



BARINGS

United Nations Global Compact

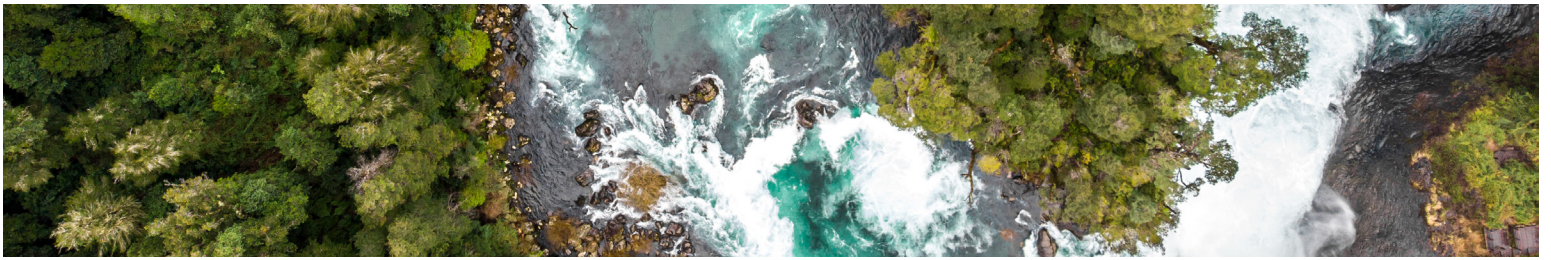
COMMUNICATION ON PROGRESS 2022

As of March 2021



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A Message from our CEO

I am pleased to reaffirm Barings' commitment to the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

For us at Barings, building a sustainable world for future generations requires dedication, evolution and long-term collaboration. We also recognize that our approach to the Global Compact Principles must extend to the sustainability of our own business. As such, we are dedicated to supporting human rights, our global employees and other labor forces, as well as the environment. We are also committed to tackling corruption.

In our mission to deliver long-term value and act as successful stewards of our clients' capital, we advocate for responsible, sustainable ESG practices, and encourage and nurture diversity in our culture and employees. Our dedication to diversity has brought new talent, energy and focus to our diversity, equity, and inclusion (DE&I) journey, including the arrival of Chasity Boyce, our Chief DE&I Officer. With Chasity on board, we moved forward on several long-term initiatives through the three key pillars of our DE&I strategy: learning, measurement and programs. These pillars extend across our DE&I work to create an environment in which everyone can both succeed and be their authentic selves.

Meanwhile, through Barings Social Impact, we work with our partners to make the communities where we live, work and invest stronger, more vibrant and resilient. Built on Barings' long history of community giving and engagement, Barings Social Impact expands our global philanthropic reach and engages employees through employee-driven grants and volunteer opportunities.

We also aim to do our part in protecting the global environment, regenerating the natural world and reducing our own environmental footprint. In July 2021, we announced our commitment to achieve net zero in our global operations by 2030. In light of this commitment, we are pleased to announce that Barings met its goal of achieving neutrality through carbon offsets by the end of 2021. We are also working actively to support the efforts of our parent company, MassMutual, to achieve their climate commitments of operational net zero by 2030 and investments net zero by 2050. And our mission is ongoing in 2022, especially through close partnerships with industry bodies focused on climate change and other Sustainable Development Goals.

In this annual Communication on Progress, we detail our efforts to incorporate the Global Compact and its principles across our business—from advancements in how we integrate responsible practices into our investment process, to our firm-wide initiatives aimed at creating a better future for our clients, colleagues, communities and planet.



A handwritten signature in black ink, appearing to be 'M. Freno'.

MIKE FRENO

Chairman and CEO

Firm Overview

INVESTING IN LASTING CHANGE, TOGETHER

Barings is a U.S. \$391+ billion¹ global investment manager sourcing differentiated opportunities and building long-term portfolios across public and private fixed income, real estate and specialist equity markets. With investment professionals based in North America, Europe and Asia Pacific, the firm—a subsidiary of MassMutual—aims to serve its clients, communities and employees, and is committed to sustainable practices and responsible investment.

We built Barings' reputation and track record on a strong, bottom-up style of investing, driven by fundamentals. And across our investment capabilities, we share the same fundamental research process.

WE ARE DELIBERATE IN OUR DIRECTION, PARTNERSHIPS AND DECISION MAKING TO ACHIEVE LONG-TERM, LASTING CHANGE



ESG INTEGRATION

We **integrate environmental, social and governance** information into our analysis and decision-making across our investment teams and business lines.



CORPORATE RESPONSIBILITY

ESG is ingrained in our **business activities** through our corporate responsibility program. This includes our Barings Social Impact philanthropic program, as well as our focus on diversity, equity and inclusion across our business.



STEWARDSHIP

We are **active stewards** of the entities in which we invest; this goes hand-in-hand with our active investment approach. We believe the best way to advance change is by rewarding progress.

OUR SUSTAINABILITY GOVERNANCE, RESOURCES AND PARTNERSHIPS



FORMAL GOVERNANCE

Our **Sustainability Committee** consists of senior business leaders and is tasked with supporting sustainability strategy execution.

Our Sustainability Working Groups focus on long-term strategic projects and regularly meet and report to the Sustainability Committee.



DEDICATED RESOURCES

Our **dedicated resources** help develop and deliver our sustainability and ESG strategy, policy, partnerships, research, training and reporting.



INDUSTRY PARTNERS

We are a signatory to the **Principles for Responsible Investment**, a member of the **United Nations Global Compact** and **Climate Action 100+**, and public supporters of the **Task Force on Climate-related Financial Disclosures**. We work to advance the missions of these industry partnerships.

1. As of December 31, 2021.



OUR VALUES

Our purpose is to serve our clients, our communities and each other. Sustainability is a central tenet of who we are as a firm and permeates our culture via our core values of uncompromising integrity, trusted partnership, exceptional service and performance, inclusive team culture, and transparency and sustainability.

Our core values are to:

VALUE OUR PEOPLE

- Make it safe to speak up and value diverse perspectives.
- Be inclusive and treat each other with respect.
- Prioritize the continued growth and development of everyone.
- Make decisions with the health and well-being of our people in mind.

TAKE ACCOUNTABILITY

- Use your voice, be courageous and lead by example.
- Be a good steward of the firm's resources.
- Own your mistakes and learn from them.
- Consider the impact of your decisions on clients, the environment and society.

FOSTER COLLABORATION

- Ask for and share feedback freely and respectfully.
- Build trust by openly sharing information and bringing others along.
- Foster partnerships across teams to achieve stronger outcomes.
- Align team and individual objectives to the firm's overall goals.

DELIVER EXCELLENCE

- Act with integrity and adhere to corporate ethics, policies and market regulations to manage firm risk.
- Follow through on commitments to our clients, colleagues and communities.
- Be innovative to drive forward our products, processes and experiences.
- Support an environmentally and socially sustainable future through your business practices.

Environmental, social and economic sustainability—guided by good governance—is an essential contributor to the long-term growth and success of both our clients' invested capital and the firm itself.

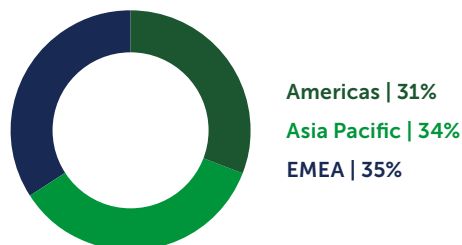
GLOBAL PRESENCE

\$391+ B
Assets Under Management

1,200+
External Clients¹

1,800+
Professionals Globally

EXTERNAL AUM BY REGION¹



Barings has 1,800+ staff across 18 countries, including 730+ investment professionals with diverse local knowledge and broad investment experience. Barings' global footprint gives us a broader perspective, access to a diverse set of opportunities, and the ability to truly partner with our clients and be a global investor. We believe that the strength of our investment team, our innovative, in-depth and structured fundamental research, and our tried-and-tested investment process give us an advantage when identifying investment opportunities.

CULTURE

Our team-driven culture is based on transparency, responsibility and putting our clients' interests first.

With our expanding business and global footprint, we offer a wealth of opportunities for those who share our culture, values and commitment to excellence in client service. Barings is committed to attracting and retaining talented people as diverse as the clients and communities we serve. We are as invested in our employees as we are in our clients, rewarding those who display personal and professional integrity.

Another strong part of the Barings culture is our commitment to making a difference in the communities in which we live and work. We demonstrate that commitment through partnerships with a number of civic, philanthropic, and non-profit initiatives that the firm and employees value. Barings actively supports numerous charitable organizations worldwide, through both monetary donations and employee volunteerism.

CLIENTS

We listen to our clients to understand their needs, so that we can be a strategic advisor and long-term partner in meeting their unique investment goals. Risk management and protecting our investors' capital over the long term are also essential components of our lasting partnerships.

And as a global group of companies with a global client base, Barings acts in accordance with its fiduciary duties. We believe that integrating ESG analysis into our investment process gives us a more holistic understanding of the complex issues, risks, opportunities and value drivers that may impact our clients' portfolios.

