

2022 Report
Global citizenship
and sustainability





Capital Group strives to have a sustainable, positive impact on our investors through our investment approach, and on our people, communities and the planet through our business practices.

Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.

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Investing in our people, communities and the environment



Tim Armour
Capital Group Chair and
Chief Executive Officer

World events continue to remind us how connected we all are. We are emerging from a global pandemic, supporting victims of war and tragic violence, confronting social and economic inequities, and addressing climate change. These events underscore the importance of Capital Group's mission to improve people's lives through successful investing and the sense of global citizenship we embrace across our business.

For more than 90 years, Capital Group has navigated disruptive global events and market extremes, emerging stronger and wiser. Based on that experience, we manage our business for the long term, continually investing in our people, communities and environment. In doing so, we strive to hold ourselves to the same high standards we expect of the companies in which we invest.

In my nearly 40 years at Capital Group, I've learned that we must continually reflect on what's happening in the world around us, understand our place in it and adapt accordingly.

First and foremost, our success is defined by the impact we have on our investors' lives, and that extends to how we impact the world more broadly. As signatories of the UN Global Compact (UNGC), we're assessing our progress relative to its Sustainable Development Goals (SDGs) in our own business practices. We are especially focused on being responsible stewards of the environment and promoting diversity, equity and inclusion, as described in this report.

I'm proud to provide this update on the steps we are taking and the progress we are making toward a more sustainable and inclusive future. We are committed to making a difference.

Sincerely,

Tim Armour
Capital Group Chair and
Chief Executive Officer

Who we are

The mission of Capital Group is unwavering: to improve people's lives through successful investing. We believe we can work to provide superior long-term outcomes for investors, while also enriching our communities, reducing our environmental impact and creating a more diverse, equitable and inclusive world through our business practices.

We are one of the largest privately held investment management organizations in the world. Capital Group is responsible for more than \$2 trillion in assets under management, and we take that stewardship very seriously. We are proud to help investors reach their financial goals – whether it's buying a home, saving for a child's education, starting a business or planning for a comfortable retirement. We are also aware of the impact we are making on the world in which investors live and the future they will inherit.

Our sustainability and social responsibility strategies are informed by ongoing input from stakeholders, including our associates and clients.

Our charitable-giving program is built on empowering our associates to focus our efforts on causes

they care most about. In fiscal year 2021, Capital Group and our associates donated more than \$34 million to nonprofit organizations, nearly all of it to programs and organizations chosen by associates.

Efforts to promote diversity, equity and inclusion (DE&I) and protect our planet are evident at every level of our organization and are supported by the governance and oversight of our management structure. The Capital Group Management Committee (CGMC) is responsible for setting and communicating our strategic priorities, and it has direct oversight for the committees and teams that are responsible for coordinating our ESG, DE&I and corporate sustainability efforts.

We are committed to conducting our business responsibly, and our Code of Ethics covers compliance with applicable laws and ethical behaviors and practices.

8,600+

associates worldwide

90+ years

service of our clients' investment needs

\$34.7M

Donations made to nonprofits in 2021*

44%

Percentage of associates participating in our giving programs*

*As of June 30, 2021



Rob Klausner
Chief Operating Officer



How we incorporate ESG considerations into our own business practices matters: It matters to clients and prospective clients who expect consistency across all of our business practices; it matters to global financial regulators concerned about sustainable finance; and it matters to associates and candidates who value an organization that's a strong corporate citizen with impactful philanthropic and volunteer programs. Importantly, it's part of who we are as an organization and reflects the responsibilities we feel to the communities in which we live and work."

Where we operate



North America

- Atlanta
- Chicago
- Hampton Roads
- Indianapolis
- Irvine
- Los Angeles
- Menlo Park
- Montreal
- New York
- Reno
- San Antonio
- San Francisco
- Seattle
- Toronto
- Washington, D.C.

Europe

- Amsterdam
- Frankfurt
- Geneva
- London
- Luxembourg
- Madrid
- Milan
- Zurich

Asia-Pacific

- Hong Kong
- Melbourne
- Mumbai
- Shanghai
- Singapore
- Sydney
- Tokyo

How we invest

Capital Group's distinctive approach to managing money, The Capital SystemSM, incorporates the highest conviction investment ideas of multiple managers with different investing styles and complementary strengths into a single fund or client account.

Each portfolio manager is responsible for an individual segment of a fund portfolio. Research analysts may invest assets as well. The aim is to increase the diversity of investment ideas and reduce volatility, as managers bring their own backgrounds, styles and approaches to their investment process.

This innovative system means individual managers have greater capacity for deep dives into investment ideas and results in portfolios that are

a diverse collection of ideas, not just one manager's perspective. This has become a defining feature of our success. Distinct in the industry and diverse in its strategy, The Capital System has stood the test of time and is designed to help our investment vehicles generate superior outcomes.

The incorporation of material ESG risks and opportunities is deeply woven into The Capital System. ESG is not an "add on" step.

Investment decisions are informed by Capital Group's fundamental, bottom-up research, which includes analysis of how a company impacts its community, customers, suppliers and employees.

Engagement and dialogue play a significant role in helping us understand how management teams are responding to challenges and opportunities. Our approach is made more powerful by the fact that our engagement and proxy voting are led by our investment professionals.

Our ESG approach

We are incorporating material environmental, social and governance issues into our investment process with three key elements: investment frameworks, monitoring process, and engagement and proxy voting.

Investment frameworks

Investment analysts identify the material ESG issues on a sector-by-sector basis.



Monitoring process

Flags a subset of investments that require an elevated level of research and review.



Engagement & proxy voting

Ongoing dialogue with issuers on ESG issues encourages better practices.



The process is continually refined.

These three elements of our approach integrate ESG into our investment decisions.



Investment frameworks

Our equity and fixed income analysts have developed more than 30 sector-specific, proprietary ESG investment frameworks. These frameworks help our investment professionals analyze the most relevant and material long-term ESG issues that could affect their investment thesis, and they are refreshed annually based on what we learn through our other two ESG investment components: monitoring, and engagement and proxy voting.

Investment analysts access our ESG data through Ethos, our proprietary platform that includes 300+ metrics from 50+ sources for more than 10,000 companies.



Monitoring process

The ESG team monitors most of our equity and corporate bond holdings, as well as sovereign bond and structured issuers where data is available. The monitoring process involves reviewing our holdings and third-party data from a range of providers to identify ESG risks and violations of international norms. Low-rated companies are flagged for review by investment analysts. The most challenging issues are escalated to the Issuer Oversight Committee (IOC) for additional review.



Engagement & proxy voting

We believe engagement is a stronger tool than exclusion when it comes to achieving sustainable long-term results. Engagements are led by our investment professionals. We engage with management teams on topics that are surfaced in our fundamental research, ESG investment frameworks and monitoring process. We document the goals we discuss with management teams and measure progress toward those goals.

Furthermore, proxy voting is an integral part of our investment process. We have investor-led proxy voting, with our in-house Global Stewardship & Engagement (GSE) team conducting analysis. Final proxy outcomes are decided by our investment professionals.

Benchmarking our ESG progress: United Nations Principles for Responsible Investing (PRI)

These UN principles seek to reward long-term, responsible investment and benefit the environment and society as a whole. Capital Group's PRI scores help measure the progress we're making relative to our peers and highlight our commitment to incorporating material ESG issues into our investment process.

Today, we score above median in all applicable PRI categories, rated A or A+ across the board.*

30+

investment frameworks distill our analysts' perspectives on the most relevant, long-term sustainability issues

20k+

company meetings by the investment group in 2021

2,100+

shareholder meetings at which we voted keep us engaged on behalf of our investors

A/A+

rated in applicable PRI categories*

*Source: Principles for Responsible Investment report, 2020 assessment: Capital Group's PRI scorecard. Includes an [overview of Capital Group's aggregate score](#) for each module and the median score. These bands range from A+ (top band) to E (lowest band).

