

# 2022 Sustainability Report



INVESTMENTS



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# Committed to Sustainable Investing

At New York Life Investments, we're more than investing — we're invested: in the long term, in sustainable relationships, and in building a better financial future for our clients and communities.

We believe companies that function ethically and with the long-term sustainability of their business and the environment in mind can be better positioned to execute through economic cycles and capitalize on opportunities to grow over the long term. This is the type of organization we seek to invest in as part of our focus on building long-term value and upholding our fiduciary duty for our clients.

Financial data alone is not always indicative of future results. As part of our environmental, social, and governance (ESG) approach, we look at factors such as corporate citizenship, sustainable operations, human rights, and employee culture to gain a more comprehensive picture. This holistic approach can enable our clients to reach their long-term financial goals while building a better world and improving the quality of life for generations to come.

Over the years, we've built a legacy of doing right by our clients. Our commitment to fiduciary duty and being prudent stewards of our clients' capital defines New York Life Investments. In the following pages, you'll see what each of our boutiques is doing to integrate ESG into their investment analysis, support diverse and inclusive workplaces, and give back to their communities.



**ANTHONY R. MALLOY**

Executive Vice President and Chief Investment Officer



**NAÏM ABOU-JAOUDE**

Chief Executive Officer, New York Life Investment Management<sup>1</sup>

1. New York Life Investment Management (NYLIM) refers to New York Life's global multi-boutique third party asset management business.

# About This Report

## Scope and Boundaries

“New York Life Investments,” as used throughout this report, refers to certain affiliated asset management businesses (boutiques) of its parent company, New York Life Insurance Company (New York Life). These boutiques include: Ausbil Investment Management Limited (Ausbil), Apogem Capital LLC (Apogem), Candriam S.C.A. (Candriam), IndexIQ Advisors LLC (IndexIQ), MacKay Shields LLC (MacKay Shields), New York Life Investment Management LLC (NYLIM LLC), and NYL Investors LLC (NYL Investors).

This report reflects information covering New York Life Investments from January 1, 2022, through December 31, 2022. The Sustainability Accounting Standards Board Asset Management and Custody Activities Standard framework is referenced in the Appendix.

New York Life, through its subsidiaries, holds interests in two investment firms, Kartesia and Tristan Capital Partners (Tristan). While we discuss these firms in this report, they are excluded from any compiled data (e.g., assets under management, diversity, etc.) provided in the report due to the non-controlling minority ownership in these firms during the reporting period.



# Leadership Spotlight

## Meet Anthony Malloy



As Executive Vice President and Chief Investment Officer of New York Life, Anthony Malloy manages New York Life's assets, ensuring they support the long-term promises and guarantees that New York Life makes

to its policy owners and clients. His leadership has helped shape New York Life's \$1 billion impact investment initiative that aims to address the racial wealth gap.

*"We remain committed to acting as stewards of our clients' capital, which compels us to take a holistic view of risks and opportunities by considering ESG factors that ultimately can support the long-term financial goals of our clients."*

Mr. Malloy is also the Chief Executive Officer of NYL Investors, one of New York Life's investment management subsidiaries, which manages most of New York Life's General Account assets. He was appointed to New York Life's Executive Management Committee in January 2017.

In addition, Mr. Malloy serves as the Chairman of the Board of Directors for Good Shepherd Services, which helps more than 30,000 youth and family members who live in struggling neighborhoods throughout New York City realize their fullest potential.

## Meet Naïm Abou-Jaoudé



Naïm Abou-Jaoudé is the Chief Executive Officer (CEO) of New York Life Investment Management (NYLIM). Before being appointed to the role in 2023, Mr. Abou-Jaoudé served as CEO of Candriam,

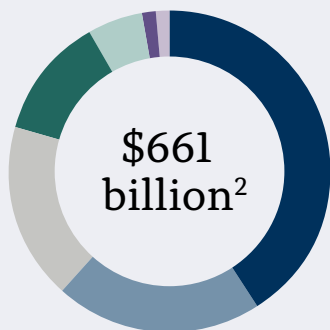
one of New York Life's investment management subsidiaries, and a multispecialist asset manager and recognized leader in sustainable investing.

Mr. Abou-Jaoudé began serving as CEO of Candriam in 2007 when it was known as Dexia Asset Management. In 2014, he steered the company's acquisition by New York Life and its rebranding to Candriam. Since then, the company has become one of the fastest-growing asset managers in Europe, doubling its assets under management through product diversification and geographic expansion.

*"Responsible governance and sustainable business practices will continue to underpin growth and uncover new long-term development opportunities, while at the same time allowing us to be bold in supporting a stronger and more inclusive society."*

In addition to serving as NYLIM's CEO and leading the NYLIM Management Committee, Mr. Abou-Jaoudé is also Chair of New York Life Investment Management International – a division of NYLIM committed to developing NYLIM's activities outside the U.S. A passionate champion of corporate social responsibility and sustainable investing, Mr. Abou-Jaoudé was elected to a two-year term as President of the European Fund and Asset Management Association in June 2021.

# Who We Are



- 41.1% NYL Investors
- 20.6% Candriam
- 17.8% MacKay Shields
- 12.4% New York Life Investment Management LLC (NYLIM LLC)
- 5.5% Apogem Capital
- 1.4% Ausbil
- 1.2% IndexIQ

## Our Global Boutiques

New York Life Investments offers clients access to specialized, independent investment teams through its family of boutiques.

### NYL Investors

**New York, NY**  
Provides investment management and financing solutions for New York Life and our valued strategic partners, focused on fixed income and real estate.

### CANDRIAM

**Luxembourg, Belgium, France, UK**  
ESG-focused, active asset manager with expertise in fixed income, equity, thematic investing, absolute return, asset allocation and liability-driven investing for pension funds and insurance companies.

### MACKAY SHIELDS

**US, Ireland, UK**  
Investment firm offering a range of fixed-income strategies including investment grade, high yield, bank loans, and municipals as well as fundamental equities.

### TRISTAN CAPITAL PARTNERS

**London, UK**  
Real estate investment management company specializing in a wide range of property types across the UK and continental Europe.

### Apogem Capital

**New York, NY**  
Alternatives investment firm with capabilities spanning private credit, private equity, GP stakes, private real assets, and long/short equity.

### ausbil

**Sydney, Australia**  
Investment firm with expertise in active management. Capabilities across Australian equities and global small cap, natural resources and listed infrastructure.

### index IQ

**New York, NY**  
Pioneer and leading provider of exchange-traded funds, granting investors access to innovative solutions designed to deliver a smarter approach to traditional investing.

### KARTESIA

**London, UK**  
European specialist provider of private capital solutions for small and midsized companies.



**New York, NY**  
New York Life Investment Management LLC (NYLIM LLC) is the advisor to U.S. retail mutual funds, offering investments strategies managed by affiliated boutiques and unaffiliated sub-advisors.

2. Assets under management (AUM) includes assets of the investment advisers that make up New York Life Investments as of 12/31/2022. As of 12/31/2022, New York Life Investments changed its AUM calculation methodology, and AUM now includes certain assets, such as non-discretionary AUM, external fund selection, and overlay services, including ESG screening services, advisory consulting services, white labeling investment management services, and model portfolio delivery services, that do not qualify as Regulatory Assets Under Management, as defined in the SEC's Form ADV. AUM is reported in USD. AUM not denominated in USD is converted at the spot rate as of 12/31/2022. This total AUM figure is less than the sum of the AUM of each affiliated investment adviser in the group because it does not count AUM where the same assets can be counted by more than one affiliated investment adviser.



# Continuing Our Journey

We believe ESG is an effective way to understand investment risk over different time horizons. Investing in companies that operate responsibly can help contribute to the long-term financial returns of our clients while supporting a more sustainable future.

Geopolitical tensions, supply chain disruptions, and natural disasters took their toll in 2022—adding to an already complex investment landscape and creating new risks for investors. Through it all, we remained devoted to our fiduciary duty, values, and investment principles, and we continue to lean into our commitments—both as a company and as individual citizens of the world.

Our core beliefs remain the same, and they'll continue to endure in the years ahead. At New York Life Investments, we believe:

We can create long-term value by considering material ESG factors as we make investment decisions.

Addressing environmental challenges can support a sustainable future.

Investing in people and communities will fuel innovation, progress, and growth.

These are the beliefs that drive us forward. They are rooted in our values and orient us toward our mission: to help our clients reach their financial goals and to build a better future for our clients, our employees, and our communities.

## How Our Values Lead to Value for Our Clients

At New York Life Investments, we believe that creating value for our stakeholders can go hand in hand with doing what's good for the world. As investment professionals, we view material ESG factors as components of investment risk analysis.

And there's data to support our approach: A report from the New York University Stern Center for Sustainable Business conducted a meta-analysis of the relationship between ESG and financial performance from 2015-2020.<sup>3</sup> Among other conclusions, the study found:

- Improved financial performance due to ESG becomes more noticeable over longer time horizons.
- There is a positive correlation between sustainability initiatives and financial performance, likely due to mediating factors such as improved risk management and increased innovation.
- ESG integration, broadly speaking as an investment strategy, has historically performed better than negative screening approaches.

3. ESG and Financial Performance: Uncovering the Relationship by Aggregating Evidence from 1,000 Plus Studies Published between 2015 – 2020, 2021. <https://www.stern.nyu.edu/experience-stern/about/departments-centers-initiatives/centers-of-research/center-sustainable-business/research/research-initiatives/esg-and-financial-performance>

# ShareAction Ranks New York Life Investments No. 11 out of 77 Asset Managers for Responsible Investing<sup>4</sup>

A nonprofit organization focused on advancing responsible investing to foster economic growth, ShareAction conducts a biannual survey of the largest global asset managers to assess the ambition, scope, and transparency of their approach to responsible investing. Our ranking reflects our commitment to act in the best long-term interests of our clients and our belief that considering materially relevant environmental, social, and corporate governance data can help mitigate risks and uncover opportunities. Read ShareAction's [Point of No Returns 2023 report](#) for more.