1. Includes third party, external AUM only. All figures are as of December 31, 2021 unless otherwise indicated. Assets shown are denominated in USD. Percentages may not equal 100 due to rounding.

Barings leverages its **depth and breadth of expertise across** public and private markets to help meet our clients' evolving investment needs.

PUBLIC

PUBLIC FIXED INCOME¹

Provides access to strategies ranging from investment grade to high yield across developed and emerging markets

INVESTMENT GRADE

\$123.5 B AUM

HIGH YIELD BONDS & LOANS³

\$63.4 B AUM

SPECIAL SITUATIONS⁴

\$0.8 B AUM

STRUCTURED CREDIT

\$23.5 B AUM

GLOBAL SOVEREIGN DEBT & CURRENCIES

\$14.2 B AUM

PUBLIC EQUITIES & MULTI ASSET²

Aims to deliver superior risk adjusted returns through fundamental analysis and high conviction, high active share solutions

GLOBAL & INTERNATIONAL EQUITIES

\$3.5 B AUM

EMERGING MARKET EQUITIES

\$8.8 B AUM

SMALL CAP EQUITIES

\$3.9 B AUM

MULTI ASSET

\$3.1 B AUM

PRIVATE

PRIVATE CREDIT

Offers a diverse range of private debt financing solutions by partnering with our broad industry network

GLOBAL PRIVATE FINANCE

\$33.6 B AUM

INFRASTRUCTURE & PRIVATE PLACEMENTS

\$44.5 B AUM

REAL ESTATE⁵

Provides a broad spectrum of solutions across private real estate debt and equity

REAL ESTATE DEBT⁶

\$31.9 B AUM

REAL ESTATE EQUITY

\$16.7 B AUM

PRIVATE EQUITY⁵

Leverages our global presence in an effort to identify unique risk-adjusted return opportunities

DIRECT PRIVATE EQUITY

\$2.7 B AUM

FUNDS & CO-INVESTMENTS

\$5.5 B AUM

MULTI STRATEGY

Utilizes our expansive asset market coverage to offer solutions such as income, target return and absolute return

1. Excludes the Korean fixed income strategy totaling \$1.7 billion in AUM.

2. Excludes the Korean domestic equities strategy, which has \$10.0 billion in AUM and other equities of \$ 0.2 billion

3. Includes the EM Corporate Debt strategy, which has \$6.3 billion in AUM.

4. Represents dedicated special situation accounts and does not include assets managed in other diversified credit accounts.

5. Projected AUM figures.

6. Includes real estate debt assets that are managed as part of affiliated fixed income portfolios.

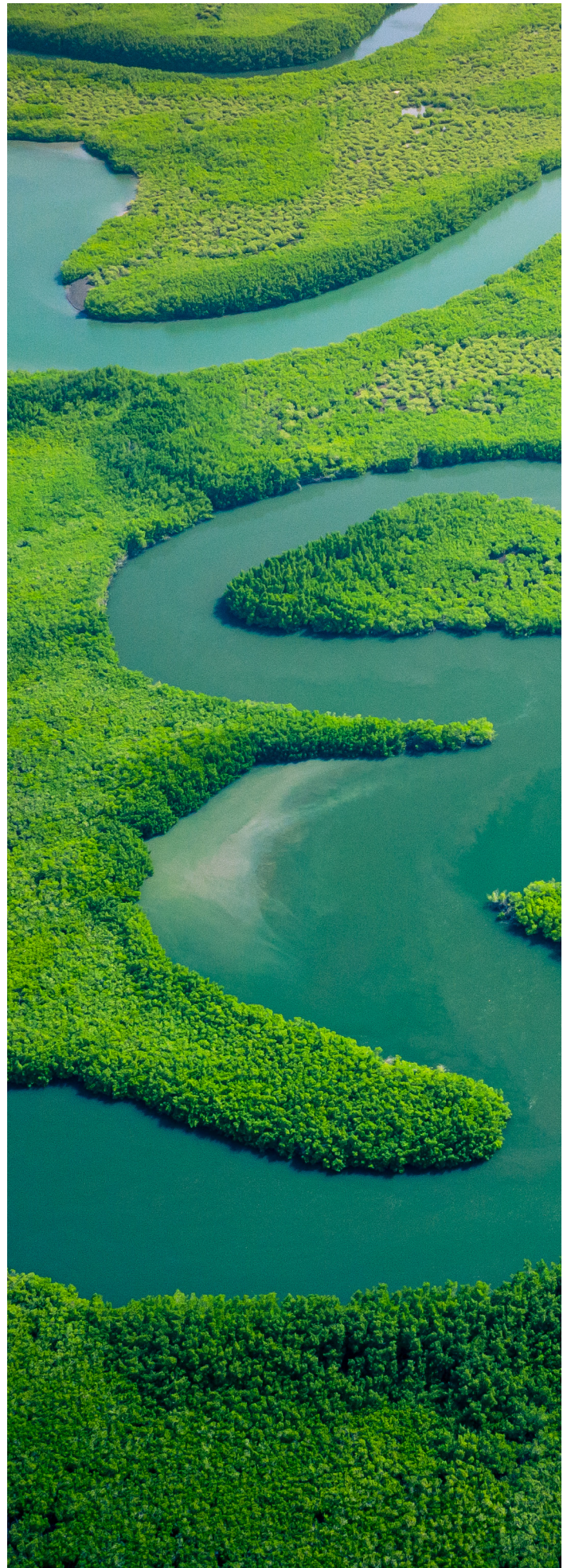
All figures are as of December 31, 2021 unless otherwise indicated. Assets shown are denominated in USD.

ENGAGEMENT

Through engagement, we aim to enhance the performance of our investments, for the benefit of our clients, in line with our fiduciary duties. We do not, however, attempt to impose an inflexible approach that ignores local norms and contexts. We believe transparent communication with the entities in which we invest coupled with the expertise and discretion of our experienced analysts and portfolio managers can add value for investors.

We aim to meet with all companies in which we seek to invest, typically with C-suite management, at least annually. During these interactions, we discuss a range of topics, including ESG issues. The investment professional responsible for evaluating and valuing the company is also responsible for its ESG assessment—this is an integral part of our analysis. In some cases, our investment professionals will not invest in a company because of its ESG credentials, or lack thereof.

Engagement activities are prioritized by our proprietary assessment of the materiality of ESG factors affecting the company. This materiality is guided by the Sustainability Accounting Standard Board's (SASB) research on material issues by sector, but fundamentally is determined by our investment professionals' in-depth knowledge of the ESG risks facing the company. Furthermore, we are signatories to the U.K. Stewardship Code and the UN PRI. As such, our investment professionals engage with companies to ensure that ESG standards are increasingly adopted across the world. At a minimum, companies must meet their fundamental responsibilities in the areas of human rights, labor, environment and anti-corruption.



Human Rights



Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2: Make sure that they are not complicit in human rights abuses

WE INTEGRATE HUMAN RIGHTS CONSIDERATIONS INTO OPERATIONS

We know the importance of protecting and preserving human rights, both through our own operations and in the way we manage our clients' investments. Our Global Associate Ethics and Conduct Guide helps us integrate human-rights considerations into every employee's daily work and behavior. We believe operating in accordance with ethical standards is critical to the success of Barings' vision. At every level of the organization, ethical conduct is recognized, valued and exemplified. Associates of Barings not only recognize their responsibility to comply personally with our Global Associate Ethics and Conduct Guide, but also their responsibility to serve as role models in observance of its spirit.


The Global Associate Ethics and Conduct Guide requires that Barings and its employees:

- Operate in accordance with applicable laws and regulations governing its business.
- Operate always to safeguard the ability to fulfill its obligations.
- Conduct business activities and relationships with unquestioned integrity.
- Ensure Barings' transactions, communications, and information are accurate, confidential and secure.
- Foster an environment in which fair employment practices extend to every member of Barings' diverse community.
- Treat employees consistently, and with integrity and fairness in all dealings.
- Maintain a safe and healthy work environment.

Barings is committed to planning for safe and healthy operations within the parameters established by our policies and by occupational health, safety and environmental laws in all countries/jurisdictions that we operate in.

Our commitments include:

- Providing a safe and healthy workplace free of preventable hazards.
- Maintaining reasonable safety rules and practices and effectively communicating these to employees.
- Providing appropriate employee training and information.
- Promoting and protecting employee safety and health.
- Complying with all health, safety and environmental laws and regulations that impact its operations.
- Responding quickly and effectively to environmental incidents.



In our global offices:

- Extra prevention and precautions are being taken during COVID-19 including periodic office disinfection, providing sanitizer in public areas and entrances, and providing masks to visiting employees.
- We support employees working from home during COVID-19.
- Barings maintains a Global Statement of Respect and Anti-Discrimination Policy, distributed annually.
- In 2020, Barings introduced diversity and inclusion training for managers and senior leaders across the firm to help foster an inclusive workplace.
- Barings Global Escalation Policy creates multiple avenues for employees to report any such conduct, and outlines our investigation and response policies and protocols.

