Allspring Task Force on Climate-Related Financial Disclosures 2024 Report

Including Allspring Global Investments (UK) Limited FCA ESG Sourcebook Report for period January 1, 2024, to December 31, 2024

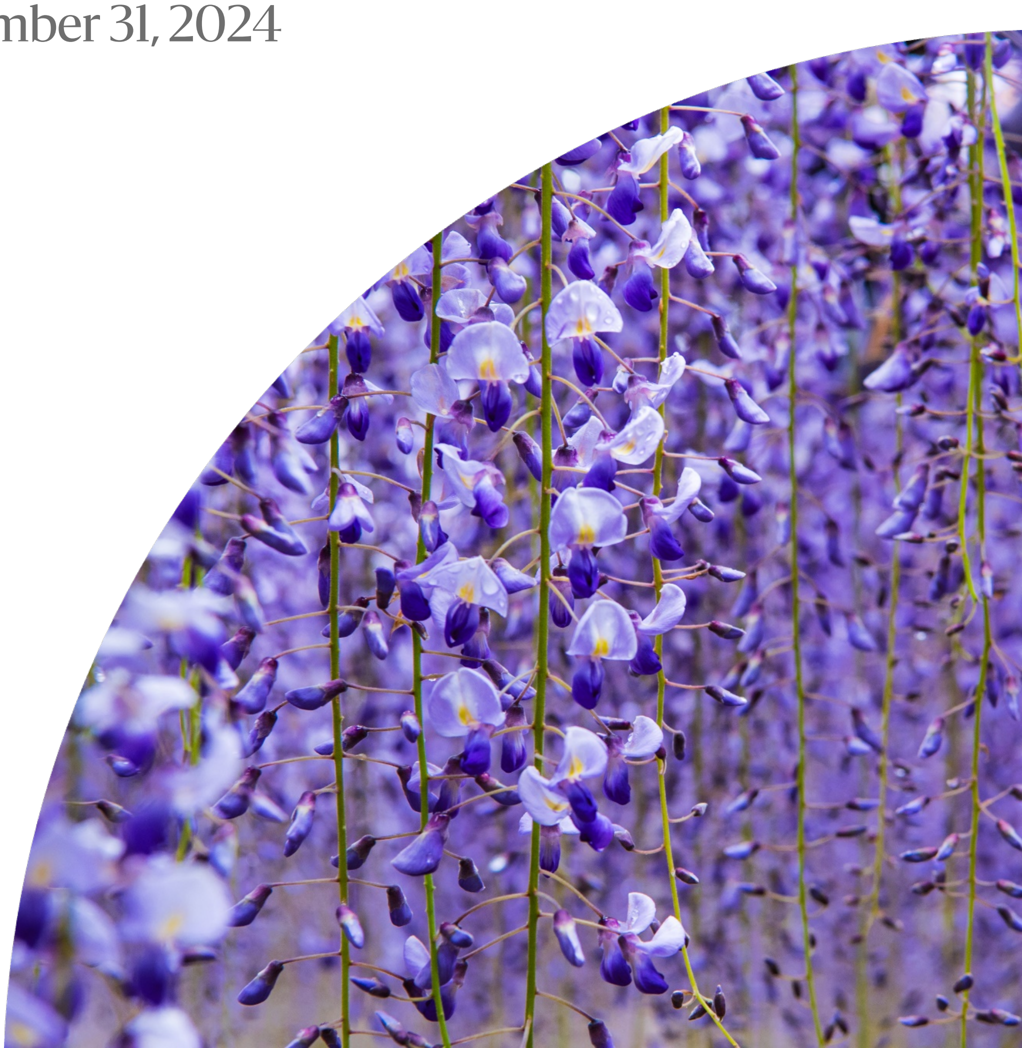


Table of contents

Navigate to a section with a click. Click the top of any page to return.

A note from our Chairman of the Board and CEO

A year ago, we discussed the significant and numerous climate-related changes and challenges experienced in 2023, and 2024 has played out similarly.

- **Climate:** It was the warmest year on record, and the first where global temperatures averaged more than 1.5 degrees Celsius on pre-industrial levels. We witnessed natural disasters, including multiple hurricanes striking the southeastern U.S. and a years' worth of rain in less than a day near Valencia, Spain, contributing to the US$140bn of insured losses globally. One estimate predicts 2025 will bring US$200bn of catastrophe-related insured losses.
- **Corporate:** The number of companies setting emissions reduction targets increased year over year, but fewer companies align with the 1.5°C degree by 2050 goal.
- **Geopolitical:** Elections around the world ushered in heightened policy uncertainty, with some decarbonization ambitions accelerating while others appear to be receding.

We believe investors are increasingly considering all of these factors.

Despite these challenges, there were advancements toward long-run climate resilience. Global investment in the energy transition surpassed $2 trillion last year, a record. The cost of primary clean energies and battery storage declined, while installed capacity grew. In the U.S., solar and wind produced more electricity than coal for the first time ever. Sales of electric vehicles in China, the world's largest auto market, outstripped those of internal combustion engines.

As long-term investors, Allspring's goal is to navigate change to deliver outcomes for our clients.

- Last year, we partnered with a client to expand our suite of Climate Transition investing strategies, launching two products in January 2025. These new strategies seek predictable income while aligning with our clients' decarbonization goals.
- We also expanded climate analytics on our investment platform, providing portfolio management teams with enhanced breadth and depth of coverage.
- In addition, in seeking to inform our investment thesis, climate and energy transition strategies were a consistent theme in engagements with relevant investee companies.

At Allspring, we are committed to climate from a corporate perspective. On the operations front, Allspring has made improvements to our business travel procedures, helping to reduce emissions from air travel, and collecting valuable emissions data from our largest suppliers. Real estate decisions made last year will bear fruit this year, in terms of efficiency and reduced scope 1 and 2 emissions.

In addition to allocating capital and stewarding assets on behalf of clients, we are committed to the continuous advancement of our climate capabilities to help clients navigate the challenges ahead. As an operating company, we will constructively manage our emissions and environmental performance.

We thank you for reading and welcome your input.

JOE SULLIVAN

Chief Executive Officer
Chair, Board of Directors

Introduction

Allspring Global Investments is a leading asset management company seeking to inspire a new era of investing that pursues both financial returns and positive outcomes. With decades of innovation and trusted experience propelling us forward, we stay true to our core investment roots while continuously striving to improve. Diverse perspectives power our investment strategies through a unified platform and a commitment to our clients. Our goal is to build portfolios aimed at generating successful client outcomes and to create an industry-leading client experience delivered across the entire organization.

Our priorities

We focus on being both good investors and good stewards of society and the planet. We see climate and other sustainability considerations as meaningful investment risk factors and potential alpha opportunities. As such, sustainability is rooted in our investment risk and culture. Further, we are committed to integrating sustainability in how we operate our firm and partner with our clients to achieve their investment and sustainability objectives.

Our climate lenses

We address climate change through two lenses:

- As an investor: On behalf of our clients, we seek investment opportunities arising from the global transition to a low-carbon economy. Additionally, with our responsibility to manage material risks in our clients' portfolios, our investment management teams consider material climate-related risks within the bounds of our clients' guidelines and objectives.
- As a corporate entity: Our firm's business is affected by climate-related risks and opportunities, and our operations and supply chain have both direct and indirect impacts on global climate change.

Most of our exposure to climate risks and opportunities is indirect through the investments we manage; therefore, this report focuses primarily on our role in allocating capital on behalf of our clients.

Our approach to climate from an investment perspective

We recognize climate change is a systemic risk and a complex challenge, while efforts to arrest and adapt to climate change present potential investment opportunities. As such, we seek to understand our clients' overall goals and objectives, including their climate and wider sustainability preferences. Our approach is informed by varying standards, regulations, and policies that influence how we, and our clients, integrate sustainability into their investment objectives.

Allspring has developed a range of technology and proprietary resources and uses third-party data providers to assess investment portfolios relative to climate risks and opportunities alongside other risks. Our Investment Analytics team tracks and monitors the carbon and climate-related exposures of our various portfolios and their benchmarks. Allspring's investment teams integrate climate-related risk and opportunity assessments into their decision-making where this is material and aligned with their strategies and client objectives.

While we do not set climate-related targets across our investment strategies, given our fiduciary duties to investors, we have designed solutions that focus on climate transition and that have enhanced our ability to tailor strategies to our clients' specific climate objectives. In addition, our stewardship activities are an important component of the investment process and a key responsibility on behalf of clients; therefore, these activities span the breadth of our offering.

We aim to continuously evolve our understanding and integration of climate-related considerations in our investment processes to enhance performance as well as expand our suite of climate-focused investment strategies.

Our approach to climate as an operating company

We recognize that climate change could affect our operations, business strategy, and ability to serve clients. We are committed to continuous improvement and integrating sustainability practices within the operations of our company as we seek to reduce our firm's environmental footprint in support of a more sustainable future.

Our TCFD-aligned Report

This Task Force on Climate-Related Financial Disclosures (TCFD) Report demonstrates our commitment to reporting our enterprise approach to climate risks and opportunities in line with the TCFD recommendations for asset managers. This report covers the period January 1, 2024, through December 31, 2024, inclusive; metrics presented were calculated as of December 31, 2024, or December 31, 2023, respectively.

We have structured the report following the TCFD disclosure framework, with sections addressing four thematic areas: governance, strategy, risk management, and metrics and targets. Further, the appendix contains disclosures for Allspring Global Investments (UK) Limited (Allspring UK) that align with Chapter 2 of the UK Financial Conduct Authority (FCA) Environmental, Social and Governance (ESG) Sourcebook as set out in the FCA Policy Statement 21/24.

