



BARINGS

United Nations Global Compact

COMMUNICATION ON PROGRESS 2020



Contents

A Message from our CEO	3
Human Rights	5
Labor	10
Environment	13
Anti-Corruption	18



A Message from our CEO

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

At Barings, we understand that building a sustainable world for future generations requires dedication, evolution and long-term collaboration. We also recognize that the sustainability of our own business is tied to our approach to the Global Compact Principles, and as such we are committed to supporting human rights, our global associates and other labor forces, the environment and tackling corruption.

That is why, 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 associates. We work with partners to build stronger, more vibrant and resilient communities in which we live, work and invest. And we aim to do our part to protect the global environment, regenerate the natural world and reduce our own environmental footprint. We further our mission 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 tomorrow for our clients, colleagues, communities and planet.



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

MIKE FRENO

Chairman, CEO & President, Barings LLC



OUR VALUES

Sustainability is a central tenet of our firm, and permeates our culture via our core values:

- Value our People
- Take Accountability
- Foster Collaboration
- Deliver Excellence

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.

OUR GOALS



IN OUR BUSINESS

Seek opportunities that deliver long-term value to our clients

Act as successful stewards of our clients' capital

Continue to enhance our integration of ESG considerations into our investment processes and operations in-line with evolving best practice

Advocate in support of good environmental, social and governance practices

Encourage and nurture diversity in our culture and associates



IN OUR COMMUNITIES

Partner with local organizations to build stronger, more vibrant and resilient communities in which we live, work and invest

Encourage all associates to give back through local engagement, volunteer activities and by Barings' matching of charitable contributions



IN OUR WORLD

Do our part to protect our global environment in pursuit of a sustainable future

Reduce the environmental footprint of our offices globally

Contribute to the regeneration of our natural world

Further the missions of the United Nations Global Compact, the United Nations Sustainable Development Goals, Climate Action 100+ and the Task Force on Climate-Related Financial Disclosures ("TCFD")

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 forms the basis of our guidance on integrating the consideration of human rights into every employee's daily work and behavior. It 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 associates. Associates of Barings not only recognize their responsibility to comply personally with this 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 associates consistently, 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 Barings operates in. Our commitment includes:

- Providing a safe and healthy workplace free of preventable hazards
- Maintaining reasonable safety rules and practices and effectively communicating these to associates
- 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 associates who come to office
- We are supportive of associates 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 Barings operates 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 forth our general expectations, local laws may establish more protections with regard to discrimination and harassment.

Barings' Global Associate Ethics and Conduct Guide, Compliance Manuals, Policies, Human Resource policies and the Global Code of Ethics comprise the framework under which Barings and its associates conduct business. Associates 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. Associates have an obligation to report incidents and actual or potential violations of policies, procedures or applicable laws.

In addition to various Human Resources and Compliance Policies and Procedures, as well as the Barings Global Associate 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 are the 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. If employees suspect retaliation against themselves or someone they know in connection, they are asked to immediately report the issue or concern to any of the relevant reporting channels.



WE ADVOCATE FOR HUMAN RIGHTS

Beyond this basic respect for human rights through our firm policies, we integrate our support of human rights in our business through our efforts to create a diverse and inclusive work force, and in our support of local communities.

As an organization, we believe that diverse backgrounds create a diversity of perspectives, experience and skills that is 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.

WE ADVOCATE FOR DIVERSITY

As an organization, we believe that diversity of perspectives and skills is 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 committed 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. 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.

Here are a few of the ways in which we are working to achieve our goals:

ATTRACT

- Barings' global internship program is a key source for identifying, attracting and developing diverse future talent for the firm. This program was established in 2018 and expanded to the U.K. in 2019. Barings has a team dedicated to recruiting for internships, and this includes partnering with diversity organizations such as Sponsors for Educational Opportunity (SEO), and INROADS in the U.S., and the Amos Bursary in the U.K. Our multi-year partnership with these organizations help secure our pipeline of diverse talent for each summer class, in hopes that successful interns will join our analyst program and ultimately become full-time employees.
- We partner with organizations that aim to educate young women on financial services careers, including Leaders of Tomorrow, a U.K. program working with school-age girls of African and Caribbean heritage, and Smart Women in Securities (SWS), a U.S. non-profit whose mission is to educate undergraduate women on finance and investments through seminars and exposure to successful professionals.
- 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. Barings partners with Girls Who Invest, a non-profit focused on education, industry outreach, accessibility and career placement to increase the number of women in the asset management industry.
- We also partner with the Robert Toigo Foundation, 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, to increase our exposure to diverse individuals looking for full-time positions.
- We partner with the Investment Management Association and Investment 20/20 to offer one-year apprenticeships to young, diverse talent from different backgrounds.
- The Barings Talent Acquisition team utilizes diverse hiring panels as well as blind resumes during recruitment to help remove bias from the hiring process.
- We also utilize our employee resource groups to help recruit diverse talent to our organization.

ENGAGE

- Barings recognizes that women and diverse individuals in the financial services sector need a supportive environment and mentorship within their careers. We have launched six employee resource groups—Barings Black Alliance (U.S.), Barings Black Talent Network (U.K.), Barings Veterans Network (U.S.), Barings Women’s Network (U.K. and U.S.) and Out & Allies—to help engage and advance diverse individuals’ professional development at the firm.
- Barings Social Impact integrates diversity with charitable sponsorship by demonstrating a strong commitment to the communities in which employees live and work. Active employee participation in community-based events, through partnerships around the globe, is embedded in our culture.

DEVELOP

- Annually, Barings sponsors the Simmons Leadership Conference, a world-class career development and networking conference for women. The conference takes place in both the U.S. and Dublin and Barings sends delegates from its U.S. and Europe offices.
- We annually renew our commitment to our global statement of respect and anti-discrimination policy.

RETAIN

- Our employee benefits are designed to be competitive and support the diverse needs of our associates. Examples of this include improved parental leave and benefits and flexible working, which have been enthusiastically taken up by associates 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.

Full Firm Gender*					
	Baby Boomers 1946–1964	Generation X 1965–1980	Generation Y/ Millennials 1981–1996	Generation Z 1997 and on	Total
Female	3.0%	15.5%	19.3%	1.0%	38.7%
Male	4.9%	25.9%	29.3%	1.3%	61.3%
Total	7.8%	41.3%	48.6%	2.3%	100.0%

U.S. Race/Ethnicity*		SLT Gender*		SLT Gender**	
American Indian or Alaska Native	0.1%	Female	33.3%	Black or African American	16.7%
Asian	7.0%	Male	66.6%	White	83.3%
Black or African American	6.7%	Total	100.0%	Total	100.0%
Hispanic or Latino	5.7%				
Not Specified	4.7%				
Two or More Races	1.7%				
White	74%				
Full Firm	100.0%				

*As of December 31, 2019.

**U.S. Employees only.

WE ADVOCATE FOR OUR COMMUNITIES

Barings is dedicated to making a difference in the communities where its employees live and work through support of civic, philanthropic and non-profit initiatives. Barings supports numerous charitable organizations worldwide, through monetary donations, employee matching and volunteerism. Based on Barings' long history of community giving and engagement, the firm launched Barings Social Impact in early 2019 to further expand our global philanthropic reach.

Barings' is committed to advancing economic and social mobility within our underserved communities by focusing on four pillars: Diversity, Equity and Inclusion, Empowering Communities, Education & Financial Literacy and Health & Wellness. Additionally, Barings is committed to ensuring 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.

2020 was a unique year for our world. In addition to our yearly grant awards, Barings recognized the need to provide immediate relief in response to the COVID-19 pandemic and the social unrest. Barings invested in 34 organizations across 20 communities providing assistance to those who were delivering essential needs to our most vulnerable community members. Barings also made a commitment to six organizations in the U.S. and U.K. advocating for equality and social justice within our local communities.

A few charities supported in 2020 include Change Please, Inspiring Tomorrows Leaders, Y Readers, Classroom Central, Impact Hong Kong, Cardboard Citizens, The Amos Bursary, Heart Tutoring, Cradles to Crayons, All Stars Project, Wayside Chapel, Girls on the Run 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.