In addition, Barings is committed to acting ethically, with integrity, and in compliance with applicable laws and regulations in all countries/jurisdictions that we operate in.

We define the requirements that govern conduct in our Global Statement of Respect and Anti-Discrimination and Harassment Policy. This policy is updated and distributed annually. While the policy sets out our general expectations, local laws may establish more protections regarding discrimination and harassment.

Barings' **Global Associate Ethics and Conduct Guide, Compliance Policies, Human Resource Policies**, and the **Global Code of Ethics** comprise the framework under which Barings and its employees conduct business.

Employees are responsible for complying with the terms and spirit of these Barings policies, to report incidents or violations as specifically indicated in the relevant Barings policies, and to participate in any subsequent reviews deemed necessary. Barings encourages a culture of 'speaking up' about breaches of legal obligations, policies, procedures, ethics or compliance issues. Employees have an obligation to report incidents and actual or potential violations of policies, procedures or applicable laws.

REPORTING & ESCALATION

In addition to various Human Resources and Compliance Policies and Procedures, and the Barings Global Employee Ethics and Conduct Guide, we have a Global Escalation Policy. We believe that speaking up and reporting compliance or ethics issues/concerns affords management the opportunity to address the issues/concerns promptly and appropriately.

Reporting compliance or ethics issues/concerns can minimize the potential negative impact on Barings and its employees. We offer employees a number of different channels to raise compliance or ethics issues/concerns. Employees are encouraged to use the channel that is the most appropriate under the circumstances or with which they feel most comfortable, starting with their manager. Other channels include our Human Resources, Compliance and Legal teams. If an employee is not comfortable speaking with any of these individuals, or if they prefer to raise the issue/concern anonymously, Barings has implemented a Barings Escalation Hotline, which is operated and administered by an independent third-party vendor. The hotline is available 24 hours a day, seven days a week or via the web. Reports to the hotline can be made on an identified or anonymous basis. Employees will not be retaliated against for speaking up and raising compliance or ethics issues/concerns in good faith. Anyone who engages in retaliatory conduct against a person, who has—in good faith—raised compliance or ethics issues/concerns, will face disciplinary action, up to and including termination of employment. If employees suspect retaliation against themselves or someone they know, they are asked to immediately report the issue or concern to any of the relevant reporting channels.



WE ADVOCATE FOR HUMAN RIGHTS

We integrate our support for human rights through our efforts to create a diverse and inclusive work force, and in our support for local communities.

At Barings, we believe diverse backgrounds create a diversity of perspectives, experience and skills that are essential to meeting the evolving needs of our clients. We are committed to attracting and retaining a talented workforce whose diversity reflects the clients and communities that contribute to our success.

Barings is dedicated to creating a business environment that identifies, retains and promotes diverse talent, within a supportive culture where all employees can work together to produce the best outcomes. Our diversity, equity and inclusion mission is to foster an environment where everyone can authentically succeed. By embracing diversity and working together, in line with our values, we know we can make a difference and cultivate a firm-wide culture where everyone can thrive and achieve their goals.

OUR COMMITMENT TO DIVERSITY, EQUITY & INCLUSION

MISSION

To foster an **equitable and inclusive** environment where everyone can succeed

PHILOSOPHY

The varying backgrounds, life experiences and perspectives of our people influence our approach to investing and creating culture.

OUR APPROACH

Outcome and impact centered global strategy tailored to regional needs. Leaders first. Managers model. Everyone's responsible.

COMMUNITY IMPACT

Cross collaboration with Barings Social Impact and other teams to effectuate broader impact for diverse communities.

PEOPLE FOCUS

Six Employee Resource Groups (ERG) support overall strategy and help build community, utilizing culture surveys and focus groups to collect qualitative data and regularly assess impact.

PARTNERSHIPS

Evaluate talent opportunities and gaps, and actively partner with organizations to broaden access to entry, mid and senior level diverse talent.

CULTURE

Maintain a culture of respect and integrity that prioritizes genuine interactions and courageous conversations to encourage authenticity, belonging and psychological safety.

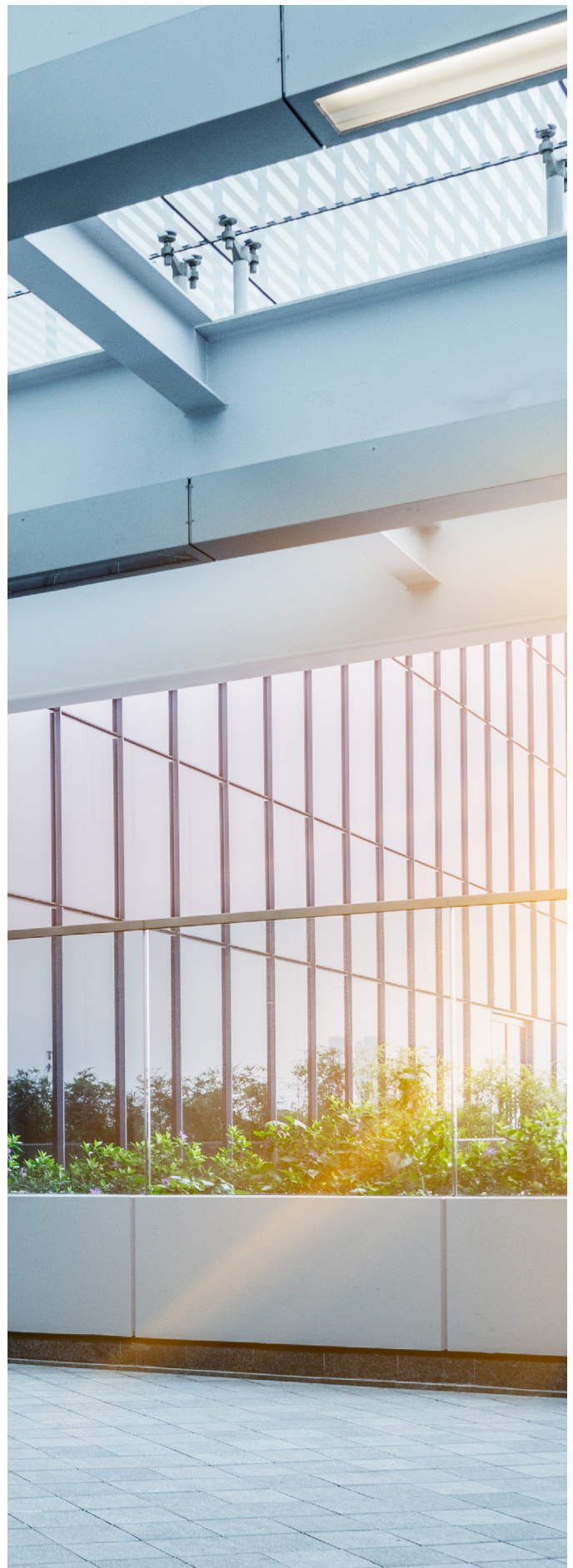
HOW ARE WE WORKING TO ACHIEVE OUR OBJECTIVES?

ATTRACTING TALENT

- Barings' global internship program and analyst program are key sources for identifying, attracting and developing diverse future talent for the firm. The internship program was established in 2018 in the U.S., expanding to the U.K. in 2019. Barings has a team dedicated to recruiting for internships, including partnering with diversity organizations, such as Sponsors for Educational Opportunity (SEO) and Girls Who Invest in the U.S., and the Amos Bursary, 10,000 Black Interns, and GAIN (Girls Are Investors) in the U.K., and more. Since the conception of our campus programs, each class has been represented by at least 50% women or people of color.
- We host 'See the Possibilities' events in our London office for diverse students from 19 universities, with presentations from prestigious industry speakers, to engage them on careers in asset management. In the virtual environment, these programs were expanded to university-aged students across the globe.
- We also partner with the Toigo Foundation's Women and Diversity initiative. This group helps to prepare underrepresented professionals studying MBAs for leadership, and in turn helps firms create an environment where those individuals can thrive.
- Barings has had a partnership with the Young Black Leadership Alliance (YBLA) since 2019. In 2022, we'll be joining the new career initiative and taking two YBLA interns into our summer internship program.
- We partner with the Investment Management Association and Investment 20/20 to offer one-year apprenticeships to young, diverse talent from different backgrounds.

ENGAGE

- Barings recognizes that women in the financial services sector need a supportive environment.
- Building on the success of our U.S. Women's Network, we launched the Barings Women's Network in Europe in 2019; here women can engage and network with colleagues on a range of issues.
- In 2020, we launched four additional employee resource groups (ERGs) at Barings: Out & Allies, Black Alliance (BBA) (U.S.), Black Talent Network (U.K.), and Veterans Network. Barings ERGs are firm-sponsored, employee-driven groups that foster employee engagement, strengthen business practices, help attract talent and provide professional development, and create learning opportunities for their members.