Capital Group supports the United Nations Sustainable Development Goals

The United Nations Global Compact is an international leadership platform for the development, implementation and disclosure of responsible business practices. Our participation in this initiative reflects our deep commitment to environmental, social and governance issues.

The compact calls on organizations to align their operations and strategies with 17 Sustainable Development Goals (SDGs) to address the world's most urgent issues – from basic food security and infrastructure to climate change and social inequities.

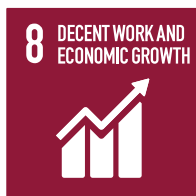
We mapped our business activities and ESG investment frameworks to the SDGs. That process informed the five

areas where we believe we can have the greatest alignment and impact. These SDGs shape our reporting on engagement with issuers, as well as our communications and assessment. We acknowledge that the UN SDGs do not address every issue that we view as important and in addition there are some groups, such as the LGBTQ+ community, who are not explicitly referenced.

SUSTAINABLE DEVELOPMENT GOALS



Achieve gender equality and empower all women and girls.



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



Reduce inequality within and among countries.



Ensure sustainable consumption and production patterns.



Take urgent action to combat climate change and its impacts.

Diversity, equity and inclusion



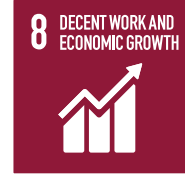
Investment Operations Director
Jenn H. and her daughter

Diversity, equity and inclusion

We know from experience that diverse and inclusive teams generate better ideas and make better decisions, so our success depends on making every effort to ensure that no individual or group feels marginalized or excluded.

We strive to create a work environment that helps us recruit, hire and retain the best talent, who bring with them diverse skills, backgrounds and perspectives. When our associates are successful, our clients and communities can be too.

Additionally, we believe advancing diversity, equity and inclusion more broadly, beyond our walls, leads to healthier and more productive businesses and societies.



We report on impact relative to the UN SDGs, including numbers 5 (gender equality), 8 (decent work and economic growth) and 10 (reduced inequalities) in our own business operations, our investment process, our philanthropic activity and our industry involvement. We acknowledge that the UN SDGs do not address every issue that we view as important and in addition there are some groups, such as the LGBTQ+ community, who are not explicitly referenced.



Capital Group's DE&I goals

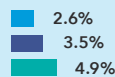
We're making progress every year and remain on track to meet or exceed our DE&I goals for 2025.

Women among senior managers (global)



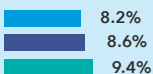
2025 goal: **40%**

Black/African Americans among senior managers (in the U.S.)



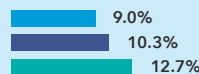
2025 goal: **7%**

Black/African Americans among associates (in the U.S.)



2025 goal: **10%**

Underrepresented minorities* among senior managers (in the U.S.)



2025 goal: **15%**

■ 2019 ■ 2020 ■ 2021

* Underrepresented minority defined as Black/African American, Hispanic/Latinx, Native American, Alaskan or Hawaiian/Pacific Islander, or Multiracial. Data as of 12/31/2021, generated on 1/12/2022.

Managing our business

Our commitment to a diverse, equitable and inclusive workplace is reflected in how we recruit, hire and develop each associate, as we focus on finding talented candidates across the world and actively investing in future leaders.

Building our global team starts with attracting people who are committed to our mission of improving lives, so we seek associates who are dedicated to helping each other grow and thrive. Capital Group culture strives to empower our associates to build successful, satisfying and prosperous careers.

Each one of us is responsible for developing and contributing to our culture. All associates – including senior leaders – are expected to achieve a personal DE&I-related objective in their annual review process. Our leaders set the tone and must be as fluent in the language, issues and data regarding DE&I as they are for any other business priority.

Expanding our search

In our quest to find the best and brightest with varied life experiences, we are exploring new pathways and expanding our reach to new candidates. Our campus team connects with college students to share information about working in our industry, engaging with students whose majors stretch beyond finance.

In a concerted effort to increase the diversity of students choosing careers in investment management, and specifically with Capital Group, we've established programs that provide development opportunities for underrepresented groups:

CAPitalize

is an immersive virtual experience that provides undergraduate women with an introduction to investment management and a look at careers in investing.

CAPTivate

introduces first-year MBA women to the investment industry by helping them develop the skills needed to pursue asset management.

Capital Leads, Inspires and Mentors in Business (CLIMB)

provides personal and professional development workshops to undergraduate students from underrepresented communities.

CAP@city

provides mentorships for students who identify as Black/African American or Hispanic/Latinx enrolled in pre- and first-year MBA programs.

Capital Summer Investment Series

introduces undergraduate students from underrepresented communities to investment management, providing skills related to evaluating business models and establishing an investment framework.



Partnering with HBCUs and HSIs

By partnering specifically with historically Black colleges and universities (HBCUs) and Hispanic-serving institutions (HSIs), we're finding talent that has too often been overlooked and encouraging more students to consider careers in our industry.

Through the HBCU/HSI Leadership Experience, speakers from throughout Capital Group participated in discussion panels, small-group networking sessions and résumé coaching workshops. More than 40 students from HBCUs and HSIs made valuable connections with our

associates, and seven students participated in follow-up recruiting events like CAPitalize and the Capital Summer Investment Series in 2021.

"Many companies talk about embracing diversity, but seldom do you see it in action like you do with Capital Group. I believe it is vitally important to recruit from historically Black colleges and universities (HBCUs). The pool of talent there is virtually unmatched but can be overlooked. It's refreshing to see the way Capital is changing the narrative. This is the first time in my career that I feel my HBCU experience has been truly valued."



Christine P., Client Services Representative II, Shareholder Services

Our talent-acquisition team partners with more than 100 organizations to source candidates who represent people of color and women, as well as the LGBTQ+ and neurodiverse communities. Here are just a few.

Atlanta University Center Consortium

Atlanta University Center institutions – Clark Atlanta University, Morehouse College, Morehouse School of Medicine and Spelman College – prepare the world’s most talented emerging professionals and connect them with top companies and organizations.

College Match

College Match helps talented students from low-income families get into and graduate from the nation’s top colleges and universities.

The Consortium

The Consortium is an alliance of top graduate MBA programs, corporate partners and networks of students and alumni that promotes the inclusion of African Americans, Hispanic Americans and Native Americans in U.S. business.

Forté

Forté is a consortium of major corporations and top business schools that focuses on educating and directing talented women toward leadership roles in business.

Lesbians Who Tech & Allies

Lesbians Who Tech & Allies is a community of LGBTQ+ women, non-binary and trans individuals in and around tech (and the people who support them).

National Association of Black Accountants, Inc.

National Association of Black Accountants, Inc. bridges the opportunity gap for Black accounting and finance professionals by providing leadership and technical training, as well as networking and career opportunities.

National Black MBA Association

The National Black MBA Association leads in the creation of educational, wealth-building and growth opportunities for those historically underrepresented throughout their careers as students, entrepreneurs and professionals.

NeuroTalent Works

NeuroTalent Works is advancing neurodiversity inclusion in the workplace and transitioning neurodivergent talent (individuals with autism, dyslexia and other cognitive distinctions) into meaningful and gainful employment opportunities.

O4U: Out for Undergrad

O4U helps high-achieving LGBTQ+ undergraduates reach their full potential. Each year, they invite a diverse class of LGBTQ+ students to four conferences, where they’re inspired to pursue ambitious careers.

Prospanica

Since 1988, Prospanica has hosted annual career and professional-development conferences, connecting thousands of Hispanics to graduate programs, subject matter experts, corporations and each other.

10,000 Black Interns

10,000 Black Interns provides investment management internships to Black students in the U.K.

