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ESG REPORT 2020-2021

# Progress, Together



INVESTMENTS

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# A New Era in Investment Management



We are moving forward by engaging with our clients, issuers, and peers to identify risks, collaborate on solutions, and share new learnings and best practices.

**Investing means so much more than** dollars and cents these days. The environment, our communities — just like companies, they require investment to grow and thrive.

It was once thought that doing what’s good for the world and running a profitable business were mutually exclusive ideas. Thankfully, that thought has proven to be misguided. Whether through forces of declining demand, changing public opinion, or new regulation, businesses that harm our world face major headwinds. Companies that embrace these themes of collective progress have the opportunity to lift their ventures to new heights over time.

We’re proud that our boutique firms have been in tune with this reality for years. Serving clients around the globe, each firm structurally integrates environmental, social, and governance (ESG) factors into their investment and risk analysis processes. Not only do they want to align investment decisions with the values of their clients, but they also want to uphold their fiduciary duties as prudent stewards of their clients’ capital. Careful, ongoing ESG analysis allows them to do both.

While ESG rules and standards continue to develop, we are moving forward by engaging with our clients, issuers, and peers to identify risks, collaborate on solutions, and share new learnings

and best practices. Our multi-boutique model has empowered us to exchange perspectives and insights on a global scale, and it’s empowering New York Life Investments<sup>1</sup> to continue its goal to be an industry leader in ESG and help move toward a more sustainable future.

This is a new era in investment management, and it will be shaped by the actions we take. We’re pleased to show you the progress that every member of the New York Life Investments family of boutiques is making, and we hope that it will inspire you to consider what steps you can take to contribute as well.

Every dollar spent, action taken, and word spoken is an investment. At New York Life Investments, we’re more than investing. We’re invested. Invested in the long term, invested in sustainable relationships, and invested in building a better financial future for our clients and communities.

**Anthony Malloy**  
Executive Vice President &  
Chief Investment Officer  
New York Life Insurance  
Company

**Yie-Hsin Hung**  
Chief Executive Officer  
New York Life Investment  
Management<sup>2</sup>

1. “New York Life Investments” is both a service mark, and the common trade name, of certain investment advisors affiliated with New York Life Insurance Company.  
2. New York Life Investment Management (NYLIM) refers to New York Life’s global multi-boutique third party asset management business.

# Leadership Spotlight

## Meet Anthony Malloy

As Executive Vice President and Chief Investment Officer of New York Life Insurance Company (New York Life), Anthony Malloy manages New York Life’s assets and ensures they support the long-term promises and guarantees New York Life makes to its policyowners and clients. In his leadership role, he has helped shape New York Life’s \$1 billion impact investment initiative that aims to address the racial wealth gap. The initiative is committed to investing in underserved and undercapitalized communities with a focus on supporting small businesses, affordable housing, and community development. The \$1 billion commitment is expected to be deployed through 2024.

**“Investment decisions we make today can help build a better world and improve the quality of life for generations to come, while supporting the long-term financial goals of our clients.”**

—Anthony Malloy

Malloy is also the Chief Executive Officer of NYL Investors, one of New York Life’s investment management subsidiaries, which manages the majority of New York Life’s general account assets, and was appointed to New York Life’s Executive Management Committee in January 2017. He also serves as the chairman of the board of directors of Good Shepherd Services, which helps over 30,000 youth and family members in struggling neighborhoods throughout New York City realize their fullest potential.

## Meet Yie-Hsin Hung

Yie-Hsin Hung is Chief Executive Officer of New York Life Investment Management (NYLIM) and Senior Vice President of New York Life Insurance Company. Since joining NYLIM in 2010, Hung has increased NYLIM’s global assets under management nearly four-fold through a combination of geographic expansion, organic initiatives, and acquisitions. She also led the firm’s successful expansion into Europe, Asia, and Australia. Her vision and leadership shaped New York Life Investments into the diverse family of global boutiques that it is today.

**“Invested to me means invested in our clients’ success, invested alongside them, invested in enabling them to achieve the aspirations they have for their future.”**

—Yie-Hsin Hung

In 2021, Hung was named one of the 100 Most Influential Women in U.S. Finance by *Barron’s* and one of the 25 Most Powerful Women in Finance by *American Banker*. She is the first woman to chair the Board of Governors of the Investment Company Institute, the asset management industry’s leading trade association. She also serves on the boards of Northwestern University and Next for Autism.



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# Who We Are

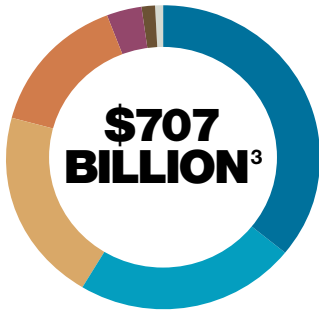
Across diverse geographies, client objectives, and asset classes, our mission at New York Life Investments remains the same: to help our clients reach their financial goals and to build a better future for our clients, our employees, and our communities.

While our model grants each boutique the independence to provide clients with solutions rooted in its specialized investment expertise, our unique structure also empowers strategic collaboration and the sharing of new learnings and best practices in ESG investing.

In the pages that follow, you'll see the steps we're taking to help protect our environment and support our communities while helping our clients achieve their financial goals.

**By sharing our progress, we hope to inspire more action, conversation, and collaboration among organizations and individuals around the world.**

# New York Life Investments



- **35.9%** NYL Investors
- **22.8%** Candriam
- **20.8%** MacKay Shields
- **14.8%** New York Life Investment Management LLC (NYLIM LLC)<sup>4</sup>
- **3.6%** Apogem Capital
- **1.6%** Ausbil
- **0.6%** IndexIQ

New York Life Investments is comprised of the affiliated global asset management businesses of its parent company, New York Life Insurance Company (New York Life), and offers clients access to specialized, independent investment teams through its family of boutiques.<sup>5</sup>



## New York, NY

New York Life Investment Management LLC (NYLIM LLC) is the advisor to the MainStay Funds, offering investment strategies managed by affiliated boutiques and unaffiliated sub-advisors.<sup>6</sup>

## Our Global Boutiques

### NYL Investors

#### New York, NY

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

### CANDRIAM

#### Luxembourg, Belgium, France, UK

Multi-specialist asset manager focused on fixed income, equity, thematic investing, asset allocation and liability-driven investing for pensions and insurers.

### MACKAY SHIELDS

#### US, Ireland, UK

Boutique offering a range of fixed-income strategies including investment-grade high yield, bank loans, and municipals as well as fundamental equities.

### Minority owned affiliated boutiques<sup>7</sup>



#### London, UK

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

### Apogem Capital

#### New York, NY

Newly unified alternatives investment firm with capabilities spanning private credit, private equity, GP stakes, private real assets, and long/short equity.<sup>8</sup>

### ausbil

#### Sydney, Australia

Boutique with expertise in active management. Capabilities across Australian equities and global small cap, natural resources and listed infrastructure.

### index IQ

#### New York, NY

Pioneer and leading provider of exchange traded funds (ETFs), granting investors access to innovative solutions designed to deliver a smarter approach to traditional investing.

### KARTESIA

#### Luxembourg

European specialist provider of private capital solutions for small and mid-sized companies.

3. Includes \$682 billion of assets under management (AUM) and \$25 billion of assets under supervision (AUS) of the investment advisors affiliated with New York Life Insurance Company other than Kartesia and Tristan Capital Partners, as of 12/31/21. AUM is reported in USD. AUM not denominated in USD is converted at the spot rate as of 12/31/21. The sum of each boutique's AUM is more than the reported AUM for total Asset Management due to intercompany Advisory/Sub-Advisory agreements where the same assets can be counted by more than one boutique.

4. This includes assets under supervision, CDOs and separate accounts.

5. Not all the products and services of New York Life Investments' boutiques are available in all jurisdictions or regions where such provision would be contrary to local laws or regulations.

6. The MainStay Funds<sup>®</sup> are managed by New York Life Investment Management LLC and distributed through NYLIFE Distributors LLC, 30 Hudson Street, Jersey City, NJ 07302, a wholly owned subsidiary of New York Life Insurance Company. NYLIFE Distributors LLC is a Member of FINRA/SIPC.

7. New York Life, through its subsidiaries, holds non-controlling minority interests in Kartesia and Tristan Capital Partners.

8. On April 1, 2022, Madison Capital Funding, GoldPoint Partners, and PA Capital, three alternative investment boutiques affiliated with New York Life, combined to become Apogem Capital.

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# Our Commitment

**At New York Life Investments, ESG investing means balancing potential with principles.**

Companies that operate responsibly and act as good corporate citizens have the potential to deliver competitive returns over the long term. Investing in these companies can help strengthen the financial health of our clients and stakeholders while also supporting a more sustainable future.

Our commitment to ESG investing is rooted in a set of foundational beliefs. These beliefs connect our values to our processes and underpin the ways in which we invest, help build up our communities, and conduct business on behalf of our clients.

# We believe it's our responsibility to consider material ESG factors as we make investment decisions.

**At New York Life Investments,** we believe that an ESG approach that considers multiple stakeholder perspectives can help guard against risks that can't be fully evaluated using traditional financial measures alone. When ESG considerations most relevant to the asset class, sector and strategy being managed inform our process, it can help mitigate risks. It

may also help our clients generate sustainable, long-term returns — all while working to create a better future for our communities and the planet.