4. Rating as of February 2023. Managers were selected based on their assets under management (AUM) according to IPE's 2021 Top 500 Asset Managers List (accessed 27 January 2023). ShareAction is the organization that tabulated the rating. For more information, [click here: ShareAction's Point of No Returns 2023](#). No compensation was paid for the creation and distribution of this ranking. All opinions expressed are solely those of ShareAction. For more information about the methodology, [click here: ShareAction](#).



## In 2022, New York Life Investments boutiques uncovered new opportunities to align investment goals and values, and enhance transparency and accountability.

### Advancing Transparency and Progress in Responsible Investing

One of the ways that transparency and accountability in ESG investing can be advanced is through participation in investor initiatives and frameworks that support responsible investing practices.

#### PRI

The United Nations Principles for Responsible Investment (PRI) is an international organization that promotes incorporating environmental, social, and corporate governance factors into investment decision-making. Every boutique across the New York Life Investments family is a signatory of the six principles.

For more information on the PRI commitment, [click here](#).

#### GRESB

NYL Investors and Tristan Capital Partners both participate in [GRESB](#) assessments, a recognized framework for benchmarking ESG performance in the real estate sector. Both firms have successfully improved their scores in the past two years. NYL Investors' real estate equity investments, for example, have shown continued improvement due to including like-for-like energy reductions, increased green

building certifications, enhanced training for property managers, and improved fund-level disclosure of ESG performance. Additionally, Tristan pursued more than 50 new green building certifications in 2022, including BREEAM, DGNB, LEED, WELL, and Fitwel.

### The \$1 Billion Impact Investing Initiative

Looking to address the racial wealth gap in the United States by investing in underserved and undercapitalized communities, New York Life announced a \$1 billion investment initiative in 2021. The initiative is overseen by NYL Investors. By October 2022, New York Life had committed the full \$1 billion.

Impacts of the initiative include:

- Financing 100 small businesses across the United States
- Committing to the creation of 15,000 units of affordable multifamily rentals
- Financing three homeless shelters as part of New York City's "Turning the Tide on Homelessness" initiative

## Striving for Greater Diversity

On the journey toward a more inclusive workplace, the financial services industry shows signs of progress. New York Life Investments strives to be a leader in the industry in matters of diversity, equity, and inclusion (DE&I). We recognize that doing so will require continual reflection, dialogue, and action — work we are committed to in order to drive cultural change both within New York Life Investments and across the industry.

### Our ongoing initiatives include:

- Participating in multiple engagements and events throughout the year as part of our commitment to [The Equity Collective](#), a group of 27 wealth and asset management companies led by Morgan Stanley and committed to developing the next generation of diverse leaders in the finance industry.
- Launching an internal training program called “Bridging Blind Spots,” hosted by New York Life’s Diversity, Equity & Inclusion Center for Awareness and Advocacy (DE&I Center), encouraging employees of all backgrounds to reflect on their unique perspectives.
- Employees are empowered to identify their unconscious biases and utilize tools to mitigate them within an open, honest, and supportive environment.
- Partnering with [YearUp](#), a nonprofit organization focused on training and placing people of diverse backgrounds in internships and helping them earn full-time positions. Since 2013, New York Life (including New York Life Investments) has hired over 250 diverse interns, with nearly 45% being placed at the company either on a full-time or consultancy basis.

All these initiatives aim to build a more inclusive and diverse workforce and provide professionals with the skills and knowledge they need to succeed in the financial services industry. In 2022, New York Life Investments boutiques have also taken steps to improve diversity and inclusion within their firms. One example: Apogem became a signatory of the Institutional Limited Partners Association’s [Diversity in Action](#) initiative, which aims to bring together limited partners and general partners who share a commitment to advancing DE&I.





## Giving Back

At New York Life Investments, we're committed to giving back to our communities through volunteering and charitable work. We encourage our employees to become involved in causes they're passionate about, supporting them with paid time off to volunteer and offering charitable match programs in which they can participate. In 2022, our employees were actively involved with philanthropic organizations and charitable causes worldwide. Here are a few examples of how we engaged with our communities — helping to create a better future for everyone.

- In partnership with the [Henry Street Settlement and the Urban Family Center](#), a team at New York Life Investments built bicycles for children whose families can't afford them, in an effort to support healthy lifestyles and independence at a young age. The team also worked on a grant on behalf of the Urban Family Center and donated to the Henry Street Settlement.
- Volunteers partnered with two New York City shelters to send birthday gifts and Halloween costumes to hundreds of children. In addition, more than 200 backpacks were purchased for Volunteers of America's [Operation Backpack](#), and more than 200 sets of slippers, socks, and pajamas were donated to a family shelter in Brooklyn.
- The [Advisor Advancement Institute \(AAI\)](#) at New York Life Investments is an educational platform designed to help financial advisors improve their practices and foster deeper, more meaningful relationships with their clients. In 2022, AAI delivered more than 50 interactive workshops and educational events to members of disenfranchised communities. Topics included the basics of investing, money management for children, financial discussions with aging parents, resume building, and self-assessment of financial fitness.
- The Candriam Institute for Sustainable Development leads Candriam's philanthropic initiatives as an extension of the firm's sustainable investing goals. In 2022, it strengthened its inclusive youth empowerment program, awarding [new scholarships to first-generation students<sup>5</sup>](#) at Maastricht University in the Netherlands and launching [a new educational program in Belgium](#) to nurture the long-term potential of disadvantaged young people. In 2022, Candriam also supported initiatives to help children affected by the devastating floods in Pakistan and people uprooted by the war in Ukraine.

5. Candriam defines first generation students as students from non-academic backgrounds who are the first in their families to follow higher education—university or university of applied sciences.

## Our Historic Headquarters, Built on Sustainability

New York Life’s office at 51 Madison Avenue in New York City has served as a home base for the operations of several of our boutiques. One of the few corporate headquarters of its era to still house its original owner and developer, the structure underscores the staying power and community-first ethos that make us who we are today. The building has earned several environmental credentials for its energy efficiency and low resource use:

- Leadership in Energy and Environmental Design Existing Building (LEED-EB) Gold certification from the U.S. Green Building Council
- Two-star Fitwel certification
- Building Owners & Managers Association of Greater New York’s Corporate Facility Pinnacle Award

In 2022, the Corporate Services Group at New York Life, which oversees the dining services in the building, stepped up efforts to reduce waste in a few important ways:

- To reduce plastic waste: increased use of reusable trays, wire baskets, and other serverware for in-house and external catering events.
- To reduce food waste: partnership with Replate to donate surplus food to individuals experiencing food insecurity.

Indeed, 51 Madison Avenue is more than a building. It is a symbol of our belief in continuous improvement and being the industry standard.

## Responsible Operations

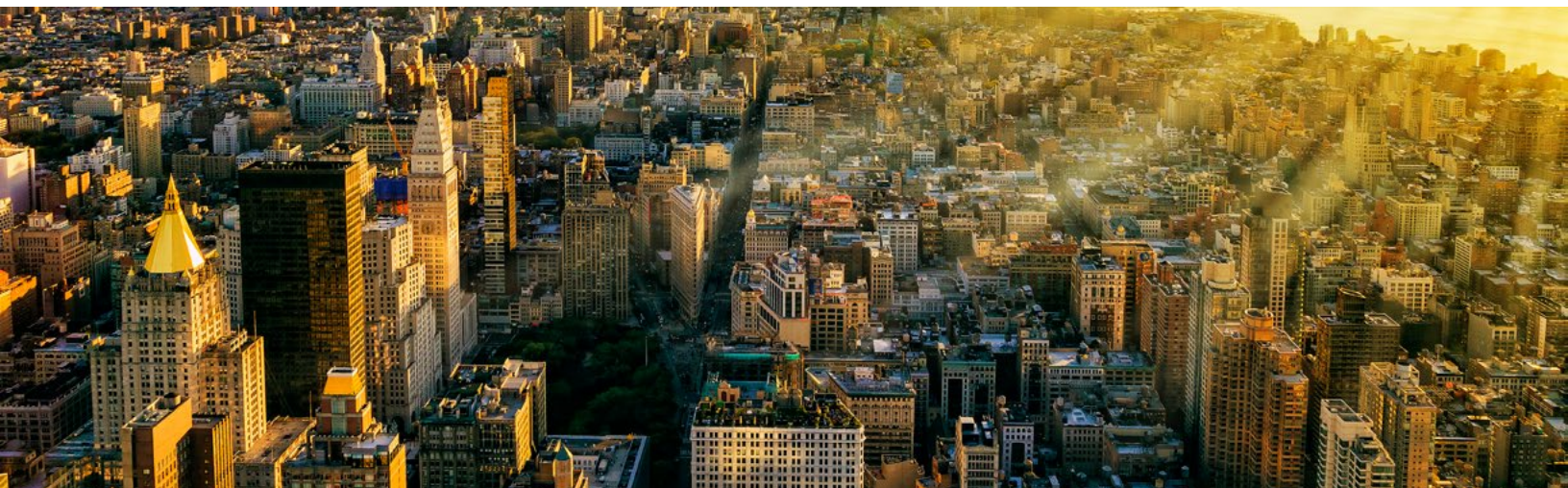
The commitment to sustainability from our parent company, New York Life, and our boutiques drives our ongoing efforts to understand and better manage our day-to-day operations.