Thrive Scholars

Thrive Scholars provides high-achieving students of color from low-income communities the opportunities they need to thrive at top colleges and in meaningful careers.

Leveling the hiring field

Our goal is that every candidate interviewing for a job at Capital Group will be evaluated fairly, objectively and equitably. With input from an external consultant and diverse focus groups, we reviewed our job postings to make them more inclusive. We are using gender-inclusive pronouns and, as appropriate, removing wording that could potentially discourage well-qualified candidates, such as specific college degrees or years of experience.

We've developed specific rubrics used by hiring managers that are designed to mitigate bias when evaluating candidates. All hiring managers are trained on this new framework, which also includes a specific category that assesses how an applicant could contribute to and participate in our inclusive culture.

Not only do we strive to have a diverse group of applicants to meet, but each interview panel is required to be diverse as well.

Cultivating careers

Our business is a people business – we would not be where we are today without the trust of our clients and the talent, dedication and passion of our associates. We know from our engagement survey that career development is a top priority for our associates. We heard them, and we are scaling specific programs and professional experiences to meet those needs.

Managers are expected to provide continuous and candid feedback and coaching to help associates advance their careers. Associates, in turn, are enabled to invest in their development, and Capital Group is providing the resources to support professional and personal growth.

Early career rotational programs

These programs give associates an opportunity to focus on building specific skills for one to three years.

Capital Associates Program (CAP) is a three-year program that attracts and advances diverse talent within the Investment Group and related areas.

Data Analytics Rotations and Training (DART) is a two-year program to build data management and quantitative skills.

Sales Learning Agility and Training Experience (SLATE) is a one-year program to develop exceptionally agile and diverse sales talent.

Technology Rotational Experience (TREx) is a two-year program to build skills in emerging technologies, technology support and business operations management.



"The personalized, one-on-one mentorship in CAP is so valuable. Working directly with experienced analysts who are invested in my career has been instrumental to my development."

CAP Associate Abi M. in London

Our newest DE&I leadership program, Capital Leadership Accelerator (CLA), uses lived experiences to help associates learn the skills necessary to lead diverse teams through an inclusive lens.

In partnership with Harvard, we've curated a six-month learning experience focused on self-awareness, shared experience and personal growth.

Another collaboration with Harvard led to our Women Leading Capital (WLC) program. Designed to accelerate careers of women leaders, the six-month cohort-based program emphasizes learning by doing, learning from others and learning through reflection. The program's success has shown a lasting impact, helping to build strong networks of professional support. In fact, 57% of the participants were promoted or expanded their roles.

Our goal is to fill at least 50% of positions with internal hires, transfers or promotions. To increase our internal mobility, we are making it easier to match associates' skills with the company's needs. We are currently developing internal

technology that will enable associates to input their skills and interests and then be alerted to recommended roles that become available.

In every role, we know that mentors can advance careers. Our Mentoring Matters program enables any associate to be matched with a colleague who can support and coach them. Last year, there were 333 such pairs, and 98% of the mentees expressed satisfaction with their supportive, accessible mentors. Under-represented groups especially are benefiting, as 68% of the participants are women and 64% are racial/ethnic minorities. Mentoring Matters is so popular that 1,100 associates have enrolled in the next cohort – 75% of them new to the program.

Benefits promote inclusion and equity

It is our responsibility to provide a work environment where associates can feel secure and supported – physically, mentally and financially. The inclusive benefits we provide reflect our long-term commitment to our associates' total well-being. We view all our benefits through a lens of diversity, equity and inclusion and intentionally invest in those that are tailored to meet the needs of a broad and diverse base of associates and their families.

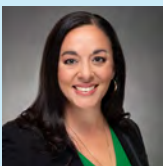
Knowing their loved ones are cared for can help associates bring their best selves to work, so we offer generous health care and dependent care benefits for every type of family. Fertility care, as well as assistance for adoption and surrogacy, are available, and new parents can take advantage of paid leave and flexible schedules. Transgender health care is available, and all benefits cover common-law partners.

57%

of the Women Leading Capital (WLC) participants were promoted or expanded their roles.

≥50%

of open positions should be filled by internal hires, transfers or promotions.



Cristina Santos
Head of Diversity,
Equity and Inclusion



We want to make meaningful progress and ensure all associates can be their best, so we must be thoughtful and thorough when it comes to our diversity, equity and inclusion efforts. We apply an inclusive lens to everything we do, constantly checking in to be sure we're always evolving and removing barriers wherever they might exist – from our recruiting outreach to our development programs to our benefit offerings and more.”

In addition to our generous time off for sickness, we added more days to specifically support our associates during the COVID-19 pandemic period, whether it's time needed for testing, recovering or caring for a dependent. Combining home and office also amplified the demands on our working families, so backup care was expanded to support virtual tutoring for children ages 5 to 18.

Going forward, we're committed to maintaining flexibility as part of our inclusive workplace, embracing our hybrid working model, which balances the personal flexibility we seek and the in-person connections that are so important to our business.

Throughout these challenging times, we've seen an increasingly urgent need to further enhance our

resources to support our associates' mental health, both at work and in their personal lives. We know that everyone has been impacted in different ways, and many associates were processing concurrent crises – racism and violence. Our inclusive mental health benefits include private and small-group sessions addressing traumatic stress and time away for mental health support.

Fostering health and well-being



Fertility care for any individual who needs help to conceive



Mental health first aider training



Subsidized backup childcare and academic tutoring



Health care coverage for all common-law partners



Twelve free sessions with Lyra Mental Health



Subsidized backup elder care and specialist referrals



Gender-affirming transgender health care



Applied behavior analysis therapy



Paid leave and flexible schedules for new parents



Financial assistance for adoption and surrogacy



Access to culturally competent mental health providers



Flexible work options for associates

Programs vary by country.

Supporting economic inclusion



Student loan repayment program



Annual retirement contribution equal to 15% of associate's total annual compensation*



Free financial education, coaching and planning resources



Financial assistance when pursuing further education

* Includes salary, bonuses, commissions and overtime, up to federal and plan limits.

Focusing on pay equity

We want to be certain that our employees' compensation reflects their valuable contributions to Capital Group. We regularly conduct pay studies across North America, Europe and Asia-Pacific to ensure that our policies regarding pay are equitable and highly competitive with the upper end of the market.

Associates' earnings are based on relevant factors such as job responsibilities and performance – irrespective of race, ethnicity, gender identity or any other factor.

Managing our supply chain

We're committed to impacting communities through responsible sourcing by making conscious decisions about products, services and suppliers that support our business in a manner that reflects our goal to increase diverse and equitable operations. In 2021, we built key foundational components of our program, including bringing on a new global head of Supplier Diversity and Sustainability and strengthening governance and oversight.

Capital Group supports:

- The Women's Business Enterprise National Council
- National LGBT Chamber of Commerce
- The National Minority Supplier Development Council
- The Financial Services Roundtable on Supplier Diversity

Capital Group leverages these relationships to identify potential suppliers, benchmark progress and promote best practices related to supplier sustainability and diversity.

Culture of inclusion

We support and encourage membership in 24 Capital Communities, which represent a rich diversity of identities and interests, including race/ethnicity, gender identity, sexual orientation, faith, mental health and much more. In fact, 70% of our associates around the world belong to at least one of these Communities, driven to unite around common experiences and passions and be allies for inclusion and equity.

In 2021, our Communities organized 40 collaborative events to raise awareness and understanding of all members of our diverse culture. The CG Readers community, for instance, partners with groups like Capital Associates of African Descent (CAAD) and CG Unidos (Hispanic/Latinx associates) to choose relevant books to read and discuss.