As investors' values help direct their dollars, we are focused on the needs and objectives of our clients. At New York Life Investments, our goal is to develop sustainable strategies that meet those needs.

For companies around the world, the pandemic has proven to be a powerful call to action on ESG issues. It brought new challenges to the forefront and pushed companies to not just focus on their shareholders but widen their aperture to include all stakeholders. At New York Life Investments, we're encouraged to see this broadened viewpoint. It further supports our

## IN ACTION

### Learning Together

To ensure harmony and ever-evolving best practices across our family of boutiques, we established the New York Life Investments Cross Boutique ESG Working Group. This group is comprised of senior ESG leadership from all affiliated boutiques, as well as representatives from New York Life's Corporate Responsibility Department.

Led by NYLIM's Head of U.S. Sustainable Investing, the group empowers our boutiques to proactively share ESG best practices and new insights to support awareness, learning, and progress within the New York Life Investments family.



**“ESG is a priority at New York Life Investments and has been growing in scope and importance. We are committed to work together across our boutique family — each of us at a different stage of our ESG journey — to drive progress and learn from one another.”**

—Eunie Popp, Managing Director, Head of U.S. Sustainable Investing, NYLIM



conviction that ESG is more than an acronym — it is an outlook. Investing in companies that are good corporate citizens ultimately can help build a stronger society.

This requires commitment in both word and action. Here’s a snapshot of some of the ways we’re making that happen.

**Advancing and Advocating the Principles for Responsible Investment**

The United Nations Principles for Responsible Investment (PRI) is an international organization that works to promote the incorporation of environmental, social, and corporate governance factors into investment

decision-making. Every boutique across the New York Life Investments family is a signatory of the six Principles for Responsible Investment.

As signatories of the PRI, our boutiques serve as active owners in their respective asset classes where applicable, while incorporating ESG issues into their ownership policies and practices. It is a critically important component of our duty to our clients to exercise our rights as shareholders and engage in productive dialogues to effect real change.

To learn more about the stewardship principles that guide New York Life Investments’ approach to ESG investing, [click here](#).

**The PRI Signatories’ Commitment**

As institutional investors, we have a duty to act in the best long-term interests of our beneficiaries. In this fiduciary role, we believe that ESG issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time).

In signing the Principles, we as investors publicly commit to adopt and implement them, where consistent with our fiduciary responsibilities. We also commit to evaluate the effectiveness and improve the content of the Principles over time. We believe this will improve our ability to meet commitments to beneficiaries as well as better align our investment activities with the broader interests of society.

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

**A History of Commitment**

Every New York Life Investments boutique is a PRI Signatory:



**New York Life Investments’ Response to the Russia-Ukraine Conflict**

Guided by our long-standing commitment to integrity and humanity, and doing what is right for our clients, employees, and communities, New York Life Investments halted purchases of all Russian securities across all of the firms’ affiliated boutiques on March 14, 2022.<sup>10</sup> New York Life also joined in the global support for Ukraine, making \$300,000 in corporate grant donations and launching an employee matching gift program for nonprofit disaster response organizations.

9. On April 1, 2022, Madison Capital Funding, GoldPoint Partners, and PA Capital (all of which were formerly PRI signatories), combined to become Apogem Capital.

10. Subject to change. New York Life will continue to monitor events in Ukraine.

**Our latest research shows that more than half (56%) of consumers are “values-driven,” which means that they took action (boycotted a brand, sold shares of a company, or changed the products they use) as a result of their values or views on issues such as climate change, social justice, and more. Most (95%) of these values-driven consumers believe their social views will have some level of impact on future investment decisions.<sup>11</sup>**

**Governance to Enable Cross-Firm Collaboration**

Responsible investing is a journey that requires diligent oversight and continual improvement.

Each of our boutiques has dedicated ESG leaders within their

firms responsible for developing best practices and implementing controls to guide their ESG governance, investing, and strategy. ESG leaders within each boutique firm oversee their governance processes and each firm’s tailored approach to responsible investing.

**ESG is more than an acronym—it is an outlook. Investing in companies that are good corporate citizens ultimately can help build a stronger society.**



11. Data presented in this report are derived from a 2022 study conducted by New York Life Investments in partnership with RTI Research. The study employed quantitative methods to determine the degree of importance investors place on environmental, social, and governance issues and how these issues impact their investment decisions in the U.S. (Sample size: N=300).



# We believe collective climate action is an investment in future generations.

**Our current times present both** challenges and opportunities. Take the climate: A report by Deloitte indicates that inaction on climate change could cost the world's economy \$178 trillion in net present value terms by 2070. Yet, the same report also revealed that the world's economy could gain \$43 trillion in net present value terms over the next 50 years if it accelerates toward a path of low-emissions growth.<sup>12</sup>

New York Life Investments can help address these challenges and opportunities by advancing initiatives to address climate change — from creating strategies that invest in the energy transition to the way we operate. We recognize the importance of taking collective action to find solutions to not only help mitigate the impacts of climate change, but also to seek innovative solutions to adapt to climate change.

**IN ACTION**

**4,940,000 square meters of mangroves restored**



## Reforestation in Senegal

Candriam, New York Life Investments' global, multi-specialist asset manager, sets aside 10% of net fees from several of its sustainable and thematic strategies to finance philanthropic programs through the Candriam Institute for Sustainable Development (the Institute). In 2021, donations amounted to €2.9 million. Through the Institute, Candriam partnered with WeForest,

a nonprofit organization which works towards the reforestation of degraded land in primarily tropical regions. WeForest deploys best practices that relate to landscape restoration, poverty alleviation, and social justice. From 2018 through 2021, Candriam's financial backing directly contributed to the restoration of 4,940,000 square meters of mangroves along the Casamance River in southern Senegal.<sup>13</sup>

12. *The turning point*, Deloitte, 2022. <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/gx-global-turning-point-report.pdf>

13. Please see [Candriam Institute for Sustainable Development](#) for more information. One hectare equals 10,000 square meters.

## Investing with Intention

Developing investment strategies that consider climate-related risks and opportunities compels us to also ask tough questions: Are our investments supporting companies taking a long-term, holistic view of their influence on the natural world? Are they operating their business efficiently? How can they manage the impact on the surrounding environment? These are questions to consider for such investments to ensure we're thinking of the long-term viability of returns as well as the ability of society to evolve and adapt to support future generations.

## Creating Innovative Climate Solutions

Climate change poses real risks, and it also creates new opportunities for companies that are determined to be a part of the solution. According to McKinsey research, \$9.2 trillion of investments would be required within the global economy each year to transition to a net zero world by 2050. Annually, \$6.5 trillion would need to be invested in low-emissions assets and enabling infrastructure.<sup>14</sup>

New York Life Investments recognizes the role of capital in shaping the future and is determined to take advantage of these opportunities by introducing innovative strategies focused on investable environmental themes.<sup>15</sup> For example, New York Life Investment Management LLC, the advisor to the MainStay funds, offers a Global Climate Action strategy that invests

**According to McKinsey research, \$9.2 trillion of investments would be required within the global economy each year to transition to a net zero world by 2050.**

in companies taking action against climate change. The strategy looks for companies that are working towards reducing global emissions — whether through increased efficiency (producing more with less), through alternative energy solutions, or by creating solutions to tackle waste management and pollution.

New York Life Investments' IndexIQ boutique, an innovator in exchange-traded funds (ETFs), brought its first set of thematic ESG ETFs to the market in 2021. This suite of funds, called our "Dual Impact" suite, features two climate-themed strategies aligned with nonprofit organizations that support environmental causes. IndexIQ and New York Life Investment Management LLC are supporters and donors to each nonprofit.

IQ Cleaner Transport ETF (CLNR)<sup>16</sup> seeks to invest in companies across the world contributing to the advancement of more sustainable transportation through cleaner energy products and solutions. This fund was created in alignment with the National Wildlife

Federation, whose mission is to protect wildlife and restore wildlife habitat, including advancing climate solutions to create a zero-carbon future where wildlife and people thrive together.

IQ Clean Oceans ETF (OCEN)<sup>16</sup> seeks to invest in companies across the world taking steps toward mitigating harm to the oceans through products or services that reduce pollution and increase resource efficiency. This fund was created in alignment with Oceana, the largest international advocacy organization dedicated to protecting and restoring the world's oceans.

## Operating with Responsibility

We also look to our own operations to evaluate the environmental impact of our business. We share several operational services with our parent company, New York Life, which is leading the company's collective efforts to understand and manage our operational emissions, waste diversion, and energy usage to drive improvement. For example, at an enterprise level, New York Life has

14. *The net-zero transition: What it would cost, what it could bring*, McKinsey, 2022. <https://www.mckinsey.com/business-functions/sustainability/our-insights/the-net-zero-transition-what-it-would-cost-what-it-could-bring>

15. Not all products and services are available to all clients or in all jurisdictions.

16. **Click on the fund name link which includes the prospectus, investment objectives, performance, risk, and other important information. Visit [newyorklifeinvestments.com/etf](https://newyorklifeinvestments.com/etf) for more complete information.**

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



reduced greenhouse gas emissions in data centers by installing newer, more efficient equipment that uses less power while producing less heat. As New York Life looks to move a greater portion of our cloud computing systems offsite, the company will plan to work with partners operating their facilities with sustainability in mind. When it comes to IT products, New York Life has relationships with third parties who will repurpose, donate, or recycle old equipment. All employees are also encouraged to act responsibly for the environment — whether it is through less paper printing, recycling, or using technology in place of business travel.