In 2021, we deepened our commitment to Barings' ERGs and the communities where we live in the following ways:

2021 INITIATIVES

- Barings' six Employee Resource Groups (ERGs) not only work internally to promote a culture of diversity and inclusion, but are also dedicated to making a difference in our communities. In 2021, each ERG has identified a community organization that they partner with to provide strategic, volunteer and financial support.
 - BBA (U.S.) partners with YBLA to sponsor one student in YBLA's 20-month Ambassador Program. YBLA's mission is to help young black students become leaders, role models and change agents who positively impact their communities. They achieve this through leadership development, college and career readiness, and community service. The YBLA program works with students in high school and college, and young professionals. BBA's financial commitment is part of an overall firm Social Impact grant to YBLA, which sponsors an additional six students to participate in the program. Elsewhere, BBA members provide informal mentorship for the Barings-sponsored Ambassador students during the course of the program. The YBLA solution promotes economic mobility and aligns with the Leading on Opportunity Task Force recommendations by providing college and career readiness training, expanding social capital, and providing life and career navigators for students.
 - Barings Black Talent Network (Europe) partners with ALETO, Amos Bursary, East London Business Alliance and 10,000 Black Interns on a variety of student programs and workshops. The network's goal is to teach students interview skills, communications, resumes/CV, etiquette, etc. They are also developing a relationship with the Harris Federation, an education charity in London with the majority of academies in highly underserved areas, to expose students to these topics and their experience in the investment management industry through panels and workshops.
 - Barings Women's Network (Europe) partners with The Girl's Network—supporting young women and girls living in underserved communities across England through mentorship. BWN has seven women who are currently serving as mentors. The group also held an event interviewing The Girls' Network CEO, Charly Young, to celebrate Women's History Month.
 - Barings Women's Network (U.S.) partners with Freedom Communities with a focus on their Mom's Moving Forward Program. Mom's Moving Forward is a 12-month program for single mothers and their children designed to connect families with the resources they need to thrive. Freedom Communities is a larger partner for the firm's Social Impact efforts, hitting on pillars of workforce development and affordable housing. BWN hosted a holiday event for the moms and their families, purchasing gifts from the families' wish lists, and wrapping supplies and stockings for the moms.
 - Out & Allies partners with Diversity Role Models (DRM), a charity based in London, focused on making it safe for LGBTQ+ students to come out. DRM achieves this through a series of student workshops delivered at primary and secondary schools as well as providing support for teachers and other education stakeholders. O&A volunteers as Role Models to be able to deliver some of these workshops in schools alongside DRM. O&A is also building a relationship with Time Out Youth representatives in the U.S., who participated in an O&A panel about allyship last year.
 - Veterans Network is initiating a partnership with The Independence Fund, an organization dedicated to improving the lives of both our Veterans and their families through mobility, caregiver, adaptive sports, advocacy and family programs.



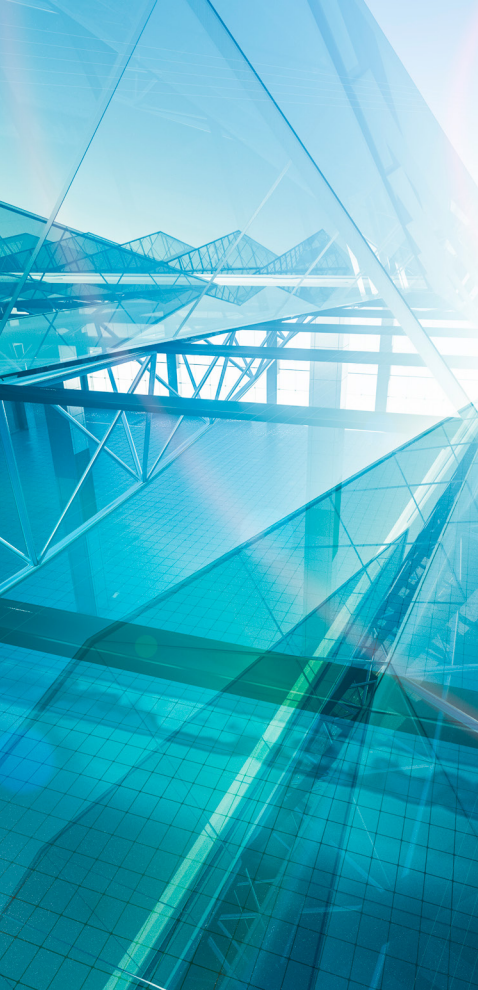
- Barings' Internship Program is a key source for identifying, attracting and developing diverse future talent for the firm. Our campus recruiting team partners with a number of organizations, including, but not limited to, Sponsors for Educational Opportunity (SEO), 10,000 Black Interns, Amos Bursary and the Aleto Foundation to source racially and ethnically diverse talent for our intern class and to expose a more diverse group of students to the asset management industry. As a result, Barings' intern class has become more racially/ethnically diverse each year.
- In London, we are partnering with the Investment Management Association and Investment 20/20 to get young diverse talent from different backgrounds for a one-year apprenticeship in the U.K. and building our future talent pipeline. In the U.K., this group is dedicated to helping improve perceptions of the asset management industry—and helping youngsters from a more diverse background join the industry, but they are also linked to more than 3,000 schools, colleges and universities. They believe that it is vital for the investment industry to get its fair share of tomorrow's talent. Helping graduates look at investment management as a future career is paramount to getting our fair share of diverse talent in the U.K.
- Toigo Foundation is an organization that works with companies in the finance industry to drive greater inclusion and the ongoing access to, development and promotion of exceptional diverse talent and leaders.
- Sponsors for Educational Opportunity (SEO). SEO is an organization that develops diverse talent from underserved and underrepresented communities. SEO Career is a free program that helps Black, Hispanic and Native American college students secure internships with partner organizations, and gives them the best chance to land a return offer.

DEVELOP

- In 2021, Barings launched global DEI training with a focus on inclusive culture, hiring and leadership that was completed by 100% of employees.
- We annually renew our commitment to our global statement of respect.
- In 2021, we implemented our Global Statement of Diversity, which reinforces the point that sustaining an inclusive culture is everyone's responsibility at Barings.

RETAIN

- Our employee benefits are designed to be competitive and support the diverse needs of our employees. Examples of this include improved parental and mental health benefits and flexible working, which have been enthusiastically taken up by employees in all regions.
- Our two-year analyst program places and trains junior professionals in several of our investment teams. At the end of the two-year period, based on the firm's need, some high performing analysts may be offered a full-time opportunity from the respective group, or another group with a need for junior talent. Five alumni have taken up full-time positions with Barings since the program began in 2014, while 2019 saw 13 analysts start the program with a 50:50 gender split.
- Our intentional professional-development, talent-review and succession-planning processes ensure that Barings identifies strengths and development opportunities. Our respectful and values-driven culture help foster an equitable and inclusive workplace where everyone can succeed.



CASE STUDY

Diversity Initiatives in our Community

In February 2021, Barings CEO Mike Freno signed onto the CEO Action for Diversity & Inclusion, the largest CEO business commitment to advance diversity and inclusion in the workplace to date. Later, in May 2021, Barings expanded that commitment and contributed a fellow to be a part of the CEO Action for Racial Equity (CEOAFRE) Fellowship. CEO Action for Racial Equity is addressing issues that disproportionately and systemically impact Black Americans—from cities to rural communities, boardrooms to classrooms and health care networks to criminal justice systems. Our fellow is representing Barings in building solutions for equity and excellence in early childhood education, closing the digital divide and expanding opportunity through Community Development Financial Institutions (CDFIs).

Ultimately, CEO Action for Racial Equity is aiming to improve the quality of life for the 47 million+ Black Americans through advocacy and advancement of public-policy solutions that seek to end systemic racism.

BARING GLOBAL STATEMENT OF DIVERSITY

Diversity Policy: Barings LLC (the “Company”) is committed to creating and fostering a diverse, respectful and productive work environment, which is reflected in the Company’s employment policies. Barings strives to provide an inclusive work environment for its employees that supports innovation, personal accountability and that is free from all forms of improper discrimination and illegal harassment, including sexual harassment.

Barings’ Global Statement on Diversity: At Barings, we strive to foster an equitable and inclusive workplace where everyone can succeed. We recognize that success looks different for every individual, and that each team member enters our doors with varying backgrounds, life experiences and perspectives that influence our approach to investing and creating culture. This makes us a strong global asset manager. The rich diversity of our workforce, coupled with our commitment to core values, allows us to intentionally innovate our products, processes and workplace in an inclusive way. Our goal is to create and sustain a culture that values diverse voices and includes everyone, at every level, in various opportunities. In doing so, we bolster our ability to continue to provide our clients with the highest quality service and deliver outstanding performance with the utmost integrity.

How We Work: Barings takes a leaders first approach to advancing diversity, equity and inclusion (DEI). Our CEO and senior leadership maintain DEI goals and regularly manage our progress and performance against organizational, team and individual goals. Our mid-level managers model behaviors that advance our DEI goals, provide a regular cadence for both feedback and critique and embed inclusive practices as they lead in their respective lines of business.