One notable example of cross-communities collaboration addressed the racism and violence being perpetuated against Asian and Pacific Islander (API) Communities. CG Leading and Engaging Asian Professionals (LEAP) organized several open forums to help associates share their feelings and discuss ways to take action. They collaborated with CG Chaverim, the Community focused on sharing Jewish culture, to host Stop API Hate. The panel event brought together 1,000 associates to hear from notable activists from the Anti-Defamation League and Asian Americans Advancing Justice.

Continuous listening

Capital Group conducted a Culture Assessment Survey in 2021 to gauge associates' perception of our culture – what inspires them and what we need to work on. We want to gain a more complete understanding of who we are as a company and how associates may experience our culture differently.

We continue to monitor – and listen to – our associates' concerns via short, frequent surveys.



The CG Mental Wealth community in Europe hosted activities for Mental Health Awareness Month.



Members of LEAP (Leading & Engaging Asian Professionals) celebrated Lunar New Year.



CG Veterans Connect mark Memorial Day.



The Geneva chapter of CG Pride was represented at the Pride Parade.



The San Antonio chapter of CG Unidos

Recognition for the progress we're making

Leading institutions have taken notice of our commitment to creating a great workplace for all associates. We realize that this is a journey that requires ongoing effort as we learn from mistakes and work toward our aspiring goals.

One Mind at Work

Workplace mental health

One Mind at Work Salus Award for
Workplace Mental Health for 2021

Human Rights Campaign

100% x 5 years

Human Rights Campaign
Best Places to Work for 2022

Received 100% in the Corporate
Equality Index every year since 2018

Glassdoor

Employees' choice

Glassdoor's Top 100 CEOs for 2021
Glassdoor's Best Places to Work for 2022

Fairygodboss

Best companies for women

Named one of the Best Companies for
Women and Best Finance Companies
for Women by Fairygodboss in 2019,
2020 and 2021

Pensions & Investments

Best Places to Work

One of Pensions & Investments' Best
Places to Work in Money Management
list for 2018, 2019, 2020 and 2021

Methodology for inclusion in each recognition can be found in the following:

- One Mind at Work Salus Award for Workplace Mental Health: onemindatwork.org/salus-awards/
- Human Rights Campaign Corporate Equality Index: www.hrc.org/resources/corporate-equality-index-criteria
- Glassdoor's Top 100 CEOs and Best Places to Work list: www.glassdoor.com/Award/index.htm
- Fairygodboss, Best Companies for Women and Best Finance Companies for Women: fairygodboss.com/best-companies-for-women
- Pensions & Investments Best Places to Work in Money Management: www.bestplacestoworkmm.com/process

How we invest

We believe that a focus on diversity, equity and inclusion is key to our investment process and helps us drive long-term results.

The value of diverse perspectives

The distinctive way we manage money – The Capital System – is a powerful example of how Capital Group recognizes the value of diverse perspectives, backgrounds and opinions. This approach combines independent high-conviction decision-making with the diversity that comes from multiple, disparate perspectives.

To build a team of portfolio managers for a fund, we choose professionals with different perspectives, backgrounds and investing styles. We believe this diversity can produce the best long-term outcomes.

Integrating DE&I into our investing

The investment decisions made by our portfolio managers and analysts are based on deep fundamental research. We believe that incorporating diversity, equity and inclusion is key to a company's success with its workforce, customers and culture – and can significantly contribute to corporate profitability, productivity and innovation. We consider human capital to be a material issue, and it is integrated into our investment process through our sector-specific

ESG investment frameworks and research, as well as engagement and proxy voting. In fact, human capital is included as a material issue in 83% of our sector-specific ESG investment frameworks.

Our research on the importance of human capital has identified some key issues that are especially important. For instance, how does management attract, develop and retain the right talent? Is there training available for workers to develop skills? Is there a diverse, purpose-driven culture? Are there positive labor relations? The best approaches to these questions can reduce inequities and improve the working environment.

We believe that an important first step toward addressing inequity is clear disclosure. As a result, we have called on nearly 1,500 portfolio companies to increase transparency on diversity across all levels of their organization. This is a key step toward real progress, as stakeholders are better equipped to develop solutions and drive increased representation. Having detailed data may improve accountability and incentivize progress, so we encourage disclosure through our research, engagement and proxy voting.

83%

of our sector-specific frameworks include human capital as a material issue.

1,500

portfolio companies were called on by Capital Group to increase transparency on diversity across all levels of their organization.



Noriko Chen
Portfolio Manager



Each of us has lived experiences that influence the way we see the world – how we grew up, where we grew up and what culture we identify with. We also cultivate diversity in terms of age, gender and race/ethnicity. The world is complex, and markets change quickly. We need investment professionals who intuitively understand this.”

Philanthropy and associate volunteerism

In 2020, Capital Group made a commitment to do more to advance racial equity and justice. In 2021, we committed \$2.15 million to the cause including:

- A special 3:1 matching gift opportunity benefited 50 racial justice organizations, including Equal Justice Initiative, the Innocence Project and Children’s Defense Fund.
- Grants driven by our CAAD community awarded \$650,000 to 19 organizations working to address systemic racism against Black/ African Americans in the U.S.
- An additional 64 local nonprofit organizations advancing equity and justice received a total of \$500,000.

Our Equity & Justice Donation program provides a new way for associates to direct our philanthropic funding to nonprofit organizations that are dedicated to achieving equity and justice based on race, gender and sexual orientation. This program

focuses on advancing equal advantage and opportunity for all, regarding both giving and receiving contributions.

Developed in partnership with Capital Communities, the Equity & Justice Donation program enables participating associates to direct a single donation of \$2,500, fully funded by Capital Group, to an eligible nonprofit that advances gender, racial, ethnic and/or LGBTQ+ equity or justice.

Supporting local schools

We understand that not all children grow up with the same opportunities, and Capital Group is trying to address that discrepancy in small ways at the local level. We’ve established scholarship programs in adopted schools located in four U.S. cities where we have offices: Los Angeles, Hampton Roads, Indianapolis and San Antonio. Nominated by their teachers, students are incentivized to graduate high school and

continue their education. If they meet the criteria through every semester, they can receive an annual scholarship toward four years of post-secondary education. Capital Group representatives have attended culmination ceremonies to present awards to 530 students.

\$2.15M

Funds committed to support racial equity and justice in fiscal year 2021



As of April 30, 2022, associates in our offices around the world had directed more than \$2 million to the Equity & Justice Donation Program.

Top five groups receiving donations:

1. Children and/or youth
2. People marginalized due to lower socioeconomic status
3. LGBTQ+ people
4. People of color
5. Women and/or girls

434 nonprofit organizations across nine countries benefited from the Equity & Justice Donation Program. These are the top recipients in each country.



Canada

Innocence Canada Foundation



Hong Kong

Home Care for Girls



Italy

Fondazione Centro Gazza Ladra



Japan

Okinawa NGO Center



Luxembourg

Femmes en Détresse



Singapore

Daughters of Tomorrow Limited



Spain

ACCEN (Asociación Comisión Católica Española de Migración)



Switzerland

Maya Association for Motherhood, Adolescents and Young Adults



United Kingdom

African Caribbean Leukaemia Trust



United States

Trevor Project



Grameen Foundation

Beyond our associates and investors, economic equity is a priority for us across the globe. For more than a decade, we have been deeply involved with the Grameen Foundation, whose mission is “to empower the poor, especially women, to create a world without poverty and hunger.”

The Grameen Foundation has designed financial tools and digital platforms to help people in developing countries become more self-sufficient, enabling them to improve their farms and invest in their own businesses.

The Capital Group for Grameen Foundation has hosted informational meetings and has facilitated volunteer opportunities – both virtual projects and international experiences.

Since 2010, small teams of associates have traveled to observe and participate in specific projects. In 2018,

for instance, they were in India learning about diversification of food and crops and helping to ensure that women had equal access to nutritional food. In 2016, associates travelled to the Philippines to work with coconut and cocoa farmers and help women in the household access loans.

