatores de sustentabilidade focam-se, desta forma, nos fatores de sustentabilidade que podem resultar em riscos em matéria de sustentabilidade. A identificação e a definição de prioridades no que se refere aos principais impactos negativos nos fatores de sustentabilidade são implementadas pelos subgestores de investimento da Allspring, na área de produtos financeiros da Allspring Luxembourg, através da aplicação de políticas e procedimentos da Allspring descritos abaixo e em conformidade com a presente Declaração da Allspring no Luxemburgo relativa aos principais impactos negativos das decisões de investimento sobre os fatores de sustentabilidade.

A equipa de análise de investimentos da Allspring, que desempenha uma função independente de gestão de riscos, colabora com a equipa mais ampla de sustentabilidade da Allspring para identificar, definir prioridades e monitorizar impactos negativos nos fatores de sustentabilidade e indicadores e pontuações relacionados que devem ser acompanhados em carteiras de investimento. Os relatórios de características ESG da Allspring e as informações geradas pela equipa de análise de investimentos da Allspring ajudam os nossos gestores de carteira a compreender melhor os impactos negativos nos fatores de sustentabilidade e nos perfis de risco de investimento relacionados. Durante o período de referência da presente declaração, estes relatórios começaram a incorporar indicadores de impacto negativo na sustentabilidade obrigatórios e determinados indicadores voluntários descritos nos Quadros 1, 2 e 3 das normas técnicas de regulamentação do SFDR. Além disso, a nossa abordagem ao envolvimento com empresas beneficiárias do investimento equilibra temas estratégicos proativos, incluindo os que abrangem os principais impactos negativos, com a flexibilidade de acomodar empresas caso a caso à medida que surgem problemas ou controvérsias. A maioria das equipas de investimento baseia-se nestes recursos centralizados, mas pode considerar outros fatores de sustentabilidade ou definir mais prioridades no que se refere a impactos negativos de uma forma adequada à sua classe de ativos e às suas estratégias de investimento.

A metodologia utilizada para selecionar os indicadores de impacto negativo nos Quadros 2 e 3 das normas técnicas de regulamentação do SFDR, bem como para identificar e avaliar os principais impactos negativos, baseia-se na consideração das exposições da carteira em toda a Allspring e se o indicador de impacto negativo pode ou não estar relacionado com riscos em matéria de sustentabilidade materiais em vários setores e várias carteiras.

### *Políticas de envolvimento*

As políticas de votação por procuração e envolvimento da Allspring são aplicadas de acordo com a Diretiva de Direitos dos Acionistas II da UE. Os resultados do envolvimento podem implicar múltiplas interações ao longo do tempo (o envolvimento tende a ter uma duração média de três anos) e trabalhamos com base na concretização de metas que estabelecemos com compromissos individuais assumidos para conosco pelas nossas empresas beneficiárias do investimento. Se concluirmos que um emitente tem deficiências materiais, incluindo, por exemplo, quando não se verifica uma redução dos principais impactos negativos ao longo de mais de um período comunicado, o nosso primeiro passo consiste em comunicar as nossas preocupações à gestão da empresa ou ao respetivo conselho de administração. Os votos por procuração podem ser uma forma de conduta importante para expressar a insatisfação relativa a uma determinada empresa. Em última análise, o nosso progresso nos esforços de gestão relativamente às carteiras relevantes afetará a avaliação fundamental destas empresas pelas nossas equipas de investimento e, por sua vez, as nossas ações de resolução.

### *Referências às normas internacionais*

Na Allspring, respeitamos as seguintes normas internacionais na consideração dos principais impactos negativos: Acordo de Paris, princípios do UN Global Compact, TCFD (Taskforce on Climate-related Financial Disclosures), TNFD (Taskforce on Nature-related Financial Disclosures), Iniciativa FAIRR, Objetivos de Desenvolvimento Sustentável das Nações Unidas, Código de Gestão do Reino Unido, Código de Gestão do Japão e os Princípios para o Investimento Responsável.

