NEUBERGER

SFDR Regulatory Methodology and Approach

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This is a marketing communication. Please refer to the fund prospectus and offering documents, including the Key Information Document ("KID") or Key Investor Information Document ("KIID") as applicable, before making any final investment decisions. Investors should note that by making an investment they will own shares in the fund, and not the underlying assets.

This document relates only to Neuberger's legal entities: Neuberger Berman Asset Management Ireland Limited and Neuberger Berman Europe Limited. The information enclosed is accurate as at 14 September 2026.

1. NEUBERGER'S SUSTAINABLE INVESTMENT DEFINITION

While the Sustainable Finance Disclosure Regulation ("SFDR") provides a high-level definition of a sustainable investment, the practical interpretation and application of this definition is largely left to financial market participants to determine.

Neuberger has designed a sustainable investment framework for assessing investments in line with the three pillars of the SFDR's definition:

1. An economic activity that contributes to an environmental or social objective. We measure this through revenue alignment to the EU Taxonomy, or revenue alignment to the United Nations Sustainable Development Goals ("SDGs"), or issuers in high impact sectors[1] identified as transitioning to a Net-Zero Pathway based on Neuberger's Net-Zero Alignment Indicator (which conforms with the Institutional Investors Group on Climate Change ("IIGCC") Net Zero Investment Framework target-setting guidance);[2]
2. Does No Significant Harm ("DNSH") to any environmental or social objective; and
3. Demonstrates Good Governance.

We are guided by the definition of sustainable investments provided by Article 2(17) of SFDR:

'Sustainable investment' means an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

In addition, we are guided by the European Commission Answers to the European Supervisory Authorities' Questions on the interpretation of SFDR published in April 2023[3] highlighting that transitioning investments should also comply with the requirement to Do No Significant Harm to the environmental or social objective(s) of the portfolio and demonstrate Good Governance in order to be considered "sustainable investments".

Our framework identifies issuers as either sustainable or not sustainable (i.e. we take a binary investment / issuer level approach rather than an economic activity / revenue-weighted approach). We have implemented various quantitative and qualitative processes to identify sustainable investments across all in-scope portfolios and enable investment teams and supporting functions to monitor these on an ongoing basis.

See the next section for further information.

[1] As per the IIGCC Net Zero Investment Framework. Economic sectors are deemed high or low impact based on GHG emissions in their value chain.

[2] https://www.iigcc.org.

[3] https://www.esma.europa.eu/sites/default/files/2023-04/Answers_to_questions_on_the_interpretation_of_Regulation_%28EU%29_20192088.PDF.

2. NEUBERGER'S SUSTAINABLE INVESTMENT FRAMEWORK – CORPORATE ISSUERS

Quantitative Assessment

Neuberger has designed the following classification framework in order to quantifiably assess whether an investment may be deemed as 'sustainable', as per the SFDR's definition under Article 2(17):

Step 1	**Neuberger Controversial Sectors Screen** (includes Neuberger Global Standards Policy, Controversial Weapons, Tobacco, Private Prisons, Fossil Fuels)				
Step 2	**UN SDG Revenue Alignment**	And / Or	**EU Taxonomy Alignment**	And / Or	**NZ Alignment Indicator**
Step 3	**Do No Significant Harm** (Principal Adverse Impact Indicators ("PAIs") thresholds evaluated for significant harm and social safeguards)				
Step 4	**Good Governance Test**				
Step 5	**Social Controversies** (flag and exclude significant controversies).				
Optional	**Qualitative Assessment** (uniform template submitted to the Challenge Review Group for approval/denial and reviewed annually)				
Result:	**Sustainable Investment**				

Summary: SFDR Sustainable Investment Qualification Process

In determining whether an investment is a "sustainable investment" based on the definition set forth in the SFDR, Neuberger uses multiple datapoints that measure the alignment of the issuer's economic activities with environmental or social characteristics.

Neuberger then screens issuers for significant harm, violations of minimum safeguards, and controversies by applying the **Neuberger Controversial Sectors Screen (Step 1)**.

Contribution to an environmental / social objective (Step 2)

If the issuers pass the Neuberger Controversial Sectors Screen above, our framework then measures the issuers' environmental or social economic contribution to an environmental or social objective. As outlined in the diagrams above, we measure this in one of three ways:

- Revenue alignment to the EU taxonomy (if any); or
- Revenue alignment to the UN SDGs; or
- Issuers in High Impact Sectors transitioning to a Net-Zero Pathway based on Neuberger's Net-Zero Alignment Indicator.