This year, associates based in offices in Los Angeles, New York, San Francisco and London gathered virtually to work on a five-month project for the Grameen Foundation.

Members of our Fundamental Research Group applied their skills to support workers in need. They completed a comprehensive market analysis for Apon Wellbeing, the world’s first retail network for industrial workers. Based in Bangladesh, the group is helping factory workers obtain credit and access free health coverage. Volunteering more than 300 hours of their time, the Capital Group team researched and developed a five-year financial model projection to help Apon Wellbeing obtain investor funding for the retail business while fulfilling its social purpose.

Capital Group associates traveled to India in support of the Grameen Foundation.



Industry involvement

We understand that advancing DE&I efforts within our own walls, while crucial, is not enough. Our increasing participation in external initiatives helps us impact our larger communities and society – and demonstrates our commitment to driving change within our financial services industry.

For four years, Capital Group has hosted the Annual Roundtable Conversations on DE&I. The two-day event features Capital Group leaders and guest speakers discussing how to accelerate DE&I throughout our industry, as we advocate for real progress.

Our 2021 Roundtable Conversations on DE&I gathering was attended by 300 wealth managers, broker-dealers and DE&I professionals representing 89 leading financial services firms in North America and Europe.

Supporting equality for all

Capital Group has also joined more than 500 leading U.S. businesses to support the Human Rights Campaign's Business Coalition for the Equality Act, which guarantees the same basic protections for LGBTQ+ individuals under existing U.S. civil rights laws.

Creating an inclusive environment for people with disabilities

We've signed on to the U.K.-based Disability Confident scheme as a "disability-confident committed" firm. The program helps employers improve how they recruit, retain and develop disabled people, and our participation underscores our support for associates and our commitment to inclusive, accessible recruiting.

Welcoming interns

A 2018 study showed that there were only 12 Black portfolio managers in the UK investment management industry. Capital Group has joined other firms to help remedy that situation by working with the 10,000 Black Interns Programme. Last year, two interns from the program worked in our London office and have since joined our Capital Associates Program. The London office is now sponsoring 28 university students and graduates for summer internships through the program.

Management Leadership for Tomorrow (MLT) Black Equity at Work certification program

Capital Group has "plan approved" status from the Management Leadership for Tomorrow (MLT) Black Equity at Work certification program. To meet the group's rigorous standards, Capital Group submitted a multiyear plan to address racial equity for our Black/African American associates, and we are one of the first companies to be approved.

Employers are given up to three years to meet the certification requirements, but our ambitious program is aiming to reach that goal in two years. This will mean achieving qualifying scores in the five pillars of MLT Black Equity at Work:

- **Black/African American representation at every level**
- **Compensation equity**
- **Inclusive, anti-racist work environment**
- **Racially just business practices**
- **Racial justice contribution and investment**



Matt O'Connor
CEO, North American
Client Group



We need to create an industry where the best talent, representing a wide diversity of backgrounds, come together in an environment that's truly inclusive. Imagine being able to say that we changed the profile – gender and racial representation – and made our industry better."

Investing for community impact

While we work toward broader inclusion within our industry, we are also aware of the need to make financial services more accessible to more people, especially among underrepresented populations. Our involvement with MLT led us to several reputable financial institutions benefiting communities that may be underserved by conventional lenders.

We've invested US\$6 million in cash reserves with Self-Help Federal Credit Union.

The credit union's mission is "creating and protecting ownership and economic opportunity for all, especially people of color, women, rural residents and low-wealth families and communities." The goal of our community-impact investing is to generate positive and measurable economic outcomes, along with a return on investment. We continue to build on this mutually beneficial program.

Increasing representation and access in the industry

We believe we can make a transformational, enduring impact by using our position and experience to help increase diversity among financial professionals to better reflect the communities we serve. Therefore, we've dedicated resources to helping underrepresented professionals build their practice:

- **Education:** Partnering with firms and universities to increase awareness of career opportunities in financial planning
- **Training and development:** Sponsoring mentorships, networking and events specifically for Black and Latinx advisors
- **Sustaining success:** Developing practice management content and materials focused on the needs of underserved communities

The Securities Industry & Financial Market Association (SIFMA) Foundation is dedicated to instilling knowledge and understanding of the financial markets for individuals of all backgrounds. Capital Group associates have partnered with them to help local students learn about financial concepts like budgeting/saving, banking accounts, credit, investment goals and risk. These students could be better prepared to make educated financial decisions as adults.



Canise Arredondo
Chief Financial Officer



We see our investment with Self Help Credit Union as a first step, and we're actively exploring similar partners so we can extend our impact in a responsible, thoughtful and meaningful way. We know there's more that can be done across the financial services industry and believe we have a collective responsibility to make positive change."

Environmental stewardship

An aerial photograph showing a winding river that meanders through a dense, vibrant green forest. The river flows from the top right towards the bottom left, with several loops and bends. The surrounding landscape is a mix of deep green trees and lighter green, marshy or wetland areas. The lighting is bright, suggesting a sunny day, and the overall scene conveys a sense of natural beauty and environmental health.

Environmental stewardship

Climate change is impacting all regions of the world with growing challenges for water availability, food production, survival of ecosystems and the livelihoods of millions of people. As a global citizen, we believe it is our responsibility to manage our own impact consistent with best practices and contribute to a net-zero economy that benefits all.

The need for abundant, clean energy is a critically important risk and opportunity facing societies and economies. The transition toward a net-zero economy will require the concerted efforts of governments, private industry and individuals.

The transition to net zero impacts how we invest client assets, engage with portfolio companies and operate our own business.

We distinguish between the emissions generated from our own operational footprint and the much larger estimated footprint of financed emissions, which include the carbon emissions from the companies we invest in.

We are committed to managing our carbon impact consistent with best practices. Using 2019 as the benchmark, we have committed to a 25% reduction in our carbon emissions from business operations by 2025. We are also reviewing our supply chain, seeking to protect natural resources through the implementation of sustainable procurement principles. We will continue to use offsets for emissions we cannot eliminate.

For our financed emissions, we actively evaluate material climate-related risks and opportunities as part of our fundamental research and stewardship activities, including engagement proxy voting. As a signal of our commitment to addressing the challenges and embracing the opportunities created by the energy transition, we are proud supporters of the Net Zero Asset Managers Initiative (NZAMI) and the Task Force for Climate-related Financial Disclosures (TCFD). [Please see our TCFD report for more detail.](#)

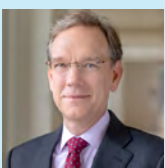


We are aligned with UN SDG 13 (climate action) and UN SDG 12 (responsible consumption and production) in our own business operations, our investment process, and our industry involvement.



Capital Group is committed to a reduction in carbon emissions of 25% by 2025.*

*The 25% reduction is relative to the base year of 2019, is measured on a per-associate basis, and covers Scope 1, Scope 2 and Scope 3 (business travel) emissions.



Rob Lovelace
Vice Chair and President
of The Capital Group
Companies



As a global leader in financial services, we believe Capital has the ability – and responsibility – to effect positive change on environmental issues. Caring for the environment has been a tradition at Capital for many generations. Now we're taking it up a level, setting goals and priorities and making firm commitments to carbon neutrality."

Managing our business

As we prioritize climate action, we've formalized management's role in assessing and managing climate-related risks within our business operations.

The Climate-related Risks and Opportunities Oversight Group reports to the Capital Group Management Committee (CGMC) and the Capital Group Companies (CGC) Board twice a year. They are responsible for (a) measuring and monitoring our greenhouse gas (GHG) emissions* from business operations, including Scopes 1, 2 and 3 (business-related) emissions and (b) making recommendations to the CGMC on our climate strategy, considering the opportunities, risks and implications to our business. Membership includes global head of Sustainability, global head of ESG, CFO, Investment Group COO, president of Institutional Retirement, president of Europe and Asia, co-head of HR and head of Global Risk Management.