# Declaración sobre las principales incidencias adversas de las decisiones de inversión sobre los factores de sostenibilidad

**Participante en los mercados financieros** Allspring Global Investments Luxembourg S.A. (identificador de entidad jurídica [LEI]: 549300FKC2W4RW4DGP06)

## Resumen

Allspring Global Investments Luxembourg S.A. (LEI 549300FKC2W4RW4DGP06, «Allspring Luxembourg»)<sup>1</sup> considera las principales incidencias adversas de sus decisiones de inversión sobre los factores de sostenibilidad. La presente declaración es la declaración consolidada sobre las principales incidencias adversas en los factores de sostenibilidad de Allspring Luxembourg.

La presente declaración relativa a las principales incidencias adversas sobre los factores de sostenibilidad abarca el período de referencia del 1 de enero al 31 de diciembre de 2022.

El enfoque de Allspring Global Investments<sup>2</sup> (también denominada «Allspring») para integrar los factores<sup>3</sup> y los riesgos de sostenibilidad<sup>4</sup>, tal y como se definen en el Reglamento (UE) 2019/2088 («SFDR»), en nuestros procesos de inversión y en nuestra toma de decisiones es coherente con los términos y las definiciones del SFDR.

### *Descripción de las principales incidencias adversas sobre los factores de sostenibilidad*

En Allspring, identificamos ciertas principales incidencias adversas en los factores de sostenibilidad, que detallamos a continuación, además de los indicadores del cuadro 1 de las NTR del SFDR: Inversiones en empresas sin iniciativas de reducción de las emisiones de carbono (del cuadro 2 de las NTR del SFDR) y Ausencia de código de conducta de los proveedores (del cuadro 3 de las NTR del SFDR). Las medidas adoptadas para afrontar las principales incidencias adversas durante el período de referencia incluyen la selección de valores, la gestión de riesgos, la aplicación de exclusiones, la implicación y el voto por representación, en función de cada principal incidencia adversa.

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<sup>1</sup> Allspring Luxembourg es una sociedad de gestión de OICVM con permisos en virtud de la MiFID y está autorizada por la Commission de Surveillance du Secteur Financier («CSSF») en Luxemburgo. Allspring Luxembourg es el gestor de inversiones designado para determinados mandatos segregados institucionales y supervisa las actividades de gestión de cartera y los procesos de inversión del Allspring (Worldwide) Lux Fund, un fondo paraguas constituido con responsabilidad limitada en el Gran Ducado de Luxemburgo como una *Société d'Investissement à Capital Variable* con el n.º B 137.479.

Los gestores delegados de inversiones de determinados subfondos y carteras de inversión supervisados por Allspring Luxembourg consideran las principales incidencias adversas de las decisiones de inversión de los gestores y los gestores delegados de inversiones sobre los factores de sostenibilidad. La presente declaración es la declaración consolidada sobre las principales incidencias adversas en los factores de sostenibilidad aplicados a los subfondos y las carteras pertinentes sobre los que Allspring Luxembourg tiene responsabilidad de supervisión.

<sup>2</sup> Allspring Global Investments™ es el nombre comercial de las empresas de gestión de activos de Allspring Global Investments Holdings, LLC, una sociedad de cartera dependiente indirectamente de algunos fondos privados de GTCR LLC y de Reverence Capital Partners, L.P., entre los que se incluyen Allspring Funds Management, LLC, Allspring Global Investments (UK) Limited; Allspring Global Investments, LLC y Allspring Global Investments Luxembourg S.A.

<sup>3</sup> Los «factores de sostenibilidad» se refieren a cuestiones medioambientales, sociales y laborales, al respeto de los derechos humanos, y a la lucha contra la corrupción y el soborno, tal y como se definen en el artículo 2.24 del SFDR.