Initiatives shared by New York Life and certain New York Life Investments boutiques include:

New York Life will move from hosting 70% of the company’s systems and applications onsite to only 10% to 15%, while shifting the rest to the cloud. This move provides the opportunity to work with cloud partners that prioritize security and sustainability in their facilities, offering greater access to renewable energy and a more efficient power consumption model.

Partnerships were also established with third parties that repurpose, donate, or recycle IT equipment.

Additionally, New York Life encourages its employees to live and work sustainably. Eco-friendly actions include printing less to conserve paper, recycling, and using remote technology instead of business travel when possible. Altogether, these actions are not only positive for the environment, but are also more cost-effective for our business.





# ESG in Action: Our Global Impact

Our multi-boutique model means each boutique draws on its deep domain expertise to help clients reach their specific financial goals. It is with that same autonomy and perspective that the boutiques are able to integrate ESG considerations into their investment approaches in ways most relevant to their clients, asset classes, and geographies.

We invite you to explore how each boutique continues to drive progress across the industry by engaging with clients, issuers, and peers to identify risks, collaborate on solutions, and share new learnings and best practices.



# NYL Investors

A wholly owned subsidiary of New York Life, NYL Investors manages more than \$297 billion in assets, which includes the vast majority of New York Life’s General Account and more than \$24 billion in mandates for third-party clients and affiliates. The NYL Investors ESG Executive Committee is the foundation of the firm’s governance of responsible investing. This committee, chaired by NYL Investors’ head of ESG, includes the CEO and senior executives across NYL Investors and oversees the firm’s ESG strategy and execution. The committee meets regularly to discuss ESG topics and provide guidance on areas such as ESG process integration, engagement, and social initiatives.

## ESG Process Integration

At NYL Investors, ESG assessments have become a more deliberate component of their investment due diligence process. The investment teams aim to assess material and relevant ESG factors that can impact the financial performance of a company as part of the firm’s fiduciary responsibilities toward clients. In addition to ESG factor assessment, a proprietary ESG score is applied to corporate bond, structured asset, and private placement issuers held in portfolios managed on behalf of clients. At the end of 2022, more than 4,200 issuers have been assigned ESG scores. In 2022, NYL Investors also began to apply a new ESG framework for sovereign assets, including U.S. Treasuries and government-sponsored entities. The integration process continues to expand and evolve as a component of investment due diligence.

6. As of 12/31/2022. NYL Investors changed the assets under management (AUM) calculation methodology as of 12/31/2022, see footnote 2 in the graphic on page 6.



## Education and Engagement

As a signatory of the United Nations PRI, NYL Investors is committed to keeping stakeholders apprised of the firm's ESG integration progress. Examples of internal engagement at NYL Investors include ESG lunch-and-learns and an ongoing ESG webinar series for employees. NYL Investors also collaborates with other New York Life Investments boutiques and New York Life's Corporate Responsibility department to share ESG insights and best practices.

Externally, NYL Investors engages with investee companies on financially material ESG topics and with third-party ESG raters to ensure they understand the firm's approach, priorities, and progress. In relation to managing New York Life's General Account assets, ESG trends are discussed within the insurance peer group and trade associations to help shape policy and advocate for ESG issues important to the industry. NYL Investors is committed to keeping external stakeholders informed of ESG integration progress and challenges.

## DE&I and Volunteerism

NYL Investors partners with New York Life's Office of Diversity, Equity, and Inclusion to promote equal employment opportunities and workforce diversity, strengthen diverse procurement practices, engage in community outreach, and support a culture that continuously evolves by actively welcoming and respecting different backgrounds and points of view for the benefit of its employees.

NYL Investors' employees support multiple volunteer efforts throughout the year, including Season of Giving, City Harvest, Volunteers of America-Greater New York's (VOA-GNY) initiatives Brightening Birthdays™ and Operation Backpack®, and many more. In 2022, volunteers sent birthday gifts to 147 children living at two New York City shelters operated by VOA-GNY through its Brightening Birthdays™ initiative, provided more than 100 Halloween costumes and purchased more than 200 backpacks for its Operation Backpack® campaign. Additionally, more than 200 sets of slippers, socks, and pajamas were donated to a shelter in Brooklyn serving 98 families for the Season of Giving.

## Investing Responsibly for Today and Tomorrow

In addition to incorporating ESG factors into the investment due diligence process, NYL Investors has found opportunities to invest in cleaner energy solutions that will support the transition to a low carbon economy. Importantly, these investments are expected to meet the financial needs of its clients while contributing to a more sustainable environment and economy. For example, the team has invested in equity infrastructure funds that invest in renewable power generation and supply stability, solar and wind projects, electric vehicle infrastructure, and other sustainable activities. The team has also leveraged its expertise in structured finance to invest directly in solar projects and has financed the production of green rail cars.



## The \$1 Billion Impact Investing Initiative

In April 2021, New York Life announced a \$1 billion impact investment initiative to help address the racial wealth gap in America by investing in underserved and undercapitalized communities. Overseen by NYL Investors, the original goal was to invest these funds over three years, but it achieved its \$1 billion milestone just 18 months later, in October 2022.

The full effects of these long-term commitments won't be realized for years. Nevertheless, impacts at the 18-month mark include:

### *Financing 100 Small Businesses Across the United States*

Through a \$200 million commitment in support of small businesses, New York Life plans to make 20-25 venture capital and growth equity limited partnership commitments in collaboration with Fairview Capital, a Black-owned asset manager co-founded by Laurence Morse, a pioneer in venture funds of funds and social impact investing. Under Morse's leadership, Fairview invests with rigorously selected, diverse fund managers in Black-owned and other diverse businesses that traditional funders have overlooked. So far, New York Life has invested in 100 small businesses across the United States, the majority of which are owned or led by minority or women business leaders. Additionally, this partnership has allowed New York Life to deploy investment capital with Base10 Partners, the world's largest Black-led venture capital firm by assets under management. Read more about how our work with Base10 Partners promises to boost the endowments at historically Black colleges and universities [here](#).



### *Commitments to the Creation of 15,000 Units of Affordable Multifamily Rentals*

Through this initiative, New York Life has invested over \$300 million in low-income housing projects that generate tax credits, providing key equity financing that is the foundation for new affordable housing construction. Additionally, we have entered into two \$50 million financing arrangements with trusted Community Development Financial Institutions (CDFI)—all of which create and build generational wealth.

### *Supporting New York City’s “Turning the Tide on Homelessness” Initiative*

New York Life financed three homeless shelters, two of which are new-construction developments for homeless individuals in Brooklyn and Queens. The third is a rehabilitation of an existing shelter in Brooklyn. Not only do these transactions meet return objectives for General Account investments, but they also unlock capital for additional shelters that will help those in need transition to more stable housing in a safe and dignified way.

### *Transparency*

As the firm’s ESG strategy evolves and matures, NYL Investors is committed to keeping internal and external stakeholders informed of its progress. As evidence, the ESG team has developed an internal newsletter for employees and engages with external stakeholders on various ESG topics.

NYL Investors believes responsible investing is a journey that needs to be thoughtfully implemented to be effective in its outcomes, and the firm is committed to transparency as it moves forward.

In 2022, New York Life demonstrated a deep commitment to underserved and undercapitalized communities, and that dedication will be ongoing. New York Life will continue to develop large-scale solutions and investment structures that aim to deliver broad and inclusive economic outcomes linked to job growth, health and wellness, and personal and household advancement.



# CANDRIAM

Candriam, a pioneer in sustainable and responsible investing for more than 25 years, is a global, multispecialist asset manager headquartered in Luxembourg, with approximately \$149 billion in assets under management.<sup>7</sup> A founding signatory of the PRI charter in 2006, the firm’s focus and dedication to drive progress and identify sustainable opportunities for investors is embedded in its name, which stands for Conviction AND Responsibility In Asset Management.

## **Setting a Global Standard in ESG Accountability**

Across the firm, Candriam has more than 50 people involved in sustainable governance and investment. A consistent and aligned approach is achieved through several strategic committees, such as the Strategic Sustainability Committee comprised of senior managers, the ESG and CSR Steering Committees, the Sustainability Risk Committee, and the Proxy Voting Committee.

7. Candriam changed the assets under management (AUM) calculation methodology as of 12/31/2022, see footnote 2 in the graphic on page 6. AUM not denominated in USD is converted at the spot rate as of 12/31/2022.



## Structurally Integrated ESG Analysis

Sustainability is at the core of Candriam’s investment philosophy. The connection between ESG principles and the risk/return profiles of issuers is central to the investment approach. This approach is reflected across the firm’s investment process to help clients meet their unique objectives.

To execute in the best interest of clients, Candriam’s in-house ESG team of 20 experts analyzes the business activities and stakeholder practices and conducts a norms-based analysis of potentially controversial activities. This process helps to identify any overarching risks. The team also conducts country-by-country analyses of ESG risks and opportunities for

sovereign debt issuers employing its nuanced proprietary sovereign model. Embedding ESG analysis across the investment process allows clients to achieve diverse financial, environmental, and social objectives while aligning their portfolios with their values.

### Sustainable Investment Solutions: Notable Strategies

In keeping with Candriam’s ongoing commitment to sustainable investing, the firm has sustainable strategies across all major asset classes – equities, emerging market equities, bonds, high-yield bonds, emerging market bonds, money markets, private equity impact funds of funds, and, through partners, real estate and private debt. During 2022, Candriam continued to

expand its sustainable strategy lineup. As an example, the firm introduced a sustainable balanced asset allocation strategy that has a carbon reduction goal that is 25% below its benchmark index. In addition, Candriam launched a new thematic strategy investing in companies contributing to sustainable food production and/or supporting healthier populations. The strategy targets global companies active in urban agriculture, precision farming, organic food, alternative proteins, and dietary supplements. Candriam also introduced a global convertible strategy, committed to a 30% reduction in carbon footprint and a higher ESG score than its benchmark index.