**Our Home Office: A Historic, Sustainable Landmark**

A number of members of the New York Life Investments family share New York Life’s Home Office at 51 Madison Avenue in New York City. This landmark is much more than a building: It is a symbol of what New York Life stands for. It’s been the home of New York Life for more than 90 years and remains one of the few corporate headquarters of its era to still house its original owner and developer — a testament to the staying power, long history, and commitment in the community that makes us who we are today.

Our home office has earned Leadership in Energy and Environmental Design (LEED) Existing Building Gold certification from the U.S. Green Building Council, 2-Star Fitwel certification, and won the Building Owner Association of Greater New York’s Corporate Facility Pinnacle Award for its energy efficiency and low resource use. It represents our belief in continuous improvement and setting industry standards while preserving a storied legacy.



**Sustainable Dining Initiatives**

In 2020–2021, our dining operations rolled out several sustainable initiatives:

- Switched from plastic disposable items to compostable materials in our cafeteria
- Removed all plastic bags and aluminum foil
- Replaced dishware, cups, napkins, and cutlery with compostable options
- Installed a food digester, which uses microorganisms and oxygen to reduce food waste
- Partnered with a company that helps divert food away from landfills and towards people and places that need it around the New York City area

For more information on additional environmental impact initiatives across our parent company, you can view New York Life’s 2020–2021 ESG report [here](#).

# We believe investing in people and communities will fuel innovation, progress, and growth.

**Investment management is a** people-first business. The decisions we make affect our clients and employees and have the power to transform the communities in which we conduct business and invest around the globe.

At New York Life Investments, people are at the heart of our business, which is why we build long-term relationships with our clients, celebrate diversity, and do everything we can to help our employees and

communities grow. We remain committed to strengthening the communities in which we work and live — through investing, advocacy, philanthropy, and the way we run our business.

## IN ACTION



## Supporting Local Farmers

IndexIQ launched its first ETF in the Dual Impact suite, [IQ Healthy Hearts ETF \(HART\)](#),<sup>17</sup> which seeks to invest in companies that support heart health to combat heart disease, one of the leading causes of death in the world. The fund’s strategy was developed in alignment with the American Heart Association and makes contributions to the group’s Social Impact Fund, which invests in local entrepreneurs and organizations breaking down social and economic barriers to health equity. One of those organizations is the Hmong American Farmers Association (HAFA), which sub-leases farmland to local Hmong farmers to support intergenerational wealth creation and provides continuing education in sustainable agricultural practices.



**“The HAFA Farm is such an audacious project because it provides Hmong farmers access to land tenures.”**

— Janssen Hang, Co-Founder & Executive Director of HAFA

**17. Click on the fund name link which includes the prospectus, investment objectives, performance, risk, and other important information. Visit [newyorklifeinvestments.com/etf](https://newyorklifeinvestments.com/etf) for more complete information.**

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



## Protecting Human Rights in the Global Supply Chain

We care for our employees and our clients, and we're also extending our reach much further. Ausbil, our Australia-based investment management boutique, is leading the way in developing and implementing approaches to identifying, measuring, reporting, and eradicating risks from modern slavery and human rights abuse within its investment universe. Ausbil was the only investment firm to help the Australian government write the Modern Slavery Act of 2018. Ausbil's board also released a statement that details the firm's spheres of influence and exposure across its operations, assesses the risks present, and lays out a plan to mitigate those risks and measure results.

[Read the statement.](#)

### IN FOCUS

## Social Advancement

Recent research shows that less than 2% of U.S.-based assets under management (AUM) are managed by firms with diverse ownership.<sup>18</sup> To help combat this, Apogem, the alternatives business of New York Life Investments, launched a Social Advancement strategy focused on investing with diverse, emerging managers across buyout and growth equity strategies in the lower and middle markets in North America. The strategy's goal is to connect diverse managers with capital, both as a fund investor (~80%) and a co-investor (~20%).<sup>19</sup>

## Celebrating Diversity, Equity, and Inclusion (DE&I)

As subsidiaries of New York Life, we at New York Life Investments share the same culture and values. To that end, we aim to champion diversity, equity, and inclusion for all people across New York Life Investments. Together, we're committed to being a positive agent of change in the communities where we live and work.

In the U.S., participation in Employee Resource Groups (ERGs) comprises approximately 33% of New York Life's workforce, which includes New York Life Investments. With a goal to connect and champion employees with diverse experiences and perspectives, the ERGs are: Asian Pacific Circle, Black Organization for Leadership and Development (BOLD), ENABLE, Latinos for Excellence, Advancement and Development (LEAD), NYLPride, NYL-Vets, and The Women's Initiative. These seven diverse groups embody the strength and spirit of our culture and help the company foster an environment in which differences and unique perspectives are encouraged and valued.

We're proud to say that several of the ERGs are led by employees of New York Life Investments and conduct programs for the New York Life employee population, ranging from professional development opportunities to candid conversations on race and social justice.

One program that originated at New York Life Investments is the Standing Together Program (STP). In partnership and alignment with New York Life's DE&I Center, New York Life Investments formed the program in 2019, focusing on three main areas:

## Employee Resource Groups



**Asian Pacific Circle (APC)**



**The Women's Initiative**



**Black Organization for Leadership and Development (BOLD)**



**NYL-Vets**



**ENABLE**



**Latinos for Excellence, Advancement, and Development (LEAD)**



**NYLPride**

### 1. Diverse talent partnerships:

The STP team has built strong strategic partnerships with organizations such as Year Up, Seize Every Opportunity, and the Posse Foundation to source and hire top diverse talent. We have also established a supportive volunteering relationship with these organizations, partnering with them to offer resources to further develop our future leaders.

### 2. DE&I programming:

The STP team, in partnership with New York Life's DE&I Center for Awareness and Advocacy, introduced impactful programs to hundreds of employees. Examples include True Justice, which

18. As of September 2021, based on research from the Knight Foundation. [https://knightfoundation.org/wp-content/uploads/2021/12/KDAM\\_Industry\\_2021.pdf](https://knightfoundation.org/wp-content/uploads/2021/12/KDAM_Industry_2021.pdf)

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



## The New York Life Foundation has provided over \$389 million in charitable grants since its founding.

focused on enhancing participants' awareness of social justice issues and empowering them to take action; a panel discussion focused on support and allyship for the transgender community; discussions promoting awareness and advocacy around critical issues facing the Asian and Pacific Islander communities; and a collaboration with New York Life's BOLD ERG to deliver a financial wellness session focused on investment success. The team also implemented new broad-based programs for managers around inclusive leadership and unconscious bias.

**3. Employee voices:** In 2021, the STP team conducted interviews with a diverse group of 40 employees, with the goal of informing actions that can positively affect the retention and advancement of high-potential, diverse talent. We are now implementing many of the actions suggested during the interviews, including increased awareness around professional development and career mobility resources.

### **Giving Back Through Philanthropy**

New York Life's tradition of service and humanity comes to life through the

New York Life Foundation, which has provided over \$389 million in charitable grants since its founding in 1979.

The New York Life Foundation has been one of the leading corporate funders in the bereavement support field for many years, and their work focuses on understanding the gaps and needs in this field and providing resources to support it. Additionally, the Giving Campaign, one of New York Life's annual events, draws incredible participation across the entire company, including members of the New York Life Investments family. Despite working remotely in 2021, the New York Life workforce increased contributions by a record 20%, providing more than \$6.2 million to their communities.

Read more about New York Life's DE&I and charitable initiatives in New York Life's 2021 DE&I Report and 2020-2021 ESG Report.



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# ESG In Action: Our Global Impact

**Each of New York Life Investments' investment boutiques draws upon deep domain expertise to help clients reach their specific financial goals. With the same autonomy and perspective, boutique firms are empowered to integrate ESG considerations into their investment approaches in the ways most relevant to their clients, asset classes, and geographies.**

We invite you to see their progress and hear from the leaders charting the way forward.



# NYL Investors

**“The structural inclusion of ESG factors into our analysis is at the core of our responsible investment integration efforts and provides a consistent framework to assess risks and opportunities.”**



—Ryan Fox,  
Senior Director, Head of ESG, NYL Investors

## **NYL Investors**

As a leading asset manager, NYL Investors manages a comprehensive investment management program for New York Life, supporting its mission to provide long-term financial security to policy owners.

A wholly owned subsidiary of New York Life, NYL Investors manages over \$283 billion in assets as of December 31, 2021,<sup>20</sup> which includes the vast majority of assets in New York Life’s General Account.

Additionally, consistent with New York Life’s mission to protect the futures of policy owners, NYL Investors remains committed to responsible investing. ESG factors are integrated into the bottom-up research that informs investment decisions (excluding cash and U.S. Treasuries).