We are implementing new technology that enables us to streamline how we measure our emissions data from business operations. Increasing the frequency of these measurements will enable us to track our steady progress.

Clearly, 2020-2021 were not typical years, with travel suspended and associates working remotely. Our progress will be measured based on our 2019 carbon footprint, which totalled 51,219 metric tons of carbon dioxide equivalent (MTCO₂e).

We are actively investing to reduce carbon emissions, including using cleaner energy sources, expanding our investments in solar and reducing travel.

We are managing toward our 2025 goal of reducing our carbon footprint from business operations per associate by 25% through these focused initiatives.

* Scope 1 emissions are direct greenhouse (GHG) emissions that occur from sources that are controlled or owned by Capital Group. Scope 2 emissions are indirect GHG emissions associated with purchased energy. Scope 3 emissions are a consequence of Capital Group's activities, but occur from sources not owned or controlled by Capital Group, such as business air travel. For more information on Capital Group's emissions metrics, see [page 34](#).



Heather Lord
Global Head of Strategy,
ESG and Sustainability



We are committed and optimistic about our ability to address the risks and embrace the opportunities presented by the energy transition, both as stewards of our clients' assets and as a global citizen."

Utilizing solar power

At our largest office, in Irvine, California, we've installed a 2,800 kW solar array that is capable of generating more than 4 million kilowatt hours of electricity each year – enough to power half the campus. The Irvine panels are capable of reducing more than 1,000 metric tons of CO₂ emissions each year.

Following the success of the Irvine solar program, we've assessed opportunities at other locations and are installing solar panels in San Antonio, Texas, and Indianapolis, Indiana. These two campuses, combined, account for more than half of Capital Group's Scope 2 emissions. Solar panels will provide 20% of the power used by our San Antonio offices and 40% of the power in Indianapolis.

Increasing energy efficiency

All our sites – whether owned or leased – follow Leadership in Energy and Environmental Design (LEED) certification principles. Our building-management systems control lighting and ventilation based on workplace needs and occupancy, and engineers monitor peak electrical usage monthly. We've also retrofitted or replaced lighting fixtures, substantially reducing energy use.

Using resources responsibly

Capital Group associates share the common goals of reducing our dependence on nonrecyclable and nonreusable material. We encourage associates to reduce-reuse-recycle by providing plant-based utensils in our large office breakrooms, distributing reusable cups and straws, and donating used furniture to local nonprofit organizations.

At our Irvine offices, we've established an organic approach to sustainability by reducing and recycling food-prep waste. Our vermicomposting program uses worms to process thousands of pounds of food waste, which is converted to fertilizer that in turn enriches the campus landscaping and contributes to the onsite café's vegetable garden. We are exploring ways to utilize composting in our other sites across the United States.

Conserving water

Additionally, we are responsibly managing our water use and making efforts to conserve this critical resource. We've instituted water-saving programs at our owned sites in Irvine, California; San Antonio, Texas; Indianapolis, Indiana; and Hampton Roads, Virginia. These include reclaimed irrigation systems and waterless or low-flow restroom equipment. Where possible, we've also created green spaces that decrease wasteful water runoff.

Managing our supply chain

We're committed to responsible sourcing when acquiring products and services throughout our supply chain. Capital Group's new global head of Supplier Diversity and Sustainability works closely with our Responsible Sourcing Advisory Committee to assess the environmental impact of our suppliers and integrate sustainable sourcing principles into our procurement and supplier management.

Solar panels will provide 20% of the power used by our San Antonio offices and 40% of the power in Indianapolis.

Solar panels at our largest office, in Irvine, California



How we invest

Climate change will have broad societal and economic consequences across the short, medium and long terms. We actively analyze material climate-related risks and opportunities as part of our investment process.

Dedicated focus

As an active manager, we are always evaluating material investment risks and opportunities, and we find both in the transition toward net zero.

We are also dedicating resources across our investment and ESG teams to evaluate how the global energy transition will affect the assets that we manage on behalf of our clients.

Fundamental research

Our 41-person ESG team partners closely with our investment professionals to support the integration of these considerations into our investment process, including researching climate-related risks and opportunities.

Climate risks and opportunities impact issuers differently, depending on their sector, global footprint, current state of readiness and ability to mitigate. Our ESG analysts use our proprietary sector-specific ESG investment frameworks and work with our investment analysts to integrate these risks and opportunities, where material, into their investment process.

Our ESG monitoring process relies on third-party data to further identify any companies or issuers with substantial climate-related risks.

Engaging with management

Our engagement activities include ensuring that companies and issuers are responding appropriately and accounting for climate-related risks and opportunities in their long-term planning.

In the past year, we held 103 climate-related engagements with companies, covering such topics as greenhouse gas emissions, emission-reduction targets, climate risks and low-carbon solutions.

Our 13-person Global Stewardship and Engagement (GSE) team works with analysts and portfolio managers to engage with companies regarding these issues.

We believe that consistent, comparable and material climate-related disclosure will benefit all investors. We actively engage with regulators, trade associations and companies to advocate for enhanced disclosure.

In 2021, we initiated a specific engagement on climate disclosures, advocating for reporting in accordance with the Task Force for Climate-related Disclosure (TCFD). Capital Group contacted companies in sectors with high climate impact, encouraging disclosure. We are encouraged by the fact that companies we've engaged with are working toward TCFD-aligned disclosure.

Further, our proxy voting committees supported nearly 39% of climate-related shareholder proposals, most of which were requesting enhanced disclosure.



Jessica Ground
Global Head of ESG



In our first full year as a TCFD reporter, we have prioritized three things: sourcing better data for our fundamental research process, engaging with carbon-intensive companies to improve their reporting, and researching the second-order impacts of climate change."