Climate governance structure

A robust governance framework is critical to maintaining a sustainable company while meeting the investment needs of our clients. Climate risk oversight at Allspring involves a multi-layered approach that extends from our investment platform and business lines through to the Allspring Risk Committee (the Risk Committee) and, ultimately, to the Allspring Global Investments Holdings, LLC Board, which is responsible for oversight of Allspring. Allspring, or Allspring Global Investments, is the trade name for the asset management businesses of Allspring Global Investments Holdings, LLC.

Climate strategy is overseen by Allspring's Executive Leadership Team (ELT). The head of Corporate Sustainability and the head of Sustainability both report directly to an ELT member and meet with the full ELT as required.

Board oversight

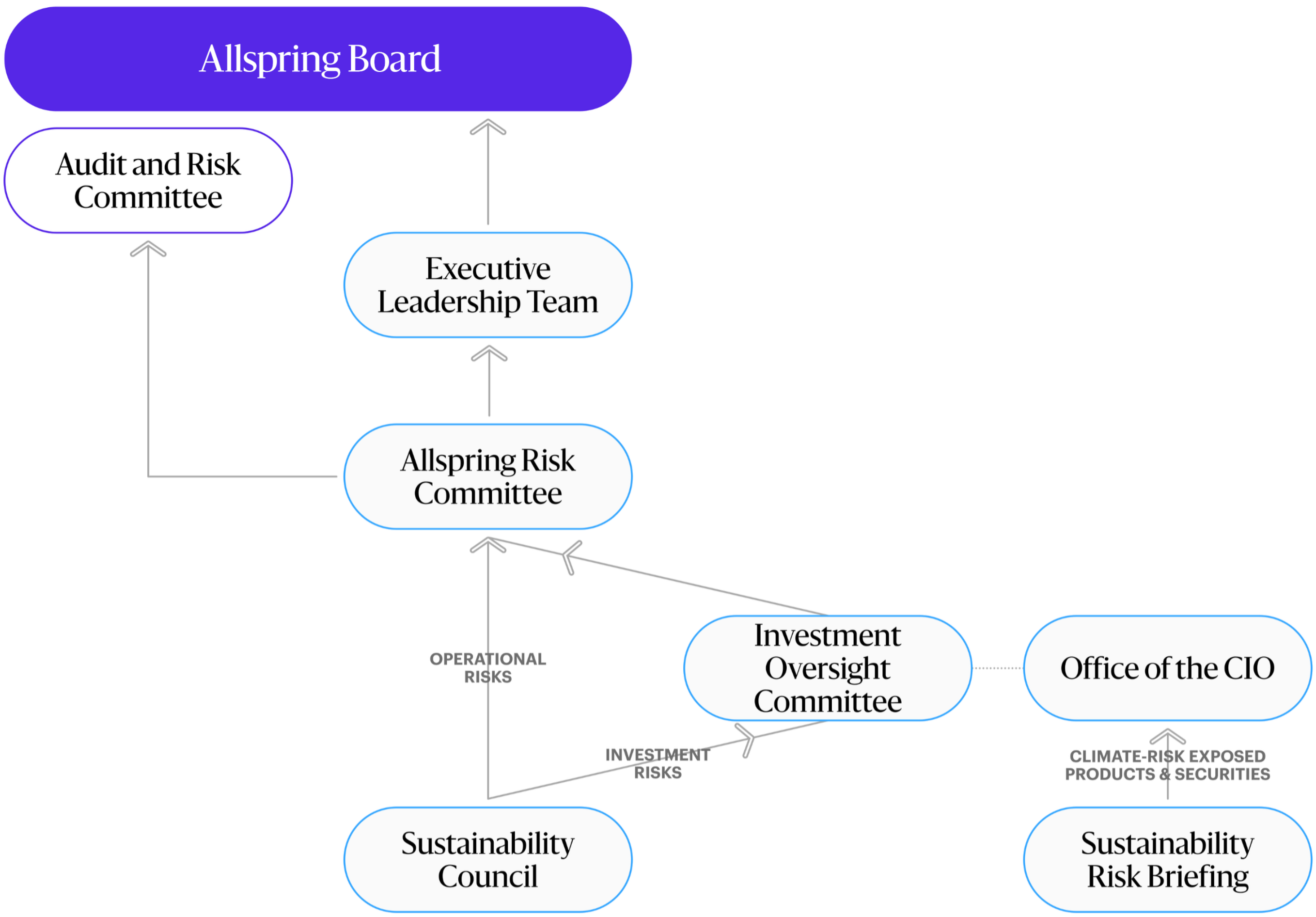
The **Allspring Board** is supported by an internal governance framework that provides connectivity and clarity across Allspring as we manage known and emerging risks (including climate-related risks) in support of helping our clients meet their financial goals and our pursuit of corporate sustainability objectives.

The Board receives, reviews, and discusses a report on key sustainability and climate performance metrics once per year. This report is prepared and provided by the head of Corporate Sustainability and the head of Sustainability, who oversee corporate sustainability matters and sustainability matters related to investments, respectively.

Management oversight

Allspring has a management team reporting to Joe Sullivan, chair and CEO of Allspring, and Kate Burke, president, known as the **Executive Leadership Team (ELT)**. The ELT is composed of the most senior leaders in the organization responsible for investments, operations, technology, distribution, marketing, legal, risk, and compliance. The ELT oversees the strategy and operations of Allspring, including all sustainability and climate initiatives. One ELT member – Allspring's head of the International Client Group – serves as TCFD Executive Sponsor, providing strategic guidance to Allspring's ongoing TCFD-aligned reporting and related efforts. The graphic in Figure 1 illustrates Allspring's governance structure at the management level. (Each constituent in our structure is defined below and highlighted in violet.)

FIGURE 1: ALLSPRING RISK MANAGEMENT GOVERNANCE



The **Allspring Risk Committee** is the key governance body that oversees risk across the group, including climate-related risk. It is chaired by the chief risk officer and includes select members of the ELT, such as the CEO, chief operating officer, chief financial officer, and chief investment officer (CIO). The Risk Committee discusses risk remediation actions and, as needed, escalates key risks to the Audit and Risk Committee of the Board. Climate-related risks and opportunities are reported to the Risk Committee through the Investment Oversight Committee.

Allspring's **Investment Oversight Committee** oversees investment-related topics and investment risks in support of Allspring's business objectives and our obligations to clients, employees, regulators, and other key stakeholders. The committee is chaired by the CIO and includes the head of Equity and other senior cross-functional leaders. Additionally, Sustainability Council and Sustainability Risk Briefings inform the Investment Oversight Committee's review of climate risks.

The **Sustainability Council** is an important component of this governance framework, overseeing operational and investment risks and opportunities related to corporate sustainability, and sustainable investing across Allspring. On a quarterly basis, it brings together senior stakeholders from across the organization. These individuals include senior investment management leadership across asset classes and investment styles, key business functions, the head of Corporate Sustainability, the head of Sustainability, and other Sustainability team leaders to enable cross-functional consideration of climate-relevant matters.

The **Sustainability Risk Briefing** is conducted by the Allspring Investment Analytics team with the **Office of the CIO** on a quarterly basis. Investment Analytics produces regular reports on significant product-specific, benchmark-relative sustainability exposures and our most significant exposures to companies and securities with poor overall sustainability and climate scores. The Office of the CIO consists of the CIO and the head of Equities. The function of the Office of the CIO is to oversee risk mitigation actions and to provide credible challenges to portfolio management teams to ensure portfolio positions are well understood and consistent with the investment team's stated processes.

Climate strategy

Allspring views climate change and the transition to a low-carbon economy as a systemic risk. Climate change may affect economic variables, such as growth and inflation as well as asset returns and risks. These effects can be transmitted through physical hazards linked to atmospheric warming as well as policy and regulation, technological changes, shifts in consumer and investor behavior, and strategic positioning by companies and governments, among others.

While policy and technology may reduce climate risks over time, they are unavoidable and are transforming our financial markets and world today. While many investment implications of climate change are negative in the aggregate and longer term, opportunities exist for firms with competitive climate-aware strategies, compelling technologies, aligned asset positions, and ample financial flexibility. Therefore, we believe that considering climate information is additive to our investment analysis, stewardship activities, and business operations.

We believe it is critical to take a forward view on firms' climate and financial performance, as some of today's heaviest emitters may be tomorrow's decarbonization outperformers. Additionally, a broad range of companies stand to benefit as society mobilizes to contain climate risks and decarbonize over time. These dynamics underscore our emphasis on deep fundamental research, insightful security selection, portfolio risk management, and engagement with investee companies.

While climate risk assessments may inform our analysts' fundamental research and portfolio construction, they do not drive investment decisions except when Allspring's investment strategies or client mandates have explicit climate targets or objectives. Our clients are as diverse as they are important, and we exercise care, prudence, and fiduciary duty to them when investing and managing assets on their behalf.

Given that the majority of Allspring's global exposure to climate risks and opportunities is indirect through the investments we manage, our climate strategy reflects the balance of that exposure.

Climate risks

Investment performance and our business operations can be affected by physical risks associated with climate change (including wildfires, sea level rise, extreme weather events, and droughts) along with transition risks related to technological change and evolving regulations. The relative salience and magnitude of climate risks to specific assets or portfolios can also vary widely based on the various forward scenarios and global temperature pathways, as well as sectoral and geographic contexts and idiosyncratic variables.

Applying a climate lens to investment analysis helps evaluate these potential changes and their saliency to risk and return, especially on a forward-looking basis, as policies adapt, technologies advance, and financial markets react.

The tables on the following pages describe some of the climate-related risks Allspring has identified along with their material financial impact across our investment platform and operations.

