LORD ABBETT

Lord Abbett (Ireland) Limited (the "Manager")

Disclosure of Sustainability Risks Policies (the "SRI Statement")

March 2021

Introduction

The Sustainable Finance Disclosure Regulation (EU) 2019/2088 (the "**SFDR**") intends to provide harmonized disclosure requirements for investment products. The SFDR lays down harmonised rules for **'financial market participants'** on transparency with regard to the integration of sustainability risks and the consideration of adverse sustainability impacts in their processes and the provision of sustainability-related information with respect to financial products. For the purposes of this SRI Statement, 'financial market participant' means the Manager in respect of its role as the UCITS management company of Lord Abbett Global Funds I plc (the "**Company**") and **'financial products'** mean each sub-fund of the Company (each a "**Fund**"). **'Sustainability risk'** means an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment (sustainability risks are also referred to in this SRI Statement as "**ESG risks**").

The Manager is authorised by the Central Bank of Ireland (the "**Central Bank**") as a management company pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011) as amended, supplemented or consolidated from time to time and as an alternative investment fund manager pursuant to the European Union (Alternative Investment Fund Managers) Regulations 2013, as amended. The Manager delegates portfolio management to Lord Abbett & Co LLC (the "**Investment Manager**"). This SRI Statement describes whether and how the Investment Manager integrates sustainability risks into its investment decision-making process. The Manager acknowledges that the consideration of sustainability factors in the investment decision-making process can have a significant impact on the risk-return of financial products.

The sustainability risks considered during the Investment Manager's research assessment will vary depending on the strategy of the relevant Fund and also the industry and/or individual issuer. These generally include the following:

- **Environmental sustainability risks** related to issues such as climate change, carbon emissions, air pollution and water pollution.

Environmental factors are considered an integral part of Investment Manager's investment process and active ownership analysis. Climate-related risks in particular are believed by the Investment Manager to be an important consideration when evaluating investment across industries and geographies. The Investment Manager believes the condition of the environment and whether a company performs as a steward of the natural environment can give rise to risk and impact the future performance of an investment.

The Investment Manager believes that environmental factors are particularly significant in the analysis undertaken for certain credit strategies, for example, when evaluating the potential return on an investment in commercial mortgage-backed securities. Rising water levels, carbon footprint, energy consumption and biodiversity preservation are all relevant factors and part of the decision-making process.

- **Social sustainability risks** related to issues such as human rights violations, human trafficking, modern slavery/ forced labour, breaches of employee rights/ labour rights, child labour and discrimination.

Social sustainability factors are taken into account in the Investment Manager's investment decision and due diligence practices. The Investment Manager seeks to evaluate, and where possible, engage with companies on their actions regarding various social issues, including diversity, human rights, labor standards and poverty to assess if there is any risk associated with such factors.

- **Governance sustainability risks** related to issues such as lack of diversity at Board or governing body level, inadequate external or internal audit, infringement or curtailment of rights of (minority) shareholders, bribery and corruption and discriminatory employment practices.

The Investment Manager seeks to identify companies with strong corporate governance and continues this portfolio company analysis after the investment takes place.

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Integration of Sustainability Risks in the Investment Decision Making Process

The Investment Manager seeks to invest sustainably, manage risk and create long-term value for the Funds by authentically integrating ESG considerations across each Fund's investment strategies. Through seeking to implement the relevant investment policies, the Investment Manager believes that sustainability can have a tangible impact on an investment's risk profile and its ability to generate returns over the long term and consequently the risk profile of the relevant Fund.

The Investment Manager's approach to ESG integration includes a framework that is focused on the impact of ESG factors on the risk/reward profile of each investment. Accordingly, the integration of ESG risks does not necessarily require exclusion. In line with this approach, to the extent that the Investment Manager concludes that there is an ESG risk associated with an investment which could cause an actual or a potential material negative impact on the value of the relevant Fund, the Investment Manager will assess the likelihood of that ESG risk occurring. Investments with lower ESG risk ratings are typically viewed more favorably than those with higher ESG risk ratings and/or metrics, all other risks being equal. In cases where the Investment Manager determines that the return potential offers adequate compensation for particular ESG risks, the Investment Manager may choose to invest and engage with the management of the issuer in an effort to influence the practices that give rise to those ESG risks.

The Investment Manager evaluates the potential impact of ESG risks on enterprise value, and also expects that ESG factors may lead to alpha opportunities, as the Investment Manager believes that companies that provide solutions to the largest and most pressing ESG issues have the potential to offer higher risk-adjusted returns. Thus, the consideration of environmental, social and governance factors play a key role in the Investment Manager's investment analysis.

All analysts and portfolio managers will naturally consider meaningful ESG factors in their assessment of risk and return, and will engage with company management on these issues during the ordinary course of due diligence. The Investment Manager leverages a combination of third-party data and proprietary analytics to identify and assess the potential impact of ESG risk in the Funds. Active ownership is also promoted by the Investment Manager's Investment Stewardship Council which provides guidance with respect to all forms of ESG engagement.

In order to evaluate risks and opportunities the Investment Manager's investment professionals engage directly with portfolio holdings to understand, influence, or exchange perspectives on ESG issues. All investment professionals are responsible for incorporating ESG factors into their respective investment processes. Given their sector and company expertise, the Investment

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Manager's fundamental analysts are primarily responsible for implementing the investment policies and, in so doing, integrating sustainability risks.

- **Pre-investment integration**

The Investment Manager's portfolio managers integrate the research teams' bottom-up analyses with their top down views when constructing each portfolio in respect of each Fund.

The Investment Manager leverages a combination of third-party data and proprietary analytics to identify and assess the potential impact of ESG risk in respect of a particular investment and also within the portfolio overall on a continuous basis. External resources enable the Investment Manager to leverage analysis from industry leading organizations specializing in ESG research and this helps broaden the Investment Manager's ESG knowledge and awareness. The Investment Manager has also developed its own analytics to address gaps in the information available from these sources. The external resources together with the internal analytics are then integrated into the Investment Manager's proprietary analytics platforms, which serve as repositories for analysts' financial models, company meeting notes and other financial information. These platforms are accessible to all investment professionals. Recognizing that ESG research is evolving, the Investment Manager continuously monitors new developments to ensure that it has the best tools available to implement the relevant investment policies by taking ESG considerations into account. That being said, in terms of the consideration and integration of sustainability risks into the investment process, data and analytics only represent a starting point, and are used to supplement the Investment Manager's robust proprietary fundamental and quantitative analysis.

- **Post-investment integration**

Engagement is also a critical component of the Investment Manager's approach to the integration of sustainability risks. The Investment Manager seeks to manage risk effectively and believes that this is naturally aligned with the Investment Manager's active ownership approach.

- **Impact on returns**

The Investment Manager believes ESG factors can have a tangible impact on an investment's risk profile and its ability to generate returns over the long term. Recognizing that ESG factors can materially impact investments in the Funds, the Investment Manager strives for authentic integration of ESG factors into the investment processes.

By taking ESG risks into consideration during its investment decision making process, the intention of the Investment Manager is to manage such ESG risks in a way that ESG risks do not have a

material impact on the performance of the relevant Fund over and above all other risks in relation to the relevant investments. The expectation is that the potential impact of sustainability risks on the return of the relevant Fund is, therefore, limited. However, there can be no guarantee that losses will not arise.