ESG research in action

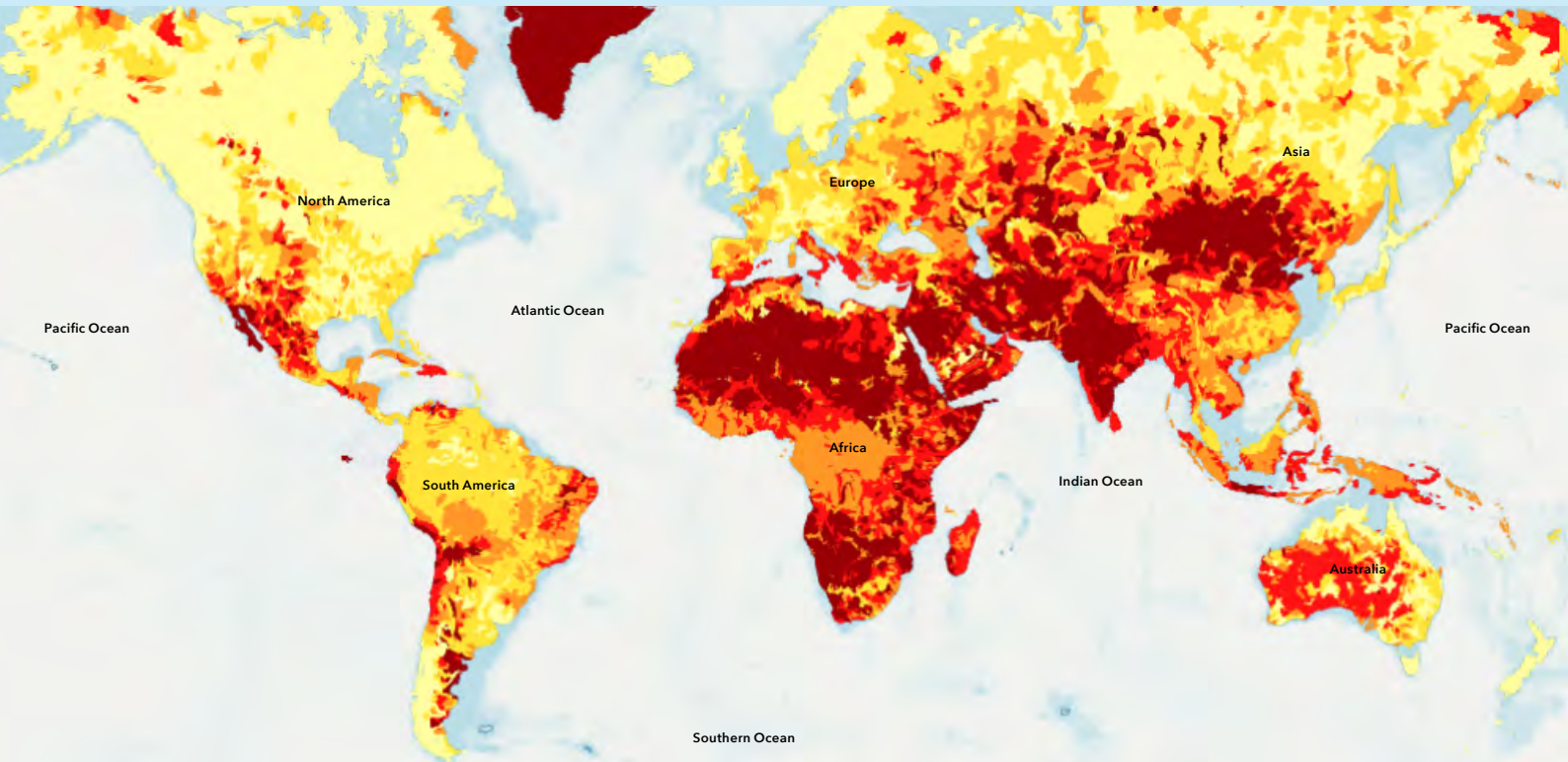
The value of access to water

Environmental stewardship also applies to responsible use of vital natural resources. One of the ESG issues researched by our investment analysts is water scarcity, which is harming the health and well-being of communities. A range of agricultural activities relies on water, and it's also necessary for industrial processes such as cooling, energy generation and mineral extraction.

Supply-and-demand-side pressure makes water scarcity a growing challenge that affects more than 4 billion people, according to UN Water (2020).

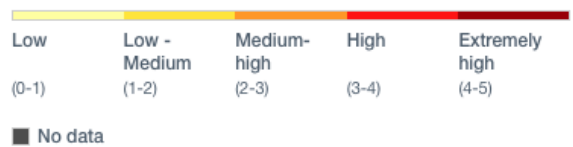
Water stress has financial implications that span asset classes. Our analysis of investment opportunities in the agriculture, electric power, and food and beverage industries, for instance, includes examining how a company or issuer approaches water use. Consideration of municipal or sovereign bonds looks at water as well, because water supply and quality can affect the creditworthiness of countries, states and municipalities.

Our proprietary ESG investment frameworks identify investments for which water is a material issue to ensure that we are monitoring and engaging on it appropriately. In order to evaluate companies and monitor risk, we have developed a proprietary Water Scorecard that enables us to track a range of water-related metrics. We use this research to inform our engagements with companies regarding their water-management practices.



Source: Aqueduct Water Risk Atlas, World Resources Institute

Overall Water Risk



Philanthropy and associate volunteerism

A commitment to environmental stewardship is reflected in our business operations and among our associates. In fact, when associates were polled about the most important sustainability topics to be addressed over and above our usual business operations, the most commonly prioritized topic was climate.

Whether it's matching donations for environmental causes or hosting community action days, Capital Group has a history of contributing to the care of our planet.



Associates use kayaks to clean up the Singapore River.



Associates in our Tokyo office participate in the annual Operation Sparkle and Shine event, which works to keep the area around Tokyo Station clean.

Three decades of love for Yosemite National Park

Former Capital Group Chair Jon B. Lovelace, a dedicated environmentalist and avid hiker, enjoyed a deep connection to California's Yosemite National Park. He and his wife, Lillian, began contributing to the Yosemite Conservancy in the 1980s, ultimately providing more than \$2 million to help restore and maintain iconic areas like Tunnel View and the John Muir Trail. His enthusiasm for Yosemite permeated the company, which granted funds for projects at landmarks such as Glacier Point and Tenaya Lake.

In 1995, Capital Group associates began taking a more active role, as groups of volunteers traveled to the park to spend a weekend providing hands-on labor for the Yosemite Conservancy's corporate program. We've donated time in Valley meadows, among giant sequoias and along lakeshores. These twice-yearly trips continue today.

Over the years, nearly 1,000 volunteers from Capital Group have worked to restore habitats, preserve historic buildings and upgrade trails, enabling visitors to enjoy, appreciate and learn about the area's natural beauty and ecosystem.



Capital Group volunteers work to restore and conserve Yosemite National Park.

Industry involvement

We are proud to partner with others in the industry who are committed to advancing climate-related research and consistent disclosures on environmental stewardship.

Focus on climate disclosure

As a user of the TCFD framework ourselves, we find it is useful for better understanding how the risks and opportunities from the energy transition will impact our business. We encourage the companies that we invest in – particularly those that will be significantly impacted – to utilize the TCFD framework.

Driving consistent standards

Capital Group actively shares best practices across the industry by participating in numerous global and regional associations. We use our voice as investors and strive to set high standards of industry practice.

We engage with financial regulators, including the U.S. SEC, the European Commission, the European supervisory authorities and the national authorities in Europe, via targeted meetings or by making public submissions on our own or with industry groups.

We also work with European, U.S. and Asian industry associations to share knowledge and prepare industry positions regarding ESG risk integration at company and product levels, ESG disclosures from investee companies and ESG fund disclosure, including carbon metric reporting.

Supporting net-zero goals

More than 130 countries have or are considering reducing emissions to net zero by 2050, and over one-fifth of the world’s largest companies have committed to that goal. At Capital Group, we seek to understand how this structural shift impacts economies and companies and ensure that we are integrating this material ESG risk and opportunity into our investment process appropriately.

In 2022, we became signatories of the Net Zero Asset Manager's Initiative (NZAMI), which means we are committed to engaging with policymakers, clients and issuers to work together toward the common goal of net-zero emissions by 2050. A commitment to NZAMI also requires enhanced tracking of our progress toward net zero – which we've already been monitoring through the development of our proprietary ESG tools.

Key areas of focus are:

- Supporting companies that are already well-positioned, but also engaging with companies that face complex issues as a result of the energy transition
- Tracking progress by investing in tools to help us measure carbon emissions at a fund level and at an individual-company level
- Working with clients and asset owners and being a resource for those on their own journey to net zero

Over the next year, we will be releasing our Climate Action Plan, detailing how we will meet our NZAMI commitment.

We partner with industry organizations to actively promote climate-related research and disclosure.

Principles for Responsible Investment (PRI)

Capital Group is a signatory.

Task Force on Climate-related Financial Disclosures (TCFD)

Capital Group is a supporter and reports against the TCFD recommendations.

Glasgow Financial Alliance for Net Zero (GFANZ)

Capital Group is a signatory of Net Zero Asset Manager Initiative, part of the Glasgow Financial Alliance for Net Zero.

Value Reporting Foundation (VRF), SASB Standards

Capital Group is on SASB’s Investor Advisory Group (Board).

United Nations Global Compact (UNGC)

Capital Group is a participant and commits to supporting the UN SDGs.

Ceres

Capital Group is a member of the Ceres Investor Network.



Our mission is to improve people's lives through successful investing. That is our motivation for doing all we can in our business practices to make a positive impact on our associates and communities by promoting a diverse, equitable, inclusive and secure world. We are tracking our progress and setting goals to ensure we keep moving forward.