KEY INVESTMENT CLIMATE-RELATED RISKS AND IMPACTS

RISK	IMPACT ON ALLSPRING	TIME HORIZON
Acute physical	Acute physical risks have intensified as extreme weather events become more frequent and severe, resulting in increasing economic losses. These events affect sectors such as insurance, real estate and transportation, and create higher risks for industrial supply chains, leading to increased business risk, rising costs and/or investment losses.	Short term (1 year) and medium term (2–5 years)
Chronic physical	Chronic physical risks can impair tangible assets over time but can manifest more near-term as expenditures intended to minimize future physical risk consequences. This includes, for example, relocating a facility, changing the sourcing of inputs, or writing down business units with uncertain or diminished future demand from heightened physical hazards. Chronic physical risks, such as rising temperatures and prolonged droughts, are creating longer-term structural challenges for industries like agriculture, energy, and infrastructure.	Medium term (2–5 years) and long term (5+ years)
Policy and legal	Policy shifts can be a source of transition risk for companies—for example, fuel economy standards, energy-efficient building codes, emissions pricing, and greenhouse gas (GHG) and climate disclosure requirements. At the same time, certain investments can benefit from policies intended to curtail emissions (e.g. clean energy deployment) or improve climate risk resilience (e.g. infrastructure hardening). Climate-related liabilities stemming from regulatory enforcement or litigation represent future economic risk.	Short term (1 year) and medium term (2–5 years)
Technology	A company's asset base, operational know-how, and value chain can be both sources of risk (e.g. obsolescence) with a low-carbon transition and sources of opportunity from decarbonization, innovation, and commercialization.	Short term (1 year), medium term (2–5 years), and long term (5+ years)

Climate-related investment opportunities

Apart from risks, the transition to a climate-resilient economy presents consequential opportunities to the global economy. Global companies and other issuers need significant capital to transition to a climate-resilient economy, and the transition can unlock meaningful investment opportunities. Global climate finance has doubled in the past decade, and a rapid and sustained increase is required to secure a climate-resilient, net-zero future. For example, estimates range from US$3.5 trillion of clean energy investment to US$7.3 trillion of climate finance per year to achieve net zero emissions by 2050.

To answer the growing market appetite for climate-linked solutions and to help clients who are actively targeting net-zero emissions by 2050, we have a growing suite of climate-focused investment strategies purpose-built to achieve financial- and climate-related goals. At a high level, the strategies have these three features in common:

01 They use an active management approach to security selection, leveraging in-depth research to identify alpha opportunities.

02 They invest in companies that are positioned to benefit from the transition to a decarbonized economy.

03 They are well-diversified portfolios that provide exposure to the full breadth of the market.

EXAMPLE OF ALLSPRING'S CLIMATE-FOCUSED STRATEGIES

FOCUS	CLIMATE TRANSITION GLOBAL INVESTMENT GRADE	CLIMATE TRANSITION GLOBAL EQUITY
Climate objective	Invests in a broad range of corporate bonds issued by companies expected to lead in large-scale decarbonization, with a portfolio target of net zero by 2050	Invests solely in companies aligned with a 2-degree Celsius or better climate outcome, positioning them to benefit from the transition to a decarbonized economy, with a portfolio target of net zero by 2050
Stewardship and engagement	Focuses on forward-looking climate transition potential, in collaboration with Allspring's Stewardship team	Leverages Allspring's centralized stewardship capabilities
Financial objective	Seeks total return, maximizing investment income while preserving capital	Seeks long-term capital appreciation

The information provided on strategies is for comparison only and is not intended to be, nor should it be construed to be, an offer of these strategies. A target is indicative only and not guaranteed.

KEY OPERATIONAL CLIMATE-RELATED RISKS AND IMPACTS

RISK	DESCRIPTION	BUSINESS RISK	TIME HORIZON
Acute physical	Risks from severity of exogenous shocks from extreme weather events, including tornados, hurricanes, flooding and wildfires	Physical damage to offices, business disruptions, and impacts to employees	Short term (1 year) and medium term (2–5 years)
Chronic physical	Risks from increased variability in weather patterns, including wind gusts and precipitation, and extreme temperatures	Increased operating expenses to minimize future physical risks such as relocating a facility or to allow people and equipment to continue working under extreme heat and cold	Medium term (2–5 years) and long term (5+ years)
Policy and legal	Risks from climate transition regulation that can affect a company's direct operations and suppliers.	Increased operating expense with added frequency and complexity of sustainability disclosures and reporting directives	Short term (1 year), medium term (2–5 years) and long term (5+ years)
Technology	Risk (e.g. obsolescence) from failing to stay current with a low-carbon transition or to capitalize on opportunities from decarbonization, innovation, and commercialization.	A company's asset base, operational know-how, and value chain can be both sources of risk (e.g. obsolescence) with a low-carbon transition and sources of opportunities from decarbonization, innovation, and commercialization.	Short term (1 year), medium term (2–5 years), and long term (5+ years)

OPERATIONAL CLIMATE-RELATED OPPORTUNITIES

OPPORTUNITY	DESCRIPTION	BENEFIT	TIME HORIZON
Resource Efficiency	Opportunities from efficiency in use of electricity, natural gas and water	Decreased operating expenses for leased offices	Short term, medium term and long term
Energy Source	Opportunities from use of lower emissions sources and new technologies	Decreased operating expenses for leased offices	Medium term and long term

Sustainable Investments team

Our Sustainable Investments team, composed of 15 dedicated professionals, supports our many specialized investment teams' integration of material climate and broader sustainability issues in our investment process. The team brings sustainability expertise to the Allspring investment platform and collaborates with the more than 400+ investment professionals to advance sustainability and climate-specific initiatives across investment strategies and stewardship on behalf of our clients. Investment teams integrate these issues into their investment processes in ways that are consistent with their asset classes, investment philosophy, and implementation of their strategies, where appropriate.

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

The team's areas of concentration include:

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

Several members of the team devote considerable time to climate-related investment matters. The Climate and Environmental Research Lead chairs the Allspring Climate Change and Water Working Group, collaborates with Allspring's investment professionals to spearhead climate research, and co-creates strategies that provide the foundation for Allspring's Climate Transition offerings. The head of Sustainability and Senior Portfolio Manager manages some of our climate-focused investment strategies. The head of Stewardship leads climate-related engagements with investee companies and the establishment of priority stewardship themes. The director of Sustainability Analytics oversees the production of our climate analytics and supports integration by investment teams.

Participation in industry initiatives

By aligning efforts on various initiatives, asset managers and other investors can advance market practice on a range of sustainability topics with broad investment implications. It is important for Allspring to both contribute to and draw from industry efforts focused on the advancement of key sustainability issues, including climate resiliency. Supporting and engaging with industry initiatives is an important part of our approach, and we are currently involved in the following climate-related industry groups:

- **IIGCC:** Allspring is a member of the Institutional Investors Group on Climate Change (IIGCC), which focuses on equipping investors with expertise and promoting transparency, helping them understand and manage the risks and opportunities associated with climate change in their investments.
- **CDP:** As an investor signatory to the Carbon Disclosure Project (CDP), Allspring lends its voice to requests for disclosure that contribute to the world's largest and most comprehensive dataset on environmental action in the world.
- **ASCOR:** Allspring is part of the Advisory Committee for Assessing Sovereign Climate-Related Opportunities and Risks (ASCOR), established to provide investors with a common lens to understand sovereign exposure to climate risk and how governments plan to transition to a low-carbon economy.
- **FAIRR:** Allspring is a member of the Farm Animal Investment Risk and Return (FAIRR) Initiative, a collaborative investor network that raises awareness of the climate and ESG risks and opportunities in global animal protein supply chains.

Ultimately, we believe our involvement in these efforts can improve investment management decisions, with the potential to drive long-term future returns for our clients and help to broadly mitigate negative climate outcomes.

In May of 2024, Allspring withdrew as a signatory to Climate Action 100+ ("CA100+"). In 2019, Allspring joined CA100+ because we believed it was critical for investee companies in the highest-emitting industries to better understand and communicate their climate-related risks and, when relevant, evolve their business strategies accordingly. That remains true today. Many companies, including the CA100+ company we engaged with for five years, have made significant progress with their climate transition strategies and commitments. We continue to engage independently with relevant companies on their climate transition strategy.

ASCOR spotlight

A founding member of the Advisory Committee to ASCOR, Allspring has, since 2021, contributed its expertise in sovereign bonds investment and understanding of climate-related risks and opportunities. ASCOR is the first publicly available, independent, and open-source investor framework and database assessing the climate action and alignment of sovereign bonds.

Climate risk management

At Allspring, we recognize that climate and broader sustainability issues can represent significant portfolio risk factors and potentially meaningful investment opportunities. We believe it is our responsibility to be aware of how climate and other sustainability risks may influence investment outcomes as we seek to help our clients succeed financially and benefit their stakeholders.

Our investment offerings are broad—spanning equity, fixed income, and multi-asset solutions—and deep, including fundamental and systematic strategies. Below are some examples of climate and sustainability integration approaches:

Corporate fixed income: The Allspring Global Fixed Income Research (GFIR) team is at the heart of our fixed income platform. Portfolio management teams draw upon this resource to provide insight and analysis for a wide range of global issuers. GFIR's rigorous proprietary research incorporates comprehensive analysis of quantitative and qualitative factors, including a long-standing emphasis on governance issues and management quality. We believe climate and broader sustainability analysis are critical to fully assess risk, and we have constructed in-house systems to assess ESG risk and climate risk—which we refer to as ESG information Quotient (ESGiQ) and Climate Transition Framework, respectively—to embed these analyses into our overall research process. ESG and climate risk assessments inform, but do not drive, our analysts' fundamental opinion and relative value assessments. Details of the Climate Transition Framework are provided in Figure 2 (page 15).