To capture real-time insights into a company's current status and progress towards net-zero targets, Neuberger developed a proprietary forward-looking Net-Zero Alignment Indicator. The Neuberger Net-Zero Alignment Indicator categorizes issuers as: i) Achieving net-zero; ii) Aligned to net-zero pathway; iii) Aligning towards a net-zero pathway; iv) Committed to aligning; v) Not aligned; and vi) Insufficient issuer disclosure or not yet assessed.

The Neuberger Net-Zero Alignment Indicator's categories were informed by the high-level expectations of the IIGCC. Only investments transitioning to net-zero that Neuberger categorizes as "Achieving", "Aligned" or "Aligning" are eligible to be considered as sustainable investments. More information on this framework and what we consider "Achieving", "Aligned" or "Aligning" companies can be found here.

Do No Significant Harm ("DNSH") (Step 3)

The DNSH test is met by (i) identifying potential instances of significant harm using the mandatory principal adverse impact indicators ("**PAIs**") set out in Annex I, Table 1 of the SFDR Regulatory Technical Standards (Regulation 2019/2088) (the "**SFDR RTS**"), and (ii) identifying violations of minimum safeguards in line with the OECD Guidelines and the UNGC Principles (which are identified and excluded by the application of the Neuberger Global Standards Policy (as explained below). The DNSH test is applied to all issuers to determine whether they are eligible as "sustainable investments".

We classify issuers in Article 8 and Article 9 funds according to two dimensions:

- Country of Risk: PAI screening thresholds (where relevant) are individually established for both Emerging Market and Developed Market
- Sector: PAI screening thresholds (where relevant) are established for both High and Low Impact Sectors[4]

If an issuer fails to pass a PAI screen, we believe this would be considered as an unacceptable level of harm and therefore the issuer would not be considered eligible as a sustainable investment.

Good Governance (Step 4)

The Good Governance test is intended to cover the four pillars set out under the SFDR of **sound management structures, employee relations, remuneration of staff and tax compliance.**

In practice, this is met by:

1. Flagging and excluding issuers identified by third party data and internal research as having severe controversies related to the four Good Governance pillars as set out under the SFDR. We classify issuers in Article 8 and Article 9 funds according to Country of Risk and Good Governance screening thresholds are individually established for Emerging Market and Developed Market; and
2. Engaging with issuers on topics including but not limited to compensation and incentive alignment, shareholder rights, capital structure and investment, board composition, and transparent communication and internal controls.

If an issuer fails to pass the Good Governance test, the issuer will not be considered eligible as a sustainable investment.

Additionally, Neuberger Article 8 and Article 9 funds will not invest in securities issued by issuers whose activities have been identified as breaching, or are not consistent with, the Neuberger Global Standards Policy which excludes identified violators of the (i) United Nations Global Compact ("**UNGC**") Principles, (ii) OECD Guidelines for Multinational Enterprises on Responsible Business Conduct ("**OECD Guidelines**"), (iii) the United Nations Guiding Principles on Business and Human Rights ("**UNGPs**") and (iv) the International Labour Standards ("**ILO Standards**"). The Neuberger Global Standards Policy uses controversy screening and third-party data to identify and avoid investment in companies identified as violating the UNGC, OECD Guidelines, UNGPs and/or ILO Standards.

As per European Commission guidance published on April 2023, transitioning investments that we consider "Aligned" or "Aligning" to a net-zero pathway according to the Neuberger Net-Zero Alignment Indicator, will only be considered as sustainable investments if they also satisfy the Good Governance test and pass the DNSH test at the time of investment (i.e., it is not sufficient that the company's transition plan aims not to significantly harm any environmental and social objectives in the future).

The DNSH test, together with the positive contribution to an environmental or social objective and the Good Governance test described above, are managed and monitored within our portfolio management and trading system in order to automatically flag issuers as "sustainable investments" and enable investment teams and supporting functions to continuously monitor a portfolio's overall sustainable investment allocation. Where an issuer is classified as a sustainable investment based on the optional qualitative assessment described below, it will also be managed and monitored within our portfolio management and trading system in order to automatically flag issuers as "sustainable investments" and enable investment teams and supporting functions to continuously monitor a portfolio's overall sustainable investment allocation.

Please see the section 'Consideration of the Principal Adverse Impacts ("**PAIs**") at Product Level' below for more detail on how the PAIs are applied.

[4] As mentioned above, as per the IIGCC Net Zero Investment Framework, economic sectors are deemed high or low impact based on GHG emissions in their value chain.