Embedding ESG analysis across the investment process allows clients to achieve diverse financial, environmental, and social objectives while aligning their portfolios with their values.



## Ongoing Engagement and Voting to Improve Outcomes

For over two decades, Candriam has engaged with companies on responsible investing issues through proxy voting, direct dialogue, collaborative dialogue, and the promotion of sustainable finance.

### Priorities in Proxy Voting

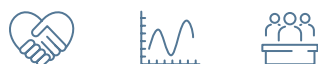
Since 2015, Candriam has prioritized a set of topics and principles.

#### Topics:



- Energy transition
- Fair working conditions
- Business ethics

#### Principles:



- Rights and equal treatment of shareholders
- Accuracy of financial information
- Independence and accountability of the board

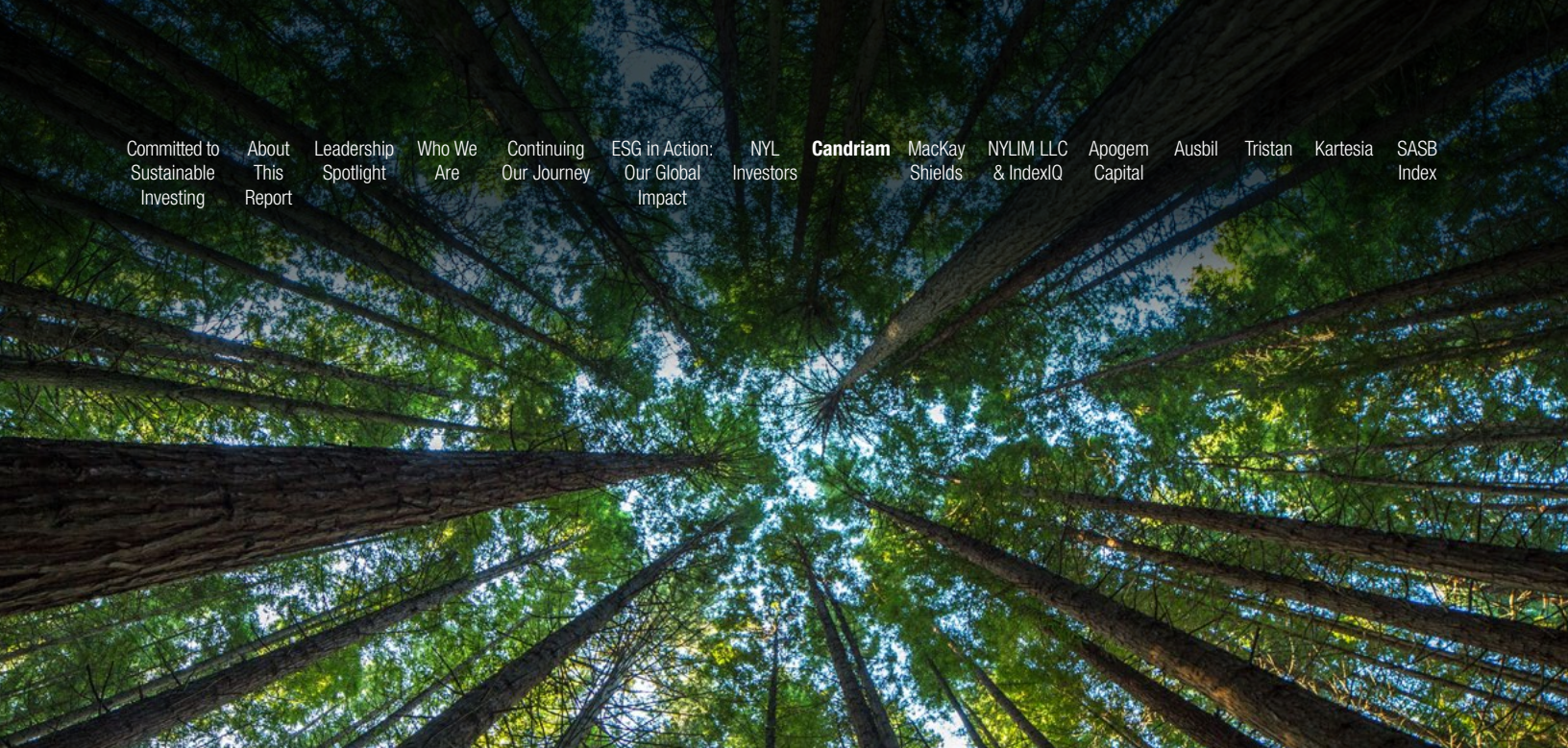
As a responsible investment manager, Candriam is committed to engaging with issuers and exercising its shareholder voting rights to promote constructive dialogue and positive change. The firm remains committed to facilitating these necessary conversations among issuers, investors, and the public. For more information on Candriam’s Stewardship Activities, please visit their [website](#).

## Spotlight: Combating Forced Labor in the Solar Panel Supply Chain

Amid increased evidence of Uyghur forced labor within the solar panel supply chain and new legislation in the U.S. and the EU to address the issue, Candriam took a lead role in bringing parties together to combat the problem. By facilitating discussions within the Uyghur Region Engagement Group, Candriam and a coalition of 70 investors connected with over 60 companies on the issue.

In particular, Candriam engaged with an investee in the solar panel industry, global solar panel supplier LONGi Green Energy Technology (LONGi), exploring the use of forced labor in the company’s factories. Throughout the year, the engagement continued, with Candriam communicating best practices and investors’ expectations. Ultimately, LONGi was receptive to the engagement and improved its procedures, audit process, and supplier code of conduct as a result. Candriam will continue to monitor the company and offer constructive criticism to management.





## The Candriam Institute for Sustainable Development

The Candriam Institute for Sustainable Development (the Institute) leads the company's philanthropic initiatives as an extension of its sustainable investing goals. The Institute supports a portfolio of initiatives balanced across four impact areas:

### 1. ESG education and research

The Institute's flagship education project, Candriam Academy, marked its fifth anniversary in 2022. As of December 2022, it has more than 12,000 members in 53 countries. In celebration of these milestones, the academy content was redesigned to include more training modules and languages. Learn more about the updates [here](#).

### 2. Social inclusion and solidarity

The Institute also strengthened the inclusive youth empowerment program. Candriam awarded new scholarships to first-generation students at Maastricht University in the Netherlands and launched a new educational program in Belgium to nurture the long-term potential of disadvantaged young people.

In 2022, Candriam also supported solidarity initiatives to help children affected by the devastating floods in Pakistan, as well as families and students uprooted by the war in Ukraine.

### 3. Protection of the environment

The Institute's environmental program continued to invest in restoring fragile ecosystems that communities around the world need to sustain their economies.

### 4. Fight against cancer

The Institute's fight against cancer continued unabated in 2022. The Institute supported 12 leading organizations that are advancing innovative, underresearched, or underfunded cancer research projects, as well as providing social support and patient care.

## For over 15 years, Candriam’s ESG analysis has embedded climate mitigation and adaptation across its sustainable investment strategies.

### Environmental Sustainability

As the impact of climate change persists, Candriam maintains its commitment to reduce the environmental impact of its investments and operations.

For over 15 years, Candriam’s ESG analysis has embedded climate mitigation and adaptation across its sustainable investment strategies. In 2021, the firm became a signatory of the Net Zero Asset Managers Initiative,<sup>8</sup> committing to achieve net-zero carbon emissions by 2050. To reach this goal, Candriam made notable progress in 2022 by identifying the scope of the commitment related to specific portfolios and various methods for decarbonization. Candriam has mapped three methods for its portfolio decarbonization to best suit the underlying investment strategies and asset classes: absolute contraction, temperature alignment, and climate benchmark limit. These methods allow for a more targeted approach to decarbonization, as needs can vary across thematic strategies and broad-based diversified strategies with an inherently low carbon intensity.

### Diversity and Inclusion

Candriam recognizes the importance of supporting a diverse and inclusive workforce. To that end, the firm has developed a strong collaboration with leading European business schools and universities to enhance the inclusivity of its talent acquisition strategy. These principles are incorporated into enterprise-wide policies through the firm’s Diversity & Inclusion Charter, Anti-Harassment and Non-Discrimination Policy, and mandatory education on the prevention of discrimination and harassment.

Candriam also continues to support a robust culture of learning across the firm. Managers receive training to raise awareness and encourage diversity and inclusion practices within their teams. In addition, Candriam established qualitative and quantitative reporting criteria to reinforce accountability through several initiatives, including the Febelfin Charter, Edge Certification, the Workforce Disclosure Initiative, the French Asset Management Association, and UN Women.

8. [https://www.candriam.com/en/professional/SysSiteAssets/presspage/press/pressrelease/2021/11---2021/pr\\_nzami-announcement\\_en.pdf](https://www.candriam.com/en/professional/SysSiteAssets/presspage/press/pressrelease/2021/11---2021/pr_nzami-announcement_en.pdf)



# MACKAY SHIELDS

Founded in 1938, MacKay Shields joined New York Life in 1984 and has grown to become a global asset management boutique focused on fixed income and equity investing. With \$129 billion in assets under management (AUM),<sup>9</sup> MacKay Shields has a presence in New York City; Princeton, New Jersey; Los Angeles; Dublin; and London. The MacKay Shields team comprises over 200 professionals who collaborate locally and across borders to navigate market cycles and deliver consistent returns for their clients.