In addition, Barings' research analysts, in line with the firm's status as a PRI signatory and our global Sustainability Policy, incorporate social considerations in their rigorous fundamental credit analysis where consistent with the firm's fiduciary responsibility.

WE ADVOCATE FOR HUMAN RIGHTS THROUGH OUR INVESTMENTS

We also support human rights through our investment activities as 39% of our 2020 engagements on social topics were human rights related.

Further, we recently engaged with a software solutions company. The company designs and develops enterprise data management software solutions that help organizations to protect their data. The company also offers cloud data management, data protection and storage optimization services across the world. Through ongoing dialogue with the company, we questioned the morale of their employees following the prior year's involuntary furlough activity as well as the pauses in 401(k) contributions and other restructuring actions, all for cost-saving reasons. We wondered if the contrast with other, well-performing Silicon Valley businesses would mean low morale amongst employees, leading to attrition and talent-loss at the company. The company acknowledged that morale had fallen, which was partly attributed to the furloughs and 401(k) pauses as well as general pandemic-related distress. As we continued our engagement and monitoring of morale, we have seen employee morale starting to improve. The business started to rebound in the second half of 2020, meaning a stop to the furlough programme and normalization of morale. We continue to monitor the trajectory of the company, including employee morale and turnover.

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 associate. 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. Among the training that our HR department coordinates, whether for associate development plan-related training, for unique needs identified by management, or otherwise, is:

- 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 associates

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

Our Barings Investment Institute also hosts monthly calls with outside speakers on a variety of topics which all global associates 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 in order to provide support.

In addition to rigorous in-house work done by Barings research analysts and portfolio managers to evaluate ESG risks and opportunities, Barings also provides access to third-party resources that provide institutional investors with 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 Barings. All courses, degrees or professional designations must be from an accredited college/university or institution and meet other program requirements.
- **CFA, FRM and CAIA Programs:** Barings recognizes and encourages these three specific professional designation programs that 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.

WE ADVOCATE FOR LABOR RIGHTS IN OUR VALUE CHAIN

We advocate for labor rights in our value chain. We also support labor rights through our investments activities as 18% of our 2020 social engagements were labour related.

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 is committed to the pursuit of a sustainable future through integrating environmental awareness into our business activities, 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.

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 world

OUR ENVIRONMENTAL GOALS

RECORD the environmental impact of our global business operations. This includes:

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

REDUCE the adverse environmental impact of our global business operations. This includes:

- Reducing, and improving the efficiency of, our consumption of resources
- Reducing our carbon footprint in order to lower our impact on climate change
- Managing our business operations to prevent pollution
- Reducing the waste that we send to landfill, and increasing re-usage and recycling
- Factoring environmental issues into business decisions

REGENERATE the environment through our global business operations. This includes:

- Supporting environmental projects in our communities
- Encouraging practices that renew, rather than deplete, our environment
- Encouraging and supporting sustainable behavior in our suppliers
- Supporting 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 integrating environmental awareness into our business activities, 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.

WE COMMIT TO:

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

ADVOCATE for sustainable practices in our business, communities and world

COMMUNICATE to our colleagues, clients and communities about our efforts to record and reduce our operational impacts—and regenerate the environment—in support of a more sustainable future

OUR ENVIRONMENTAL GOALS:

RECORD the environmental impacts of our global business operations. This includes:

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

REDUCE the negative environmental impacts of our global business operations. This includes:

- Reducing, and improving the efficiency of, our consumption of resources
- Reducing our carbon footprint in order to lower our impact on climate change
- Managing our business operations to prevent pollution
- Reducing the waste that we send to landfill, and increasing re-usage and recycling
- Factoring environmental issues into business decisions

REGENERATE the environment through our global business operations. This includes:

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



TO MEET OUR COMMITMENTS WE WILL:

- Allocate resources to environmental project and activities
- Educate our associates 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

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 combatting 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 UNGC states that:

"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."

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.