Social Controversies (Step 5)

Finally, the Social Controversy Test allows us to screen out companies involved in the most severe controversies on customers, human rights and the community in which they operate, and labour rights and their supply chain.

Engagement

Engagement is an important component of the investment process for most Neuberger Article 8 and Article 9 funds. Neuberger engages with management teams of issuers through a robust engagement program. This program is focused on two-way dialogues between Neuberger and the issuer on financially material environmental, social and governance topics to the issuer in question where Neuberger provides context and feedback on areas of concern or opportunities for improvement.

The timing of the engagement may be reactionary in certain cases, opportunistic in cases of industry events or pre-planned meetings, or proactive where time allows and without undue restrictions (such as during quiet periods or M&A events that may prevent outreach actions). Ultimately, Neuberger aims to prioritise engagement that is expected to have a high impact on the protection of and improvement to the value of investments, be it through the advancement of actionable disclosure, understanding of risks and risk management at a company, or through influence and action to mitigate risks (including sustainability risks) and to take advantage of investment opportunities.

Qualitative Assessment

We recognise that data is only ever a starting point and can often be lagged, estimated or missing. Therefore, we believe it is vital to include qualitative judgement in certain cases. If an issuer does not pass the quantitative assessment process described above, but an investment team believes the issuer should qualify as a “sustainable investment” based on other evidence (such as the investment team being in possession of more up-to-date data or intelligence gathered from engagement with the issuer), the investment team may complete a qualitative assessment to propose the issuer be classified as a “sustainable investment”.

This assessment is submitted to a dedicated Neuberger Challenge Review Group – a group chaired by the Global Head of Stewardship and Sustainable Investing and attended by the CRO and other senior members of the organisation – who will determine (via a majority vote) whether the issuer qualifies as a sustainable investment. Assessments must be re-submitted annually to maintain an issuer’s classification as a sustainable investment.

Generally, issuers that are deemed to have a negative impact on environmental or social factors (as identified using alignment with the UN SDGs), issuers that fall below the relevant quantitative thresholds of the PAIs, or issuers that fail the Good Governance screen will not be considered for this qualitative assessment.

In addition to evidence that the issuer makes a positive environmental or social contribution, the qualitative assessment must also include evidence the issuer passes the Good Governance test and the DNSH test.

3. NEUBERGER'S SUSTAINABLE INVESTMENT FRAMEWORK – SOVEREIGN ISSUERS

Neuberger considers a variety of sustainability indicators to measure the attainment of the sustainable investment objectives of Sovereign investments.

Sustainable investment objective

Independent third-party reports and assessments:

Depending on which third-party report or assessments yield the most robust data, Neuberger uses one or a combination of the following third-party reports, indexes and assessments to measure the Sovereign's progress toward achieving its sustainable investment objectives:

For Sovereigns with an environmental objective: Advancement in UN Sustainable Development Goals, with emphasis on climate change adaptation and mitigation:

- Notre Dame Global Adaptation Initiative Country Index ("**ND-GAIN**")
  - Neuberger uses the ND-GAIN index to measure and assess a country's vulnerability to climate change and climate transition risks
  - Neuberger will focus its assessment on income-adjusted climate change adaptation.
- The Neuberger Sovereign Net-Zero Alignment Indicator
  - A proprietary framework that assesses how closely sovereign issuers are aligned with a net-zero transition pathway. Building on the IIGCC Sovereign Bonds Net Zero Investing Framework, the model evaluates countries across six pillars: Ambition, Targets, Emissions Performance, Disclosure, Decarbonization Plan, and Capital Allocation.
  - Based on the total score across the six pillars, countries are classified into one of five statuses: Achieving, Aligned, Aligning, Committed to Aligning or Not Aligned. The framework applies higher expectations to high-impact countries, such as major emitters and fossil fuel producers.
  - The Neuberger Sovereign Net-Zero Alignment Indicator draws on a range of external datasets, including Net Zero Tracker, Climate Action Tracker ("CAT"), Energy Institute, the International Monetary Fund ("IMF"), Trucost, United Nations Framework Convention on Climate Change ("UNFCCC"), Assessing Sovereign Climate-related Opportunities and Risks ("ASCOR"), World Bank, Ember, and International Renewable Energy Agency ("IRENA"), covering sovereign climate commitments, emissions performance, policy implementation, disclosure practices, and climate-related capital allocation.
- Environmental Performance Index
  - Neuberger tracks income-adjusted ecosystem vitality data from the Environmental Performance Index, a joint project of the Yale Center for Environmental Law & Policy and the Center for International Earth Science Information Network ("**CIESIN**") at Columbia University's Earth Institute.
  - The indicator measures how well countries are preserving, protecting, and enhancing ecosystems and the services they provide. It is made up of six issue categories: Biodiversity & Habitat, Ecosystem Services, Fisheries, Acid Rain, Agriculture and Water Resources.