...continued growth requires a stable,  
balanced foundation.

9. As of 12/31/2022. MacKay Shields changed the assets under management (AUM) calculation methodology as of 12/31/2022, see footnote 2 in the graphic on page 6.



## Aligning the Values of Stakeholders

MacKay Shields knows that continued growth requires a stable, balanced foundation. That's why the firm's culture of excellence is grounded in three pillars:

### *Employee Commitment*

People drive everything the company does for clients and communities. Every member of the MacKay Shields team has access to tools and resources that support collaboration across disciplines. Recognizing that people are its most valuable asset, the firm invests in the development of new skills for career advancement, supports the recruitment of the next generation of leaders, and celebrates the diverse backgrounds and perspectives of all colleagues. The support of senior leadership on initiatives helps empower employees.

The varied backgrounds, experiences, and perspectives of MacKay Shields employees are critical to the firm's success, and the company continues to take steps to expand efforts to support diversity and inclusion across the organization. As of December 31, 2022, 35% of MacKay Shields'

workforce was female, and 30% identified themselves as part of an ethnic minority group. Such data illustrates the firm's commitment to making diversity a valued part of company culture and sets MacKay Shields up to benefit from inclusive perspectives and contributions in the years ahead.

### *Responsible Investing*

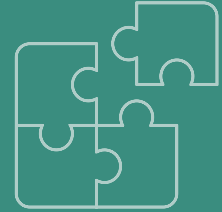
As fiduciaries entrusted to act in their clients' best interest, MacKay Shields believes that consideration of material ESG factors can have an impact on long-term investment performance and, therefore, is a natural and important component of disciplined investment research and management of client portfolios.

Each investment team at MacKay Shields considers ESG within its distinct investment philosophy and process in an effort to meet client objectives and align with client values.

### *Community Partnership*

Throughout MacKay's long history, volunteering and community service have been at the core of the firm's culture. MacKay Shields is committed to seeing its local communities thrive, and the firm takes responsibility for their well-being. From financially empowering young people to providing food security to the elderly, MacKay Shields and its employees have engaged in annual fundraising campaigns and have volunteered with mission-driven organizations. Some of the organizations supported include Invest in Girls, Fresh Air Fund, STEPtember, and God's Love We Deliver.

MacKay Shields' employees are given the resources and tools to collaborate across disciplines, develop new skills for career advancement, participate in the recruitment of the next generation of leaders, and celebrate the diverse backgrounds and perspectives of their colleagues.



### **Collaboration Among Employees and External Partners**

In an ever-changing ESG landscape, staying informed of the latest guidance and developments is critical. To remain current, MacKay Shields is involved in industry groups and organizations, including The Credit Roundtable, United Nations PRI, and Task Force on Climate-Related Financial Disclosures.

Internally, education and information-sharing remain the keys to success at MacKay Shields. To complement and assist investment teams, ESG specialists support day-to-day operations and the firm's strategic priorities around ESG research, strategy, and integration. Internal working groups have also been established within and across investment teams, as well as at the firm level. These teams provide forums for ESG governance and knowledge development at all levels of the organization.

Additionally, MacKay Shields publishes insights on various sustainability-related topics, which are available on the company website.

### **Insights and Perspectives into Climate Policy**

Passage of the Inflation Reduction Act of 2022 represents a watershed moment in United States climate policy. To offer perspective, MacKay Shields published a series that looks at the act's potential impact on the environment, inflation, and corporate sectors. Read "[Inflation Reduction Act of 2022 – A Look at Key Implications.](#)"



INVESTMENTS



NYLIM LLC and IndexIQ

### **U.S. Retail Strategies: New York Life Investment Management LLC (NYLIM LLC) and IndexIQ**

New York Life Investments' U.S. retail business includes mutual funds and separately managed accounts, which are managed by New York Life Investment Management LLC (NYLIM LLC), in addition to exchange-traded funds (ETFs) managed by IndexIQ Advisors LLC (IndexIQ). Our U.S. retail business is guided by an ESG Governance Council comprised of senior management from NYLIM LLC and IndexIQ. The ESG Governance Council is responsible for overseeing the firm's commitment to the principles of the PRI and gives strategic guidance to ESG efforts consistent with our fiduciary duties.



## Committed to Industry Innovation and Community Empowerment

Market volatility over the past year highlighted the importance of a long-term investment outlook that holistically considers risks and opportunities.

Factors such as strong internal governance, management of environmental impacts, and employee satisfaction could help identify companies that are managing risks and capitalizing on opportunities. With this long-term outlook and conviction in the fundamentals of ESG, our U.S. retail business continued to introduce new ESG strategies to the U.S. market in 2022. For example, in partnership with MacKay Shields, IndexIQ launched an actively managed high-yield strategy focused on maximizing current income potential while actively considering ESG risks. In addition, drawing on Candriam’s long history in ESG investing, IndexIQ also launched a strategy designed to deliver exposure to U.S. mid-cap equity securities of companies that satisfy ESG criteria developed by Candriam.

Looking ahead, NYLIM LLC and IndexIQ will continue to assess their offerings, gain insight into their clients’ priorities, and create innovative ESG strategies that are aligned with the values of both investors and New York Life Investments.

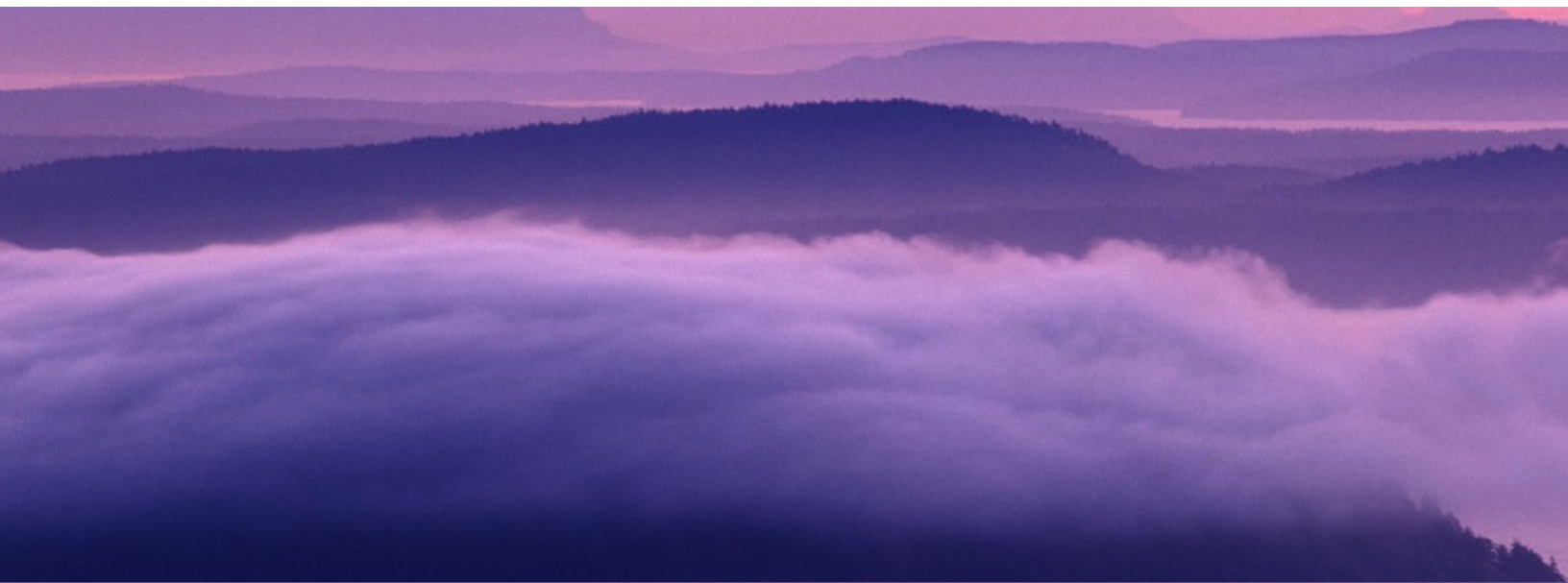
## Community Partners

NYLIM LLC and IndexIQ’s U.S. retail businesses have introduced several innovative, ESG-focused strategies to the U.S. market in recent years. These include thematic solutions investing in themes such as health and well-being, clean transportation, gender equality, and cleaner oceans. Recognizing that collective action can drive positive change, NYLIM LLC and IndexIQ have partnered with select nonprofit organizations with values and goals that align with each theme.

By offering investment solutions aligned with important social and environmental themes, NYLIM LLC and IndexIQ are proud to support—via financial contributions and service—the following organizations:

- American Heart Association’s Social Impact Funds
- National Wildlife Federation
- Girls Who Code
- Oceana

Contributions to these nonprofit organizations support initiatives like improving access to healthy foods in underserved communities and reducing the amount of single-use plastic that enters our oceans.



IndexIQ was proud to receive a 2022 Wealthie Award in the New Product Development category for its Dual Impact Suite Expansion initiative. Learn more about this recognition [here](#).<sup>10</sup>



10. IndexIQ is a Wealth Management.com 2022 Industry Award Winner for the category New Product Development for the Dual Impact Suite Expansion initiative. The award was given on September 8, 2022. The time period covered in the assessment was April 2021 through April 2022. No direct or indirect compensation was paid for the creation and distribution of this award. All opinions expressed are solely those of wealthmanagement.com. For more information about the methodology [click here](#).