<sup>4</sup> Los «riesgos de sostenibilidad» se refieren a todo acontecimiento o estado medioambiental, social o de gobernanza que, de ocurrir, pudiera surtir un efecto material negativo real o posible sobre el valor de la inversión, tal y como se define en el artículo 2.22 del SFDR

### *Descripción de las políticas para determinar y priorizar las principales incidencias adversas sobre los factores de sostenibilidad*

Como gestor activo, Allspring considera que las empresas con una mala gestión de los principales factores de sostenibilidad, es decir, empresas que pueden causar incidencias adversas sobre esos factores de sostenibilidad, demuestran un mayor riesgo bajista que generalmente no propicia la obtención de rentabilidades a largo plazo ajustadas al riesgo. La identificación y priorización de las principales incidencias adversas sobre los factores de sostenibilidad se centra, por tanto, en aquellos factores de sostenibilidad que pueden dar lugar a riesgos de sostenibilidad. Los gestores delegados de inversiones de los productos financieros de Allspring Luxembourg identifican y priorizan las principales incidencias adversas sobre los factores de sostenibilidad aplicando las políticas y los procedimientos de Allspring que se describen a continuación, y de conformidad con la presente declaración de Allspring Luxembourg sobre las principales incidencias adversas de las decisiones de inversión sobre los factores de sostenibilidad.

Allspring Investment Analytics, que desempeña una función independiente de gestión de riesgos, colabora con el equipo general de sostenibilidad de Allspring para identificar, priorizar y supervisar las incidencias adversas sobre los factores de sostenibilidad, así como los indicadores y las puntuaciones relacionados que deben monitorizarse en las carteras de inversión. Los datos y los informes de las características ESG de Allspring generados por Allspring Investment Analytics ayudan a nuestros gestores de carteras a comprender mejor las incidencias adversas sobre los factores de sostenibilidad y los perfiles de riesgo relacionados de la inversión. Durante el período de referencia de la presente declaración, estos informes empezaron a incorporar los indicadores obligatorios de sostenibilidad en relación con incidencias adversas y algunos indicadores voluntarios, que se describen en los cuadros 1, 2 y 3 de las NTR del SFDR. Además, nuestro enfoque de implicación con las empresas beneficiarias equilibra los puntos proactivos y estratégicos, incluidos aquellos que abarcan las principales incidencias adversas, con la flexibilidad para adaptarse a las empresas caso por caso a medida que surgen problemas o controversias. La mayoría de los equipos de inversión se basan en estos recursos centralizados, pero pueden tener en cuenta otros factores de sostenibilidad o priorizar aún más las incidencias adversas como mejor corresponda a su clase de activos y estrategias de inversión.

La metodología utilizada para seleccionar los indicadores de incidencias adversas de los cuadros 2 y 3 de las NTR del SFDR y para identificar y evaluar las principales incidencias adversas se basa en la consideración de las exposiciones de las carteras de Allspring y si el indicador de incidencia adversa podría estar relacionado con riesgos principales de sostenibilidad en varios sectores y carteras.

### *Políticas de implicación*

Las políticas de Allspring en materia de voto por representación e implicación se aplican de conformidad con la Directiva de la UE sobre los derechos de los accionistas II. Los resultados de la implicación pueden requerir varias interacciones a lo largo del tiempo (de media, esta implicación suele durar tres años), y elaboramos previsiones de objetivos que fijamos con los compromisos individuales que las empresas beneficiarias asumen con nosotros. Si llegamos a la conclusión de que un emisor presenta deficiencias importantes, por ejemplo, cuando no se reduzcan las principales incidencias adversas en más de un período analizado, nuestra primera medida es comunicar nuestras inquietudes a la dirección de la empresa o a su junta directiva. Las delegaciones de voto pueden ser un medio importante para expresar nuestra disconformidad con una empresa determinada. En última instancia, el progreso de los esfuerzos de administración responsable con respecto a cada cartera afectará a la evaluación fundamental de dichas empresas y, a su vez, a nuestras medidas de subsanación.

### *Referencias a normas internacionales*

En Allspring, nos remitimos a las siguientes normas internacionales para considerar las principales incidencias adversas: el Acuerdo de París, los principios del Pacto Mundial de las Naciones Unidas, el Grupo de Trabajo sobre Divulgación de Información Financiera relacionada con el Clima, el Grupo de Trabajo sobre Divulgaciones Financieras relacionadas con la Naturaleza, la Iniciativa FAIRR, los Objetivos de Desarrollo Sostenible de la ONU, el Stewardship Code del Reino Unido, el Stewardship Code de Japón y los Principios para la Inversión Responsable.