For Sovereigns with a social objective: Advancement in UN Sustainable Development Goals, with emphasis on public health, secondary education and tackling income inequality:

- Sustainable Development Report Index
  - Neuberger uses the Bertelsmann Stiftung and the Sustainable Development Solutions Network Sustainable Development Report Index to assess country performance on the SDGs. This allows us to target investment in Sovereigns which demonstrate better progress in achieving the SDGs. Countries that meet the environmental or social goals also need to be in the top 75th percentile of the Sustainable Development Report Index to be considered sustainable.
- UNDP Human Development Index
  - Neuberger uses the UNDP Human Development Index to measure achievements in key dimensions of life expectancy, education and income inequality globally, adjusted for income. This allows us to target investment in Sovereigns which demonstrate better progress in achieving human development.

- World Health Organisation – The Global Health Observatory
  - Neuberger uses income-adjusted Global Health Observatory data on vaccination coverage (diphtheria tetanus toxoid) and pertussis (DTP3) immunisation coverage among 1-year-olds, and the number of medical doctors per capita.

For in-scope ratings, asset managers are required to publish disclosures with details such as objective of the rating, scope of the rating, methodology etc. Any marketing document that references a rating in detail or discloses scores must include a link to the relevant disclosure. For Neuberger, the disclosures have been developed by the Stewardship and Sustainable Investing team and have been made available here.

Do No Significant Harm ("DNSH") test

For Sovereigns, Neuberger applies the DNSH test by (i) identifying potential instances of significant harm using the mandatory PAIs applicable to sovereigns and supranationals as set out in Annex I, Table 1 of the SFDR RTS, and (ii) identifying and excluding sovereigns violating minimum sovereign safeguards (which includes the OECD Guidelines and the UNGC Principles) which we consider to be the following:

- Sovereign issuers with very weak sustainability practices (i.e., high GHG emissions and/or violations of human rights); and
- Exclude quasi-sovereign issuers per the DNSH test applicable to corporates explained in the Corporate Issuers section.

Good Governance test

When applying the Good Governance test to Sovereigns, Neuberger considers the following governance factors in relation to Emerging Market countries and sovereigns showing:

- Very weak sustainability performance either based on Neuberger's Quotient or relevant indices as identified in the relevant fund supplement; and/or
- Non-compliance with the OECD's Global Forum on Transparency and Exchange of Information for Tax Purposes standards; and/or
- Issuers classified as a high-risk jurisdiction by the Financial Action Task Force ("**FATF**").

4. CONSIDERATION OF THE PRINCIPAL ADVERSE IMPACTS ("PAIS") AT PRODUCT LEVEL

Neuberger considers the PAIs at product level for most Article 8 Funds and all Article 9 Funds. For Article 8 Funds that commit to making sustainable investments and Article 9 Funds, this includes consideration of all mandatory PAIs set out in Annex I, Table 1 of the SFDR RTS as part of the Do No Significant Harm assessment for sustainable investments forming part of the Fund. For Article 8 Funds that do not commit to making any sustainable investments, Neuberger only considers certain PAIs for which adequate, reliable and verifiable data exists.

We utilise third-party data and proxy data along with internal research to assess the PAIs.

Neuberger will continue to work with issuers to encourage disclosure and to gather wider and more granular data coverage on the PAIs. The specific product-level PAIs that are taken into consideration are subject to data availability and may evolve with improving data quality and coverage. Neuberger will keep the list of product-level PAIs it considers under active review, as and when data availability improves.

Consideration of the PAIs at product level is achieved through a combination of:

- Monitoring the fund, in particular where it falls below the quantitative and qualitative tolerance thresholds set for each product-level PAI;
- Setting engagement objectives where the fund falls below the quantitative and qualitative tolerance thresholds; and
- Applying the following Neuberger avoidance and involvement policies across the Article 8 and Article 9 Funds: (i) Neuberger Global Standards Policy; (ii) Neuberger Controversial Weapons Policy; and (iii) Neuberger Thermal Coal Involvement Policy. Additionally, some funds also apply the Neuberger Sustainable Exclusion Policy and/ or Neuberger EU Climate Benchmark Standard Exclusions Policy.