HIGHLIGHTS:

RECORD

- As Barings identifies new locations for our global office footprint, we are heavily focused on selecting office buildings that align with our Energy and Sustainability goals, and will allow our team members to implement programs to support these goals.
- Sydney, Australia: our office is located in a building that was awarded five out of six possible stars for its energy base by the National Australian Built Environment Rating System.
- Shanghai, China: our office is located in a building with LEED Gold accreditation for its core and shell; they hope to increase this to LEED Platinum accreditation.
- Our London office was awarded the IWFM Positive Climate Action award in 2020 for their evidence-based application, showcasing 11 environmentally impactful initiatives that had been implemented since moving into the 20 Old Bailey office space in 2018.
- Our London office works with an M&E (mechanical and electrical) consultant, as well as FM (facility management), cleaning and catering suppliers to prevent environmental damage and ensure that the health and safety of occupants is a priority at all times. The London office received a BREEAM Excellent rating for both the pre-design and fit-out stages of the construction process.
- Boston, MA: our office building has voluntarily instituted an Environmental Monitoring Program whereby the environment is proactively monitored every six months by a licensed hygienist. The building is also LEED Gold certified.
- Chicago, IL: our office building is Energy Star and LEED Gold certified. The Barings office participates in numerous ESG initiatives at the property including recycling, composting and the tenant go-green initiative.



- New York, New York: our office building at 340 Madison is Energy Star and Fitwel certified, and was the recipient of the 2021 Fitwel Best in Building Health award.
- Barings global headquarters in Charlotte, North Carolina is certified LEED Gold for Interior Design and Construction. The building, 300 South Tryon, is also LEED Gold Certified for Core and Shell, Energy Star certified, and is pursuing Fitwel certification and LEED Gold for Operations and Maintenance.
- 71% of our U.S. offices benchmark their energy consumption in Energy Star Portfolio Manager and have earned a Green Building Certification.

REDUCE

- **Plastic:** We are making efforts to reduce our use of single-use plastic. Our London office cafeteria is now nearly plastic-free, and our Charlotte office has reduced their reliance on single-use plastics through targeting plastic bottle use reduction.
- **Waste:** We are reducing the amount of waste we send to land-fill, through recycling and composting. Our Charlotte office has recycling services provided by a licensed third-party vendor, housed in a "dry" recycling only container in our loading dock. Our London office has also gone 'bin-free'—with individual bins removed in favor of larger composting, recycling and general waste centers. 67% of our European offices implement consumables recycling. Our APAC offices set up recycle bins to separate glass, plastic, paper, aluminum for recycling. Our Charlotte cafeteria has composting bins that are used by two tenants, and both the coffee shop and restaurant. There are plans to open up the composting program to the entire building in 2021.
- **Waste Paper:** Printing in our London office has been reduced by around 25%. 67% of our European offices only purchase paper with a minimum of 30% recycled content.
- **Harmful Chemicals:** Barings London COSHH lists are updated regularly, and although most cleaning products are chemical-free, occasionally chemicals must be used in circumstances where there is no alternative. These chemicals are handled safely and stored securely. Barings APAC ensures that materials used for office renovation do not contain harmful substances such as Formaldehyde, VOCs, etc.
- **Emissions:** As of October 1, 2019, all electricity used in our London office will come from 100% renewable sources.
- **Energy:** 100% of our European offices implement energy-saving behaviors, including turning off lights (automatically or otherwise), powering-down computers, and utilizing direct sunlight.

REGENERATE

- **Biodiversity.** Our London roof terrace beehives increased from two to three, and a fourth hive in May 2021. Pollinator-friendly plants, herbs and fruit trees were planted on the terrace to support biodiversity. The produce and the honey harvested from the hives are used in the restaurant.
- **Collaboration.** In our London office, as well as influencing our suppliers, we work with local businesses to help them to reduce their negative environmental impact and increase their regeneration of the natural environment.

Anti-Corruption



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

We integrate consideration of Anti-Corruption into our business activities. Barings had adopted several policies and procedures related to corruption, bribery and conflicts of interest that establish the ethical behavior that Barings expects from its employees, including when executing personal securities transactions.