Fundamental equity: Our specialized equity teams may incorporate climate and sustainability analysis into their portfolio decisions following their own unique approach to bottom-up fundamental analysis. Teams may integrate material climate and sustainability information into different aspects of investment analysis, including industry analysis, assessment of management quality, company strategy analysis, or fair-value analysis, where appropriate. Direct contact with company management teams on a range of issues, including climate and ESG topics, is an important component of their extensive independent fundamental research.

Systematic investing: Our teams capitalize on ESG and carbon-related information to derive complementary insights for their alpha models, risk models, and portfolio construction for relevant portfolios. We strive to meet a range of objectives customized to client preferences—including carbon intensity and climate alignment—as well as tracking error, factor exposure, and alpha targets, among others. These efforts draw upon an extensive array of internal resources and external datasets.

Proprietary climate risk analysis processes

Recognizing that the risks arising from climate change can influence valuations and risk profiles, we have developed structured internal processes and resources for identifying, assessing, and managing climate-related risks. Our Climate Change & Water Working Group and our Sustainability Analytics team focus on providing insights to better understand the investment implications of climate change.

Climate Change & Water Working Group

Our Climate Change & Water Working Group (CCWWG) produces research and commentary on the relationship of climate change to industries and issuer fundamentals. Allspring created the CCWWG in 2019 to marshal cross-functional resources and build a platform for educating, understanding, and acting on climate risks. The CCWWG collaborates with investment teams to integrate climate risks into research and investment decisions. This group supports the assessment of climate change-related impacts on security value and portfolio risk by marrying top-down, systemic climate risk analysis with bottom-up sector expertise, aiming to improve investment performance and help clients achieve climate-related goals.

ESGiQ Scoring Framework

Our proprietary ESG scoring system, ESGiQ, focuses on industry-specific financially material ESG and climate risks. ESGiQ assesses climate-related transition risks such as GHG emissions and energy use as well as exposure to physical risks such as extreme weather and chronic weather patterns.

The ESGiQ scoring system includes quantitative and qualitative elements that are informed by external data and our analysts' in-depth sector knowledge and expertise. High-quality ESG and climate-specific data are collected from third-party providers to enable broader coverage than what's available from a single provider. This data is complemented by our analysts' assessment of risk exposure, risk management, and trends and outlooks related to ESG and climate risk.

The CCWWG assisted in the development of our proprietary Climate Transition Framework to provide a structure for our analysts to assess how company fundamentals may be affected by climate change and how companies may contribute to decarbonization. The framework (Figure 2) identifies a broad range of ways in which business models, technology, physical, regulatory, and other climate risks, and opportunities affect the competitiveness of a company, both positively and negatively. This disciplined research process helps us optimize risk decisions at the portfolio level and formulate industry-level insights.

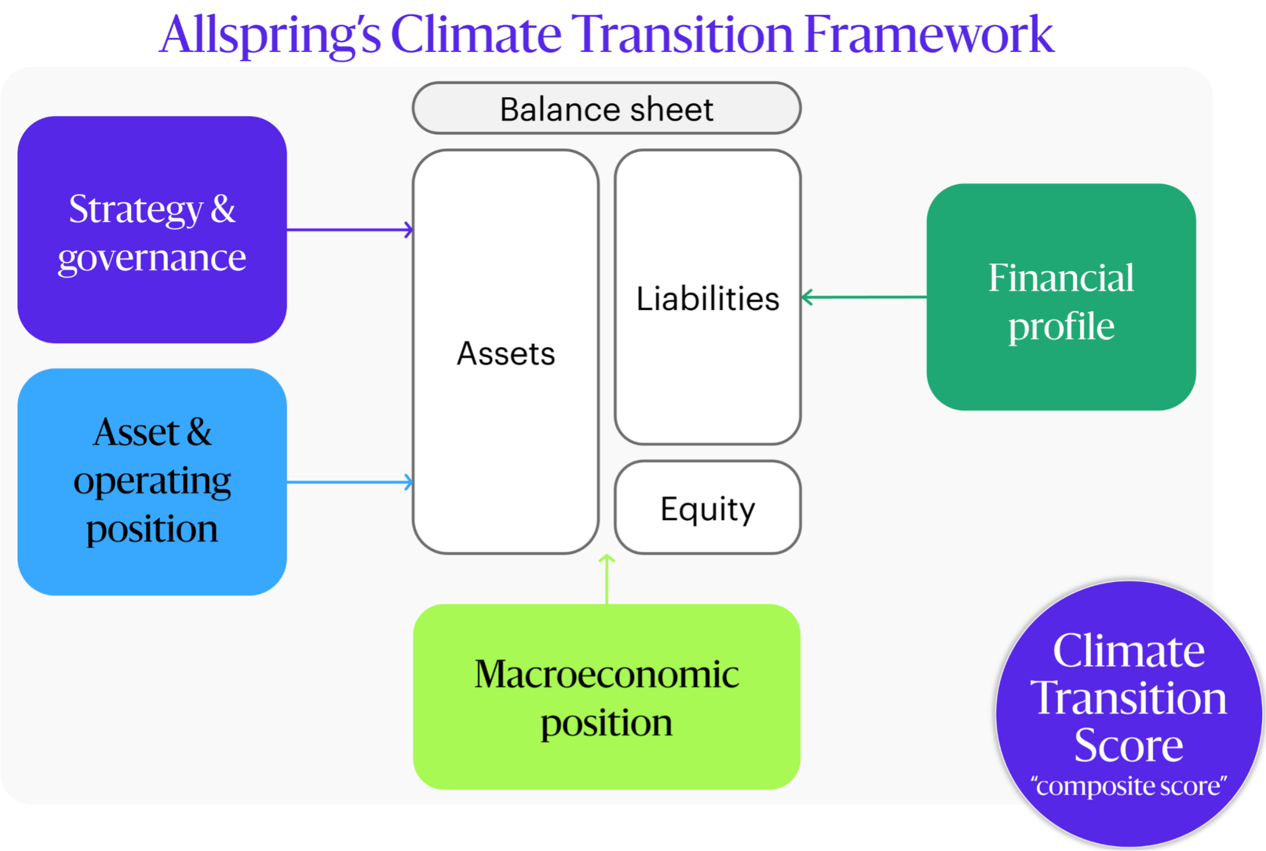
The analysis results in a proprietary Climate Transition Score that, when associated with a company's carbon metrics, broader ESG assessment, and analyst fundamental recommendations, provides a rounded assessment of a given investment opportunity and additionally identifies triggers for engagement with investee companies.

The transition scoring aims to answer two essential questions for each company:

01 How will decarbonization affect the entity's fundamental strength?

02 To what extent does the company contribute to decarbonization?

FIGURE 2: ALLSPRING'S CLIMATE TRANSITION FRAMEWORK



To generate the score, we use numerous criteria categorized under four pillars, such as:

Strategy and governance

- Thoroughness and rigor of overall climate strategy
- Scope 1 and 2 targets aligned with the Paris Agreement
- Scope 3 strategy, value-chain emissions
- Management of climate-focused stakeholder relations to ensure strategy execution
- Efficacy of governance to ensure strategy execution

Macroeconomic position

- Exposure to climate-driven macroeconomic risk

Asset and operating position

- Competitiveness (Scopes 1 and 2, issuer operations)
- Competitiveness (Scope 3, value-chain emissions)
- Technology risk (Scopes 1, 2, and 3)
- Physical risk (Scopes 1, 2, and 3)
- Operating expertise required to deliver decarbonization

Financial profile

- Climate liabilities
- Capital structure preparedness
- Profitability in a net-zero emissions world

The individual pillar scores are equally weighted to generate a final overall Allspring Climate Transition Score. Additionally, the Global Fixed Income Research team tracks whether the company's score is trending up (positive), down (negative), or neutral.

In 2024 we conducted research and development on a quantitative transition scoring process to complement the fundamental analysis described above, with the aim of expanding coverage and improving research efficiency. The quantitative score is undergoing testing and refinement prior to becoming operational.

Sustainability Analytics team

Our Sustainability Analytics team is a sub-group of the broader Investment Analytics team. The Investment Analytics team provides independent oversight on each investment team's process as well as analytics to help teams understand investment risks. Their mandate is to provide a consistent, unbiased framework for evaluating investment risk in each strategy. The Sustainability Analytics team generates sustainability and climate-related characteristics for use by portfolio managers. These characteristics are also leveraged to evaluate risks relative to strategy benchmarks and escalate concerns to senior leadership. The director of Sustainability Analytics oversees sustainability and climate analytics production and supports integration by investment teams.

On a monthly basis, the Sustainability Analytics team produces Sustainability Characteristics Reports for our investment strategies and their benchmarks. The reports present an array of pertinent climate information and metrics. The information ranges from point-in-time measures to forward-looking projections, including, but not limited to:

- **Carbon characteristics:** Carbon to value invested (metric tons of CO_2e per \$1 million invested) and weighted-average carbon intensity (metric tons of CO_2e per \$1 million revenues); carbon emissions including Scopes 1, 2, and 3 GHG emissions
- **Fossil fuel reserves emissions:** Metric tons of CO_2e per \$1 million invested, broken out by coal, gas, and oil
- **Energy mix:** Shows the proportion of total energy generation by primary energy source
- **Temperature alignment:** A transition pathway assessment of the adequacy of emissions reductions over time in meeting the requirements to reduce emissions in line with a 2˚C carbon budget, for example.
- **Temperature rise:** This metric forecasts portfolio company emissions and assesses them against what each company's allocated budgeted emissions would be if the world is to limit warming to below 1.5˚C. The aggregated difference between projected and allocated emissions is then converted to an implied rise in average global temperatures this century.

Our investment teams are encouraged to use this information as a catalyst for further research or for engagement with portfolio holdings.