This accountability cascades down to every team member within the firm. Barings embraces and values the individual differences of our people, including but not limited to ability, age, disability status, ethnicity, gender identity or expression, language, marital or civil partnership status, nationality, national origin or background, political affiliation, race, religion or belief, sex, sexual orientation, socioeconomic status, veteran status and other characteristics that our team members bring to the firm. Our goal is to create a sense of belonging and engagement across the enterprise, irrespective of how individuals identify.

We give DEI a seat at the table. Our Chief DEI Officer is a member of the senior leadership team, and the DEI team is embedded in our people practices. The team collaborates across the firm to ensure a DEI lens is applied to all our functions—human capital management, marketing, communications, technology, legal, facilities, suppliers and social impact. We utilize DEI training to help build a foundation of trust, inclusive language and practices and to enable us to have conversations and implement processes that drive organizational change. Our DEI strategy is global, taking a tailored approach that recognizes the varying needs of the different regions in which our offices sit. We will routinely measure the effectiveness of our DEI strategies and initiatives through the collection of quantitative and qualitative data.

How We Act: Barings employs a number of strategies to help build our inclusive culture. Our approach to driving diversity and inclusion starts with our people—how we recruit, develop, promote and retain them. We’ve embedded diversity best practices and strategies into our talent acquisition and talent management processes, including our commitment to diversifying the senior leadership team and managers at all levels across the firm. We use our six employee resource groups to help build community and connectivity across the firm, influence programming and to act as a sounding board to help identify both gaps and opportunities to enhance our approach to DEI. We maintain a culture of respect that flows to all our clients, team members, consultants, contractors and vendors. Our team members are expected to intervene, challenge non-inclusive behavior and promote allyship where circumstances arise.

We are on a journey. Barings is not creating a diversity program, but advancing how our firm operates to ensure lasting change where we value our team members, consciously include each other and provide preeminent service to our clients and our communities.¹

Race/Ethnicity Statistics—U.S. Only		Global Gender Statistics	
Executive Management		Executive Management	
African American	15.4%	Female	37%
White	84.6%	Male	63%
Full Firm		Full Firm	
American Indian or Alaska Native	0.1%	Female	39%
Asian	7.8%	Male	61%
Black or African American	7.6%		
Hispanic or Latino	3.0%		
Native Hawaiian or Other Pacific Islander	0.1%		
Prefer not to disclose	4.3%		
Two or More Races	2.1%		
White	75.0%		

As of December 31, 2021. Statistics represent aggregate results for the 82% of Barings’ population that provided demographic data.

1. See Barings Statement of Respect



OUR COMMITMENT TO OUR COMMUNITIES

BARINGS SOCIAL IMPACT

Barings is dedicated to making a difference in the communities where its employees live and work through support for civic, philanthropic and non-profit initiatives. Barings supports numerous charitable organizations worldwide, through monetary donations, employee matching and volunteerism.

We are focused on meaningful action and committed to advancing economic and social mobility within our underserved communities by concentrating on three key areas:

- **Access to Education and Financial Literacy:** Fosters early childhood economic opportunities by collaborating with partners specializing in supplemental education instruction, digital equality and financial literacy.
- **Affordable Housing and Homelessness:** Building stronger, more vibrant communities by partnering with organizations that address affordable housing and homelessness.
- **Workforce Development:** Supporting vulnerable populations by partnering with organizations that provide professional development, life skills and educational opportunities

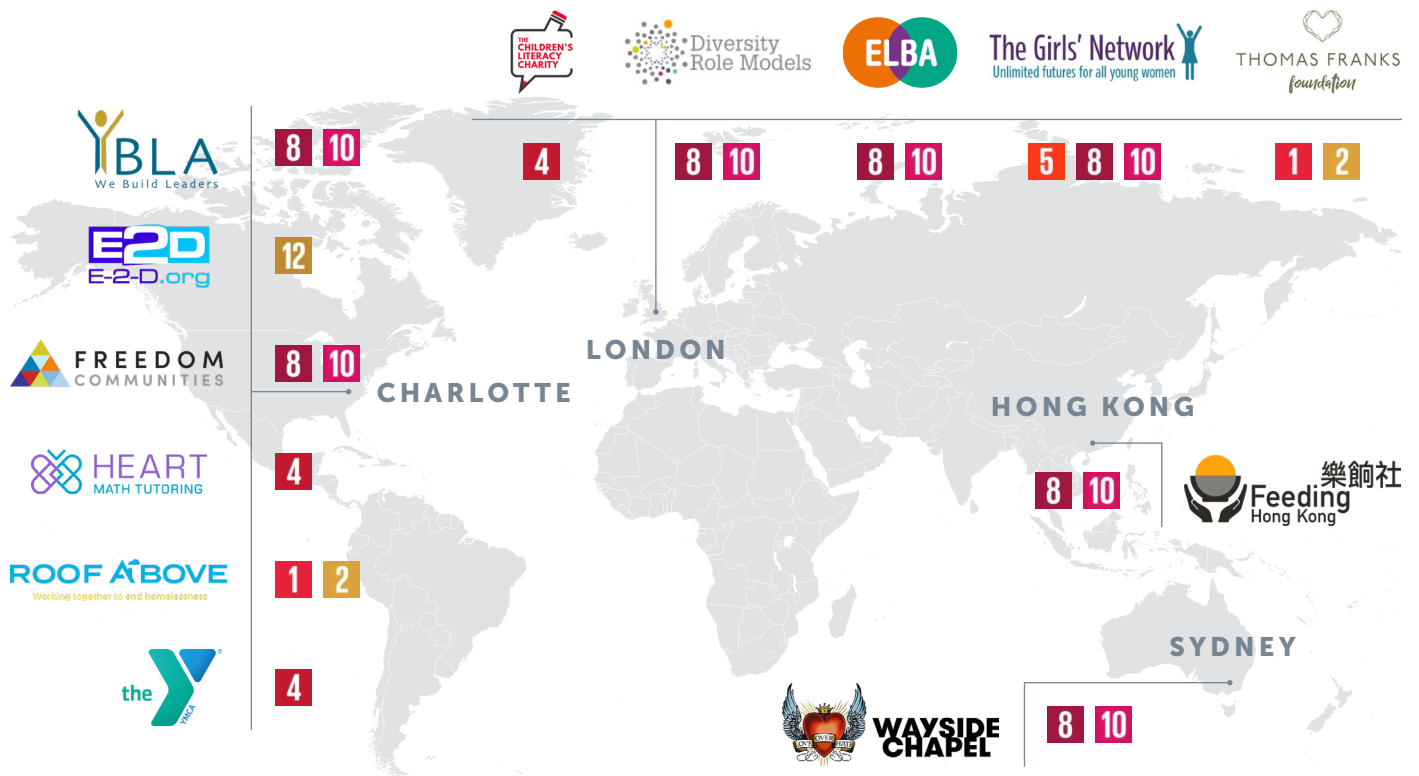
In addition, Barings seeks to ensure each of our community investments remains sustainable, diverse, equitable and inclusive for all community members. Barings employees are encouraged to give back to their local communities by leveraging the company's volunteer time off and dollar-for-dollar matching benefits. Each employee is allowed three working days of paid volunteer time off per calendar year.

2021 continued to be a unique year for our world and local communities. In 2021, we continued traditional grant payments in addition to COVID-19 relief efforts in our local communities, issuing 50 grants to 44 charitable partners across the globe. Meanwhile, our employees engaged in more than 50 community engagement events, both virtual and in person. In London, our team collaborated with the Thomas Franks Foundation to initiate the Feeding Communities initiative, donating over £80,000 through corporate donations and employee fundraising efforts. This effort produced over 50,000 meals to be distributed to the homeless and low-income community members in the London area. In our headquarter city, Charlotte, North Carolina, the Barings Social Impact team collaborated with our Affordable Housing investments team to distribute more than 180 refurbished, free laptops and onsite digital-literacy training to a mixed-income housing complex financed by Barings.

A few of our charitable partners include: Roof Above, Freedom Communities, Inspiring Tomorrows Leaders, Classroom Central, Aleto Foundation, The East London Business Alliance, The Children’s Literacy Charity, The Amos Bursary, Heart Tutoring, Cradles to Crayons, All Stars Project, Wayside Chapel, E2D and the Young Black Leadership Alliance.

Barings is thinking beyond financial giving, and taking a strategic approach focused on the needs of individuals and families.

BARINGS’ SUPPORT OF THE UN SUSTAINABLE DEVELOPMENT GOALS





CASE STUDIES

Barings Social Impact Regional Impacts

U.S. — E2D

In October 2021, Barings Social Impact collaborated with our strategic partner, E2d, to distribute more than 180 laptops to residents of Mezzanine at Freedom near our global Headquarters in Charlotte NC. This mixed-income affordable housing complex in Charlotte was developed by Dream Key Partners and financed by our Affordable Housing Investments team.