POLICIES & PROCEDURES TO PREVENT CONFLICTS OF INTEREST

As an investment adviser, Barings' primary business is that of rendering investment advice for its advisory clients. To the extent that Barings becomes involved in a new line of business or offers a new product (including those related to rendering investment advice), 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 a Barings entity and its investment advisory clients and/or associates
- Assessing the impact of such potential conflicts of interest on clients
- Ensuring policies and associated procedures are established by each Barings entity to address any potential conflicts of interest in a manner that is fair and equitable to clients and does not disadvantage a client relative to a Barings entity
- Making the appropriate disclosure of those potential conflicts of interest to clients as required by local rules and regulations

Each Barings entity has adopted a corporate governance structure (i.e. committees, a board of directors or similar body) which assist in the oversight of its investment management and business activities. Under this corporate governance structure each Barings entity may identify potential conflicts of interest and is responsible for the ongoing management and/or resolution of any conflicts of interest for those activities.

Barings' Compliance Department conducts various types of testing and monitoring to ensure that the outcome of operational, investment compliance and risk activities, including those related to conflicts of interest, over time are consistent with expectations and Barings' Investment Adviser Compliance Manual. These tests focus around risks or conflicts of interest specific to Barings and its fiduciary obligations to its clients. The types of testing can be summarized as follows:

- **Quality Controls:** Barings has implemented day-to-day controls or testing to ensure compliance with the policies and procedures, applicable regulations and/or other operational procedures that support Barings' compliance programs. Many of these are found in Barings' various compliance manuals.
- **Assurance Testing:** Barings conducts testing that confirms that a particular item, record, policy, procedure or process exists. Barings has developed various tools detailing items, records, controls or requirements within various policies and procedures and performs assurance testing on these items to ensure that policy requirements are met and any changes to policies and procedures are working effectively and that no further revisions are warranted.

- **Forensic Testing:** Barings also conducts testing that reviews activity over a period of time and/or across portfolios managed by Barings to identify unusual trends or patterns. This testing is also used to determine whether quality controls or assurance testing are effective, and to determine whether all conflicts of interest have been addressed and appropriately mitigated. Information related to certain areas of testing is provided to the relevant Governance Committees throughout the year.

Testing is both automated and manual depending on the area of review and the type of review being conducted.

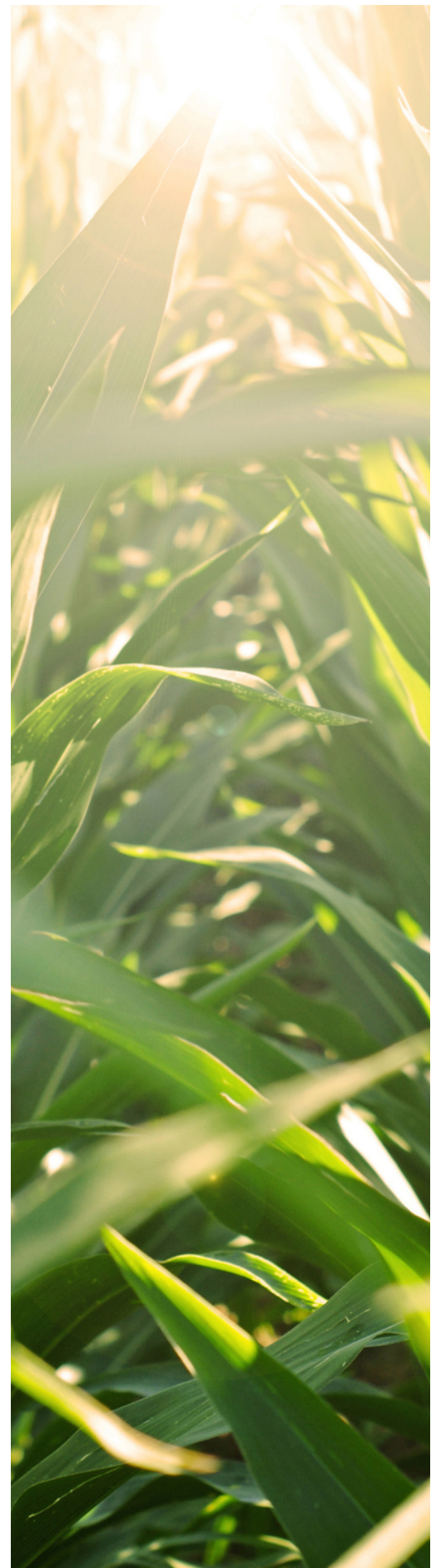
Barings discloses the various conflicts identified through the processes outlined above in the relevant entity's Form ADV or other applicable disclosure document. Additionally, Barings' Compliance Department conducts an annual conflicts review that is designed to review existing conflicts, ensure that primary and mitigating controls have been implemented to address, monitor or mitigate such conflicts and identify any new conflicts that may exist that were not previously addressed under its various policies and procedures. This review is presented to Barings' Governance Committee upon completion. The Governance Committee helps to ensure that appropriate resources or policies are identified and implemented as well as assisting the firm in setting the appropriate "tone at the top" with regard to any conflicts of interest.