Investment teams can collaborate with Sustainability Analytics to conduct climate scenario analyses based on MSCI Climate Value-at-Risk (CVaR) modeling. Scenario analysis combines multiple variables to estimate the potential future economic value at risk from both transition and physical risks under a given scenario. Scenario analysis enables "what if" considerations to gauge the sensitivity of an asset or portfolio to different ambition levels of possible future climate action. During the reporting period, use of scenario analysis to inform investment or risk management was not widespread: however, in 2024 we provided training to certain portfolio managers on scenario analysis, and we anticipate that utilization will broaden over time.

Enhancing climate data

For several years carbon data has been made available to Allspring investment teams. In 2024 we expanded the scope of datapoints to provide both more granular and forward-looking measures to further our investment professionals' understanding of climate-related investment implications. This broader array of analytics improved our ability to deliver on our client's reporting and investment objectives.

Climate risk oversight

Allspring senior investment leadership oversees climate and sustainability risk and consideration of these risks as part of risk review meetings. On a regular basis, significant product-specific and benchmark-relative climate and sustainability exposures are reviewed with the Office of the CIO, whose role is to oversee risk mitigation actions and to provide credible challenges to portfolio management teams to ensure portfolio positions are well understood and consistent with the investment team's stated process.

The Office of CIO Risk Briefing includes a review of key active weights across our different investment strategies, including attention to each strategy's carbon footprint or weighted-average carbon intensity (WACI) when it crosses certain thresholds relative to its benchmark index. On a quarterly basis, the Office of the CIO focuses exclusively on sustainability exposures and risk metrics with the Sustainability Risk Briefing, providing a deeper dive into investment strategies that have explicit sustainability objectives, including decarbonization or temperature alignment goals.

The climate and broader sustainability risk monitoring and reporting tools that Sustainability Analytics provides for each investment team, along with the risk-review meetings conducted by the Office of the CIO, highlight critical information and provide a multi-dimensional perspective on climate risks.

Leveraging these tools and issues considered at the risk-review meetings, as well as their own research and evaluations, the investment teams independently determine how best to incorporate sustainability and climate-specific considerations into their investment decision-making. These determinations can result in weighting or valuation adjustments, divestment, diversification, exercise of voting rights, and/or engagement with the issuer/companies.

Stewardship and climate change

As fiduciaries, we are committed to effective stewardship of the assets we manage on behalf of our clients. We embrace responsible, active ownership by engaging with investee companies and through voting proxies – we do both in a manner that we believe will maximize the long-term value of our clients' investments. Climate change and investee company transition strategies are a recurring thematic focus given the pace of transition and the escalation of physical risks. Since 2020, we have prioritized engaging with companies in the systemically important, high-emitting sectors, where we have meaningful investment exposure, to evaluate the robustness of their climate transition strategies. In the table below, we highlight whether companies in the high-emitting sectors were part of our thematic focus, year by year.

SYSTEMICALLY IMPORTANT SECTORS IN CLIMATE TRANSITION

	OIL AND GAS	UTILITIES	AUTOS	AIRLINES	METALS AND MINING	FOOD AND AG	CEMENT	STEEL	OTHER TRANSPORT	REAL ESTATE/ REITS	FINANCIALS
2019	●	●									
2020	●	●	●								
2021	●	●	●	●	●						
2022	●					●					
2023	●	●			●	●	●	●	●	●	●
2024			●	●							●

It takes time for companies to develop and execute a successful road map to achieve their long-term ambition. The critical horizon for meaningful emission reductions is 2050, according to scientific models that limit end of century temperatures to well below 2 ˚C. Entities need transition strategies to achieve intermediate goals between now and then to achieve success. For these reasons, we consider all of our climate engagements as continuous and subject to ongoing assessment of companies' progress on goals and expectations, as companies mature with their climate transition strategies. Presently, we have set expectations for companies in systemically important sectors to:

- Have robust TCFD reporting that strengthens over time
- Set 2030 or later science-based targets for Scopes 1 and 2 in alignment with 1.5˚C (and commit to science-based targets initiatives (SBTi) verification or be verified if the SBTi has already issued sector guidance at 1.5˚)
- Include Scope 3 emissions in any net-zero commitment
- Commit to a full inventory of relevant Scope 3 categories with clarity on weights and key performance indicators
- Maintain a specific board committee overseeing climate strategy and the expertise of the committee members

Engagement activities

Our motivation for engagement originates from a strong desire both to deepen our knowledge of investee companies to which we allocate our clients' capital and, where appropriate, recommend actions to protect invested capital. Along with having a firm-wide stewardship platform, we are structured with many specialized investment teams that conduct their own fundamental research, which includes engaging with company management. Given our structure, we believe engagement activities are the responsibility of our investment teams and our Stewardship team, with robust collaboration.

Our CCWWG enhances the focus of our engagement with companies and the discussion of opportunities and implications of climate change. The CCWWG and the Climate Transition Framework outputs help us identify climate transition preparedness leaders and laggards within industry groups and relative to decarbonization pathways, such as net zero by 2050.

The following case study highlights our thematic focus on financials as a sector where Allspring has considerable investment, focusing on banks' sustainable finance and financed emissions targets and strategies. Most large global banks have set emissions reductions targets for high-emitting sectors in their loan portfolios, and many banks also joined the net zero and other climate-focused industry groups.

CASE STUDY – Q4 2024

Bank Comparison: Sustainable Finance and Financed Emissions

ISSUE: Banks play an essential role facilitating sustainable economic growth by allocating their capital and expertise to help accelerate the global transition to a low-carbon economy. This is referred to as sustainable finance. Banks can also manage the emissions associated with their financing and investment activities, known as "financed emissions". The disclosure of financed emissions is currently voluntary in the US, though mandatory in the European Union.

OBJECTIVE: To assess the progress of JP Morgan ("JPM") and Wells Fargo ("Wells") with their sustainable finance goals and the evolution of their approaches to financed emissions.

ENGAGEMENT FINDINGS: Both banks set broad sustainable finance goals and financed emissions reduction targets in their loan books for high-emitting sectors. In 2021, JPM set a ten-year $2.5 trillion Sustainable Development Target by 2030, incorporating activity across retail and wholesale banking segments. This goal is larger and more comprehensive than its peers. Also in 2021, Wells set a goal of $500 billion for sustainable finance by 2030 with 80% towards its wholesale banking segments. The challenge is their sustainable finance definitions vary dramatically, making it hard to compare. The banks' categorization and progress over two years is shown below:

JP MORGAN	ACHIEVED ($M, 2021-23)
Green finance	242
Development finance (to developing countries)	306
Community Development (focused on low income, underserved communities)	127

WELLS FARGO	ACHIEVED ($M, 2021-23)
Environmental Finance	47
Standard Aligned Finance (Sustainability linked bonds, sustainability bonds, green bonds, social bonds)	102
Social Finance (affordable housing & empowerment)	28

The first category seems, on the surface, comparable. For the second, it is not clear where JPM would put what Wells calls "standard aligned finance", but clearly JPM would be very involved in this type of financing as well. In the third category, JPM has a much broader list of what it includes: areas such as homeownership and affordable housing, small business growth, education, and healthcare, whereas for Wells, it is simply stated as affordable housing and "socio-economic advancement and empowerment."

In terms of financed emissions, when Allspring began engaging with JPM in 2021, the company had only set intensity reduction targets for Oil & Gas, Electric Power, and Automotive Manufacturing. Since then, JPM has added five sectors and advanced its financed emissions approach by aligning all emissions reduction targets with a more ambitious IEA net zero emissions by 2050 scenario.

Wells has financed emissions reduction targets by 2030 for five sectors: Oil & Gas, Power, Auto, Steel, and Aviation. During the engagement we discussed the announcement in its most recent climate report that it is not setting any additional targets. Wells stated it was for a variety of reasons such as data reliability or lack of methodologies, but while these issues are resolved it will continue to set targets for other high-emitting sectors.

The banks have different definitions and reporting approaches to Oil & Gas. In the sectors where the definitions align, we can compare their emission-reduction targets to comparably defined sectors in the table on the next page:

	JP Morgan			Wells Fargo		
	SCOPES INCLUDED	BASELINE EMISSIONS (YEAR)	2030 TARGET (% REDUCTION)	SCOPES INCLUDED	BASELINE EMISSIONS (YEAR)	2030 TARGET (% REDUCTION)
Electric Power	Scope 1	343 (2019)	284 (-17%)	Scope 1	273 (2019)	102 (-63%)
Auto OEM	Scopes 1, 2 &3 (tank to wheel)	165 (2019)	86 (-48%)	Scopes 1, 2 &3 (tank to wheel)	220 (2021)	103 (-53%)
Steel Manufacturing	Scopes 1 & 2	1.42 (2020)	1.30 (-8%)	Scopes 1 & 2	1.01 (2021)	1.01 (0%)
Aviation	Scope 1 (tank to wake)	973 (2021)	625 (-36%)	Scope 1 (tank to wake)	969 (2019)	775 (-20%)

Note: each sector has different units of CO2 measurement but both banks use the same units of measurement.

In terms of strategies to lower financed emissions, both banks state they are working with clients to help them design pathways to reduce emissions. Electric power stands out as a sector where Wells believes it can achieve more aggressive reduction than JPM. JPM has more sectors targeted in its financed emissions goal setting and its sustainable finance goal, of $2.5 trillion over 10 years to 2030, is the largest commitment of the U.S. banks.

Allspring Assessment of Engagement: Allspring gave our engagements with both banks a positive rating in terms of our "positive, neutral and negative" outcome scale. Ratings are given relative to our expectations for the company before the meeting. Expectations are made based on our due diligence ahead of engagement, our history of engagement with the company and the maturity of the sustainability program.