The city's Access Charlotte program provided free connectivity to all Mezzanine residents, and Digital Charlotte provided hands-on digital-literacy training and materials for residents. In addition, the Barings Technology team donated most of the laptops, which were refurbished and distributed by E2d. Watch the recap video [here](#).

LONDON — THOMAS FRANKS FOUNDATION — FEEDING COMMUNITIES

Barings Social Impact collaborated with the Thomas Franks Foundation to set up Feeding Communities in 2020 with a mission to stop food poverty. A network of chefs, operations managers and distribution teams work from production kitchens across Europe to deliver nutritious, pre-prepared meals to communities in need.

In December 2021, 14,980 roast turkey and lentil bake Christmas meals were prepared by Barings London Catering team and volunteers, under the challenging cloud of COVID-19. In 2021, we delivered over 50,000 meals in total.

TOKYO — SOLAR BEAR

"Non-Profit-Organization Solar Bear Foundation" aims to contribute to fight against climate change by widely promoting the use of the polar bear characters "Solar" and "Bear" to the general public to raise awareness of renewable energy and environmental education for children. Barings' support goes toward educational workshops that emphasize the importance of reducing CO2 emissions.

In July 2021, Barings sponsored an online workshop titled "Let's Ask a Polar Bear Photographer!" featuring Akiya Tanba, a nature photographer and leading polar bear photographer. Over 50 elementary school students participated. During the workshop, the students were given the opportunity to ask questions, watch short videos and take interactive quizzes. Discussion topics focused on global warming, the impact it will have on Japan, and potential solutions. Students proposed eco-actions such as reducing electricity usage, conserving water, and planting trees to reduce their carbon footprints.



CASE STUDY

Human Rights Through Our Investments

We engaged with a listed steel producer to discuss the company's subsidiaries and affiliates business relationship with the Myanmar military government. Our aim was to understand the company's future plans in Myanmar in regard to dealing with Human Rights. We wanted to know if, in the absence of a roadmap for improvement, the company was willing to break financial and operational ties. We requested the company increase its disclosures surrounding its future in Myanmar and expressed our concerns regarding the company's financial links with the country's Junta, and its associated human rights abuses. The company responded that its local business operations were currently under review. Following increased pressure from Barings and the investment community to suspend its steel JV with the Myanmar military-controlled company, a public announcement was made that the company was reviewing its Myanmar arrangements, which subsequently led to the exit of the JV. The company also clarified that dividends to MEHL had already been suspended since 2017.

Labor



Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4: The elimination of all forms of forced and compulsory labor

Principle 5: The effective abolition of child labor

Principle 6: The elimination of discrimination in respect of employment and occupation

OUR POLICIES TARGET FAIR COMPENSATION

Barings compensation and incentive structure is developed to attract, motivate and retain high-performing individuals. Our culture is one that attracts and retains exceptional people who possess shared values. We pride ourselves on valuing, recognizing and rewarding the contributions of each employee. The key principles of our compensation philosophy include:

- Strong performance-oriented environment while maintaining high ethical and integrity standards.
- Goals established for short and long-term strategic plans.
- Company performance measured against both internal goals and external benchmarks.
- Differentiated pay for individuals based on performance.

In addition, the Human Resources (HR) team partners with a leading global compensation consulting firm, participating annually in surveys focused on ensuring our compensation practices are competitive with industry peers. Annually, the HR team compares every individual to the appropriate roles/positions for parity in terms of internal equity amongst teams, similar roles and functions to ensure that all individuals are paid fairly in comparison to other individuals for the same position. Policies and benefits are also reviewed and enhanced regularly to ensure that Barings is among best-in-class.

WE UPHOLD THE RIGHTS OF BARINGS ASSOCIATES

We integrate our respect for our associates and their rights to a decent and safe working environment, as well as to professional development, in our policies.

WE DO NOT TOLERATE DISCRIMINATION

Our Global Statement of Respect and Anti-Discrimination Policy outlines Barings commitment to a discrimination and harassment free work environment, including all employment decisions (i.e. hiring, promotion or compensation).

If incidents of or concerns about discrimination or harassment are identified or witnessed, our Global Escalation Policy outlines the various channels for reporting these incidents or concerns, both on an identified and anonymous basis. Employees will not be retaliated against for speaking up and raising compliance or ethics issues or concerns in good faith; anyone engaging in retaliatory conduct would be subject to disciplinary action, up to and including termination.

WE KNOW THE IMPORTANCE OF EDUCATION

We encourage our employees in their professional development. Whether for employee development plan-related training, unique needs identified by management, or other matters, our HR department coordinates:

- Global securities industry training and consulting
- Tailored credit training
- Speech consulting
- Executive coaching and leadership development
- AMA seminars
- Skill Path/National/Fred Pryor
- New Horizons Computer Learning Centers
- "Hands-on" or "on-the-job" experience
- Day-to-day contact with or mentoring from senior level employees

Additionally, in 2019, we started to offer LinkedIn Learning to all employees globally. This initiative is part of the firm's effort to promote and support opportunities for continued education, and allows us to enhance existing skill sets and develop new ones. This tool provides access to more than 6,000 online-training modules spanning dozens of subjects, software systems and programs. LinkedIn Learning also covers numerous business, technology and creative skills and abilities.

Our Barings Investment Institute also hosts monthly calls with outside speakers on a variety of topics, which all global employees are encouraged to attend.

Barings hosts external speakers that are experts in ESG and sustainability, include sustainability-related credentials as part of our continuing education incentives program, and our investment teams receive regular training from third-party providers. The Barings Sustainability Team regularly attends team meetings across the firm to provide support.

In addition to the rigorous in-house work performed by Barings' research analysts and portfolio managers to evaluate ESG risks and opportunities, we also provide access to third-party resources that give institutional investors issuer-specific ESG data.



HIGHLIGHTS IN THE U.S.

- **Education Assistance:** Barings provides reimbursement of eligible expenses for certain educational courses, degree programs and professional designations that provide a foreseeable benefit to the firm. All courses, degrees or professional designations must be from an accredited college/university or institution and meet other stated requirements.
- **CFA, FRM and CAIA Programs:** Barings recognizes and encourages these three specific professional designation programs because they enrich and enlarge the knowledge base of disciplines used in the analysis of investment opportunities. These programs include study time, payment for study materials and the potential for 100% reimbursement of study seminars, plus a bonus at the time the designation is achieved.



CASE STUDY

Labor Rights in our Value Chain

We engaged with a chocolate manufacturer and retailer based in Switzerland, covering the group's business model and supply-chain policies. As well as wanting to gain a better understanding of the group's business model and recent results, including the raw material dynamics, we wanted to understand more about how the company manages its supply chain, with particular attention paid to concerns over the use of child labor in the broader chocolate-manufacturing industry.

The company explained that it does not own its own cocoa farms but has clear guidelines and rules that apply to its supply chain. These include visiting farms—both announced and unannounced—and maintaining child monitoring systems that provide training for farmers and parents on the risks of child labor. The company also funds local schools. Where a breach of these standards is found, the company has a strict escalation response. This program is targeted to be rolled out fully by 2025.

We were satisfied that the company is addressing the situation but will continue to monitor activity on an ongoing basis to ensure adherence, and to ensure that this program is distributed fully across its supply chain by 2025.



Environment



Principle 7: Businesses should support a precautionary approach to environmental challenges

Principle 8: Undertake initiatives to promote greater environmental responsibility

Principle 9: Encourage the development and diffusion of environmentally friendly technologies

WE WORK TOWARDS A SUSTAINABLE FUTURE

Barings set short-term and long-term greenhouse-gas (GHG) emission reduction targets in July 2021. We used carbon offsets to achieve global operational neutrality in 2021, and we are setting out the path to achieving net zero in our global operations by 2030. We know that offsetting our emissions is only a short-term solution, and to achieve our long-term goal of net zero operations we must encourage emissions reduction and behavior changes.

As signatories to the UN's PRI since 2014, we support the PRI's ambition to keep the global temperature increase below 1.5 degrees celsius by the end of this century to prevent widespread adverse consequences.

We seek to employ circular-economy principles in our offices globally, where feasible, in our efforts to reduce the emissions and waste that contribute to climate change, and have many measures in place to try to mitigate our impact on the environment.

