



Neuberger Berman Policy Statement: The Principles for Responsible Investment

Overview

Neuberger Berman is a signatory of the Principles for Responsible Investment (PRI), in recognition of the impact that we believe environmental, social and governance (ESG) issues can have on long-term investment performance. As fundamental investors, our portfolio managers have long considered ESG factors as part of their investment processes. The PRI provide a framework through which to report and assess such factors, offering an additional tool as we seek to fulfill our mission of partnering with clients to achieve their unique investment objectives.

The Principles

The PRI were developed by the investment community in 2005, under the auspices of the United Nations. In becoming a signatory on June 29, 2012, we agreed to:

1. Incorporate ESG issues into investment analysis and decision-making processes.
2. Be active owners and incorporate ESG issues into ownership policies and practices.
3. Seek appropriate disclosure on ESG issues by the entities in which we invest.
4. Promote acceptance and implementation of the PRI within the investment industry.
5. Work together to enhance our effectiveness in implementing the PRI.
6. Report activities and progress toward implementing the PRI.

Our Approach

PRI Advisory Committee. The firm has an advisory committee charged with overseeing our PRI efforts. The committee includes senior-level representation from portfolio management, legal and compliance, global equity and fixed income research, the firm's Proxy Voting Committee, global client leadership, corporate social responsibility, the Socially Responsive Investment (SRI) group and the Emerging Markets Debt (EMD) team.

Investment and Research. Our portfolio managers incorporate many ESG factors such as environmental and product liabilities, legal risk and corporate governance into their investment processes, which are also considered and analyzed by our centralized research teams. Our investment professionals have access to an array of ESG-related analytical resources, providing another lens through which to view the fundamental prospects of investment candidates.

Leadership in ESG Investing. Neuberger Berman is a pioneer in ESG integration; we first began applying "avoidance screens" in 1942, and launched one of the first socially responsive investment teams in 1989. Today, we continue playing a leadership role in this space. Our Socially Responsive Investment (SRI) group integrates ESG factors to identify attractively valued, high-quality businesses with long-term growth prospects and our EMD team considers and analyzes, both at a country and corporate level, ESG factors in the investment process.

Engagement. The firm is actively engaged with its portfolio companies through direct meetings with company management and through the proxy voting process. Neuberger Berman hosts on-site meetings with top management of current and prospective holdings, engaging company officials on a wide range of topics related to their business. We maintain proxy voting policies that are designed to reasonably ensure that proxies are voted prudently and in the best interest of the advisory clients for whom we have voting authority. Our Proxy Voting Committee oversees the proxy process, which includes guidelines specifically for SRI clients. The firm is an advocate for greater disclosure of information to investors through our participation as a member of the Carbon Disclosure Project, the CDP Water Disclosure Project and the Forest Footprint Disclosure Project. In addition, we take part in a range of ESG-related collaborative, educational and outreach initiatives, in conjunction with industry partners, clients and employees.

Reporting. As part of our commitment as a signatory, the firm reports on our ESG activities to the PRI on a comprehensive basis each year.

An Ongoing Commitment

We are committed to strengthening and refining our ESG approach—enhancing the dialogue with industry peers, augmenting our ESG-related reporting and research processes, and documenting existing activities. At the core, we believe that the PRI are consistent with our heritage as a fundamentals- and research-focused investment firm. We work diligently for their acceptance and relevance, consistent with our focus on serving the interests of our clients.

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