The following pages illustrate our transparency in reporting against SASB and GRI standards.

National Accounts Site Sales Manager Virginia G. and Client Services Representative Brianna G.

Appendix

SASB: asset management and custody activities

Diversity, equity & inclusion

FN-AC-330a.1

% of gender and racial/ethnic representation for (1) executive management, (2) nonexecutive, (3) professionals, and (4) all other employees

	ASIAN		BLACK/AFRICAN AMERICAN		HISPANIC/LATINX		WHITE		OTHER ¹	
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
Executive/senior officials and managers	30	44	1	12	8	12	53	150	0	1
First/mid officials and managers	117	129	54	28	73	57	349	451	8	6
Professionals	468	529	90	89	183	232	658	796	36	38
Sales workers	7	12	6	13	2	21	56	274	0	3
Administrative support	115	48	312	81	389	168	710	300	47	20
TOTAL	737	762	463	223	655	490	1,826	1,971	91	68

Incorporation of ESG in investment management and advisory

FN-AC-410a.1

Amount of AUM, by asset class, that employ (1) integration of ESG issues, (2) sustainability-themed investing and (3) screening

(1) Capital Group manages USD 2.7 trillion in actively managed equity, fixed income and multi-asset investment portfolios through funds and segregated accounts worldwide. Our research-driven, long-term investment approach integrates material ESG risks and opportunities into our investment decisions across all strategies. (2) Not applicable. (3) Not applicable.

FN-AC-410a.2

Description of approach to incorporation of ESG factors in investment and/or wealth management processes and strategies

Please see pages 6 and 7 of this report for more detail on Capital Group's ESG approach. More information can be found on our website: <https://www.capitalgroup.com/institutional/about-us/esg/esg-approach.html>

FN-AC-410a.3

Description of proxy voting and investee engagement policies and procedures

Please see Capital Group's stewardship report for more detail on proxy voting and engagement: <https://www.capitalgroup.com/institutional/about-us/esg/investment-stewardship.html>

Transparent information and fair advice for customers

FN-AC-270a.3

Description of approach to informing customers about products and services

When approaching clients or prospective clients about our services, we are subject to a range of regulations and internal policies regarding the accuracy and fairness of the messaging. The way we communicate with our clients varies and includes several factors, including applicable laws and regulations, the type of client, and the product or service being discussed. In all cases, we provide all relevant information to our clients regarding the service provided, costs and risks. In the case of investments, we provide the fund's or product's constituent documentation (e.g., prospectus) and the investment strategy, characteristics, fees and expenses, and results. For more information about our products and services, visit [capitalgroup.com](https://www.capitalgroup.com).

Business ethics

FN-AC-510a.2

Description of whistleblower policies and procedures

In the United States, Capital Group associates can utilize Open Line, which allows associates (anonymously or identified) to report any violation of policy or the law to a group of senior leaders, including legal and compliance. We also have a policy within our code of ethics regarding reporting violations. Capital Group has whistleblower policies in Europe and Asia.

¹ Includes American Indian or Alaskan Native, Native Hawaiian or Other Pacific Islander, and Two or More Races.

Select GRI topic standards – Climate

Emissions

Gross global Scope 1–3 emissions GRI 305-1, 305-2, 305-3

Scope	Emissions (MTCO ₂ e)
1. Natural gas, diesel, fuel oil, refrigerants	1,131
2. Electricity, heat, cooling, steam	12,026
3. Business air travel only	909
Total	14,066²

Reduction of GHG emissions and strategy to manage emissions GRI 305-5

Our strategy includes a commitment to carbon neutrality in our business operations by 2025 through meaningful reductions and offsetting. To manage Scope 1 and Scope 2 emissions we are purchasing cleaner energy and increasing operational efficiencies across all of our sites, and we are installing more solar energy at our owned sites.

With regards to Scope 3 business travel, air travel plays an essential role in our investment process, client relationships and business operations. However, we are focused on reducing our carbon footprint from travel where possible. The last two years have provided valuable insight about how hybrid work, virtual communication and new and evolving uses of technology can allow us to travel more efficiently. Because the need for travel varies by group and geography, we will continue take a thoughtful and measured approach to analyzing and managing travel-related emissions.

Since 2018, Capital Group has been offsetting carbon emissions² for purchased electricity and global business-related air travel. In 2021, we expanded this to include offsetting our total operational emissions as part of our commitment to carbon neutrality.

GHG emissions intensity GRI 305-4

Capital Group's greenhouse gas (GHG) intensity is about 3.03 MTCO₂e/associate for 2021. This only factors in measured operational emissions and not Scope 3 portfolio emissions.

Emissions of ozone-depleting substances (ODS) GRI 305-6

In 2021, one of our sites reported a minimal amount of leaked refrigerant (less than 10 pounds) containing ozone-depleting substances. This value is already reflected in our Scope 1 carbon footprint value.

Energy consumption

Total energy consumed within the organization GRI 302-1

Capital Group consumed 40,002,103 kWh in 2021.

Reduction of energy consumption GRI 302-4

Please refer above to disclosure in "Reduction of GHG emissions and strategy to manage emissions," GRI 305-5.

² For calendar year 2021, we worked with KPMG, a third-party consultant, to construct a more comprehensive operational carbon footprint based on the GHG Protocol methodology and updated, established emissions factors. The total measured footprint for CY 2021, including additional Scope 3 categories such as purchased goods and business travel emissions associated with hotel, rail and taxi, is 26,247 metric tons CO₂ equivalents. Data reported in previous years was calculated by South Pole using a different methodology.

Value chain

Energy consumption outside of the organization (upstream and downstream)

GRI 302-2

New suppliers that were screened using environmental criteria

GRI 308-1

Negative environmental impacts in the supply chain and actions taken

GRI 308-2

Capital Group is in the process of actively building a responsible sourcing strategy. Capital Group does not yet currently track or report supply chain metrics.

Select GRI topic standards - DE&I

Percentage of individuals within the organization's governance bodies in each of the following diversity categories: (1) gender; (2) age group: under 30 years old, 30-50 years old, over 50 years old; (3) other indicators of diversity where relevant (such as minority or vulnerable groups).

Percentage of employees per employee category in each of the following diversity categories: (1) gender; (2) age group: under 30 years old, 30-50 years old, over 50 years old; (3) other indicators of diversity where relevant (such as minority or vulnerable groups).

GRI 405-1

	EUROPE/ ASIA ³	GLOBAL					U.S.				
		MEN	WOMEN	AGE			ASIAN	BLACK/ AFRICAN AMERICAN	HISPANIC/ LATINX	WHITE	OTHER ⁴
				Under 30	30-49	50+					
Management Committee	10.0%	60.0%	40.0%	N/A	10.0%	90.0%	11.1%	0.0%	11.1%	77.8%	0.0%
Operating Group	23.1%	53.8%	46.2%	N/A	18.2%	81.8%	0.0%	20.0%	10.0%	70.0%	0.0%
Board of Directors	16.0%	60.0%	40.0%	N/A	32.0%	68.0%	4.8%	4.8%	9.5%	81.0%	0.0%
Investment professionals	36.2%	73.1%	26.9%	11.5%	60.2%	28.4%	27.5%	4.5%	6.9%	60.5%	0.7%
All associates	N/A	48.1%	51.9%	11.4%	60.0%	28.5%	20.6%	9.4%	15.7%	52.1%	2.2%

Data as of 12/31/2021, generated on 1/12/2022.

Totals may vary from sum of individual components due to rounding. Race/ethnicity data includes only U.S. associates whose race/ethnicity is collected for EEO-1 reporting purposes.

³ Europe/Asia column provides the percentage of the respective group that would not be included in race/ethnicity due to location.

⁴ Includes American Indian or Alaskan Native, Native Hawaiian or Other Pacific Islander, and Two or More Races.

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