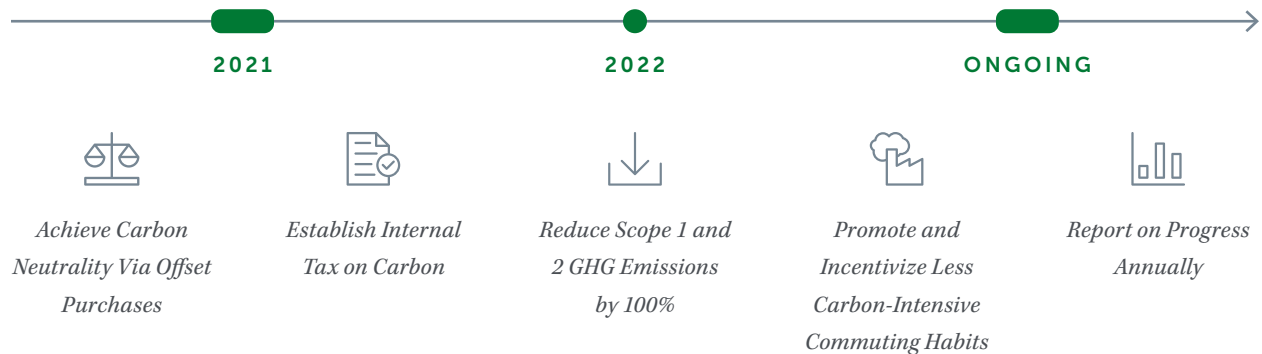
We have signed a statement to G7 and G20 governments in support of the Paris Climate Agreement, urging these governments to continue to uphold the Agreement's principles. In addition, we are signatories to the United Nations Global Compact (UNGC) and support their principles on the environment as well as the Sustainable Development Goals. We are also a member of Climate Action 100+ and we are lead or supporting investors on a number of their collaborative engagements.

Progress toward our GHG reduction targets will be tracked and communicated through annual public reporting aligned with global reporting standards in coordination with parent company MassMutual, which published its net-zero targets earlier this year, and align with Article 4.9 of the Paris Agreement. Barings is working actively to support MassMutual's climate commitments of being operational net zero by 2030 and GIA net zero by 2050.

These commitments expand upon Barings existing sustainability activities.



ROADMAP TO NET ZERO



Barings collaborated with a third-party carbon services company to collect our operational carbon footprint. We found air travel is the largest contributor to our GHG emissions. Each year, we will offset the equivalent of these emissions by acquiring offsets equivalent to our operational GHG emissions. The allocations from travel will be used to fund projects that mitigate carbon emissions. To achieve our short-term goal of operational GHG neutrality, we purchased 21,688 tons of carbon offsets for our 2019 GHG emissions.



Barings chose The Kariba Project for our carbon offsets, which provides the following:

- Protects almost 785,000 hectares of forests and wildlife on the southern shores of Lake Kariba, near the Zimbabwe-Zambia border.
- One of the largest registered REDD+ (Reducing Emissions from Deforestation and forest Degradation) projects by the area, connecting four national parks and eight safari reserves, forming a giant biodiversity corridor protecting expansive forest, vulnerable and endangered species—including the African elephant, lion, hippo and southern ground hornbill.
- The project also implements numerous Sustainable Development Goals for the community listed below.

SUSTAINABLE DEVELOPMENT GOALS



USD 249,000+ INCOME GENERATED

by the local community from beekeeping, moringa tree and community garden sales



18 NUTRITIONAL GARDENS SET UP

are increasing food security



14 HEALTH CLINICS SUPPORTED

with safe drinking water



18,000+ PEOPLE ATTENDING 430 WORKSHOPS

on project-related activities, such as nutritional gardening and beekeeping to date



37,000 PEOPLE HAVE ACCESS TO

safe drinking water, thanks to 147 boreholes being repaired



22 PERMANENT JOBS CREATED

thanks to the project



USD 57,000+ SPENT

on supporting health clinics and schools



3,620,000 TONNES OF CO2E

mitigated on average each year since the project started in 2011



784,987 HECTARES

of forest protected



INTERNATIONAL PARTNERSHIPS

between local communities, national and international organizations and carbon experts to deliver sustainable, long-term benefits

WE COMMIT TO

INTEGRATE the management of the environmental impact of our global business operations in our operational decisions

ADVOCATE for sustainable practices in our business, communities and across the world

OUR ENVIRONMENTAL GOALS

RECORD

- Record our consumption of resources and associated waste
- Record our emissions

REDUCE

- Reduce, and improve efficiency of, our consumption of resources
- Reduce our carbon footprint in order to lower our impact on climate change
- Managing our business operations to prevent pollution
- Reduce the waste we use send to landfill, and increase re-usage and recycling
- Factor environment issues into business decisions

REGENERATE

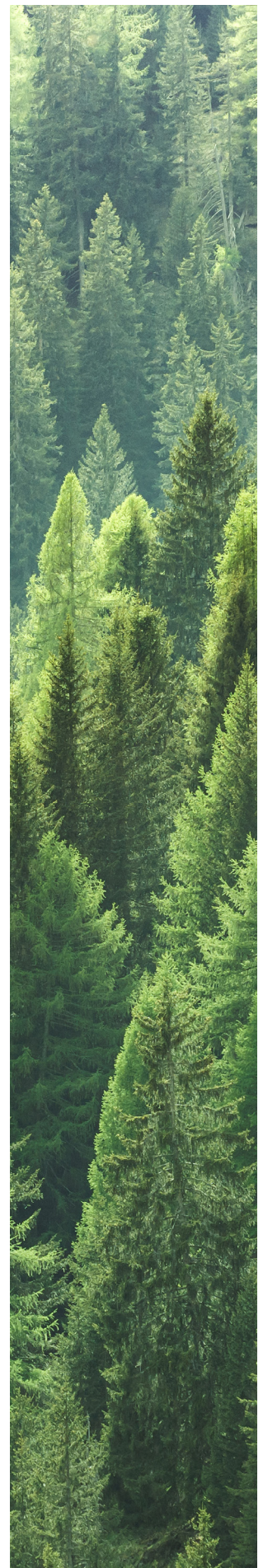
- Support environmental projects in our communities
- Encourage practices that renew, rather than deplete our environment
- Encourage and support sustainable behavior in our suppliers
- Support our partnership with the United Nations Global Compact in support of the Sustainable Development Goals.

WE INTEGRATE ANALYSIS OF FORECAST CLIMATE CHANGE

Barings is committed to the pursuit of a sustainable future through the integration of environmental awareness in our business activities. We achieve this by acting as advocates inside and outside the business and by communicating transparently on our progress. We wish to continuously improve our environmental performance and to integrate recognized environmental management best practice into our business operations.

TO MEET OUR COMMITMENTS, WE WILL:

- Allocate resources to environmental project and activities
- Educate our employees on the importance of environmental issues
- Ensure appropriate governance of environmental policies and performance
- Monitor key objectives and targets for managing our environmental performance at least annually
- Communicate with stakeholders on our environmental policy and performance on a regular basis
- Work together with our stakeholders and communities to promote improved environmental performance
- Review our environmental policy regularly





BARINGS STATEMENT ON CLIMATE CHANGE

We understand that the rise in temperatures analyzed and forecast by many different scientists and agencies would have widespread consequences. The consequences of climate risks may already be impacting our clients, our communities, and our world, and these impacts are likely to escalate further.

WE COMMIT TO:

- Make efforts to reduce our negative operational impacts on our communities and world
- Apply circular economy principles in our operations wherever possible
- Analyze and, where possible, mitigate the potential risks arising from climate change to protect value for clients
- Advocate for more responsible and sustainable behavior with regards to climate change through our stewardship activities

Barings wants to protect its clients from any emerging risks. In assessing the risks to our business, as well as the opportunities from working to help mitigate this temperature rise, we make efforts to analyze parameters of potential impact. This should help us to protect our clients and communities from negative impacts through taking actions to avoid the physical, regulatory and transition risks of climate change, and capitalizing on the investment potential of a future net zero carbon world. As signatories to the UN's PRI, we support the PRI's ambition to keep the global temperature increase below 1.5 degrees celsius by the end of this century in order to prevent widespread adverse consequences.

Barings also believes in contributing to a sustainable future through its own operations and outputs. We seek to employ circular economy principles in our offices globally, where feasible, in our efforts to reduce the emissions and waste that contribute to climate change, and have many measures in place to try to mitigate our impact on the environment. In our investment activities, we integrate the analysis of ESG topics, including climate change, into our investment process across our asset classes in order to better understand the risks and opportunities associated with a changing world. We advocate for more responsible and sustainable behavior with regards to climate change through our stewardship activities.



We have signed statements to G7 and G20 governments in support of the Paris Climate Agreement, urging these governments to continue to uphold the Agreement's principles aimed at combating climate change. The Paris Agreement entered into force on November 4, 2016, and was ratified by 55 nations. The Paris Agreement's aim is to strengthen the global response to the threat of climate change by keeping global temperature rise well below 2 degrees celsius above pre-industrial levels in this century, and to reduce cost and risk further ideally below 1.5 degrees celsius.

We are also signatories to the United Nations Global Compact ("UNGC") and support their principles on the environment as well as the Sustainable Development Goals.

"The world today is facing unprecedented, interconnected environmental challenges in areas including climate change, water, energy, biodiversity and agriculture. With business relying on natural resources directly and via supply chains, new corporate efforts are needed to address environmental responsibilities, value natural capital and better understand the linkages between resources."

UNITED NATIONS GLOBAL COMPACT

In addition, we are proud participants in Climate Action 100+, an investor initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. The companies that participants engage with include 100 'systemically important emitters,' accounting for two-thirds of annual global industrial emissions, alongside more than 60 others with significant opportunity to drive the clean energy transition.