NYL Investors’ commitment to responsible investing is governed by its ESG Executive Committee, which includes select senior leaders of the

20. This includes AUM of \$282 billion and \$1 billion of assets under supervision; for a complete breakdown of its AUM, go to [www.nylinvestors.com](http://www.nylinvestors.com)

organization — including the CIO of New York Life Insurance Company — to shape the strategy and provide oversight of the firm’s responsible investing practices. An ESG task force is also actively supporting NYL Investors as it evolves and executes its ESG integration strategy. This task force is composed of a cross-section of asset class portfolio managers and dedicated ESG team members. Additionally, NYL Investors has recently created two new positions, a Head of ESG and an ESG Coordinator, to lead the ongoing development and execution of NYL Investors’ ESG strategy.

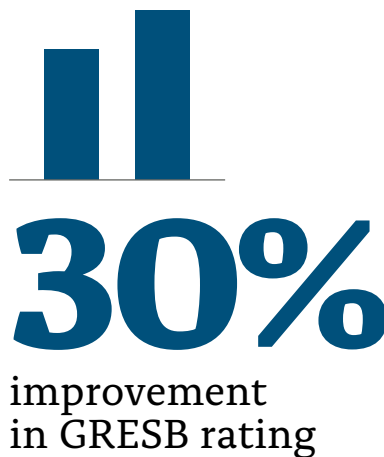
In addition to the establishment of dedicated resources and a governance structure, NYL Investors has implemented enhancements to its investment due diligence process. A customized scorecard has been developed to quantitatively assess how ESG factors may affect a company. As of the end of 2021, more than 4,000 holdings now feature an ESG score, with this enhancement still actively being deployed across the portfolio.



**GRESB**

NYL Investors’ real estate equity portfolios participate in GRESB, a leading ESG framework for real estate assets.<sup>21</sup> Our real estate equity portfolio makes up a significant piece of our operational carbon footprint, so the progress made here has an impact on our overall results. From 2020–2021, the real estate equity investments achieved a 30% improvement in their GRESB score. We were able to improve our scores in the following ways:

- Improved our utility data collection across the portfolio and had the data verified by an independent third party
- Increased the number of green building certifications within the portfolios



- Provided enhanced training for property managers and increased programs that engaged tenants around sustainability
- Enhanced our fund-level disclosure of ESG performance through Global Reporting Initiative and INREV reports
- Increased sustainability measures and technical assessments at the property level

While important foundations have been established in ESG governance and investment processes, we believe responsible investing is a journey that needs to be thoughtfully implemented to be effective in its outcomes, and the firm is committed to transparency as it progresses forward.

21. GRESB (formerly the Global Real Estate Sustainability Benchmark) is the global standard for portfolio-level ESG reporting in the real estate sector. For more information, go to <https://gresb.com/nl-en/>

# CANDRIAM

**“Building a sustainable world for future generations requires concerted global action and the mobilization of vast sums of both private and public capital. At Candriam, we have been invested in this journey for more than 25 years and remain fully committed to the path ahead.”**



—Naim Abou-Jaoudé,  
CEO, Candriam

## **Candriam**

As a global, multi-specialist asset manager, Candriam has \$180 billion of assets under supervision<sup>22</sup> and has been a pioneer in sustainable and responsible investing since 1996. The firm was one of the first European asset managers to sign the PRI charter in June 2006. In 2020, PRI awarded Candriam an A+ score and named the firm to the PRI Leaders' Group for its responsible investment work in climate reporting.

Committed to sustainable investing for more than 25 years and counting, the firm's exceptional dedication to driving progress and identifying sustainable opportunities for investors is embedded in its name, which stands for Conviction and Responsibility in Asset Management.

Over the years, Candriam has expanded its dedicated ESG team to more than 20 specialists. Additionally, more than 50 people are involved in sustainable governance across the firm in various strategic committees: the ESG

22. As of December 31, 2021. AUM is converted from euro at a spot rate of 1.1372 as of December 31, 2021. Assets under supervision includes \$156 billion which falls within the U.S. Securities and Exchange Commission's definition of 'regulatory AUM' in Form ADV Part 1A. The remainder consists of other non-discretionary advisory or related services.



and CSR Steering Strategic Sustainability Committee, the Sustainability Risk Committee, the Proxy-Voting Committee, and the Candriam Institute.

Candriam is a global leader in ESG and a member of the New York Life Investments family of global boutiques. By sharing their best practices, Candriam’s work and partnership with other affiliated boutiques allows the entire firm to benefit from their experience.

**Driven by Fundamental ESG Research**

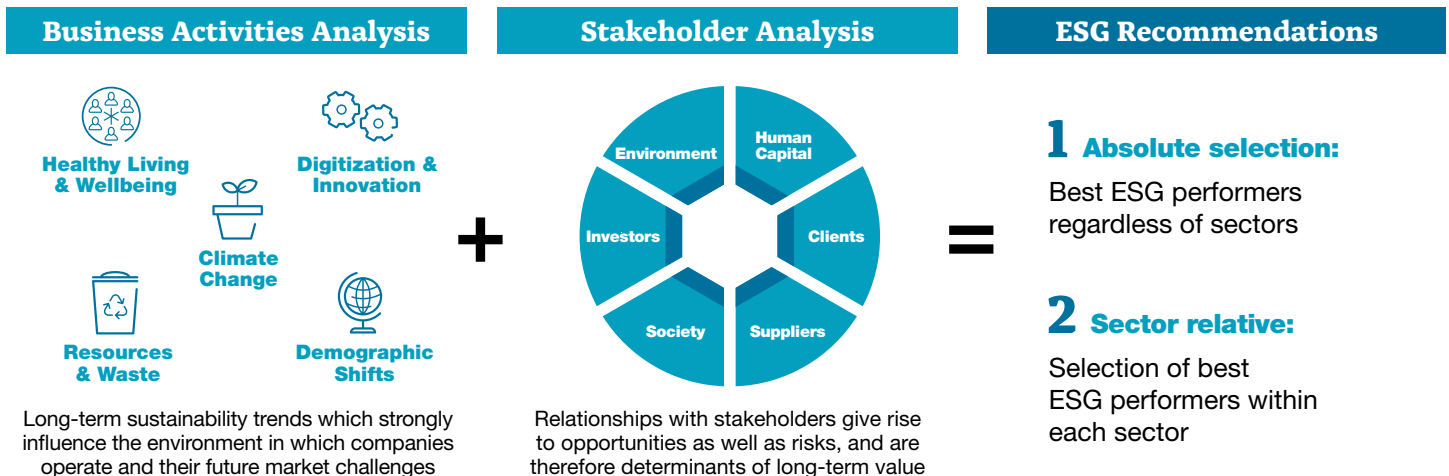
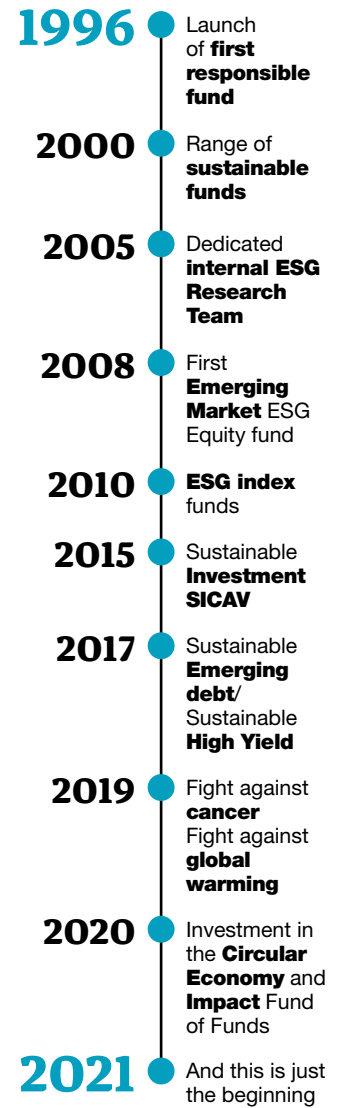
Independent research is a cornerstone of Candriam’s approach to sustainable investing. The in-house ESG team combines business and stakeholder analysis, then layers norms-based analysis to screen out controversial names and includes country-by-country analysis to produce a sovereign sustainability score. This approach allows Candriam to align client portfolios with client values, as well as identify promising long-term opportunities and more accurately assess ESG-related risks that may not be reflected in traditional financial analysis.

**Sustainable Investment Solutions: Notable Strategies<sup>23</sup>**

Candriam has continued to offer innovative ESG strategies, with recent strategy launches focused on thematic investing along ESG-related trends. In 2020, Candriam launched a thematic equity strategy devoted to developing a more circular economy. This strategy invests primarily in global companies contributing to recycling, replacement of raw materials, repurposing end-of-life products, and rationalization of resource use. A private equity impact strategy was also launched, allowing investors to gain exposure to companies whose performance is linked to the achievement of measurable social or environmental objectives.

**50+**  
people involved in sustainable governance across Candriam

**25 Years of ESG**



23. The products and services offered by Candriam are not available in all jurisdictions or regions where such provision would be contrary to local laws or regulations.

In 2021, on World Health Day, the firm launched a new life-care strategy that straddles two drivers of healthcare consumption: the aging population and economic development. This strategy invests across a spectrum of healthcare sectors including pharmaceuticals, biotechnology, medical technology, and life sciences. It uses a fundamental, bottom-up approach based on thorough research, a deep understanding of clinical data, and medical technology innovation.