NYLIM LLC and IndexIQ employees also had individual opportunities to support these groups. From co-authoring blogs and newsletter articles with the National Wildlife Federation and the American Heart Association (AHA), to hosting a financial education webinar for employees at Girls Who Code, team members were able to positively impact the well-being of their communities. Moreover, many participated in numerous activities and volunteer events with each organization — such as cleaning up local parks throughout the year in support of the National Wildlife Federation’s Clean Earth Challenge and participating in virtual walkathons to raise money for the AHA’s Social Impact Funds.

In 2022, NYLIM LLC and IndexIQ’s efforts with their nonprofit partner organizations<sup>11</sup> reached an audience of almost 3 million people.

Our relationship with these partners extends beyond our investment solutions. We also seek to bring their values and missions to our employees.



11. Supported nonprofit organizations are the American Heart Association’s Social Impact Funds, the National Wildlife Federation, Girls Who Code, and Oceana.

## Girls Who Code: Empowerment Through Technology

Founded in 2012, Girls Who Code is a nonprofit organization encouraging more women and nonbinary individuals to enter the field of computer science by offering educational programs and clubs for students.

Yasmin Chowdhary, daughter of a New York Life Insurance Company employee, learned about Girls Who Code through an employee education event, and as a result, she participated in their 2022 Summer Immersion Program for students in grades nine through 12. The program enabled her to deepen her coding skills while exploring potential career paths in technology. Chowdhary has since leveraged this experience to launch a website that educates young people about mental health.

“Many young people struggle with mental health and need to know they’re not alone,” she says. “Getting professional help and treatment can be a lifesaver. I’m grateful to raise awareness on this important topic using the platform and skills that Girls Who Code provides.”

For Chowdhary, the greatest reward of the program was the bond she formed with the other students. “I met a group of amazing and supportive girls from all over the country,” she says. “We formed a sisterhood and continue to encourage each other to this day. It’s an experience I’ll never forget.”

*For more information on Girls Who Code and its Summer Immersion Program, visit [girlswhocode.com](https://girlswhocode.com).*

*For more information on ESG Investing, please see [newyorklifeinvestments.com](https://newyorklifeinvestments.com).*



“Many young people struggle with mental health and need to know they’re not alone.”

— Yasmin Chowdhary



## Promoting Financial Literacy in Our Communities

The [Advisor Advancement Institute \(AAI\)](#) at New York Life Investments is a comprehensive educational platform designed to help financial advisors improve their practices and foster deeper, more meaningful relationships with their clients. Since its launch in 2018, AAI has made supporting financial education in underserved communities a significant part of its mission.

In 2022, AAI delivered over 50 interactive workshops and educational events to disenfranchised communities. Topics included the basics of investing, money management for children, financial discussions with aging parents, resume building, and self-assessment of financial fitness. By offering inclusive and relevant financial education, AAI continues to play a crucial

role in promoting financial literacy and well-being while empowering more diverse talent to pursue careers in finance.

New York Life Investments is proud to be a member of [The Equity Collective](#), launched by Morgan Stanley in late 2021. The Equity Collective is a leading group of 27 wealth and asset management firms that have joined forces to educate, empower, and cultivate the next generation of diverse leaders in the finance industry. As part of our commitment, New York Life Investments continues to collaborate with three select organizations—Boys & Girls Clubs of America, Team IMPACT, and hellohive—in driving awareness and participating in education events throughout the year.





# Apogem Capital

Apogem Capital (Apogem) is an alternatives investor formed in April 2022 by the combination of three firms with decades of investing experience with approximately \$40 billion in assets under management.

Apogem offers a broad range of debt and equity strategies that seek to meet the capital needs of managers and sponsors and provide investors with an array of choices to match their preferences and risk tolerance. Apogem's investment strategies include private credit, private equity, GP stakes, and private real assets.

## **Combining Collective ESG Experience Into a Forward-Looking Strategy**

Apogem believes that operating and investing responsibly is essential to establishing long-term relationships, generating attractive returns, mitigating risk, and building sustainable businesses. Apogem is enhancing its ESG processes, establishing strong governance practices, and integrating material ESG risks and value creation opportunities into investments made by the firm.

12. As of 12/31/2022. Apogem changed the assets under management (AUM) calculation methodology as of 12/31/2022, see footnote 2 in the graphic on page 6.

As part of its commitment to ESG, Apogem hired a Head of ESG in October 2022 to oversee and support the development of its firmwide ESG approach and to chair its ESG Committee. This committee meets quarterly and oversees ESG-related matters, including its ESG policy, internal screening and monitoring processes, communication, and training for the broader Apogem team, as well as PRI reporting. The ESG Committee includes Apogem’s CEO and CFO, as well as the heads of Apogem’s private equity and private credit businesses, select investment strategies, and relevant corporate functions. In addition, an ESG Subcommittee supports the ESG Committee by evaluating and implementing Apogem’s ESG initiatives. The ESG Subcommittee meets monthly and is comprised of key representatives from each investment strategy and relevant corporate groups.

## Commitment to Diversity, Equity, and Inclusion (DE&I)

### *ILPA Diversity in Action*

Apogem became a signatory to the Institutional Limited Partners Association (ILPA) Diversity in Action initiative in April 2023. The ILPA Diversity in Action initiative brings together limited partners and general partners who share a commitment to advancing DE&I. As a signatory, Apogem, as both a firm and investor, is committed to engaging in actions that advance DE&I within its organization and across its industry.

### *Diversity in Private Equity*

In 2021, Apogem commenced an investment approach that connects emerging and diverse managers with capital, both as a fund investor and as a co-investor. By investing in this historically underrepresented segment of private equity, Apogem aims to be an active participant in further advancing diversity within private equity while also focusing on delivering strong investment returns.

### *Looking Ahead*

The firm is committed to executing its strategic priorities, which include conducting an ESG materiality assessment to inform its ESG priority areas, working to develop ESG commitments, refining its relevant policies, educating and developing its stakeholders, and enhancing its approach to the research and analysis of ESG topics. Apogem is also an advocate for increased transparency and communication with its investors and stakeholders on matters related to responsible investing.

Apogem will continue to collaborate with the investment boutiques of New York Life Investments to remain informed and involved in industry ESG best practices.

13. Diverse individuals include racial/ethnic minorities, women, disabled individuals, veterans, and LGBTQ+ individuals. Fund managers must self-identify as diverse.



# ausbil

Ausbil Investment Management Limited (Ausbil) is a leading Australian investment manager. Established in 1997, Ausbil's core business is the management of Australian and global equities for superannuation funds, institutional investors, master trusts, and retail clients. As of December 31, 2022, Ausbil manages over \$10 billion in active Australian and global equity investments.<sup>14</sup>

## ESG Integration at Ausbil

Fundamental, proprietary research helps capture the insights that allow active managers to generate a capital return potential beyond the return of the market sector in which they invest. Ausbil's in-house investment analysts and ESG researchers collaborate in an effort to maintain thorough, independent perspectives on ESG opportunities and risks. Ausbil embedded the ESG research team within its larger investment team to empower the ESG team to work side by side with equity analysts and portfolio managers. With this deep level of organizational integration, the team can provide ESG-related investment insights, ESG scores, ESG SWOT (strengths, weaknesses, opportunities, and threats) analysis, and its perspective on proxy voting. For Ausbil and its clients, the result is proprietary ESG research that seeks to strengthen traditional financial analysis. At a higher level, it also informs a holistic investment decision-making process across Australian equities and the firm's global strategies.

14. Ausbil changed the assets under management (AUM) calculation methodology as of 12/31/2022, see footnote 2 in the graphic on page 6. AUM not denominated in USD is converted at the spot rate as of 12/31/2022.



Ausbil is an active member and signatory of several ESG industry organizations, including but not limited to:

- Responsible Investment Association Australasia (RIAA)<sup>15</sup>
- Investors Against Slavery and Trafficking Asia Pacific (IAST APAC)<sup>16</sup>
- Investor Group on Climate Change (IGCC)<sup>17</sup>

### Supply Chain Analysis in Human Rights

Ausbil is deeply committed to advancing human rights and combating modern slavery. Among other practices, modern slavery can include human trafficking, slavery, servitude, forced labor, and child labor.

The firm uses its leadership position within the Australian investment management industry to champion positive change in these areas. For example, from 2020 to 2022, Ausbil served on an advisory group of experts that assisted the Australian government with the effective implementation of the Australian Modern Slavery Act. The pioneering piece of legislation requires Australian companies with annual consolidated revenue of at least AU\$100 million to report the modern slavery risks within their organizations and maintain responsible and transparent supply chains.

As a result of Ausbil’s participation in the development and implementation of this effort, Måns Carlsson, Ausbil’s Head of ESG, was awarded a letter of commendation from Anti-Slavery Australia in 2019. In 2022, Carlsson was awarded the Medal of the Order of Australia in the General Division for service to the sustainable investor sector.

### Climate Change

In 2022, Ausbil updated its climate change policy, which analyzes climate risks and opportunities around three climate change scenarios over three time frames for Australian Stock Exchange (ASX)-listed companies.

The methodology applies the concept of “net risk,” which considers the risks and opportunities presented by physical climate change and transition risk, including both technology and regulatory change. In addition to traditional carbon footprint analysis, this research allows Ausbil to assess climate risk more accurately. It also guides Ausbil’s company engagement activities concerning climate change.

15. Ausbil has been a member since 2003. Måns Carlsson, Head of ESG, currently chairs RIAA’s Human Rights Working Group and was recently appointed to the group’s Board of Directors.

16. Ausbil has been involved since 2020 and is on the steering committee, chairs a working group, is an active lead investor on one company engagement, and is a support investor on three other company engagements.

