Level 2 SFDR Article 10 Website Disclosures

AS8F24

Overview

This document includes information relating to environmental and social characteristics promoted by AS8F24 in accordance with Level 2 requirements for website disclosures under article 10 of the Sustainable Finance Disclosure Regulation – Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

References to "Manager" below refers to Allspring Global Investments Luxembourg S.A. and its delegate Allspring Global Investments LLC.

The below should be read with reference to the portfolio management agreement and the portfolio of assets managed under that agreement (the "Mandate").

Further information on the promotion of the Mandate's environmental and/or social characteristics can be found in the Mandate's pre-contractual disclosures incorporated in the Mandate's investment management agreement between the Manager and the Client.

Further information on the promotion of the Mandate's environmental and/or social characteristics can be found in periodic reports that are provided in line with the Manager's regulatory and legal obligations.

Item	**Section Title/Overview**	**Description**
a)	Summary	b. **No sustainable investment objective:** This financial product promotes environmental or social characteristics but does not have as its objective a sustainable investment. c. **Environmental or social characteristics of the financial product:** • The product aims to reduce its GHG emissions by at least 40% compared to the GHG emission level of its benchmark index, the Bloomberg US Intermediate Corporate © Index, at the date of activation of the Mandate and aiming to decarbonize by 2050.

- The product is managed such that its weighted average carbon intensity (WACI) metric is maintained below that of the benchmark at all times.
- Further, the WACI of the Mandate is managed with a downward trajectory and by the date of termination of the Mandate to be at least 75% below the WACI of the benchmark as of the Mandate's activation.
- The Mandate also integrates the Client's exclusions of securities from companies on the basis of the Client's criteria relating to prohibited weapons, tobacco and coal.
- Lastly, the Mandate follows an additional set of exclusionary criteria related to prohibited weapons, tobacco, and coal, that are monitored internally by the Manager.

d. **Investment strategy:** To implement responsible active management in relation to the benchmark index while demonstrating the integration of ESG issues. This refers to the Manager's consideration of ESG issues in its management and/or analysis process, in particular by integrating the Client's exclusion and engagement policy, as well as a decarbonisation objective.

e. **Proportion of Investments:** The planned asset allocation of the investments of the financial product will be at least 90% in alignment with the environmental and/or social characteristics promoted.

f. **Monitoring of environmental or social characteristics:** This is undertaken through a

		combination of compliance systems coding and manual monitoring by the investment team. g. **Methodologies:** The Manager performs qualitative ESG analysis, and calculates standardised ESG metrics for this product. The Mandate is also managed based on Client exclusion lists and engagement policy. h. **Data sources and processing:** The Manager subscribes to several third-party data providers to facilitate integration of ESG and climate information into the investment process. Additionally, the Client provides an exclusions list to the Manager on a regular basis. i. **Limitations to methodologies and data:** The primary limitation to the methodology or data source is the lack of corporate disclosure. j. **Due diligence:** Please see the “Investment Strategy” and “Methodologies” sections for details on how sustainability characteristics are considered as part of the Manager’s due diligence process for the Mandate. The Mandate applies a Client exclusion list. k. **Engagement policies:** Engagement is conducted by the Allspring Stewardship and Engagement team, which brings together perspectives from across Allspring. l. **Designated reference benchmark:** No reference benchmarks designated for the purpose of attaining the environmental or social characteristics promoted by this product.
b)	No sustainable investment objective	This financial product promotes environmental or social characteristics but does not have as its objective a sustainable investment.

c)	Environmental or social characteristics of the financial product	This financial product promotes the following environmental and/or social characteristics:
		• The product aims to reduce the decarbonization commitments made by the Client by reducing its GHG emissions by at least 40% compared to the GHG emission level of the benchmark index, the Bloomberg US Intermediate Corporate © Index, at the date of activation of the Mandate.
		• The product is managed such that its weighted average carbon intensity (WACI) metric is maintained below that of the benchmark at all times.
		• Further, the WACI of the Mandate is managed with a downward trajectory and by the date of termination of the Mandate to be at least 75% below the WACI of the benchmark as of the Mandate's activation.
		• The Mandate also integrates the Client's exclusions of securities from companies on the basis of the Client's criteria relating to prohibited weapons, tobacco and coal.
		• Lastly, the Mandate follows an additional set of exclusionary criteria related to prohibited weapons, tobacco, and coal, that are monitored internally by the Manager. The exclusion criteria specified by the Client as follows:
		  ○ The bonds of companies involved in the use, stockpiling, production and transfer of anti-personnel mines, cluster munitions, and bacteriological and chemical weapons.
		  ○ Bonds of companies whose activity in the extraction of thermal coal or the production of electricity, heat or steam

		from coal exceeds 5% of their turnover, except those using a carbon capture and storage process. However, the Manager may exceptionally invest in companies whose extraction of thermal coal or production of electricity, heat or steam from coal exceeds 5% of their turnover if the purpose of this investment is to support these companies towards a new economic model compatible with the limit of 5% of their turnover in these activities. o Bonds of companies with a coal-fired electricity production capacity of more than 10 GW. o Bonds of companies whose thermal coal extraction exceeds 10 million tons. o Bonds of companies who are developing new coal-fired power plants. o Bonds of companies that generate more than 20% of their cumulative revenue from a combination of: ▪ oil sands extraction, ▪ drilling in the Arctic, ▪ hydraulic fracturing, as well as ▪ drilling in ultra deep waters. o Bonds of tobacco-producing companies. o Sovereign bonds which the Client may decide on an exceptional basis to exclude due to the conduct of those States constituting serious, proven and repeated violations of international standards.

