NEUBERGER

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ESG Rating: Neuberger Sovereign Quotient

Date of Disclosure: 02 July 2026

Neuberger Sovereign Quotient – Public Transparency Disclosures

Rating Product Disclosure

Objective of the Rating

The Neuberger Sovereign Quotient is designed to assess the sustainability of sovereign investments by assessing all emerging and developed market sovereign issuers on an aggregate of financially material Environmental (E) and social (S) and Governance (G) factors. It is not designed to assess outward impact materiality as a standalone dimension.

The Neuberger Sovereign Quotient is intended to support internal investment research, issuer monitoring and engagement by providing an issuer-level view of financially material ESG factors.

Scope of the Rating

Sovereign issuers are rated on an aggregate of financially material ESG factors. We measure sovereign issuers' performance on these factors using quantitative data and qualitative analysis, informed by engagement with government officials and international financial organizations, which is then reflected in our Neuberger Sovereign Quotient ratings.

Weighting

The E, S and G factors are combined into a single score for the Quotient. The Neuberger Sovereign Quotient rating includes eight E factors that make up a combined 20% weight of the quotient, nine S factors that make up a combined 30% weight of the quotient, and eight G factors, that make up a combined 50% of the quotient.

E, S and G Topics Covered

The Neuberger Sovereign Quotient covers a broad set of E, S and G topics. Illustrative topics include:
Environment: Energy Efficiency; GHG Emissions per GDP; Carbon Emissions Trend; and Unsafe Sanitation.
Social: Sustainable Development Goals Index; Human Development; Regulatory Quality; and Political Stability.
Governance: Government Effectiveness; Rule of Law; Corruption; Political Risk; and Investment Freedom.

Given sovereigns are not in scope of Directive 2013/34/EU, these factors were not developed pursuant to Article 29b of Directive 2013/34/EU.

Expression of the Rating

The Neuberger Sovereign Quotient is a relative rating, assessing issuers in a consistent and comparable way. This allows our research analysts and portfolio managers to assess how an issuer compares to other sovereign issuers, both in aggregate and on a particular E, S or G factor. Quotient scores are standardised within the peer set and expressed as absolute scores as well as percentile rankings. The underlying datapoints within the Neuberger Sovereign Quotient enable us to track an issuer's absolute performance over time on any financially material topic included in its rating.

Alignment with the Paris Agreement and International Agreements

The assessment is focused on financially material drivers of climate-related risk and opportunity, rather than scoring alignment with the Paris Agreement (or other international agreements) as a standalone objective. Instead, the Quotient covers several E factors, as outlined in the section E, S and G Topics covered.

Where the Neuberger Sovereign Quotient addresses S and G factors, assessments are informed by internationally recognised standards encompassing, for example, human rights, the rule of law and anti-corruption. Rather than scoring alignment to any single international agreement as a standalone output, these standards shape S and G factor definitions and the evaluation of issuer policies, practices and relevant financially material controversies. Alignment to international standards is therefore reflected indirectly, as the framework draws on third-party methodologies or standards that incorporate these considerations.

Basic Methodological Disclosures

Overview of Rating methodology

The Neuberger Sovereign Quotient contains both backwards looking and forward-looking data and there is no set time horizon used to assess the rated items. The Neuberger Sovereign Quotient combines the E,S&G factors (see Weighting section for further detail) into a single rating, with the output being a score from 0 to 100 where 0 is the worst and 100 is the best.

There is no materiality assessment used to calculate the Neuberger Sovereign Quotient score. Instead, all countries are assessed against each of the factors listed above, which are deemed to be financially material for all countries.

For E, S or G factors requiring additional incremental insight, research analysts use proprietary quantitative or qualitative assessments. The analysis is used to produce E, S and G scores for the issuer. As a final step, further refinements, upward or downward as necessary, are applied to the scoring by the analysts based on their engagement with the issuer or their specific knowledge of that sovereign issuer.

Review of Methodology and Inputs

The Neuberger Sovereign Quotient is monitored and maintained by the central research team in collaboration with the SSI Group and SSI Technology team. The data underlying the ratings is updated periodically, and model factors, pillar weights and relevant peer sets are reviewed as necessary to reflect changes in materiality, data quality / availability and industry practices. If changes are made to the methodology or these inputs, the ratings of issuers will be revised accordingly.

Industry Classification

Not applicable for sovereign issuers.

Data Sources and Processes

The data sources and analytical inputs feeding the Neuberger Sovereign Quotient ratings are derived from proprietary investment tools and in-house research (which incorporates critical thinking and human judgment into the process) alongside multiple public and non-public datasets including data from international financial organisations, external data vendors, government direct disclosures (e.g., national government reports, national climate progress report and central bank sustainability disclosures), indirect disclosures (e.g., intergovernmental organisational data, multilateral development bank assessments, and third-party data providers), sustainable finance frameworks, second party opinions, and impact reporting, and specialty research providers.

Environmental, Social and Governance data is a key domain and part of our internal data governance with a dedicated Stewardship and Sustainable Investing ("SSI") Technology Team. This team has periodic engagements with environmental, social and governance data vendors to discuss data coverage and evolution in methodologies. Subscription to multiple data vendors enables us to evaluate coverage and quality of data between vendors. In addition, our SSI Group and Data and Reporting team work together to explore new data products and vendors to evaluate potential enhancements to our existing data coverage and governance, as well as identifying innovative and non-traditional data sources, which may provide additional insights.

Scientific Evidence

In keeping with our belief that the integration of environmental, social and governance factors must be based on the principle of financial materiality specific to the given investment strategy, our teams do not simply rely on data or analysis solely sourced from third-party research providers. Instead, portfolio managers and research analysts have access to a wide range of data sources and research providers, as well as the advanced analytics capabilities of our Data Science team.

Use of Artificial Intelligence

Where applicable, Neuberger may use data science techniques, including automated processing and (in some cases) AI-enabled methods (e.g., natural language processing/text analytics) to support data collection and processing for the Neuberger Sovereign Quotient, particularly when working with large, unstructured or high-frequency datasets.

AI-enabled outputs (where used) are intended to support analyst research and do not replace analyst judgement in determining the final Neuberger Sovereign Quotient assessment. Controls include defined data sourcing standards, quality checks, and analyst review/challenge before incorporation of AI-enabled outputs into ratings.

Current limitations and risks of using artificial intelligence are included in the 'Limitations in Data Sources, Methodologies and Information' section below.

The Neuberger Sovereign Quotient does not use AI in the construction or calculation of the scores within the Neuberger Sovereign Quotient.

Limitations in Data Sources, Methodologies and Information

The limitations in data sources and methodologies used for the construction of environmental, social and governance ratings may include, but are not limited to:

i. Lack of standardisation in data providers' methodologies
ii. Inconsistencies in the vendors' methodologies for reporting environmental, social and governance data and disclosures of the underlying data used for deriving third-party metrics
iii. Divergence in the data quality and coverage for Emerging markets
iv. Some data sets can be reported at a significant time-lag
v. Some of the available third-party data is calculated based on data estimates or proxies. There may be discrepancies between the models estimating the data and actual reported data, and significant deviations when data is restated or the underlying assumptions of these models are altered
vi. The methodology incorporates qualitative analysis, and our analysts and other teams will exercise judgment in the determination of the ratings – their assessment of materiality or E, S and G topics may be subjective and may differ from the assessments or conclusions that are or could be reached by other persons