# Redogörelse för investeringsbesluts huvudsakliga negativa konsekvenser för hållbarhetsfaktorer

**Finansmarknadsaktör** Allspring Global Investments Luxembourg S.A (LEI-kod 549300FKC2W4RW4DGP06)

## Sammanfattning

Allspring Global Investments Luxembourg S.A (LEI-kod 549300FKC2W4RW4DGP06, "Allspring Luxembourg")<sup>1</sup> beaktar de huvudsakliga negativa konsekvenserna av sina investeringsbeslut för hållbarhetsfaktorer. Föreliggande redogörelse är den konsoliderade redogörelsen för huvudsakliga negativa konsekvenser för hållbarhetsfaktorer för Allspring Luxembourg.

Denna redogörelse om huvudsakliga negativa konsekvenser för hållbarhetsfaktorer omfattar referensperioden från den 1 januari 2022 till den 31 december 2022.

Allspring Global Investments<sup>2</sup> (även kallat "Allspring") metod för att integrera hållbarhetsfaktorer<sup>3</sup> och hållbarhetsrisker<sup>4</sup> (enligt definitionen i förordning (EU) 2019/2088 ("SFDR")) i våra investeringsprocesser och beslutsfattande överensstämmer med villkoren och definitionerna i SFDR.

### *Beskrivning av de huvudsakliga negativa konsekvenserna för hållbarhetsfaktorer*

På Allspring identifierar vi följande huvudsakliga negativa konsekvenser för hållbarhetsfaktorer utöver indikatorerna från tabell 1 i SFDR RTS: Investeringar i företag utan initiativ för minskning av koldioxidutsläpp (från tabell 2 i SFDR RTS) och ingen uppförandekodex för leverantörer (från tabell 3 i SFDR RTS). De åtgärder som vidtagits för att hantera huvudsakliga negativa konsekvenser under referensperioden är bland annat värdepappersurval, riskhantering, tillämpning av uteslutningar, engagemang och röstning med fullmakt, beroende på den specifika indikatorn för negativa konsekvenser.

### *Beskrivning av strategier för att identifiera och prioritera huvudsakliga negativa konsekvenser för hållbarhetsfaktorer*

Som aktiva förvaltare anser Allspring att företag som presterar dåligt vad gäller väsentliga hållbarhetsfaktorer, dvs. företag som kan orsaka negativa konsekvenser för dessa hållbarhetsfaktorer, uppvisar högre nedåtrisk som i allmänhet inte belönas för att uppnå långsiktig riskjusterad avkastning. Identifieringen och prioriteringen av huvudsakliga negativa konsekvenser för hållbarhetsfaktorer är därför inriktad på de hållbarhetsfaktorer som kan leda till hållbarhetsrisker.

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<sup>1</sup> Allspring Luxembourg är ett förvaltningsbolag för fondföretag med Mifid-tillstånd och är auktoriserat av Commission de Surveillance du Secteur Financier i Luxemburg ("CSSF"). Allspring Luxembourg har utsetts till investeringsförvaltare för vissa institutionella segregerade mandat och övervakar portföljförvaltning och investeringsprocesser för Allspring (Worldwide) Lux Fund, en paraplyfond med begränsat ansvar i Storhertigdömet Luxemburg som *Société d'Investissement à Capital Variable* med nummer RCS Luxemburg B 137.479. Underförvaltarna av vissa delfonder och investeringsportföljer som övervakas av Allspring Luxembourg beaktar huvudsakliga negativa konsekvenser av investeringsförvaltares och underförvaltares investeringsbeslut för hållbarhetsfaktorer. Denna redogörelse är den konsoliderade redogörelsen för huvudsakliga negativa konsekvenser för hållbarhetsfaktorer som gäller relevanta delfonder och portföljer för vilka Allspring Luxembourg har tillsynsansvar.

<sup>2</sup> Allspring Global Investments™ är handelsnamnet för kapitalförvaltningsbolagen i Allspring Global Investments Holdings, LLC, ett holdingbolag som indirekt ägs av vissa privata fonder i GTCR LLC och Reverence Capital Partners, L.P., inklusive men inte begränsat till Allspring Funds Management, LLC, Allspring Global Investments (UK) Limited, Allspring Global Investments, LLC och Allspring Global Investments Luxembourg S.A.