WE PROHIBIT CORRUPTION IN OUR BUSINESS & THIRD PARTIES

Barings has established a Global Anti-Bribery and Anti-Corruption Policy which generally prohibits any Barings entity, associate or third party from corruptly offering, promising, paying or authorizing the payment of, directly or indirectly, money or anything of value, including but not limited to cash, travel, gifts, entertainment, employment and directed charitable donations, in order to influence a person so that a Barings entity may obtain or retain business or gain any other improper business advantage. This includes attempts to:

- Influence any act or decision by any person;
- Induce any person to do or refrain from taking action in violation of his or her lawful duty;
- Induce any person to use his or her influence to affect or influence any act or decision.

In addition, Barings has adopted a Global Gifts, Entertainment and Hospitality Policy which sets forth the standards Barings has adopted for giving or receiving gifts, favors, presents, gratuities or hospitalities to or from another person or firm, with whom Barings has an existing business relationship or is seeking to establish a business relationship. This policy addresses potential conflicts of interest, actual or apparent, that may arise when giving or receiving gifts, entertainment and hospitality and provides guidelines to help Barings associates conduct business ethically and in compliance with applicable laws, rules and regulations. This policy provides guidance on acceptable gifts, entertainment and hospitalities (include any relevant monetary limits) and outlines when pre-approval is required by the relevant Compliance Department.



OUR PROCEDURES ADDRESS INSIDER TRADING

Barings has implemented insider trading and firewall policies and procedures. The purpose of the Global Insider Trading and Firewall Policy is to:

- Establish policies and procedures that are reasonably designed to detect and prevent insider trading.
- Establish effective information barriers (firewall/s) to prevent unauthorized access to or flow of inside information between and among different investment groups that operate within Barings. The firewalls also exist to ensure, to the extent practicable, that the voting and investment powers over securities held or managed by Barings on behalf of itself and its advisory clients are exercised independently from Barings' parent company, MassMutual and their respective subsidiaries and affiliates.

Barings currently maintains several restricted lists to administer and monitor activity under its policy including restricted lists applicable to various investment groups, a firm restricted list which applies to all individuals and investment groups and other restricted lists Barings deems appropriate. Each investment group is responsible for ensuring that appropriate procedures are adopted so that the names of all required issuers are timely communicated to the Compliance Department and added to or removed from the applicable restricted list.

The policy prohibits Barings associates from communicating inside information or the content of any restricted list to persons outside of the associates investment group who do not have a clear need to know (except as otherwise permitted by the policy). Additionally, any associate having inside information as the result of a fiduciary relationship he or she might have by reason of a position they hold at Barings or as an officer or director of another corporation or entity, is prohibited from disclosing such inside information to anyone, except as otherwise permitted by the policy or without prior consent from the Compliance Department.