CASE STUDY

Advocating for the Environment Through our Investments

We engaged with one of the largest state-owned electric utilities in China, which is undergoing significant transformation to increase its renewable-energy generation. Our engagement activities were focused on environment and governance issues, due to the company's high carbon-emission levels.

Our aim was to:

1. Understand the reasons behind historical-emission data volatility
2. Develop a carbon-reduction roadmap for the next 5–10 years
3. Find potential room for governance improvement
4. Help grasp the opportunities and challenges of renewable business
5. Urge the company to improve disclosure on long-term emission targets and action plans

While we support the company's positive changes, in particular its move away from coal-fired power toward increasingly sustainable hybrid fuel sources, we believe disclosures could be improved considering the volatility of the company's emissions data. We also continue to raise questions around the visibility and governance of the company's carbon-reduction roadmap.

We raised these issues directly with the company, and our concerns were well received. It was noted that senior management would be made aware of our concerns and would use this guidance in light of future ESG disclosures and strategy decision making. We will follow up on the progress of the engagement post the release of the company's published full-year 2021 results in March 2022, and its next ESG report, expected in mid-2022.



SUSTAINABLE OFFICE HIGHLIGHTS – GLOBAL OFFICE FOOTPRINT

Record		
Americas	EMEA	APAC
<ul style="list-style-type: none"> • Environmental Monitoring Program—Boston • LEED Gold certified—Boston, Chicago, Charlotte • Numerous ESG initiatives • Energy Star certified—New York • Fitwel certified—New York 	<ul style="list-style-type: none"> • ISO 14001 accreditation • SMART goals addressed annually • Green Committee Meetings every quarter 	<ul style="list-style-type: none"> • LEED Gold certified—Shanghai • Five out of six stars for energy—Sydney
Reduce		
Americas	EMEA	APAC
<ul style="list-style-type: none"> • Reducing single-use plastic • Recycling bins and composting 	<ul style="list-style-type: none"> • Reducing single-use plastic • Recycling bins and composting • Electronic based system to reduce printing • Most cleaning products are chemical free 	<ul style="list-style-type: none"> • Recycling bins • Materials used for office renovation do not contain harmful substances.
Reduce		
Americas	EMEA	APAC
<ul style="list-style-type: none"> • Energy saving behaviors encouraged 	<ul style="list-style-type: none"> • Energy saving behaviors encouraged • Support biodiversity with beehives and plants/herbs/trees on terrace 	<ul style="list-style-type: none"> • Energy saving behaviors encouraged

EMPLOYEE INCENTIVE E-VEHICLE PROGRAM

Barings promotes environmentally compatible mobility for employees through several programs. For example, we provide Season Ticket Loans for use of public transport from home to work. Barings also participates in a cycle-to-work scheme, which incentivizes employees to buy a bicycle for commuting purposes through a tax-free loan.

In 2021, Barings launched a beneficial E-Vehicle leasing arrangement to all U.K. benefit-eligible employees. The E-Vehicle arrangement incentivizes employees to lease new ultra-low emission vehicles (ULEVs) through Personal Contract Hire savings via corporate discounts, and further tax savings through gross salary reduction. The arrangement gives employees access to all electric and hybrid vehicles in the market.



CASE STUDY

Biodiversity— London Rooftop Bees

We recognize the important role bees play in the world's food production, but also that local bee populations were sadly in decline. A third of the world's food depends on bees pollinating crops, so, to support this, Barings installed three beehives on the terrace, each containing between 5,000 to 10,000 bees. Three years on, we now have four very busy hives.

The bees are situated in a protected area on the terrace but can be viewed through a window in the Barings restaurant. Our beekeeper visits regularly to check on the bees, treating them in the winter, preparing them for pollination, and collecting honey in the summer.

To support the bees, the terrace has a wide range of flourishing bushes, fruit trees and flowers to provide pollen, especially fragrant lavender (a firm favorite of the bee community!). We have an abundance of herbs growing, including mint, rosemary, parsley, thyme, chives and bay leaves.

In 2021, the bees produced over 75kg of raw organic honey, which is used in our kitchens. Jars are also available for Barings employees to purchase. The wax produced in the hives is repurposed to make sustainable items, such as bees wax food wraps, lip balm, candles and soap.

We have also given employees the opportunity to learn more about the bees from our beekeeper and visit the hives in protective clothing. The group was set up to raise awareness of how important bees are to the environment and maybe even encourage employees to become beekeepers themselves.



Anti-Corruption



Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

OUR COMMITMENT TO THE PREVENTION OF BRIBERY & CORRUPTION

Barings is committed to high standards of integrity and ethical behavior and is committed to complying with applicable anti-bribery and anti-corruption laws in all countries in which business is conducted. Barings does not tolerate bribery and corruption in any form, whether active (giving a bribe) or passive (taking a bribe), and seek to avoid and reject corrupt, fraudulent, collusive or other improper practices.

All of the jurisdictions in which Barings LLC ("Barings") and its subsidiaries are located in have laws that prohibit bribery and corruption. While certain laws prohibit the bribing of government officials, others are broader and proscribe bribery and corruption in any business dealing, regardless of the involvement of government officials.

OUR COMMITMENT IS TO:

- Manage a culture of integrity, including ensuring our people treat clients and business partners in a fair, transparent and honest manner with no unmerited favoritism.
- Make reasonable efforts to ensure that persons or entities associated with Barings do not attempt to obtain or retain business with Barings in an unlawful manner, particularly by undertaking any conduct that may be construed as giving or offering bribes or facilitation payments.
- Make reasonable and risk-based efforts to identify whether an employee, client, business partner or transaction is corrupt or associated with corrupt activity.

BARINGS GLOBAL ASSOCIATE ETHICS & CONDUCT GUIDE ("CODE OF CONDUCT")

The Code of Conduct is predicated on the philosophy that operating in accordance with ethical standards is critical to the success of Barings' vision. Leadership at all levels typifies and sustains a culture where ethical conduct is recognized, valued and exemplified by all employees. Employees of Barings not only recognize their responsibility to comply personally the Code of Conduct, but also their responsibility to serve as role models in observance of its spirit.

FRAMEWORK TO MITIGATE BRIBERY & CORRUPTION RISKS

Barings has a number of controls in place to mitigate the risk of bribery and corruption which include, but not limited to the following:

POLICIES & PROCEDURES

Barings has a suite of global policies to ensure appropriate and consistent standards are adopted by all staff. These include:

- Global Anti-bribery and Anti-Corruption Policy
- Global Vendor Management Policy
- Global Gifts and Entertainment Policy
- Global Conflicts of Interest Policy
- Global Code of Ethics Policy

GIFTS & ENTERTAINMENT

Payments for the provision of gifts, meals or entertainment to current or prospective clients and third parties must comply with the Barings Global Gifts and Entertainment Policy.

There are more restrictive rules surrounding gifts and entertainment for government officials.

There are also rules around political and charitable contributions including staff pre-clearance of their personal political contributions.

VENDOR MANAGEMENT

Barings has a global framework in place to manage the risks when dealing with third party vendors and connected parties. Barings' Procurement and Vendor Management Team and Legal must review all new vendor relationships and agreements, including engaging for additional work or services with an existing vendor, as well as contract renewals.

Due diligence is performed on third party vendors and connected parties which includes onboarding checks, periodic risk assessments and ongoing monitoring of the third party relationship.





CONFLICTS OF INTEREST

Barings has adopted a Global Conflict of Interest policy that establishes a framework for:

- Identifying circumstances and relationships that are or could potentially be deemed a conflict of interest between Barings and its investment advisory clients (“clients”).
- Assessing the impact of such potential conflicts of interest on its clients.
- Devising policies and associated procedures to address the potential conflicts of interest in a manner that is fair and equitable to clients and does not disadvantage a client relative to Barings.
- Making appropriate disclosure of those potential conflicts of interest to clients.
- Conflict of interest resolution and escalation process including immediate reporting of a potential or actual breach to the designated department head and local Compliance Department.

STAFF TRAINING & VETTING

In order to ensure all staff remain aware of the measures employed by Barings in relation to anti-bribery and corruption, all staff are required to complete e-learning training on an annual basis.

COMPLIANCE MONITORING & INTERNAL AUDIT

Monitoring of key controls is conducted via regular Compliance monitoring and internal audit reviews, to ensure that controls in place to mitigate the bribery and corruption risk are adequate and effective.

Barings is a \$391+ billion global investment manager sourcing differentiated opportunities and building long-term portfolios across public and private fixed income, real estate and specialist equity markets. With investment professionals based in North America, Europe and Asia Pacific, the firm, a subsidiary of MassMutual, aims to serve its clients, communities and employees, and is committed to sustainable practices and responsible investment.*

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Any forecasts in this document are based upon Barings opinion of the market at the date of preparation and are subject to change without notice, dependent upon many factors. Any prediction, projection or forecast is not necessarily indicative of the future or likely performance. Investment involves risk. The value of any investments and any income generated may go down as well as up and is not guaranteed by Barings or any other person.

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*As of December 31, 2021