**Ongoing Engagement to Improve Outcomes**

Candriam has dedicated over two decades to engaging with companies on responsible investing through proxy voting, direct dialogue, collaborative dialogue, and the promotion of sustainable finance. Candriam has prioritized three long-term conviction topics since 2015:

1. Energy transition
2. Fair working conditions
3. Business ethics

**Priorities in Proxy Voting**

The cornerstones of Candriam’s voting policy are:

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

During 2021, Candriam made its voice heard in 2,060 ordinary and extraordinary general meetings as it voted on 26,605 resolutions for the firm’s open-ended equity funds, dedicated funds, and mandates under Candriam’s voting policy. Candriam opposed about 25% of total management resolutions. In particular, the firm voted against several Say on Climate resolutions because Candriam felt the associated transition plans

were not strong enough or not detailed enough to support an informed vote.

**Dialogue on Social and Environmental Issues**

Over the course of 2021, Candriam individually engaged in 320 dialogues with 274 corporate issuers on various ESG topics.

**Collective Engagement**

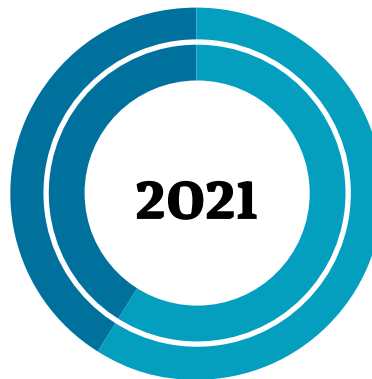
Candriam joins forces with other investors to secure greater leverage when calling on stakeholders to act responsibly. In 2021, the firm joined 18 new collaborative initiatives. Over 2021, more than 4,200 issuers were targeted by our collaborative dialogues, via 35 collaborative initiatives. For more information, please see Candriam’s stewardship activities [here](#).

**The Candriam Institute for Sustainable Development**

The Candriam Institute for Sustainable Development leads the company’s philanthropic initiatives as an extension of its sustainable investing goals. It looks for philanthropy objectives that complement sustainable investing and that align with the United Nations Sustainable Development Goals. To finance the Institute’s multi-year philanthropic programs, Candriam sets aside 10% of net fees earned from several of its sustainable and thematic strategies.



**Impact on Candriam Decision**  
(direct dialogue)



**41%**  
Yes, influenced Candriam’s opinion

**59%**  
Dialogue still ongoing

**€2.9 million**  
donations in 2021



**Helping Those Who Help has donated \$1.8 million and supported 168 projects from 86 associations.**

**Helping Those Who Help**

Candriam has a long tradition of employees getting involved in social impact programs. One example is their Helping Those Who Help program, where Candriam staff sponsor community projects close to their hearts and aligned with Candriam’s focus on social impact and inclusion. The initiative celebrated its 20th anniversary in 2021. Since it began, the program has donated \$1.8 million and supported 168 projects from 86 associations.

**Candriam Academy**

As a leader in sustainable investing, Candriam has ambitions to bridge the knowledge gap on ESG. Launched in 2017, the Candriam Academy — the world’s first online free-to-access training platform on responsible investments — has reached 10,000 members from 40 countries across a range of backgrounds including institutional investors, fund selectors, private bankers, financial advisors, retail investors, and media, as well as students.

**Environmental Sustainability**

As the climate crisis continues to deepen, Candriam is acting to reduce

the environmental impact of its funds and its operations.

For over 15 years, Candriam’s ESG analysis has embedded climate mitigation and adaptation across its sustainable investment strategies. Candriam has been measuring and disclosing the carbon footprint of its sustainable funds for several years and has reduced the footprint of these strategies by at least 30% on average, relative to the market, with many funds going even further.

In 2021, Candriam committed to a 50% reduction in greenhouse gas emissions across a significant share of its investment portfolio by 2030 and will pursue net-zero emissions of its investment portfolio by 2050 or sooner. In addition, the firm also became a signatory to the Net Zero Asset Managers Initiative.

**Operations and Value Chain**

Over recent years, Candriam has established new programs, tools, and approaches to reinforce the sustainability of its value chain and minimize operational carbon emissions. Through its purchasing policy and code of conduct, Candriam

seeks to ensure that its suppliers operate sustainably.

Candriam started to offset its own operational carbon emissions<sup>24</sup> starting in 2018. During the period 2018–2020, Candriam offset more than 34,000 metric tonnes of CO<sub>2</sub> equivalent (CO<sub>2</sub>e), achieving 100% offsets of its operational CO<sub>2</sub>e in 2019 and 2020.

**Diversity and Inclusion**

Candriam is continuously finding ways to foster an environment in which employees feel included, valued, connected, and respected. The firm wants every employee to bring their authentic self to work, regardless of their backgrounds and beliefs. Candriam recognizes that its people are the foundation of the firm’s culture, values, and identity — and are critical to ongoing growth and success.

Candriam is also highly focused on gender equality in its hiring practices. By 2025, the firm’s goal is to have its Executive Committee include at least 30% women. To ensure that Candriam is developing the future female leaders of tomorrow, its goal is for at least half of new hires to be female from 2021 through 2025.

24. Includes Scope 1, Scope 2, and partial Scope 3 (business travel)





# MACKAYSHIELDS

**“We strive to be purpose-driven and values-led. ESG is an important consideration in our analysis of investment opportunities and how we serve our clients.”**



— Jeffrey Phlegar,  
CEO, MacKay Shields

### **MacKay Shields<sup>25</sup>**

A global asset management boutique focused on fixed income and equity investing with \$164 billion in AUM,<sup>26</sup> MacKay Shields considers responsible investment and responsible citizenship core to its duty of responsible service, which is grounded in three pillars:

#### **1. Committed to Employees**

Our people are key to all we do for our clients and our communities. Employees across MacKay Shields are given the resources and tools to collaborate with one another across disciplines, develop new skills for career advancement, participate in the recruitment of the next generation of leaders, and celebrate the diverse backgrounds and perspectives of their colleagues. These initiatives are powered by the passion of MacKay Shields employees with support from senior leadership and the executive team.

25. The products and services offered by MacKay Shields are not available in all jurisdictions or regions where such provision would be contrary to local laws or regulations.

26. AUM as of December 31, 2021

Currently 33% of MacKay Shields' workforce is female and 33% identified themselves as part of an ethnic minority group.<sup>27</sup> The varied backgrounds, experiences, and perspectives that MacKay Shields employees offer across the organization have been critical drivers of the firm's success and will be a valued part of the company culture in the future.

**2. Consideration of Environmental Factors**

MackKay Shields believes that investment decisions not only have an impact on long-term performance, but can also have an impact on our communities, and our shared environment. As such, environmental considerations are an important component of the firm's investment research, portfolio construction, and risk management strategies. Each investment team at MacKay Shields considers ESG within its distinct investment philosophy and process to meet client objectives while aligning with client values.

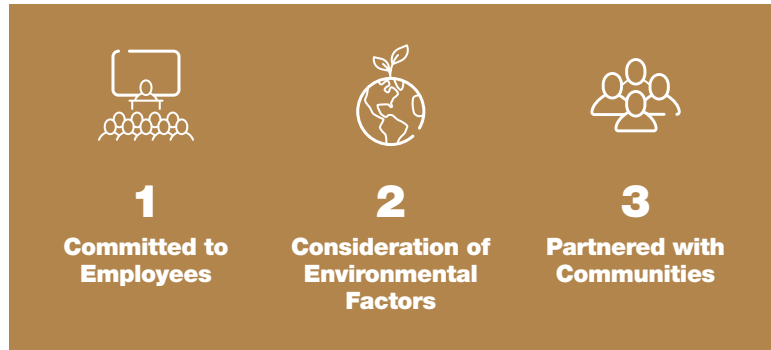
**3. Partnered with Communities**

As investment managers and citizens, MacKay Shields understands it has a responsibility to contribute to the well-being of the communities in which it operates and where employees live.

MackKay Shields and its employees have engaged in annual fundraising campaigns and volunteered with organizations with missions such as financially empowering young people in underserved communities and providing food security for the elderly and underserved.

**Responsible Service**

As COVID-19 swept the globe, MacKay Shields employees prioritized giving and serving, positively affecting local



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

communities. Some of the organizations supported include Invest in Girls, Fresh Air Fund, and God's Love We Deliver. Additionally, in partnership with New York Life, MacKay Shields has worked with organizations such as the NAACP Legal Defense Fund and The Eagle Academy Foundation.

**Education and Information-Sharing**

To stay informed of the latest guidance and developments in ESG, MacKay Shields is actively involved in industry groups and organizations, including The Credit Roundtable, Principles for Responsible Investment, and Task Force for Climate-Related Financial Disclosures.

To complement and assist investment teams, MacKay Shields has advanced its ESG initiatives with the help of dedicated ESG specialists working across the firm. These experienced professionals support day-to-day operations and the firm's strategic priorities around ESG research, strategy, and integration. Education and information-sharing remain the keys to success at MacKay Shields. As a result,

27. As of December 31, 2021

internal working groups have been established within and across investment teams, as well as at the firm level, to provide forums for ESG governance and knowledge development at all levels of the organization.