17. Ausbil is a support investor on six company engagements with the IGCC, a signatory to the Plastics Solutions Investor Alliance, and is involved in the Investor Alliance for Human Rights.

## Advocacy Through Action

Outlining Ausbil’s stewardship initiatives, the firm published their 2022 Annual [ESG Advocacy and Engagement Report](#).

Following are the key highlights from 2022:

- Ausbil undertook ESG-related engagements with companies on over 170 occasions, addressing topics including climate change, human rights and modern slavery, gender diversity, cybersecurity, indigenous rights, and corporate culture.
- Ausbil issued a second voluntary [Statement on the Modern Slavery Act](#), informed by the requirements of the Australian Modern Slavery Act. This statement builds on the firm’s in-depth, proprietary ESG research, focusing on ASX-listed companies’ exposure to modern slavery risk in operations and supply chains, as well as company risk management.
- Ausbil presented to investors and companies at numerous industry events, focusing on the investor’s view on modern slavery and ideas for mitigating this risk.
- Ausbil collaborated with other investors to make a submission to the Australian government as part of the official review of the Modern Slavery Act, suggesting amendments to make the legislation more effective.
- Ausbil provided feedback to the Australian government and to individual companies on their modern slavery statements.

## Committed to ESG Thought Leadership

In 2022, Ausbil representatives advocated for ESG issues in speaking engagements for IAST APAC members and the RIAA conferences in Australia and New Zealand. Ausbil also chaired RIAA’s Human Rights Working Group and presented on a panel at the ESG in Real Estate Conference, which focused on ESG data. Ausbil presented its view that there’s more value in interpreting ESG data than in the ESG data itself.

In 2022, Ausbil cosigned the 2022 Global Investor Statement to Governments on the Climate Crisis, which recognizes that more action is needed to meet the goal of limiting the planet’s temperature increase to 1.5 degree Celsius above pre-industrial levels by the end of this century to avoid the worst impacts of climate change. Ausbil also cosigned the investor statement on ethical artificial intelligence, organized by the Collective Impact Coalition for Digital Inclusion. This collaborative engagement opportunity was organized under the umbrella of the World Benchmarking Alliance.

In the future, Ausbil plans to publish its own sustainability report covering issues such as modern slavery and forced labor in global supply chains, and climate change and decarbonization, as well as the importance of a healthy corporate culture.





## TRISTAN

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### CAPITAL PARTNERS

Tristan Capital Partners<sup>18</sup> (Tristan) is a €15 billion<sup>19</sup> real estate investment management company headquartered in London, specializing in a range of property types across the U.K. and continental Europe. Tristan’s core values of performance, teamwork, partnership, trust, and integrity support the firm’s commitment to embedding ESG standards and practices at the fund and asset level.

### **Building Momentum for ESG in Real Estate**

Tristan’s ESG strategy is designed to consider market context, legislative drivers, investor expectations, and the outlook of the Tristan leadership team. Management’s approach to each issue is outlined within Tristan’s ESG Policy. This policy, along with the Sustainable Development Charter, dictates the strategy of the entire Tristan portfolio and the Tristan organization itself. [Learn more and download Tristan’s ESG Policy here.](#)

Tristan’s ESG Committee meets quarterly with the firm’s senior leadership team to agree on the firm’s priority initiatives. Additionally, an independent external consultant, Longevity Partners, works with Tristan to execute the strategy and manage due diligence across the portfolio for both new and existing assets. Tristan also uses Deepki, a platform for monitoring the environmental footprint of properties, which helps identify methods to reduce the environmental impact and the de-risking of assets.

For strategies subject to Article 8 of the EU’s Sustainable Finance Disclosure Regulation (SFDR), a proprietary ESG scorecard with predetermined ESG criteria is used to quantitatively measure ongoing progress.

18. This material is not intended to be relied upon as a forecast, research, or investment advice, and is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy. The products and services of Tristan Capital Partners are not available in all jurisdictions or regions where such provision would be contrary to local laws or regulations.

19. As of 12/31/2022.

The ESG scorecard focuses on the real estate assets and business plans for each loan and investment, addressing the following criteria and commitments:



- **Energy efficiency and renewable energy generation**

- Aim to reduce energy consumption year over year and increase renewable energy adoption.
- Undertake ESG due diligence.



- **Sustainable building standards and certifications**

- Undertake sustainability audits and green building certifications to improve energy efficiency, as well as occupant health and well-being.



- **Carbon emissions**

- Implement initiatives aimed at reducing energy demand and operational carbon emissions.

## Equality, Diversity, and Inclusion at Tristan

Tristan's multidisciplinary Equality, Opportunity, and Philanthropy Committee is chaired by the firm's founding partner and executive chairman, Ric Lewis. With the committee's leadership, Tristan initiates programs to foster a healthy and inclusive working environment. Here are some highlights from the past year:

- In 2022, Tristan became a founding sponsor of the Step into Real Estate program with registered charity Sponsors for Educational Opportunity London. The program seeks to level the playing field for students from underrepresented socioeconomic backgrounds in the real estate industry. The five-week course provides training and insights to help remove barriers to entry into the sector.
- Women in Tristan, a networking program for women at all levels of the business, was launched on International Women's Day in March 2022. The program is open to everyone at Tristan. The network aims to boost gender representation across the firm's mid-to-senior levels through events, workshops, sponsorship, and networking opportunities.
- Through its involvement with The Black Heart Foundation, Tristan has supported the [10,000 Black Interns](#) program, which seeks to provide 2,000 internships a year for five consecutive years across 24 industry sectors, since its launch in 2021. This initiative is transforming the horizons and prospects of young Black people in the U.K. by offering paid work experience across industries and world-class training and development.
- Tristan continued its sponsorship of the Pension Real Estate Association Foundation in the U.S. and renewed its membership to Real Estate Balance, a U.K. industry group championing diversity and inclusion.
- The firm also completed its initial net-zero carbon training session with external provider JLL Sustainability Services.



## KARTESIA

Kartesia<sup>20</sup> is a European investment management firm that specializes in financing small and mid-market European companies. Led by founding managing partners, the firm has offices in Amsterdam, Brussels, London, Luxembourg, Madrid, Milan, Munich, and Paris. Kartesia manages more than €5 billion<sup>21</sup> in assets and relies on a team of 83 experienced professionals across investment and operating divisions to operate its business.

### **A Culture of Responsibility for ESG Investing**

As part of its ongoing commitment to ESG, Kartesia has built an experienced team of ESG professionals but has also prioritized the incorporation of ESG practices, with investment team members expected to consider ESG at all stages of the investment cycle.

The ESG team is comprised of one Managing Partner, the Head of CSR & ESG, and one ESG analyst who supports the investment team in their assessment of ESG risks and opportunities throughout the investment decision-making process. The ESG team also monitors ESG policies on an ongoing basis and is responsible for reporting on the ESG performance of Kartesia and its portfolio to investors.

The investment team receives regular ESG training and updates to ensure that they are current on ESG best practices, regulations, and Kartesia's internal ESG protocols.

20. This material is not intended to be relied upon as a forecast, research, or investment advice, and is not a recommendation, offer, or solicitation to buy or sell any securities or to adopt any investment strategy. The products and services of Kartesia are not available in all jurisdictions or regions where such provision would be contrary to local laws or regulations.

21. As of 12/31/2022

## Closing the gender gap in finance

There is still more work to do, but Kartesia is ahead of the alternatives industry in female representation. As of March 2023, 40% of Kartesia’s employees are women compared to the [broader alternatives industry](#) at 21.3%.

### The ESG Due Diligence Process

The relevant deal team at Kartesia oversees the ESG due diligence process for loan investments:

#### Origination Phase

- Conduct negative screening of potential investments that don’t meet ESG standards.

#### Due Diligence Phase

- Use holistic ESG scoring to identify and assess any red flags.
- Discuss emerging ESG issues with the deal team lead, Investment Committee members, and the Head of Portfolio & ESG before approving any deal.
- Discuss ESG with company management and potentially request changes.

#### Investment Phase

- Conduct annual ESG questionnaire.
- Conduct carbon footprint assessment.
- Monitor ESG key performance indicators.

From origination through investment, Kartesia leans on the internal expertise of the ESG team, consultation with third-party experts, the PRI guidelines, and the ESG experience of its strategic partner Candriam. In December 2022, Kartesia also implemented Reporting 21’s platform to facilitate the collecting and monitoring of ESG data going forward.

### Volunteering, Philanthropy, and Other Initiatives

The entire team at Kartesia is committed to making tangible contributions to society through volunteering, philanthropic efforts, and energy reduction. Here are the highlights:

- In 2022, Kartesia proudly announced the launch of Kartesia Philanthropy under the umbrella of the King Baudouin Foundation. Kartesia Philanthropy supports children’s health and education charities through financial backing and partnership to improve the quality of life for future generations.
- The London team supported the Children’s Book Project. Thanks in part to their efforts, the charity donated more than 100,000 books to hundreds of schools across England.
- The Paris office organized a visit to the Adolescents and Young Adults department of the Institut Curie, which treats young people ages 15-25 who have cancer. Kartesia has been a financial sponsor of the Institut since 2020.
- Luxembourg team members attended the 2022 edition of Run in the Dark, a 5K and 10K race that takes place in 50 cities worldwide to raise money for Collaborative Cures.
- Kartesia launched an energy reduction mission, guided by its Going Green Charter. Each office identifies areas for improvement, reviews energy efficiency, and implements additional recycling and waste-reduction initiatives.