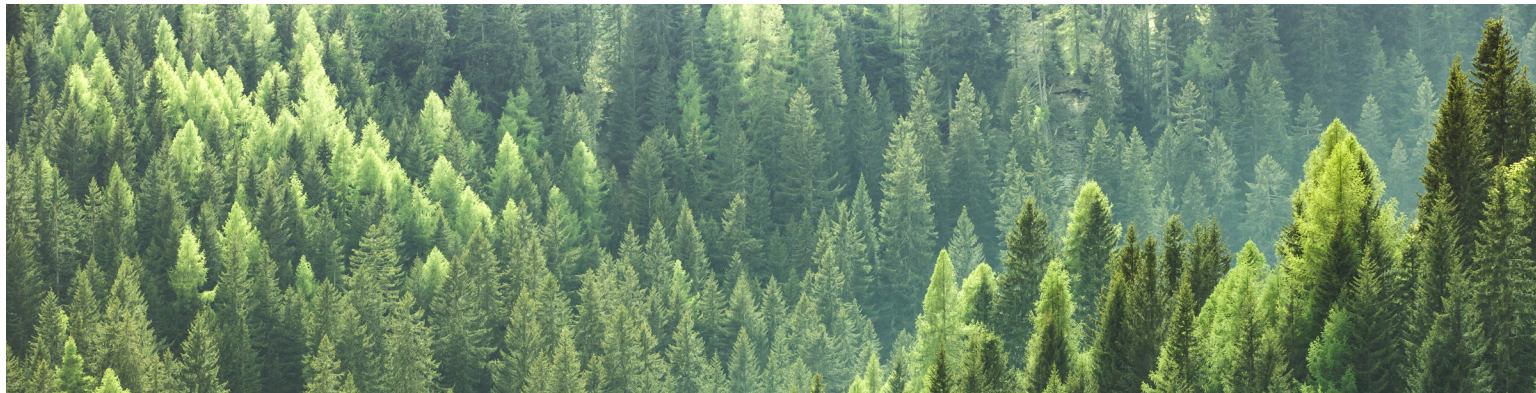
The policy also covers capital structure conflicts. A capital structure conflict can occur where clients of Barings are holding differing interests in the capital structure of the same company. Under the policy, if a company becomes "distressed", a member of the investment team covering the credit must make a determination of coverage assignment after discussions with the Legal and Compliance Department in an effort to ensure that the interests of all Barings clients are appropriately represented. When a distressed determination is made, the following applies:

- Any company determined to be distressed is added to the relevant investment teams' restricted list.
- All direct written and verbal communications related to the company between investment teams is prohibited. Any interactions between the teams relating to the company must be conducted through the senior loan agent, transaction sponsor, operating company and/or legal counsel (either internal or external, as appropriate) (noting that in situations where an investment team is the sole senior lender or acting as the senior loan agent, interactions between investment teams are only permitted in the presence of a member of the Legal Department and with the prior approval from the Compliance Department).

All Barings management and supervisory personnel are responsible for the reasonable supervision of their staff to prevent and detect violations of the Global Insider Trading and Firewall Policy. Supervisors are responsible for ensuring associates and/or consultants joining their departments are reported to the Barings Compliance Department and are adequately trained with respect to the requirements under the Global Insider Trading and Firewall Policy.

The Compliance Department is responsible for ensuring that issuers on a restricted list are restricted in the various Barings trading systems as appropriate to prevent or limit client or personal trading activity. The Compliance Department also conducts back end testing and reviews reports periodically to identify transactions made by investment groups or individuals that are inconsistent with this Policy. Any exceptions noted will be handled by the Compliance Department and, if needed, brought to the attention of Barings' General Counsel or designee.

All Barings associates are responsible for immediately reporting any breach or potential breach of the Policy to the Compliance Department. In addition, all employees certify annually that they have complied with the firm's Global Insider Trading and Firewall Policy.



BARINGS' CODES OF ETHICS & CONDUCT TARGETS CORRUPTION

Barings has adopted a written Global Code that applies to all employees. Barings employees are permitted to buy, sell or hold securities for their personal and household accounts subject to the restrictions set forth in the code. Among other things, the code restrictions are designed to avoid apparent and actual conflicts of interest with clients and inadvertent violations of the securities laws as they relate to personal trading. Under the Global Code, employees carrying out personal securities transactions must generally ensure that they are not (i) benefiting from their personal investments at the expense of any Barings client or (ii) taking advantage of or "trading on" knowledge of the market impact of client transactions. Barings has implemented policies and procedures which it believes are reasonably designed to prevent or detect violations of its Code. Barings has implemented an automated system called Personal Trading Assistant (PTA) which employees are required to use to pre-clear their personal securities transactions. PTA is programmed to apply the various restrictions of the code to the different categories of employees as appropriate and that enables Compliance to run various reports to perform the oversight and monitoring functions necessary to ensure that Barings employees' personal securities transactions comply with the applicable requirements of the code.