Unless stated otherwise in the relevant Supplement, our application of the PAIs at product level for each type of Neuberger Fund is summarised in the table below:

	Article 9 and Article 8[5]	Article 8	Select Article 8 funds[10]
PAI 1 GHG Emissions	✓	✓	✗
PAI 2 Carbon Footprint	✓	✓	✗
PAI 3 GHG Intensity	✓	✓	✗
PAI 4 Fossil Fuel Exposure	✓	✓	✗
PAI 5 Share of Non-Renewable Energy Consumption/Production	✓	✗	✗
PAI 6 Energy Consumption Intensity Per High-Impact Climate Sector	✓	✗	✗
PAI 7 Activities Negatively Affecting Biodiversity-Sensitive Areas	✓ (proxy)[6]	✗	✗
PAI 8 Emissions to Water	✓ (proxy)[7]	✗	✗
PAI 9 Hazardous / Radioactive Waste Ratio	✓ (proxy)[8]	✗	✗
PAI 10 UNGC / OECD Violations	✓	✓	✓
PAI 11 Lack of Policies UNGC / OECD	✓	✗	✗
PAI 12 Unadjusted Gender Pay Gap	✓ (proxy)[9]	✗	✗
PAI 13 Board Gender Diversity	✓	✓	✗
PAI 14 Controversial Weapons	✓	✓	✓
PAI 15 Sovereign GHG Intensity	✓ (where applicable)	✓ (where applicable)	✗
PAI 16 Sovereign Social Violations	✓ (where applicable)	✓ (where applicable)	✗

[5] Our Article 8 Funds that commit to making Sustainable Investments. All mandatory PAIs are considered when determining whether sustainable investments do not cause significant harm to any environmental or social objective.

[6] Proxy used: Protected Biodiversity Controversy: Company reports having operations in or near to biodiversity sensitive areas and has been implicated in controversies with severe or very severe adverse impact on the environment.

[7] Proxy used: Environment Water Flag: Measures the severity of controversies related to a firm's water management practices. Factors affecting this evaluation include, but are not limited to, a history of involvement in water use-related legal cases, widespread or egregious impacts due to emissions, resistance to improved practices, and criticism by NGOs and/or other third-party observers.

[8] Proxy used: Environment Toxic Flag: Measures the severity of controversies related to a firm's non-GHG emissions. Factors affecting this evaluation include, but are not limited to, a history of involvement in land or air emissions-related legal cases, widespread or egregious impacts due to hazardous emissions, resistance to improved practices, and criticism by NGOs and/or other third-party observers.

[9] Proxies used: (i) Pay Controversy: Identifies whether the company's pay policies or practices attracted adverse public comment from stakeholders (including shareholders, government, regulators etc.). (ii) Labour rights diversity flag: Measures the severity of controversies related to a firm's workforce diversity. Factors affecting this evaluation include, but are not limited to, a history of involvement in discrimination-related legal cases, widespread or egregious instances of discrimination on the basis of sex, race, or ethnicity, resistance to improved practices, and criticism by NGOs and/or other third-party observers.

[10] A limited number of our funds currently consider only two PAIs, which will be indicated in the relevant supplements.

5. PROMOTION OF ENVIRONMENTAL AND SOCIAL CHARACTERISTICS

Neuberger's Article 8 Funds promote environmental and/or social characteristics in a variety of ways, depending on the asset class and investment strategy of the fund.

Examples of characteristics include:

- **Environmental Characteristics:** Climate risks; GHG emissions; air quality; biodiversity & land use; water management; energy management; waste management; fuel economy; opportunities in clean technologies; product lifecycle management; and raw materials sourcing.
- **Social Characteristics:** Operational safety and emergency preparedness; access to finance; access to healthcare services; community relations; data privacy & security; health & nutrition; pricing transparency; health & safety; human capital development; labour management; workforce inclusivity; business ethics; product safety, quality & integrity; systemic risk management; management of legal & regulatory environment; supply chain management; controversial sourcing and chemical safety.

The promotion of these environmental or social characteristics is met through various ways. For example:

- **The Neuberger Quotient:** Our proprietary environmental, social and governance rating system is built around the concept of sector-specific industry or sovereign financially material environmental, social and governance risk and opportunity and produces an overall rating for issuers by assessing them against certain environmental, social and governance metrics. Investment teams use the Neuberger Quotient to promote the environmental and social characteristics promoted by their funds by prioritising investment in issuers with a favourable and/or an improving Neuberger Quotient rating or by engaging with issuers with a poor Neuberger Quotient rating with the aim that the Neuberger Quotient will improve over time.
- **Climate Value-at-Risk ("CVaR"):** Unless stated otherwise in the relevant Supplement, for funds with a net-zero objective CVaR measures the exposure to transition and physical climate risks. CVaR is a scenario analysis tool used to evaluate economic risks under various degree scenarios (i.e., the amount of warming targeted) and potential regulatory environments in varying countries. CVaR provides a framework for identifying climate risks over the long term to assist in understanding how issuers can shift their operations and risk practices over time. The scenario analysis can serve as a starting point for further bottom-up analysis and identifying potential climate-related risks to address through company engagement. Due to data limitations, CVaR is not applied across all issuers held and is instead limited to the corporate issuers for which sufficient and reliable data exists. The analysis from CVaR is reviewed at least once a year.
- **Avoidance and Involvement Policies:** Our Article 8 Funds are subject to various Neuberger avoidance and involvement policies, including the Neuberger Global Standards Policy, Neuberger Controversial Weapons Policy, Neuberger Thermal Coal Involvement Policy, and (to a varying extent), the Neuberger Sustainable Exclusion Policy, the Neuberger EU Climate Benchmark Standard Exclusions Policy incorporating the EU Climate Transition Benchmark exclusions (the "EU CTB") and the relevant provisions of the EU Paris-Aligned Benchmark exclusions (the "EU PAB").
  Please refer to our Reporting, Policies and Disclosures page for further information.

6. MIFID II SUSTAINABILITY PREFERENCES

Background

Under MiFID II and the 2018 ESMA guidelines on MiFID II suitability requirements (as updated from time to time), asset managers are required to assess the suitability of investments for clients when providing investment advice or discretionary management services (portfolio management) – looking at the clients':

1. investment objectives, including their risk tolerance and any sustainability preferences;
2. financial situation, including the ability to absorb loss; and
3. experience and knowledge in order to understand the risks of their portfolio.

This suitability assessment is currently performed during the client onboarding process.

Neuberger must collect the investment objectives of its clients, consisting of professional and elective professional investors (e.g. local authorities, high-net-worth individual ("HNWI"), some small charities and small family offices), including the investor's risk tolerance and any sustainability preferences.

MiFID II Sustainability Preferences:

Clients can express their sustainability preferences by requiring the investment to meet one or more of the following limbs:

Limb 1: A minimum proportion of Taxonomy-aligned (or environmentally sustainable) investments

Limb 2: A minimum proportion of SFDR sustainable investments

Limb 3: Consideration of the PAIs

Neuberger's Approach

Neuberger considers that all Neuberger Article 9 Funds and most of Neuberger Article 8 Funds consider either all or a selection of the mandatory PAIs and therefore are capable of meeting the sustainability preferences of clients who have elected for consideration of the PAIs in their investments. Neuberger considers that all Neuberger Article 9 Funds and Neuberger Article 8 Funds with sustainable investment commitments are capable of meeting the sustainability preferences of clients who have elected for a minimum proportion of SFDR sustainable investments in their investments, as well as consideration of the PAIs.

As described in the section 'Consideration of the Principal Adverse Impacts ("**PAIs**") at Product Level', PAIs are currently considered through a combination of:

- Monitoring the fund, in particular where it falls below the quantitative and qualitative tolerance thresholds set for each PAI;
- Setting engagement objectives where the fund falls below the quantitative and qualitative tolerance thresholds; and
- Applying the following Neuberger avoidance and involvement policies across the funds: (i) Neuberger Global Standards Policy; (ii) Neuberger Controversial Weapons Policy; and (iii) Neuberger Thermal Coal Involvement Policy. Additionally, some funds also apply the Neuberger Sustainable Exclusion Policy and/or the Neuberger EU Climate Benchmark Standard Exclusions Policy.

7. THE EUROPEAN ESG TEMPLATE

Background

The European ESG Template ("**EET**") has been designed by FinDatEx, an industry working group, as a voluntary initiative to enhance the sharing of ESG data required by industry participants for various EU-level sustainability regulations.

The EET is primarily used to communicate to distributors how Neuberger's funds may meet one or more of the three limbs of the MiFID II Sustainability Preferences, as described in the previous section.

Neuberger understands the importance of this initiative and its widespread uptake and has been publishing its own EET (which is frequently updated) since June 2022.