# SASB Index

The Sustainability Accounting Standards Board’s (SASB) use of the term “sustainability” refers to corporate activities that maintain or enhance the ability of the company to create value over the long term. SASB published 77 industry-specific standards to assist companies with disclosing material information. This index includes aspects of the Asset Management and Custodial Activities Sustainability Accounting Standard, which covers New York Life Investments.

## SASB Asset Management and Custodial Activities Standard

### Accounting Metric

### New York Life Investments’ Response

#### Transparent Information & Fair Advice for Consumers

FN-AC-270a.1: (1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	New York Life Investments does not disclose this information.
FN-AC-270a.2: Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	New York Life Investments does not typically disclose monetary losses as a result of legal proceedings except for those required on Form ADV. Please refer to our registered investment advisers Form ADV filings for information on reportable matters.
FN-AC-270a.3: Description of approach to informing customers about products and services	Please see New York Life Investments’ parent company’s report, <a href="#">New York Life 2022 Corporate Responsibility Report</a> .

## SASB Asset Management and Custodial Activities Standard

### Accounting Metric

### New York Life Investments' Response

#### Employee Diversity & Inclusion

FN-AC-330a.1: Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees

New York Life Investments' parent company, New York Life, collects and reports Diversity, Equity, and Inclusion (DE&I) information for employees at certain boutiques. Please see [New York Life's 2022 Corporate Responsibility Report](#).

#### Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory

FN-AC-410a.1: Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening

For New York Life Investments, our total assets under management equals \$661 billion as of December 31, 2022.<sup>22</sup> This is broken down by 65.9% in fixed income, 12.4% in equity, 9.6% in alternative investments, 9.6% in multi-asset, and 2.5% in cash and cash equivalents. Below is the percentage breakdown by our ESG classifications (see FN-AC-410a.2 for definitions and additional notes, including on ESG AUM).

Category	% AUM
None	13%
ESG Incorporation	81%
ESG Focused	5%
ESG Impact	1%

22. Assets under management (AUM) includes assets of the investment advisers that make up New York Life Investments as of 12/31/2022. As of 12/31/2022, New York Life Investments changed its AUM calculation methodology, and AUM now includes certain assets, such as non-discretionary AUM, external fund selection, and overlay services, including ESG screening services, advisory consulting services, white labeling investment management services, and model portfolio delivery services, that do not qualify as Regulatory Assets Under Management, as defined in the SEC's Form ADV. AUM is reported in USD. AUM not denominated in USD is converted at the spot rate as of 12/31/2022. This total AUM figure is less than the sum of the AUM of each affiliated investment adviser in the group because it does not count AUM where the same assets can be counted by more than one affiliated investment adviser.

## SASB Asset Management and Custodial Activities Standard

### Accounting Metric

### New York Life Investments' Response

#### Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory

FN-AC-410a.2: Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies

New York Life Investments ESG Classification:

- None – No ESG approach used.
- ESG Incorporation – Includes assets managed under an ESG Integration approach and/or Exclusions implemented by boutiques; ESG Integration is defined as an investment approach that considers or integrates ESG factors alongside other factors to assess the risk-reward profile of securities; Exclusions implemented by boutiques include exclusionary screens to limit the investment universe, alongside the consideration of other factors to assess the risk-reward profile of securities.
- ESG Focused - ESG Focused includes assets that are managed under an investment approach that systematically considers ESG factors as a significant part of its investment thesis in order to select investments and/or respond to investors' values. This approach may be used in conjunction with implementing Exclusions and/or may align with environmental or social themes.
- ESG Impact - ESG impact includes assets that are managed under an investment approach that seeks to achieve specific ESG impact(s) alongside financial returns. This approach may be used in conjunction with implementing Exclusions and/or may align with environmental or social themes.

Additional notes:

- Classifications under these categories may include assets and strategies that are classified differently under other jurisdictions, such as SFDR. Classifications in these categories should not be expected to align with classifications under other jurisdictions.
- Categories as defined here are based on internal specifications under New York Life Investments' internal taxonomy, which are subject to change. Internal specifications may rely on investment policies and procedures and/or disclosures related to specific strategies.
- Boutiques may also engage in stewardship to varying degrees. Stewardship can include proxy voting and engagement with issuers and industry participants, which may yield different results at each boutique.
- Exclusions may originate from the investment teams at the boutiques or directly from clients or investors of the boutiques and may not in all instances be values- or sustainability-based.
- AUM presented under ESG Incorporation, ESG Focused, or ESG Impact may include certain assets that are excluded from ESG analysis and scoring to varying extents at each boutique. These assets can include but are not limited to cash, cash equivalents, derivatives, short-term money market funds, U.S. Treasuries and other sovereign debt, ETFs, mutual funds, and investments in our proprietary funds.
- AUM presented is based on each adviser's ESG classifications. Any affiliated and/or unaffiliated sub-advisers of the underlying strategies and funds presented may classify ESG assets differently.
- AUM as of 12/31/2022. Some AUM presented includes non-public equity valuations that may be as of 9/30/2022.

Boutiques' responsible investment policies:

Ausbil: [ESG Policy](#)

Candriam: [Sustainable Integration Policy](#); [Sustainable Investment Policy](#)

MacKay Shields: [Responsible Investing Policies](#)

New York Life Investment Management LLC: [Responsible Investment Policy](#)

NYL Investors: [Policy Statement on Responsible Investing](#)

IndexIQ: [Responsible Investment Policy](#)

## SASB Asset Management and Custodial Activities Standard

### Accounting Metric

### New York Life Investments' Response

#### Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory

FN-AC-410a.3: Description of proxy voting and investee engagement policies and procedures

Some boutiques have standalone proxy voting and engagement policies and procedures in place, or embedded in broader ESG policies, which are provided below.

Ausbil: [ESG Policy](#)

Candriam: [Proxy Voting Policy](#); [Engagement Policy](#)

MacKay Shields: [Proxy Voting Policy and Procedures](#)

New York Life Investment Management LLC: [Proxy Voting Policy and Procedures](#); [Engagement Policy](#)

IndexIQ: [Proxy Voting Policy and Procedures](#); [Engagement Policy](#)

Apogem and NYL Investors have proxy voting policies in place, but proxy voting opportunities are limited due to the nature of each boutique's asset class.

#### Business Ethics

FN-AC-510a.1: Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations

New York Life Investments does not typically disclose monetary losses as a result of legal proceedings except for those required on Form ADV. Please refer to our registered investment advisers Form ADV filings for information on reportable matters.

FN-AC-510a.2: Description of whistleblower policies and procedures

New York Life Investments' boutiques have adopted whistleblower policies and procedures. These policies generally provide that employees are encouraged to report situations concerning unethical or violative conduct and can do this in a variety of anonymous and confidential ways. Furthermore, the policies provide that the boutique will not tolerate any form of retaliation against an employee. These procedures are intended to create an environment where employees can act without fear of reprisal or retaliation.

Some of our boutiques adhere to New York Life's Standards of Business Conduct, [Working With Integrity](#).

#### Metrics

FN-AC-000.A: (1) Total registered and (2) total unregistered assets under management (AUM)

New York Life Investments does not disclose registered and unregistered assets under management.

FN-AC-000.B: Total assets under custody and supervision

For New York Life Investments' assets under management (AUM), refer to accounting metric FN-AC-410a.1 above.



"New York Life Investments" is both a service mark, and the common trade name, of certain investment advisors affiliated with New York Life Insurance Company. New York Life Investments is comprised of certain affiliated asset management businesses (also referred to herein individually as a "boutique" and collectively as "boutiques") of its parent company, New York Life Insurance Company. These boutiques include: Ausbil Investment Management Limited ("Ausbil"), Apogem Capital LLC ("Apogem"), Candriam S.C.A. ("Candriam"), IndexIQ Advisors LLC ("IndexIQ"), MacKay Shields LLC ("MacKay Shields"), New York Life Investment Management LLC ("NYLIM LLC"), and NYL Investors LLC ("NYL Investors"). On April 1, 2022, Madison Capital Funding, Gold Point Partners, and PA Capital, three alternative investment boutiques affiliated with New York Life, combined to become Apogem Capital.

In this report, our use of the terms "material," "materiality," and other similar terms refers to the relevance of environmental, social, and governance topics to a diverse set of stakeholders. We are not using these terms as they are used in the context of financial statements and financial reporting or as used in SEC rules.

ESG Investing Style Risk: Impact investing and/or Environmental, Social, and Governance (ESG) managers may take into consideration factors beyond traditional financial information to select securities, which could result in relative investment performance deviating from other strategies or broad market benchmarks, depending on whether such sectors or investments are in or out of favor in the market. Further, certain ESG strategies may limit exposures found in similar strategies or broad market benchmarks, which could also result in relative investment performance deviating. There is no assurance that employing ESG strategies will result in more favorable investment performance.

Not all strategies, products and services offered by New York Life Investments and its affiliated boutiques are available in jurisdictions or regions where such provision would be contrary to local laws or regulations. For more information, visit <https://www.newyorklifeinvestments.com/who-we-are/our-global-boutiques>.

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New York Life Investment Management Asia Limited

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一般社団法人日本投資顧問業協会会員

一般社団法人第二種金融商品取引業協会会員

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Investment managements based upon the discretionary investment management agreement will invest in assets whose prices fluctuate, so the assets under management will fluctuate accordingly. It is possible that the total assets value will fall below the original investment. Past performance is not indicative of future performance. The amount of fees paid to us under the discretionary investment management agreement will be determined based on the asset amounts, products, investment method or clients' demand and other factors, so we cannot indicate the fee rate, maximum amount, etc. in advance.

New York Life Investment Management Asia Limited

Financial Instruments Business Operator, Director of Kanto Local Finance Bureau (Kinsho) No. 2964

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