Voting policies

For listed equities, proxy voting and engagement work together in a complementary and harmonious way as part of our overarching approach to stewardship. Our voting decisions are informed by insights and experience gained from engagement with investee companies.

Because of the complexity and time required for companies to develop and execute a successful climate strategy, we evaluate shareholder proposals on climate change in the context of where each company is in terms of its climate transition strategy and on whether the proposal is addressing the most pertinent issues at the right time in that journey.

We recognize the importance of companies' commitment to engage with stakeholders, including shareholder proponents, and the value of negotiating constructive outcomes to progress on disclosure and climate commitments. For these reasons, our voting outcomes on shareholder proposals related to climate change may appear varied, but the detail of the analysis to support or not support is contextual.

In 2024, we voted for 43 of the 110 shareholder proposals related to climate change topics, as shown below. Climate-focused shareholder proposals made up 10% of all shareholder proposals in 2024, consistent with 2023 levels.

SHAREHOLDER PROPOSALS VOTED ON BY ALLSPRING IN 2024

	TOTAL PROPOSALS	VOTED FOR	VOTED AGAINST	PERCENT VOTED FOR	PERCENT VOTED AGAINST
Shareholder proposals	**1,151**	**576**	**575**	**50%**	**50%**
Environmental	**148**	**40**	**108**	**27**	**73**
Climate sub-total	**110**	**43**	**67**	**39**	**61**
Report GHG emissions	34	19	15	56	44
Restrict spending on climate change action*	20	0	20	0	100
Report on climate change	17	2	15	12	88
Report on climate change lobbying	13	13	0	100	0
Restrict spending on fossil fuel financing	8	0	8	0	100
Disclose fossil fuel financing	8	6	2	75	25
Report on "Just Transition"	6	3	3	50	50
Advisory Vote on Climate Action Plan	4	0	4	0	100

*Considered as "Anti-ESG" topic

In 2024 management proposals known as "Say on Climate" were roughly the same at 20 year-over-year. We voted with management on all but two (18 out of 20). Management teams' willingness to put proposals to shareholders outlining their climate transition strategies, commitments and progress is usually supported by most shareholders.

The two that we voted against were different share types of the same company (ADR and local shares), Woodside Energy Group, an Australian Oil and Gas company. This was the second time that shareholders had the opportunity to cast a non-binding vote on the company's climate report. At the 2022 AGM, the vote only garnered 51% support from shareholders. Compared to its plan proposed to shareholders in 2022, the company has not significantly updated its transition plan. The sole new target is to "take on new energy products and lower carbon services by 2030, with total abatement capacity of 5 Mtpa CO_2e". The company still intends to invest US$5 billion in new energy products and lower carbon services by 2030, but at the end of 2023, the company had cumulatively spent only $335 million towards this target. The company does disclose some scenario analyses but does not report how its strategy compares with these scenarios. This proposal failed with 58% of shareholders against.

Allspring corporate operations climate risk management

No discussion of climate risk management at Allspring would be complete without mentioning how we are managing climate risk on corporate operations. As a relatively new independent firm, our priority to date has been on building the capabilities to understand our corporate operations' emission baseline so that we can then seek to make incremental continuous improvement. In this regard, we have engaged external experts to help us measure our emissions. We have compiled the emissions from natural gas, electricity, water consumption and waste from our corporate office footprint. Additionally, we are reporting Scope 3 emissions for the categories of business travel and employee commuting activities.

To reduce our operational carbon and energy footprint, Allspring has already taken some important measures. For example, when seeking new office locations, we prioritize Leadership in Energy and Environmental Design (LEED) and Building Research Establishment Environmental Assessment Methodology (BREEAM) certified space; six of our seven hub offices have a LEED rating of Platinum or Gold.

We have developed a travel policy that encourages staff to consider a number of factors before booking any business travel. For example, to minimize the carbon footprint of air travel, nonstop flights are booked whenever possible. Single-meeting trips are avoided and scheduled trips include multiple meetings whenever possible. Rail travel is prioritized over air travel for trips under 300 miles. And, when renting vehicles, energy-efficient (hybrid, electric, compact) vehicles are booked whenever possible. Our policy is to use LEED-certified or Green Seal hotels.

Metrics and targets

Investment metrics

The resources, data, and tools described above are essential components to measuring and managing climate risks and opportunities across our broad investment platform. In our view, this contributes both to generating sustainable, long-term returns that help our clients navigate what lies ahead and to our mission of elevating investing to be worth more.

We monitor various climate metrics to size levels and trends of potential climate risks and opportunities and to inform progress toward our clients' decarbonization objectives. The investment metrics we monitor include weighted average carbon intensity ("WACI"), carbon footprint, temperature rise, and exposure to climate risk. These efforts are subject to adequate data coverage; hence we focus on listed, corporate-issued securities. The chart summarizes metrics for public equities and corporate bond holdings, which represented 52% of global assets under advisement as of December 31, 2024, for which we had GHG data coverage of 78%. On December 31, 2023, these values were 55% and 81% respectively.

KEY METRICS RELATED TO INVESTMENTS—EQUITIES AND CORPORATE BONDS

INVESTMENT METRICS*	Financed emissions and carbon footprint		Weighted average carbon intensity§	
UNIT	metric tons of CO2e/$millions invested		metric tons of CO2e/$millions revenue	
	2024	2023	2024	2023
Scope 1	34	34	111	106
Scope 2	7	7	18	18
Scope 1 + Scope 2	41	41	129	124
Scope 3	35	38	68	72

*Metrics information comes from S&P Trucost. Metrics are calculated in alignment with the Partnership for Carbon Accounting Financials' (PCAF) guidance.

§The WACI metric takes the total carbon emissions divided by the total revenue of each holding and multiplies it by its market value weight. The final value is the sum of these weighted intensities, reweighted to remove securities with unavailable data. Data comes from S&P Trucost.

Municipal, securitized, and sovereign securities along with external collective vehicles, derivatives, cash, and cash equivalents are excluded from this analysis due to very low data coverage and lack of proxy data. While climate disclosures from companies have steadily improved over the years, investors are challenged by gaps and a lack of consistency and comparability. In our view, it is likely that the climate reporting landscape will not improve significantly until global regulatory requirements come into effect that mandate greater disclosure.

We source information and data from third-party providers for many use cases, including to inform assessments of securities as part of the investment process or for monitoring and reporting. The information from third-party data providers may be incomplete, inaccurate, or unavailable. Third-party data may include both reported and estimated data and the proportion of estimated data changes over time depending on availability of information accessible to data providers, process changes and methodological approaches, amongst other factors.

Allspring communicates regularly with our data providers on matters related to methodologies, coverage, and quality standards, as applicable. Moreover, as outlined above, Allspring engages with investee companies on climate and other topics to improve disclosure and information flow that in turn informs and improves our investment decision-making. Additionally, as a signatory to CDP we join hundreds of other financial institutions in calling for securities issuers to disclose climate risks and opportunities.

Corporate greenhouse gas metrics

At Allspring, we are committed to protecting the environment and monitoring our impact on it, as sustainability is key to the health of society and the planet.

We have partnered with nZero, a global sustainability company, to measure our GHG emissions and to help us seek ways to reduce the firm's environmental footprint to minimize the carbon, energy, water, and waste impacts of our operations. The operational emissions and other metrics presented below have been calculated in line with GHG protocol guidance.

Allspring applies GHG use intensity to assess our buildings' GHG emission output based on square footage and average energy use intensity (EUI) to measure a building's energy efficiency in design and operations. nZero benchmarks EUI against the Commercial Building Energy Consumption Survey (CBECS), which is maintained by the U.S. Energy Information Administration. Because CBECS is a U.S.-only survey, some non-U.S. offices were benchmarked based on U.S. benchmarks of similar climate.

METRICS RELATED TO OUR BUSINESS OPERATIONS

Across 17 Allspring global sites:

Metric tons of CO2e	2023	2024	Change %
Scope 1	619	585	-5
Scope 2 (advanced grid study) †	1,400	1,294	-8
Scope 2 (location based) †	1,527	1,315	-14
Scope 3 (upstream leased assets)	390	356	-9
Scope 3 (employee commuting)	1,200	1,154	-4
Scope 3 (business travel)	3,210	2,182	-32
Scope 3 (waste)	8	3	-63

†Scope 2 emissions calculated using an advanced grid study that incorporates facility- and resource-specific data matched to the time of Allspring' s electricity consumption paired at an hourly level. Location based figures for 2023 have been updated to apply correct DEFRA emission factor units for air travel (passenger.km updated to passenger miles)

Energy and water usage

Natural gas	metric tons of CO2e	657
Electricity	metric tons of CO2e	1,578
Water consumption	thousand gallons	3,295
Total building EUI	kBtu/square foot	82

Figures represent data for the calendar year of 2024.

Targets

We have carbon intensity targets for select investment strategies. For example, our Climate Transition investment strategies – Global Investment Grade Credit, Global High Yield, Global Buy & Maintain, and Global Equity – adhere to benchmark-relative carbon intensity reductions ("carbon cap") and are managed such that they must always remain below the carbon cap. In addition, we establish a decarbonization trajectory by reducing the carbon cap 7% per year for a net-zero target by 2050. We also partner with clients to implement bespoke targets in their separate account mandates.

These flagship climate transition strategies managed a combined US$5.7 billion as of December 31, 2024.

Appendix: Report for Allspring Global Investments (UK) Limited UK FCA's ESG Sourcebook

A note from Andy Sowerby, CEO of Allspring Global Investments (UK) Limited.

I confirm that during the period January 1, 2024, to December 31, 2024 (the reporting period), the foregoing information contained in this report, including the contents of this appendix that detail matters specific to Allspring Global Investments (UK) Limited as well as the Allspring Group disclosures cross-referenced therein, comply with the requirements laid out in Chapter 2 of the FCA's ESG Sourcebook, released November 28, 2023 (the ESG Sourcebook).