**Leading the Conversation in Sustainable Investing**

MacKay Shields is regularly engaged in constructive conversations around ESG matters with issuers and market participants and the firm is also committed to leading the conversation around sustainable investing. Once an emerging trend, sustainable investing is now a mainstream investment approach that has prompted many questions from investors as they consider their own ESG strategies.

To provide a better understanding, MacKay Shields, in partnership with Kirstein,<sup>28</sup> surveyed 66 institutional investors in Europe and the U.S. in 2021. The goal of the study was to clarify what institutional investors want from their fixed income managers and whether the market is moving toward a homogenous approach to sustainable investing. The report found that survey participants seek managers that provide sustainable fixed income solutions adapted to their own needs and goals, as opposed to homogenized approaches that could limit their choices and prevent active managers from making the most of their sustainable investing portfolios. [Read the report to learn more.](#)

**Integrated ESG**

In partnership with IndexIQ and in response to evolving client needs, in 2021 MacKay Shields successfully launched the IQ MacKay ESG Core Plus Bond ETF (ticker: ESGB).<sup>29</sup> This new offering reflects an actively managed strategy that seeks total returns by investing in a broad portfolio of fixed income securities with ESG criteria integrated into the security selection process.



28. Kirstein is a strategic consulting firm in Europe with a singular focus on the asset management industry.

29. Click on the fund name link which includes the prospectus, investment objectives, performance, risk, and other important information. Visit [newyorklifeinvestments.com/etf](https://www.newyorklifeinvestments.com/etf) for more complete information.

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





INVESTMENTS



“Our mission is to do well for our clients while doing good for the world.”



—Wendy Wong, Managing Director, Head of Sustainable Partnerships, NYLIM

**U.S. Retail Strategies:  
New York Life Investment  
Management LLC and IndexIQ**

New York Life Investments’ U.S. retail business includes investment vehicles for U.S. clients through the MainStay mutual funds family and Separately Managed Accounts (SMAs), which are managed by New York Life Investment Management LLC (NYLIM LLC), and ETFs managed by IndexIQ.

From an ESG perspective, our U.S. retail businesses are guided by an ESG Governance Council, comprised of senior management — including the CEO of NYLIM — which is responsible for overseeing the firms’ commitment to the principles of the PRI and gives strategic guidance to ESG efforts.

**MainStay: Innovative  
ESG Strategies**

Across the MainStay mutual fund family, affiliated and unaffiliated subadvisors to the funds are given the autonomy to integrate ESG factors into their investment process in different ways, applying their own expertise. During the selection and monitoring process, New York Life Investment Management LLC

works with subadvisors to understand how ESG is integrated into their investment decision-making. At the end of 2021, 73% of the assets managed under the MainStay mutual fund family integrated ESG factors in their investment analysis.<sup>30</sup>

Working in partnership with New York Life Investments’ affiliated boutiques, New York Life Investment Management LLC has also introduced innovative ESG-focused strategies to the U.S. market. These solutions include broad-based ESG strategies, as well as thematic solutions designed by Candriam, drawing on their long history in ESG investing.

These thematic strategies seek to capitalize on opportunities by investing in ESG-related themes. Some of these offerings include:

**Thematic SMAs<sup>32</sup>**

Candriam Global Climate Action Equity

ADR SMA: Seeks to create a diversified, quality growth portfolio that includes investing in future leaders who are taking action against climate change

Candriam Global Oncology Impact Equity ADR SMA: Uses a science-driven research process that supports the development of a wide range of cancer diagnostics and treatments, with a portion of management fees donated to the American Cancer Society





**IndexIQ: Me-Focused Returns and We-Focused Social Good**

IndexIQ developed the IQ Dual Impact ETF suite to address values-centered investment needs and the greater needs of our shared society. Composed of stocks from companies whose operations contribute to the advancement of each fund’s theme, the Dual Impact ETFs provide investment opportunities informed by market trends

**73%**  
of assets managed under the MainStay mutual fund family integrate ESG factors in their investment analysis.<sup>30</sup>

and consumer behaviors.

Recognizing that change can be better affected through collective action, each IQ Dual Impact ETF aligns with a well-known, established nonprofit organization to support environmental and social causes. IndexIQ and NYLIM LLC are supporters and donors to each nonprofit. Four Dual Impact ETFs were launched in 2021:

| Dual Impact ETFs <sup>31</sup>             |   |  |  |  |
|--|---|--|--|--|
|  | Launched January 2021   |  | Launched October 2021  |  |
|  |                              |   |   |   |
|  | <b>HEALTH AND WELL-BEING:</b><br>American Heart Association Social Impact Fund                                  | <b>CLIMATE CHANGE:</b><br>National Wildlife Federation   | <b>GENDER EQUALITY:</b><br>Girls Who Code  | <b>OCEANS:</b><br>Oceana   |
| <b>Fund name</b>                           | IQ Healthy Hearts ETF (HART)  | IQ Cleaner Transport ETF (CLNR)  | IQ Engender Equality ETF (EQL)   | IQ Clean Oceans ETF (OCEN)   |
| <b>Investment summary</b>                  | Invest in global companies that are working to treat and prevent heart disease                                  | Invest in global companies that are contributing to the advancement of more sustainable transportation through cleaner energy products and solutions | Invest in U.S. companies that are leading in gender equality within the workplace  | Invest in global companies that are taking steps towards mitigating harm to the oceans through their products or services          |
| <b>IndexIQ and NYLIM LLC contributions</b> | Address social and economic barriers to health equity through the American Heart Association Social Impact Fund | Advance climate solutions to create a zero carbon future where wildlife and people thrive together   | Support free programs for girls in the 3rd-12th grades so they can learn coding and find role models and peers in the computer science and technology fields | Restore fisheries by stopping overfishing, preventing bycatch, protecting habitat, and reducing pollution from single-use plastics |
| <b>Developed in partnership with</b>       | Candriam  | Candriam   | Equileap and Solactive   | Candriam   |

30. Based on AUM as of 12/31/2021 for MainStay mutual funds

31. Please visit the New York Life Investments [website](#) for important information.

32. Please visit [newyorlifeinvestments.com](http://newyorlifeinvestments.com) for more complete information.

## **IQ Healthy Hearts ETF (HART) wins top prize in Wealth Management Industry Awards – New Product Development category<sup>33</sup>**

### **Other ESG Solutions & Products<sup>34</sup>**

New York Life Investment Management LLC and IndexIQ have also partnered with affiliated boutiques to launch additional ESG-focused solutions.

#### **IQSU | IQ Candriam**

##### **ESG U.S. Large Cap Equity ETF**

Tracks an index designed to deliver exposure to U.S. large-cap equity securities of companies that satisfy ESG criteria developed by Candriam.

#### **IQSI | IQ Candriam ESG**

##### **International Equity ETF**

Tracks an index designed to deliver exposure to foreign developed large- and medium-cap equity securities of companies that satisfy ESG criteria developed by Candriam.

#### **ESGB | IQ MacKay ESG**

##### **Core Plus Bond ETF**

One of the first actively managed core plus bond strategies with a sustainable investment focus, subadvised by MacKay Shields.

### **Stewardship and Engagement**

New York Life Investment Management LLC and IndexIQ recognize the importance of stewardship and active ownership. For more information on their approach to engagement and proxy voting policies, please [click here](#).



33. WealthManagement.com Industry Awards recognize “outstanding achievement, product innovation and individuals” in the asset management community. Learn more at [https://www.wealthmanagement.com/wealthies-circle/wealthies\\_best/indexiq/](https://www.wealthmanagement.com/wealthies-circle/wealthies_best/indexiq/)

34. Click on the fund name link which includes the prospectus, investment objectives, performance, risk, and other important information. Visit [newyorklifeinvestments.com/etf](https://www.newyorklifeinvestments.com/etf) for more complete information.

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# Apogem Capital

“The alternatives space is always evolving. By combining our expertise, Apogem is now uniquely positioned to identify and pursue ESG-related opportunities in alternatives.”



—Chris Stringer,  
Interim CEO and Head of  
Private Equity, Apogem

### **Apogem Capital<sup>35</sup>**

On April 1, 2022, New York Life Investments announced the formation of Apogem Capital (Apogem), a newly unified alternatives investment firm with capabilities spanning private credit, private equity, GP stakes, private real assets, and long/short equity, with AUM of approximately \$37 billion.<sup>36</sup> Apogem is the combination of three previously existing alternative investment boutiques affiliated with New York Life: GoldPoint Partners, Madison Capital Funding, and PA Capital. Apogem remains a wholly owned subsidiary of New York Life.

Prior to the formation of Apogem, each legacy boutique operated autonomously in their ESG investment processes and governance, although they regularly communicated and collaborated on ESG topics via the New York Life Investments Cross Boutique ESG Working Group. Each legacy boutique shared the belief that ESG considerations can help

35. The products and services offered by Apogem Capital are not available in all jurisdictions or regions where such provision would be contrary to local laws or regulations.

36. AUM is estimated and unaudited as of December 31, 2021. AUM includes non-discretionary and co-advised assets, as well as assets managed for New York Life and certain of its subsidiaries.

provide better risk-adjusted returns to investors over the long term, and they were all committed to continually advancing and improving responsible investing practices.