Neuberger's Approach

A high-level summary of Neuberger's EET content is as follows:

- **Sustainable Investments:** As described previously, Neuberger's Article 9 Funds and a selection of Article 8 Funds hold minimum proportions of sustainable investments.
- **PAIs:** As described previously, Neuberger's funds which commit to making sustainable investments take into account all the mandatory PAIs set out in Annex I, Table 1 of the SFDR RTS for the purposes of identifying sustainable investments. More broadly, the majority of our Article 8 Funds take into account a selection of the mandatory PAIs, where there is sufficient data coverage and quality.
- **EU Taxonomy:** Due to the industry-wide lack of available and reliable data, Neuberger is not in a position to credibly determine the Taxonomy-alignment of Article 8 and 9 Funds, and so at this point in time discloses a Taxonomy alignment of 0%, in line with regulatory guidance.
- **Optional Fields:** We have completed a selection of optional fields in the EET that we believe provide relevant additional information to recipients. These include, for example, Neuberger's manager-level sustainability-related commitments and links to exclusions policies, where relevant.

Our EET is available through most fund distribution platforms and may also be requested directly on-demand here.

We will keep our EET up to date with the latest regulatory requirements and consistent with funds' pre-contractual commitments.

8. NEUBERGER UCITS FUND CLASSIFICATION OVERVIEW

Neuberger's product-level sustainability-related disclosures under SFDR can be found here. The table is as at 14 September 2026. Unless otherwise stated below, effective 4 August 2026, the Sub-Funds' names were updated to reflect the firm's rebranding from Neuberger Berman or NB to Neuberger

	SFDR Classification	Neuberger Integration Approach	Sustainable Investments	PAIs	Thermal Coal Policy	Controversial Weapons Policy	Global Standards Policy	Sustainable Exclusion Policy	EU CTB Exclusions	EU PAB Exclusions	Net-Zero Objective	Other Objective[10]
High Yield Bond												
Neuberger High Yield Bond Fund	8	Assess		✓	✓	✓	✓					
Neuberger Short Duration High Yield Engagement Fund	8	Adapt	✓	✓	✓	✓	✓	✓	✓		✓	✓
Neuberger European High Yield Bond Fund	8	Assess	✓	✓	✓	✓	✓	✓				
Neuberger Global High Yield Engagement Fund	8	Adapt	✓	✓	✓	✓	✓		✓			✓
Emerging Markets Debt												
Neuberger Emerging Markets Debt – Local Currency Fund	8	Assess		✓	✓	✓	✓					
Neuberger Emerging Markets Debt – Hard Currency Fund	8	Assess	✓	✓	✓	✓	✓					
Neuberger EMD Corporate – Social and Environmental Transition Fund	8	Adapt	✓	✓	✓	✓	✓	✓	✓		✓	✓
Neuberger Short Duration Emerging Markets Debt Fund	8	Assess	✓	✓	✓	✓	✓					
Neuberger Emerging Markets Debt Blend Fund	8	Assess		✓	✓	✓	✓					
Neuberger Emerging Markets Debt Sustainable Investment Grade Blend Fund	8	Amplify	✓	✓	✓	✓	✓	✓		✓	✓	
Neuberger Asia Responsible Transition Bond Fund	8	Adapt	✓	✓	✓	✓	✓	✓	✓		✓	✓
Neuberger Sustainable Emerging Markets Debt – Hard Currency Fund	9	Amplify	✓	✓	✓	✓	✓	✓		✓	✓	

[10] Other objectives may include, for example, carbon emission reductions, SDG-related targets or engagement-related objectives. These can be found in fund prospectus and supplement documents.

	SFDR Classification	Neuberger Integration Approach	Sustainable Investments	PAIs	Thermal Coal Policy	Controversial Weapons Policy	Global Standards Policy	Sustainable Exclusion Policy	EU CTB Exclusions	EU PAB Exclusions	Net-Zero Objective	Other Objective[11]
Fixed Income												
Neuberger Global Bond Fund	8	Assess		✓	✓	✓	✓					
Neuberger Strategic Income Fund	8	Assess		✓	✓	✓	✓					
Neuberger Corporate Hybrid Bond Fund	8	Assess	✓	✓	✓	✓	✓					
Neuberger Global Opportunistic Bond Fund	8	Assess		✓	✓	✓	✓					
Neuberger Global Flexible Credit Income Fund	8	Assess		✓	✓	✓	✓		✓		✓	
Neuberger Global Investment Grade Credit Fund	8	Assess	✓	✓	✓	✓	✓					
Neuberger Short Duration Income Fund	8	Assess		✓	✓	✓	✓					
Fixed Maturity												
Neuberger Developed Market FMP - 2027	8	Assess		✓	✓	✓	✓					
Euro Fixed Income												
Neuberger Euro Bond Absolute Return Fund	8	Assess		✓	✓	✓	✓					
Neuberger Short Duration Euro Bond Fund	8	Assess	✓	✓	✓	✓	✓					
Neuberger Euro Bond Fund	8	Assess		✓	✓	✓	✓					
Quantitative and Multi Asset												
Neuberger Global Value Fund	8	Amplify	✓	✓	✓	✓	✓	✓			✓	
Neuberger Commodities Fund	6	N/A			✓	✓						

[11] Other objectives may include, for example, carbon emission reductions, SDG-related targets or engagement-related objectives. These can be found in fund prospectus and supplement documents.