d)	Investment strategy	To implement responsible active management in relation to the benchmark index while demonstrating the integration of ESG issues. This refers to the Manager's consideration of ESG issues in its management and/or analysis process, in particular by integrating the Client's exclusion and engagement policy, as well as a decarbonisation objective. Decarbonization commitments: • Aim to Reduce GHG emissions by at least 40% compared to the GHG emission level of the benchmark index at the date of activation of the Mandate and aiming to decarbonize by 2050. • Maintains WACI of the Mandate below that of the benchmark at all times. • By the time of Mandate termination, aims to achieve WACI that is at least 75% below that of the benchmark's level as of the Mandate's activation. Excludes securities on the basis of certain social and/or environmental related principles – as directed by the Client The portfolio will exclude: • a list of companies the Client has identified and provided in writing to the Manager; and • an additional list of securities determined according to various quantitative thresholds as specified by the Mandate.
e)	Proportion of investments	The financial product does not intend to make any sustainable investments. The planned asset allocation of the investments of this financial product will be at least 90% in alignment with the environmental/social characteristics promoted. In addition to the environmental and social characteristics

		promoted, the Manager may use derivatives for hedging or efficient portfolio management and may utilise cash or cash-like instruments in line with the investment guidelines to manage duration and liquidity of the portfolio, collectively, of up to 10%, of the financial product's investments.
f)	Monitoring of environmental or social characteristics	The Manager's process utilises coded screening for certain quantitative criteria and to exclude the securities on the Client's exclusion list. Climate related metrics such as carbon intensity are monitored by the Allspring teams. The environmental and social characteristics are reviewed with the Client as part of the regular reporting cycle.
g)	Methodologies	As described in the 'Monitoring of environmental or social characteristics' section, the Manager has processes for the oversight of the stated environmental and social characteristics promoted by this product which allow the Manager to assess whether such characteristics are being attained. The Manager's Investment Analytics team may perform other aspects of quantitative and qualitative ESG analysis and calculate ESG metrics for this product. Such analysis uses data from independent third-party providers, as well as being incorporated into a proprietary quantitative ESG score (which uses statistical learning techniques and specialized sampling methodologies to distil insights from multiple ESG data sources). Analysis may also be undertaken by the Investment Analytics team to provide a qualitative assessment, if the team identifies portfolio ESG characteristics worthy of further investigation/understanding.
h)	Data sources and processing	The Manager subscribes to several third-party data providers to facilitate integration of ESG and climate information into the investment process. This data is incorporated into both Pre-trade and Post-trade

		compliance processes as well as a centralised Investment Analytics team. The Client provides an Exclusions list to the Manager on a regular basis. The additional set of exclusionary criteria related to prohibited weapons, tobacco, and coal are monitored using third-party data. Climate data, including carbon intensity, are sourced from and/or calculated based on an independent third-party data provider. Vended data may include both reported and estimated data. The proportion of estimated ESG data changes over time depending on availability of data accessible to data providers, process changes and methodological approaches, amongst other factors. Data is processed by the Investment Analytics team, who may create a standard set of ESG risk reports to support the communication of ESG risk exposures, as well as the adherence to quantitative binding and material aspects of the product.
i)	Limitations to methodologies and data	The primary limitation to the methodology or 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. Such limitation is, however, not expected to prevent the attainment of the environmental or social characteristics promoted by the product, as a result of the Manager's processes in the above-mentioned "Methodologies" and "Data sources and processing", including the processing of data by the Investment Analytics team to support the adherence to quantitative binding and material aspects of the product, or through the Investment Analytics team's qualitative assessment if the team identifies portfolio

		environmental or social characteristics worthy of further understanding.
j)	Due diligence	As part of its due diligence processes and procedures for the selection and monitoring of investments, the Manager considers the sustainability aspects of the investment strategy for this product, taking into account relevant ESG criteria, risks and scores in respect of underlying issuers, the risk appetite for this product and the Allspring Sustainability Risk Policy. Please see “Investment Strategy” and “Methodologies” above for details on how specific sustainability characteristics are considered as part of the Manager’s due diligence process carried out on the product’s underlying assets.
k)	Engagement policies	Engagement is conducted by the Manager’s Stewardship and Engagement team, which brings together perspectives from across Allspring. Allspring’s firm-wide centralised Stewardship Platform is supported by the Allspring Proxy Governance Committee (PGC) and the Quarterly Stewardship and Engagement Forum (QSEF). The PGC is responsible for the Manager proxy voting policy and oversees the Manager proxy voting process to ensure that its implementation conforms to the Allspring Funds Proxy Voting Policies and Procedures. The PGC also oversees the Manager proxy administrator, Institutional Shareholder Services (ISS). More information can be found in Allspring’s Engagement Approach and Stewardship Annual Report.
l)	Designated reference benchmark	There are no reference benchmarks designated for the purpose of attaining the environmental or social characteristics promoted by this product.