<sup>3</sup> Hänvisning till hållbarhetsfaktorer avser miljörelaterade, sociala och personalrelaterade frågor, respekt för mänskliga rättigheter samt bekämpning av korruption och mutor, enligt definitionen i artikel 2.24 i SFDR.

<sup>4</sup> Hänvisning till hållbarhetsrisk avser en miljörelaterad, social eller styrningsrelaterad händelse eller omständighet som, om den skulle inträffa, skulle ha en faktisk eller potentiell betydande negativ inverkan på investeringens värde, enligt definitionen i artikel 2.22 i SFDR

Identifieringen och prioriteringen av huvudsakliga negativa konsekvenser för hållbarhetsfaktorer genomförs av Allsprings underförvaltare av Allspring Luxembourgs finansiella produkter genom tillämpning av Allsprings strategier och förfaranden som beskrivs nedan och i enlighet med denna redogörelse om huvudsakliga negativa konsekvenser av investeringsbeslut för hållbarhetsfaktorer från Allspring Luxembourg.

Allspring Investment Analytics, som fyller en oberoende riskhanteringsfunktion, samarbetar med Allsprings bredare hållbarhetsteam för att identifiera, prioritera och övervaka negativa konsekvenser för hållbarhetsfaktorer och relaterade indikatorer och betyg som ska följas i investeringsportföljer. Allsprings ESG-egenskapsrapporter och information som genereras av Allspring Investment Analytics hjälper våra portföljförvaltare att bättre förstå de negativa konsekvenserna för hållbarhetsfaktorer och relaterade riskprofiler för investeringar.

Under referensperioden för denna redogörelse började dessa rapporter införliva de obligatoriska och vissa frivilliga negativa hållbarhetsindikatorer som anges i tabellerna 1, 2 och 3 i SFDR RTS. Dessutom balanserar vår metod för engagemang med investeringsobjekt proaktiva, strategiska teman, inklusive teman som omfattar huvudsakliga negativa konsekvenser, med flexibiliteten att tillgodose företag från fall till fall när problem eller kontroverser uppstår. De flesta investeringsteam använder dessa centraliserade resurser men kan beakta andra hållbarhetsfaktorer eller ytterligare prioritera negativa konsekvenser på ett sätt som är lämpligt för deras tillgångsklass och investeringsstrategier.

Den metod som används för att välja ut indikatorerna för negativa konsekvenser från tabellerna 2 och 3 i SFDR RTS och för att identifiera och bedöma huvudsakliga negativa konsekvenser baseras på beaktande av portföljexponeringar i Allspring och om indikatorn för negativa konsekvenser kan ha samband med väsentliga hållbarhetsrisker inom flera sektorer och portföljer.

#### *Strategier för engagemang*

Allsprings strategier för röstning med fullmakt och engagemang tillämpas i enlighet med EU:s direktiv om aktieägares rättigheter II. Engagemangsresultat kan kräva flera interaktioner över tid (engagemang tenderar att pågå under tre år i genomsnitt), och vi utvecklar förväntningar om milstolpar som vi fastställer med enskilda åtaganden som våra investeringsobjekt lovar oss. Om vi drar slutsatsen att en emittent har väsentliga brister, till exempel att det inte sker någon minskning av huvudsakliga negativa konsekvenser under mer än en period som rapporterats, är vår första åtgärd att kommunicera våra farhågor till företagsledningen eller styrelsen. Fullmaktsröster kan vara en viktig kanal för oss att uttrycka missnöje med ett visst företag. I slutändan kommer våra framsteg med förvaltningsinsatser avseende relevanta portföljer att påverka våra investeringsteams fundamentala bedömning av dessa företag och i sin tur våra avhjälpande åtgärder.

#### *Hänvisningar till internationella standarder*

På Allspring hänvisar vi till följande internationella standarder för att beakta huvudsakliga negativa konsekvenser: Parisavtalet, FN:s Global Compact-principer, Taskforce on Climate-related Financial Disclosures, Taskforce on Nature-related Financial Disclosures, FAIRR Initiative, FN:s mål för hållbar utveckling, Storbritanniens förvaltningskod, Japans förvaltningskod och principerna för ansvarsfull investering.