ANDY SOWERBY

Chief Executive Officer
Allspring Global Investments (UK) Limited

Allspring Global Investments (UK) Limited (Allspring UK)

Introduction

Allspring UK is a company incorporated under the laws of England and Wales with registered number 03710963 and whose registered office is at 30 Cannon Street, London EC4M 6XH. Allspring UK is also a registered investment advisor with the US Securities and Exchange Commission. Allspring UK is part of the wider Allspring Global Investments. Allspring UK is authorized by the Financial Conduct Authority, under reference number 190608, to provide portfolio management services.

The report covers the portfolio management activities of Allspring UK that are in scope for reporting under Chapter Two of FCA's ESG Sourcebook. The report and metrics presented represent Allspring UK assets under management, including portfolios for collective investment schemes and separately managed accounts managed by Allspring UK as a direct contracting entity or as a sub-investment manager. This report covers the period from January 1, 2024, to December 31, 2024 (the reporting period).

Climate governance

Oversight and management of climate-related risks and opportunities occur at the Allspring Global Investments level, details of which can be found on page 5. Those aspects that apply to Allspring UK are overseen by the Board of Directors of Allspring UK (the Allspring UK Board) and its Executive Committee.

Currently one Board Director of Allspring UK is also a member of the Allspring ELT.

Allspring UK has an Executive Committee established by the Allspring UK Board to support the Board and the CEO of Allspring UK in discharging their responsibilities. The Allspring UK Executive Committee serves as the primary committee for providing escalation to the Allspring UK Board and CEO, including on climate and sustainability strategy and considerations. Certain members of the Allspring UK Board are also members of the Allspring Risk Committee, and the Allspring UK Executive Committee provides input to the Allspring Risk Committee, which facilitates regional input into global governance—including those relating to climate risks.

The head of Sustainability provides investment updates to the Allspring UK Board, and the head of Corporate Sustainability provides updates on the corporate sustainability matters, in each instance at monthly and quarterly meetings of the Allspring UK Board and Executive Committee, respectively. The Allspring UK Board meets on a quarterly basis, with a quarterly review of investment-related and other dashboards and an annual review and discussion of sustainability and climate metrics.

Understanding climate risk and opportunities for our clients

See the Climate Strategy section and related table on page 9 for examples of how climate risks and opportunities are factored into some of the relevant products and investment strategies. These risks and opportunities are managed at the group level and apply to Allspring UK as well.

How Allspring UK manages climate risk and opportunities

Investment- and operations-related climate risks are managed by Allspring UK following group processes. See page 7 for details on how risks are identified, assessed, managed, and integrated within broader enterprise risk management processes.

Allspring manages investments based on client investment objectives and investment strategy guidelines. We believe that climate risks can have meaningful impact on economic value, so they are considered depending on the mandate, as appropriate.

Investment teams can collaborate with Sustainability Analytics to conduct climate scenario analyses based on MSCI CVaR modeling. Scenario analysis combines multiple variables to estimate the potential future economic value at risk from both transition and physical risks under a given scenario. Scenario analysis enables "what if" considerations to gauge the sensitivity of an asset or portfolio to different ambition levels of possible future climate action. During the reporting period, use of scenario analysis to inform investment or risk management was not widespread; however, in 2024 we provided training to certain portfolio managers on scenario analysis, and we anticipate that scenario analysis utilization will broaden over time.

Targets and metrics

Allspring's **climate-related intensity targets** are defined for select investment strategies at the group level and apply to Allspring UK's investment strategies, which are aligned with Allspring UK's approach to governance, strategy, or risk management under the TCFD Recommendations and Recommended Disclosures. This reflects the nature of Allspring's business. See page 23 for details on Allspring's investment intensity targets.

METRICS RELATED TO UK INVESTMENTS

The climate-related investment metrics monitored at Allspring, including Allspring UK, encompass WACI, carbon footprints, temperature rise and exposure to climate risk with respect to certain holdings, among others. These efforts are subject to adequate data coverage; hence we focus on listed, corporate-issued securities.

METRICS TO ASSESS CLIMATE-RELATED RISKS AND OPPORTUNITIES

INVESTMENT METRICS*	Financed emissions and carbon footprint		Weighted average carbon intensity§	
UNIT	metric tons of CO2e/£millions invested		metric tons of CO2e/£millions revenue	
	2024	2023	2024	2023
Scope 1	29	58	61	75
Scope 2	11	10	23	25
Scope 1 + Scope 2	40	67	84	100
Scope 3	61	67	83	91

*Metrics information comes from S&P Trucost. Metrics are calculated in alignment with the Partnership for Carbon Accounting Financials' (PCAF) guidance.

§The WACI metric takes the total carbon emissions divided by the total revenue of each holding and multiplies it by its investment weight. The final value is the sum of these weighted intensities, reweighted to remove securities with unavailable data. Data comes from S&P Trucost.

Figures in this table relate to the in-scope assets of public equities and corporate bond holdings for which we had GHG data, representing 36% of Allspring UK assets under advisement as of December 31, 2024, for which we had GHG data coverage of 84%. On December 31, 2023, these values were 46% and 71%, respectively. Municipal, securitized, and sovereign securities, along with external collective vehicles, derivatives, cash, and cash equivalents, are excluded from this analysis due to very low data coverage and lack of proxy data. While climate disclosures from companies have steadily improved over the years, investors are challenged by gaps and a lack of consistency and comparability. In our view, it is likely that the climate reporting landscape will not improve significantly until global regulatory requirements come into effect that mandate greater disclosure.

We source information and data from third-party providers for many use cases, including to inform assessments of securities as part of the investment process or for monitoring and reporting. The information from third-party data providers may be incomplete, inaccurate, or unavailable. Third-party data may include both reported and estimated data and the proportion of estimated data changes over time depending on availability of information accessible to data providers, process changes and methodological approaches, amongst other factors.

Allspring communicates regularly with our data providers on matters related to methodologies, coverage, and quality standards, as applicable. Moreover, as outlined above, Allspring engages with investee companies on climate and other topics to improve disclosure and information flow that in turn informs and improves our investment decision-making. Additionally, as a signatory to CDP we join hundreds of other financial institutions in calling for securities issuers to disclose climate risks and opportunities.

CVaR is a modeling tool licensed by MSCI, Inc., that estimates possible future financial implications of climate-related risks and opportunities under a range of different scenarios. CVaR is not a forecast or a prediction; it estimates the economic outcome to an asset or portfolio under a given scenario, broken into distinct components: risks or opportunities from policies, physical hazards, and low-emission technologies. The below 2˚C (orderly) scenario is from the Network for Greening the Financial System (NGFS). This scenario assumes that climate policies are implemented early and become steadily more rigorous over time to reach global net-zero emissions around 2050 and likely limit warming to below 2˚C compared with the pre-industrial average. It does not represent the scenario that we believe to be most likely or most extreme.

EXPOSURE TO CLIMATE RISK AND OPPORTUNITY†

SCENARIO: BELOW 2°C (ORDERLY)	Physical risk	Policy risk	Technology opportunity	Total CVaR
2024	-0.5%	-0.2%	+0.1%	-0.7%
2023	-0.7%	-0.3%	+0.0%	-0.9%

The climate value at risk declined modestly over the period, principally due to a reduction in the physical risk dimension. The data in the table reflects investment holdings at the end of each year.

†Physical risks reflect business interruptions or asset damages from climate hazards and can be either chronic or acute, such as extreme cold, extreme heat, precipitation, extreme snowfall, extreme wind, coastal flooding, fluvial flooding, tropical cyclones, river low flow, and wildfires. Policy risk reflects transition risks or costs incurred by portfolio companies from regulatory, consumer, or technological changes intended to limit global temperature rise. Technology opportunity uses low-carbon patent data to estimate companies that may benefit from decarbonization. CVaR metrics come from MSCI, Inc and we do not assume any liability for the accuracy, completeness, or financial implications of the results. Totals may not sum due to rounding.

METRICS RELATED TO OUR UK BUSINESS OPERATIONS

We have partnered with nZero, a global sustainability company, to measure our GHG emissions and seek ways to reduce the firm's environmental footprint for a more sustainable future. nZero calculates emissions based on the GHG protocol guidance.

The increase in energy consumption in 2024 is driven by a move to a new building, with a transition period from April - September during which Allspring was responsible for two sites.

Allspring UK site:

metric tons of CO2e	2023	2024	Change %
Scope 1	10	15	50
Scope 2 (advanced grid study)[‡]	20	18	-10
Scope 2 (location based)	25	27	8
Scope 3 (upstream leased assets)	–	–	–
Scope 3 (employee commuting)	84	103	23
Scope 3 (business travel)	221	376	70
Scope 3 (waste)	N/A	N/A	N/A

‡Scope 2 emissions calculated using an advanced grid study that incorporates facility- and resource-specific data matched to the time of Allspring' s electricity consumption paired at an hourly level.

Energy and water usage

Natural gas	metric tons of CO2e	15
Electricity	metric tons of CO2e	18
Water consumption	thousand gallons	275
Total building EUI	kBtu/square foot	35

Figures represent data for the calendar year of 2024.

Disclosures

This information is a marketing communication, unless stated otherwise, for professional, institutional, or qualified clients/investors (as defined by the local regulation in the respective jurisdiction). Not for retail use.

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

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

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

Distribution in the United States: Allspring companies include, but are not limited to, Allspring Global Investments, LLC, and Allspring Funds Management, LLC. Certain products managed by Allspring entities are distributed by Allspring Funds Distributor, LLC (a limited-purpose broker-dealer and Member FINRA/SIPC). Associated with Allspring is Galliard Capital Management, LLC (an investment advisor that is not part of the Allspring trade name/GIPS company).