Each boutique was a separate signatory to the PRI, and Apogem — representing New York Life Investments’ alternatives businesses — became a

**Apogem will continue to collaborate with the investment boutique affiliates of New York Life Investments, as well as externally with its investment partners, to remain informed and involved in industry ESG best practices.**

signatory in May 2022. At Apogem, a centralized ESG Committee governs responsible investing. The ESG Committee includes representatives from investment areas across the firm, as well as senior leadership from Operations and Risk, Legal and Compliance. To work as a complement to the ESG Committee, Apogem has also formed a DEI Committee that will set annual goals and objectives and research and propose strategies to promote diversity, equity, and inclusion in the firm and broader industry.

**The Social Advancement Strategy**

In 2021, PA Capital, in collaboration with GoldPoint Partners and Madison Capital Funding, launched the Social Advancement strategy. The strategy is focused on investing with diverse, emerging managers across buyout and growth equity strategies in the lower and middle markets in North America. The strategy’s goal is to

connect diverse managers with capital, both as a fund investor (~80%) and a co-investor (~20%).<sup>37</sup>

**Looking Ahead**

The creation of Apogem affords a number of distinct advantages. One immediate benefit is the combined ESG expertise from the legacy boutiques. Apogem will continue to collaborate with the investment boutique affiliates of New York Life Investments, as well as externally with its investment partners, to remain informed and involved in industry ESG best practices. As investment teams within Apogem continue to refine their approach to research and analysis of ESG topics, we expect the increased collaboration afforded by the Apogem structure will lead to more efficient ESG practices. In addition, we expect increased transparency and communication with its investors and stakeholders on matters related to responsible investing.

**Apogem’s Legacy Boutiques**

| GoldPoint Partners   | Madison Capital Funding (MCF)   | PA Capital  |
|--|---|---|
| <ul style="list-style-type: none"> <li>• \$16B in AUM<sup>38</sup></li> <li>• Products included private equity fund investments, direct private debt investments, and direct equity co-investments</li> <li>• Adopted formal ESG policy in 2018</li> <li>• Became a signatory to PRI in 2019</li> <li>• Firm integrated ESG considerations into all investment and monitoring activities, tailoring its process to each investment product to ensure an effective and pragmatic strategy best suited for its non-control approach</li> </ul> | <ul style="list-style-type: none"> <li>• \$13B in AUM<sup>39</sup></li> <li>• MCF invested alongside private equity sponsors and other investors to provide senior-secured debt products to companies in the lower-middle market</li> <li>• Created a formalized process to integrate ESG and an ESG Committee to have overall management responsibility of MCF’s ESG efforts and reported to MCF’s CEO</li> <li>• Became a signatory to PRI in 2019</li> </ul> | <ul style="list-style-type: none"> <li>• \$8B in AUM<sup>38</sup></li> <li>• Specialized in low and mid-market alternative investments</li> <li>• PRI signatory in 2009, received an A from PRI in 2020</li> <li>• Established ESG Committee to oversee responsible investment policies and procedures</li> <li>• Operational Due Diligence Program founded in 2009 focused on governance, control environment and risk management profile</li> <li>• Private Equity ESG Scorecard established in 2015</li> </ul> |

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

38. AUM as of December 31, 2021

39. As of 12/31/2021, this includes approximately \$9.4 billion of senior loan commitments and \$70 million of fund investments managed by MCF for its own account. These senior loan commitment assets and fund investments do not qualify as Regulatory Assets Under Management.

# ausbil

“As world citizens and stewards for our clients, we know we can’t afford to stand on the sidelines. We’re taking the actions that are needed.”



—Måns Carlsson, OAM,  
Head of ESG Research, Ausbil

#### **Ausbil<sup>40</sup>**

Established in 1997, Ausbil Investment Management manages Australian and global equities for major company pension plans, institutional investors, master trusts, and retail clients. As of December 31, 2021, Ausbil’s total AUM was \$12 billion.<sup>41</sup>

As an active manager, Ausbil’s in-house team of investment analysts and ESG researchers collaborate to maintain thorough, independent perspectives on the opportunities and risks within the firm’s investment universe. Embedded within the larger investment team, the ESG research team works closely with equity analysts and portfolio managers to provide ESG-related investment insights, ESG scores, ESG SWOT analysis, and their perspective on proxy voting — all at the company level. For Ausbil and its clients, the result is proprietary ESG research integrated with traditional financial

40. The products and services offered by Ausbil are not available in all jurisdictions or regions where such provision would be contrary to local laws or regulations.

41. As of December 31, 2021. AUM is converted from AUD at a spot rate of 0.72705 as of December 31, 2021. Includes assets under supervision.



analysis to inform a holistic decision-making process across Australian equities and the firm’s global funds.

Ausbil is an active member of industry organizations focused on ESG, as well as a signatory of collaborative ESG engagement initiatives, including:

- Responsible Investment Association Australasia (RIAA)<sup>42</sup>
- Investors Against Slavery and Trafficking—Asia Pacific (IAST-APAC)<sup>43</sup>
- Investor Group on Climate Change (IGCC), Climate Action 100+<sup>44</sup>

**Leading the Fight Against Human Rights Abuses**

Deeply committed to advancing human rights and combatting modern slavery, Ausbil has used its leadership position within the Australian investment management industry to champion positive change in these areas. (Among other practices, modern slavery can include human trafficking, slavery, servitude, forced labor, and the worst forms of child labor.)

Ausbil was the sole investment firm appointed to a panel of experts to assist the Australian government in writing guidance for the Australian Modern Slavery Act of 2018. This pioneering legislation requires Australian companies with annual consolidated revenue of at least AUD\$100 million to report the modern slavery risks within their organizations and maintain responsible and transparent supply chains. Ausbil now sits on an advisory group that has assisted the Australian government with effective implementation of the act.

As a result of Ausbil’s participation in the development and implementation of this effort, Måns Carlsson, Ausbil’s Head of ESG Research, was awarded a letter



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of commendation from Anti-Slavery Australia in 2019 and an Order of Australia Medal (OAM) in 2022.

**Advocacy Through Action**

Each year, Ausbil publishes its Ausbil Annual ESG Advocacy and Engagement Report outlining its ESG initiatives.

Following are key highlights from 2021:

- In 2021, Ausbil undertook ESG-related engagements with companies on over 175 occasions, addressing topics such as climate change, human rights and modern slavery, gender diversity, corporate culture, and more.
- Ausbil co-authored two investor toolkits through RIAA’s Human Rights Working Group: the Investor Toolkit on Human Rights and Supply Chains, and the Investor Toolkit on the Rights of Indigenous People. These toolkits

42. Ausbil has been a member since 2003. Måns Carlsson, Head of ESG, currently chairs RIAA’s Human Rights Working Group and was recently appointed to the groups’ Board of Directors.  
 43. Ausbil has been involved since 2020, and is on the steering committee, chairs a working group, is an active lead investor on one company engagement, and is a support investor on three other company engagements.  
 44. Ausbil is a support investor on six company engagements with the IGCC, a signatory to the Plastics Solutions Investor Alliance (PSIA), and is involved in the Investor Alliance for Human Rights (IAHR).

assist the broader investment industry as they constructively engage with companies to reduce risks to human rights in supply chains and protect Indigenous communities.

- Ausbil issued a voluntary Statement on the Modern Slavery Act, informed by the requirements of the Australian Modern Slavery Act. This statement builds on the firm’s in-depth, proprietary ESG research, which is focused on Australian Stock Exchange (ASX) listed companies’ exposure to modern slavery risk in operations and supply chains, as well as company risk management.
- Ausbil co-authored and published an Investor Statement on Modern Slavery, Human Trafficking and Labour Exploitation Issues through IAST-APAC. This statement is a call to action for all companies to examine, report, and act on the human rights abuses that can exist within today’s complex global supply chains. The statement was shared with 200 listed companies in Australia.

## In 2021, Ausbil undertook ESG-related engagements with companies on over 175 occasions, addressing topics such as climate change, human rights and modern slavery, gender diversity, corporate culture, and more.

In 2022, Ausbil updated its Climate Change Policy, which builds on its scenario-analysis climate research (three climate change scenarios over three time frames) for ASX-listed companies. The methodology applies the concept of “net risk,” which considers the risks and opportunities presented by physical climate change and our transitional response (including both technology and regulatory change). In addition to traditional carbon footprint analysis, this research allows Ausbil to assess climate risk more accurately. It also guides Ausbil’s company engagement activities in relation to climate change.

In the future, Ausbil plans to publish its own sustainability report, which

will cover issues such as modern slavery and forced labor in global supply chains, climate change and decarbonization, and the importance of good corporate culture.

### Introducing Ideas, Sparking Conversation

From 2020 through 2021, Ausbil representatives advocated for ESG issues in speaking engagements with the Australian Investor Relations Association, the RIAA Conference, the Bali Process on Business and Human Rights, the UN Global Compact, the Australian Governance Institute, SEDEX, ACSI, and the Sustainable Finance Forum.

## Award-Winning ESG Commitment

### 2020

#### Winner

Lonsec Sustainable Investment Awards – Ausbil Active Sustainable

#### Winner

Zenith Fund Awards – Responsible Investments – Ausbil Active Sustainable

#### Finalist

Money Management Fund Manager of the Year Awards – Australian Small/Mid Cap Equities

#### Finalist

Money Management Fund Manager of the Year Awards – Responsible Investments

### 2021

#### Winner

Money Management Fund Manager of the Year Awards – Long/Short Equities

#### Winner

SMSF Adviser – Australian Equities Fund Manager of the Year

#### Finalist

Money Management Fund Manager of the Year Awards – Responsible Investment

For more information on Ausbil and additional information on their awards, please visit [www.ausbil.com.au](http://www.ausbil.com.au).