	SFDR Classification	Neuberger Integration Approach	Sustainable Investments	PAIs	Thermal Coal Policy	Controversial Weapons Policy	Global Standards Policy	Sustainable Exclusion Policy	EU CTB Exclusions	EU PAB Exclusions	Net-Zero Objective	Other Objective[12]
CLO Income												
Neuberger CLO Income Fund	8	Assess		✓	✓	✓	✓					
Liquid Alternatives												
Neuberger US Long Short Equity Fund	8	Assess		✓	✓	✓	✓					
Neuberger US Equity Premium Fund	6	N/A			✓	✓						
Neuberger Event Driven Fund	6	N/A			✓	✓						
Neuberger Tactical Macro Fund	6	N/A			✓	✓						
US Equity												
Neuberger US Small Cap Fund	8	Assess		✓	✓	✓	✓					
Neuberger US Multi Cap Opportunities Fund	8	Assess		✓	✓	✓	✓					
Neuberger US Small Cap Intrinsic Value Fund	8	Assess		✓	✓	✓	✓					
Neuberger US Equity Fund	8	Assess		✓	✓	✓	✓					
Neuberger US Large Cap Value Fund	8	Assess		✓	✓	✓	✓					

[12] Other objectives may include, for example, carbon emission reductions, SDG-related targets or engagement-related objectives. These can be found in fund prospectus and supplement documents.

Global Equity												
Neuberger Emerging Markets Equity Select Fund[1]	**8**	**Assess**		✓	✓	✓	✓					
Neuberger Japan Equity Engagement Fund	**8**	**Assess**		✓	✓	✓	✓	✓	✓			
Neuberger Japan Equity Fund	**6**	**Assess**			✓	✓	✓					
Emerging Markets Equity												
Neuberger Emerging Markets Equity Fund	**6**	**Avoid**			✓	✓						
MENA Equity	**6**	**Avoid**			✓	✓						
Neuberger MENA Equity Fund												
Balanced												
Neuberger Balanced Fund	**6**	**Assess**			✓	✓	✓					

	SFDR Classification	Neuberger Integration Approach	Sustainable Investments	PAIs	Thermal Coal Policy	Controversial Weapons Policy	Global Standards Policy	Sustainable Exclusion Policy	EU CTB Exclusions	EU PAB Exclusions	Net-Zero Objective	Other Objective[13]
Real Estate												
Neuberger US Real Estate Securities Fund	**8**	**Assess**		✓	✓	✓	✓					

[1] Please note that effective 14 September 2026, Neuberger Emerging Markets Equity Select Fund's name was updated to reflect the firm's rebranding from Neuberger Berman or NB to Neuberger.

[13] Other objectives may include, for example, carbon emission reductions, SDG-related targets or engagement-related objectives. These can be found in fund prospectus and supplement documents.

China Equity												
Neuberger China Equity Fund	**6**	**N/A**				✓						
Neuberger China A-Share Equity Fund	**8**	**Assess**		✓	✓	✓	✓	✓				
China Bond												
Neuberger China Bond Fund	**8**	**Assess**		✓	✓	✓	✓					
Thematic Equity												
Neuberger Next Generation Connectivity Fund	**8**	**Assess**	✓	✓	✓	✓	✓	✓				
Neuberger Global Equity Megatrends Fund	**8**	**Assess**	✓	✓	✓	✓	✓					
Neuberger Next Generation Mobility Fund	**8**	**Assess**	✓	✓	✓	✓	✓	✓				
Neuberger Next Generation Space Economy Fund	**8**	**Assess**	✓	✓	✓	✓	✓	✓			✓	
Neuberger Climate Innovation Fund	**8**	**Amplify**	✓	✓	✓	✓	✓	✓		✓	✓	

[14] Other objectives may include, for example, carbon emission reductions, SDG-related targets or engagement-related objectives. These can be found in fund prospectus and supplement documents.

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NEUBERGER

2 Central Plaza
Dame Street
Dublin D02 T0X4
Ireland

The Zig Zag Building
70 Victoria Street
London SW1E 6SQ

neuberger.com

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