Among the activities covered by the Global Associate and Ethics Guide and other Barings' policies is that of outside employment, family and personal relationships, directorships and other activities that do not specifically relate to an associates position at Barings. Generally, such activities must be reported to Human Resources and Compliance Departments to ensure that any conflicts of interest are appropriately addressed.

WE ADVOCATE AGAINST CORRUPTION THROUGH OUR INVESTMENTS

We advocate against corruption through our investments and note that 23% of our 2020 social and governance engagements were human rights related.

An example of advocacy against corruption is a recent engagement with a global fuel forecourt operator to suggest improvements to the depth of its senior management team. This followed a number of scale acquisitions, that our analysis suggested left the business under resourced at board and management level. Following our engagement, improvements in governance were slow to materialize. This became a major factor in the downgrade of our internal credit grade due to heightened governance risk. As a result, we partially divested our holdings thereby reducing fund positions to underweight. This decision meant a positive impact on the relative performance of the fund.

It should also be noted that the fuel forecourt operator has recently make additional board appointments following feedback from auditors.

Barings is a \$345 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.*

IMPORTANT INFORMATION

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.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. Any investment results, portfolio compositions and or examples set forth in this document are provided for illustrative purposes only and are not indicative of any future investment results, future portfolio composition or investments. The composition, size of, and risks associated with an investment may differ substantially from any examples set forth in this document. No representation is made that an investment will be profitable or will not incur losses. Where appropriate, changes in the currency exchange rates may affect the value of investments. Prospective investors should read the offering documents, if applicable, for the details and specific risk factors of any Fund/Strategy discussed in this document.

Barings is the brand name for the worldwide asset management and associated businesses of Barings LLC and its global affiliates. Barings Securities LLC, Barings (U.K.) Limited, Barings Global Advisers Limited, Barings Australia Pty Ltd, Barings Japan Limited, Baring Asset Management Limited, Baring International Investment Limited, Baring Fund Managers Limited, Baring International Fund Managers (Ireland) Limited, Baring Asset Management (Asia) Limited, Baring SICE (Taiwan) Limited, Baring Asset Management Switzerland Sarl, and Baring Asset Management Korea Limited each are affiliated financial service companies owned by Barings LLC (each, individually, an "Affiliate").

NO OFFER: The document is for informational purposes only and is not an offer or solicitation for the purchase or sale of any financial instrument or service in any jurisdiction. The material herein was prepared without any consideration of the investment objectives, financial situation or particular needs of anyone who may receive it. This document is not, and must not be treated as, investment advice, an investment recommendation, investment research, or a recommendation about the suitability or appropriateness of any security, commodity, investment, or particular investment strategy, and must not be construed as a projection or prediction.

Unless otherwise mentioned, the views contained in this document are those of Barings. These views are made in good faith in relation to the facts known at the time of preparation and are subject to change without notice. Individual portfolio management teams may hold different views than the views expressed herein and may make different investment decisions for different clients. Parts of this document may be based on information received from sources we believe to be reliable. Although every effort is taken to ensure that the information contained in this document is accurate, Barings makes no representation or warranty, express or implied, regarding the accuracy, completeness or adequacy of the information.

Any service, security, investment or product outlined in this document may not be suitable for a prospective investor or available in their jurisdiction.

Copyright and Trademark

Copyright © 2021 Barings. Information in this document may be used for your own personal use, but may not be altered, reproduced or distributed without Barings' consent.

The BARINGS name and logo design are trademarks of Barings and are registered in U.S. Patent and Trademark Office and in other countries around the world. All rights are reserved.

LEARN MORE AT [BARINGS.COM](https://www.baring.com)

*As of December 31, 2020

21-1584021