TRISTAN  
CAPITAL PARTNERS

# Tristan's core values of performance, teamwork, partnership, trust, and integrity support the firm's commitment to embedding best-in-class ESG standards and practices at the fund and asset level.

## Tristan<sup>45</sup>

Tristan Capital Partners (Tristan) is a \$16.5 billion<sup>46</sup> real estate investment management company specializing in a wide range of property types across the U.K. and continental Europe.

Tristan has a cross-departmental ESG Committee that includes representatives from all core teams, including asset management, developments, investments, client relations, and marketing. Additionally, an independent external consultant, Longevity Partners, ensures the effective execution of Tristan's strategy.

The firm also uses the GRESB framework, a best practice for real estate. In 2021, Tristan saw an average rating increase of 34% across all funds, four of which achieved a four-star rating. Overall, Tristan funds outperformed the GRESB benchmark and peer group averages in both management and performance. In 2021, Tristan worked

45. The products and services offered by Tristan are not available in all jurisdictions or regions where such provision would be contrary to local laws or regulations.

46. AUM as of December 31, 2021. AUM is converted from EUR to USD at 1.13720 as of December 31, 2021. New York Life, through its subsidiaries, holds a non-controlling minority interest in Tristan Capital Partners.





with its network of operating partners and initiated more than 50 new green building certifications, including Building Research Establishment Environmental Assessment Methodology (BREEAM), German Sustainable Building Council (DGNB), Leadership in Energy and Environmental Design (LEED), the WELL Building Standard (WELL), and Fitwel.

Through a multidisciplinary Equality, Opportunity, and Philanthropy Committee chaired by one of its founding partners, Tristan initiated programs to foster a healthy and inclusive working environment. In support of these efforts, the firm completed its first diversity, equity, and inclusion survey across the firm, with

a response rate of 90%. The results of this survey have informed Tristan's priorities for 2022 and beyond.

Tristan upgraded and rolled out improved mental health and well-being support for all employees through a platform called MyndUp, which offers one-on-one sessions with therapists, counsellors, executive coaches, and life coaches. Tristan has also implemented a program that includes mental health awareness training for managers as well as regular events promoting nutrition and improving wellness.

In 2021, Tristan participated in the inaugural 10,000 Black Interns Programme, which aims to transform the prospects of young Black people by

# 50+

**new green building certifications initiated by Tristan**

providing 2,000 paid internships a year for five consecutive years across 24 industry sectors in the United Kingdom. Tristan also continued its sponsorship of the Pension Real Estate Association Foundation<sup>47</sup> in the U.S. and renewed its membership of Real Estate Balance in the U.K.<sup>48</sup>

47. The Pension Real Estate Association (PREA) is a nonprofit trade association for the global institutional real estate investment industry. For more information, visit <https://prea.org/about-prea/about-prea/>  
 48. Real Estate Balance is a campaigning organization working to improve diversity and inclusion in the real estate industry. For more information, visit <https://www.realestatebalance.org>



# Kartesia strongly believes in its power to ignite change and accompany invested companies in their contribution to a better society, on a healthier planet.

## **Kartesia<sup>48</sup>**

Kartesia is a pan-European, independent, and privately owned specialist provider of financing solutions. Aiming to accelerate growth, the firm offers customized resources across the capital structure to leading mid-market companies from a wide range of industries. Kartesia manages over \$4.5 billion in assets<sup>49</sup> and is operated by a team of 73 experienced professionals across investment and operating teams. Led by its four founding managing partners, the firm operates in offices in Brussels, London, Luxembourg, Madrid, Munich, Paris, and Milan.

Kartesia believes that companies with high ESG standards are typically better run, have fewer business risks, and ultimately deliver more value. Kartesia has strived to be an ESG leader by following best practices and principles such as the PRI, as well as through continual innovation and the creation of tools and solutions specific to the private debt market.

48. New York Life, through its subsidiaries, holds a non-controlling minority interest in Kartesia Management S.à r.l. The products and services offered by Kartesia are not available in all jurisdictions or regions where such provision would be contrary to local laws or regulations.

49. As of 12/31/21. AUM is converted from EUR to USD at a spot rate of 1.13720 as of 12/31/21.



**As part of its ESG engagements, Kartesia assesses the carbon footprint of its corporate loan investments and encourages all primary portfolio companies to perform a yearly ESG reporting exercise.**

Assessing, managing, and acting on ESG issues are central to Kartesia’s investment philosophy and process. As part of its ESG engagements, the firm assesses the carbon footprint of its corporate loan investments and encourages all primary portfolio companies to perform a yearly ESG reporting exercise. This process involves completing Kartesia’s annual ESG questionnaire, which is based on the Sustainable Finance Disclosure Regulation (SFDR), part of the EU Sustainable Action Plan.

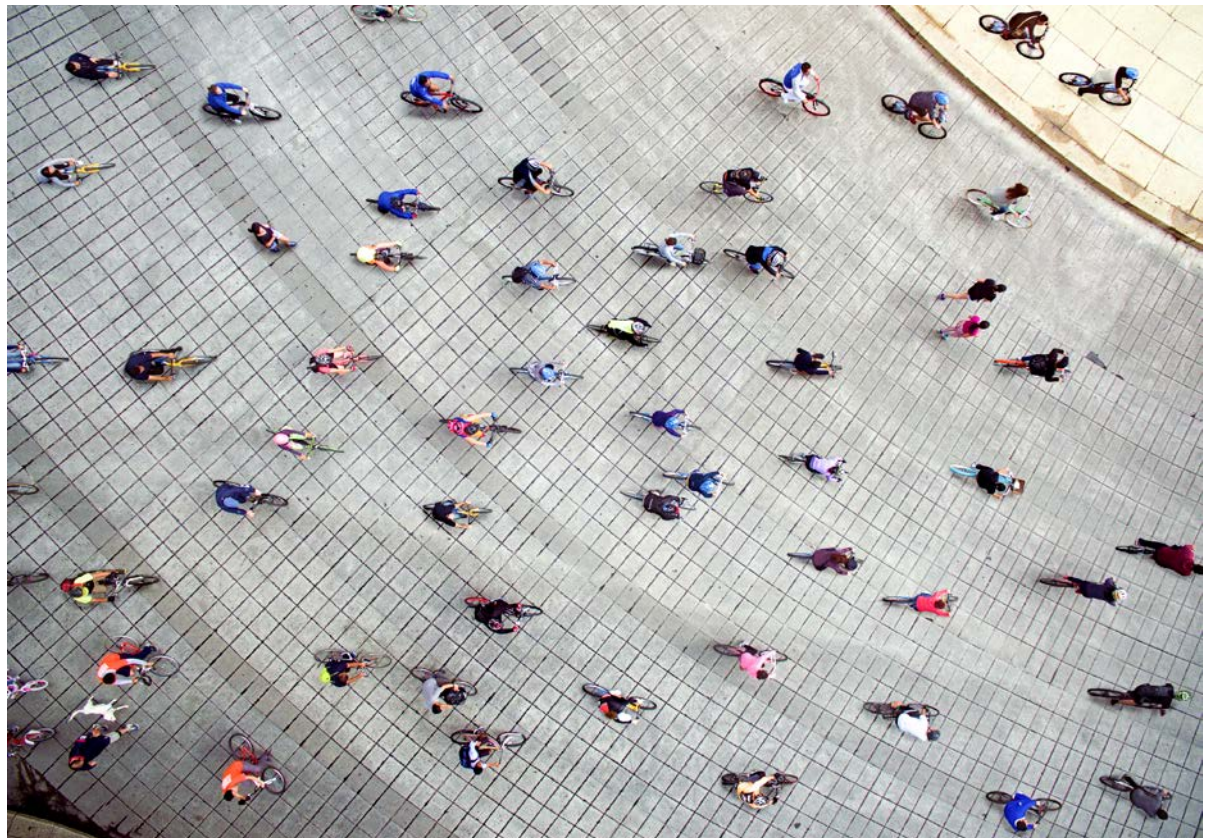
ESG is integrated into Kartesia’s organization, with all employees playing an active role. The firm has a centralized ESG department, which is responsible for the firm’s ESG strategy. Furthermore, Kartesia has a long-standing commitment to minimizing the firm’s environmental impacts. The firm

has been working to reduce its carbon emissions on a yearly basis since 2018.

In 2020, the Kartesia for Women initiative was launched. The primary objective of this initiative is to inspire women to join the private debt industry, especially in investment roles, and to be a supportive network for women working in the sector. The initiative has seen impressive results, with women making up 36% of Kartesia’s total workforce and 25% of senior roles.

At the end of 2021, Kartesia New Generation was launched. This program is focused on fostering strong relationships among the junior team members, empowering them to work together on initiatives that deliver positive changes in the world and fuel professional growth.

For more information on Kartesia, please see its [2022 Sustainability Report](#).







INVESTMENTS

[newyorklifeinvestmentsesg.com](https://www.newyorklifeinvestmentsesg.com)