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

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

Distribution in Australia: Allspring Global Investments (UK) Ltd. (Allspring UK) is exempt from the requirements to hold an Australian financial services licence under the Corporations Act 2001 in respect of the financial services it provides to wholesale clients in Australia. Allspring UK is regulated and supervised by the Financial Conduct Authority under the laws of the United Kingdom, which differ from Australian laws. Allspring Global Investments, LLC (Allspring Investments), is exempt from the requirements to hold an Australian financial services licence under the Corporations Act 2001 in respect of the financial services it provides to wholesale clients in Australia. Allspring Investments is regulated by the United States Securities and Exchange Commission under US laws, which differ from Australian laws.

Distribution in Brunei: Allspring does not have a banking license under the Banking Order 2006, or a capital market services license under the Securities Markets Order 2013 to provide investment advice to clients in, or to undertake investment business in, Brunei. By requesting financial services from Allspring, you agree, represent and warrant that you are engaging our services wholly outside Brunei and subject to the laws of the contract governing the terms of our engagement. This document does not constitute an offer or an advertisement within the meaning of the Securities Markets Order 2013 and shall not be distributed or circulated to any person in Brunei.

Distribution in New Zealand: this information does not constitute an offer of financial products for issue requiring disclosure to an investor under Part 3 of the Financial Markets Conduct Act 2013 (N.Z.) (the Financial Markets Conduct Act (N.Z.)) or an offer of any other financial services requiring disclosure under the Financial Markets Conduct Act (N.Z.). Allspring is not offering or selling any financial products or financial services to any persons in New Zealand other than from offshore and other than to a person who is an "investment business" within the meaning of clause 37 of Schedule 1 of the Financial Markets Conduct Act (N.Z.), or meets the investment activity criteria specified in clause 38 of Schedule 1 of the Financial Markets Conduct Act (N.Z.), or is "large" within the meaning of clause 39 of Schedule 1 of the Financial Markets Conduct Act (N.Z.), or is a government agency within the meaning of clause 40 of Schedule 1 of the Financial Markets Conduct Act (N.Z.).

Distribution in Singapore: this advertisement has not been reviewed by the Monetary Authority of Singapore. This material and the information contained herein are for general information only. Nothing in this material is to be construed as an offer, solicitation, or recommendation to buy or sell or subscribe for any security, unit in a fund or any other financial product or instrument or to enter into any transaction or to participate in any particular trading or investment strategy. This material does not constitute a prospectus, information memorandum, offering document or any other document required to be approved by, registered with, or lodged with the Monetary Authority of Singapore. This material and the information contained herein do not constitute investment advice nor take into account the specific investment objectives, financial situation or particular needs of any person. Please seek advice from your professional advisor(s) before making any financial or investment decisions. This material and the information contained herein are directed only at, and intended only for, institutional investors and accredited investors (both as defined under the Securities and Futures Act 2001 of Singapore) and other classes of investors for which Allspring Global Investments (Singapore) Pte. Ltd. (Allspring Singapore), a capital markets services licence holder for fund management regulated by the Monetary Authority of Singapore, is licensed to serve. This material and the information contained herein are not intended for, and should be disregarded by, any retail investor.

Distribution in Hong Kong: this document is distributed in Hong Kong by Allspring Global Investments (Hong Kong) Ltd., which is a Hong Kong–incorporated company licensed and regulated by the Securities and Futures Commission to carry on Types 1 and 4 regulated activities, as defined in the Securities and Futures Ordinance (Cap. 571 The Laws of Hong Kong; the SFO), subject to the following conditions: it shall not hold client assets and it shall provide services only to professional investors (the terms "hold", "client assets" and "professional investors" are as defined in the SFO and its subsidiary legislation). There may be information relating to funds that are not authorised for retail distribution and are available only to qualified professional investors. This document is not intended for, and should not be relied on by, any person other than professional investors (as defined in the SFO or the Securities and Futures (Professional Investor) Rules (Cap. 571D of The Laws of Hong Kong)). Neither the issue of this document nor the information contained in it has been approved or reviewed by any regulatory authority in Hong Kong.

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

Distribution in Japan: This information is a marketing communication, unless stated otherwise, for "qualified institutional investors", as defined in Article 10 of the Cabinet Office Ordinance on Definitions under Article 2 of the Financial Instruments and Exchange Act of Japan. Not for retail use. This material and the information contained herein does not constitute and is not intended to constitute investment advice or an offer of securities and accordingly should not be construed as such. Any products or services referenced in this material may not be licensed or registered in all jurisdictions, and, unless otherwise indicated, no regulator or government authority has reviewed this material or the merits of the products and services referenced herein. This material and the information contained herein have been made available in accordance with the restrictions and/or limitations implemented by any applicable laws and regulations. This material is directed at and intended for "qualified institutional investors", as defined in Article 10 of the Cabinet Office Ordinance on Definitions under Article 2 of the Financial Instruments and Exchange Act of Japan. This material is provided on a confidential basis for informational purposes only and may not be reproduced in any form. Allspring does not provide tax, legal or accounting advice, and this material does not take an investor's personal investment objectives or financial situation into account. Before acting on any information in this material, prospective investors should inform themselves of and observe all applicable laws, rules and regulations of any relevant jurisdictions and obtain independent advice if required. This material is for the use of the named addressee only and should not be given, forwarded, or shown to any other person (other than employees, agents or consultants in connection with the addressee's consideration thereof).

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

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

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

Distribution in Thailand: this material, when distributed in Thailand, is intended only for institutional investors, as defined in the Notification of the Office of the Securities and Exchange Commission No. KorNor. 43/2549 Re: Investment management not considered as private fund management dated 27 December 2006 (as may be amended). It is solely for the use of such investors and shall not be distributed, forwarded, passed on or disseminated to any other person.

Distribution in Canada: Allspring Global Investments, LLC (Allspring Investments), is not registered as an investment advisor in any of the Canadian provinces, is only authorised to provide investment advisory services in Canada pursuant to an exemption available to foreign investment advisors under Canada's National Instrument 31-103 (NI 31-103) and can provide such services only to permitted clients as defined under NI 31-103. Allspring Investments is registered as an investment advisor with the United States Securities and Exchange Commission. Its head office is located at 1415 Vantage Park Drive, 3rd Floor, Charlotte, NC 28203 and, thus, substantially all of its assets are situated outside of Canada. As a result, there may be difficulty enforcing legal rights against Allspring because of the above, and investors are directed to Blakes Vancouver Services, Inc., Allspring Investments' agent for service of process, in the event of any disputes at the following address, phone number and email address: Blakes Vancouver Services, Inc., 595 Burrard Street, Suite 2600, Three Bentall Centre, Vancouver, BC V7X 1L3; tel: +604-631-3300; e-mail lisa.marchese@blakes.com.

Distribution in the Bahamas: The information provided herein is intended solely for the designated recipient thereof. It is not an offer to the public. The information contained herein is for general informational purposes and is not deemed an offer to the public. Advice of local counsel in connection with information contained herein is recommended.

Distribution in Brazil: The information provided herein is intended solely for the designated recipient thereof. It is not an offer to the public. The information contained herein is for general informational purposes and is not deemed an offer to the public. Advice of local counsel in connection with information contained herein is recommended.

Distribution in the Cayman Islands: Allspring is not regulated in the Cayman Islands and is not licensed or otherwise authorized to carry on business, including securities investment business, in or from the Cayman Islands.

Distribution in Chile: Allspring may not offer or provide any of the products or services in Chile. Allspring is not regulated by the Chilean authorities and participation in any product or service is an offshore investment activity that is not subject to any Chilean supervision and is not guaranteed by any regulatory or governmental agency in Chile.

Distribution in Mexico: The information provided herein is intended solely for the designated recipient thereof. It is not an offer to the public. The information contained herein is for general informational purposes and is not deemed an offer to the public. Advice of local counsel in connection with information contained herein is recommended.

Distribution in Peru: Allspring and the services offered are subject to the laws and jurisdiction of the United States and are not regulated or supervised by any Peruvian entity or government authority.

Certain information contained herein (the "Information") is sourced from/copyright of MSCI Inc., MSCI ESG Research LLC, or their affiliates ("MSCI"), or information providers (together the "MSCI Parties") and may have been used to calculate scores, signals, or other indicators. The Information is for internal use only and may not be reproduced or disseminated in whole or part without prior written permission. The Information may not be used for, nor does it constitute, an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product, trading strategy, or index, nor should it be taken as an indication or guarantee of any future performance. Some funds may be based on or linked to MSCI indexes, and MSCI may be compensated based on the fund's assets under management or other measures. MSCI has established an information barrier between index research and certain Information. None of the Information in and of itself can be used to determine which securities to buy or sell or when to buy or sell them. The Information is provided "as is" and the user assumes the entire risk of any use it may make or permit to be made of the Information. No MSCI Party warrants or guarantees the originality, accuracy and/or completeness of the Information and each expressly disclaims all express or implied warranties. No MSCI Party shall have any liability for any errors or omissions in connection with any Information herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

For further information

We're committed to thoughtful investing, purposeful planning, and the desire to deliver outcomes that expand above and beyond financial gains. Visit our website at allspringglobal.com.

Contact details

FOR U.S. INVESTORS ONLY

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

FOR EMEA AND APAC INVESTORS ONLY

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

FOR SUSTAINABLE INVESTING

To discuss sustainable investing solutions, contact Henrietta Pacquement, head of Sustainability, and Jamie Newton, deputy head of Sustainability, at henrietta.pacquement@allspringglobal.com and jamie.newton@allspringglobal.com.