

Neuberger Berman LLC  
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New York, NY 10104  
Tel. 212.476.9000

NEUBERGER	BERMAN
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Dear Investor,

As a firm, Neuberger Berman believes that material environmental, social and governance (ESG) characteristics are an important driver of long-term investment returns from both an opportunity and a risk mitigation perspective. We believe paying attention to these factors helps make us smarter investors. As a result of continued progress on ESG integration, Neuberger Berman received an A+, the highest possible score, in every single category of the most recent UN-supported Principles for Responsible Investment (PRI) assessment report as of year-end 2018.<sup>1</sup>

Our investment professionals integrate ESG characteristics into their research and portfolio construction in a manner which is consistent with the specific asset class and style of each investment strategy. We are committed to constantly enhancing our approach in order to benefit our clients, support better functioning capital markets, and generate positive outcomes for the world as a whole. We continue to drive progress in areas such as the use of innovative big data in our proprietary ESG ratings, the management of climate-related risk based on our climate scenario analysis capability, engagement with issuers across fixed income and equities, and the development of novel impact investing strategies.

One of the ways we demonstrate our commitment to ESG investing is through our membership in the PRI since 2012. The PRI provides one framework through which to report and assess our ESG integration efforts, and so we are pleased to provide you with a copy of our 2019 Transparency Report.

Also available is a copy of our current ESG Policy, which provides a broad framework for our approach to ESG integration. Read more about how ESG has shaped our decision making in our inaugural [ESG Annual Report](#), as well as our latest white papers, articles and perspectives on ESG topics from investment professionals across the firm on [www.nb.com/esg](http://www.nb.com/esg).

And finally, feel free to reach out to us with questions. ESG investing is a constantly evolving area, and as such, we welcome your feedback and opportunities to engage and collaborate with you on ESG topics. Our investment teams can provide you with a deeper understanding of how ESG characteristics are considered in their strategies and how we can most fully address the impact objectives that matter most to you.

Thank you for your interest.

Sincerely,

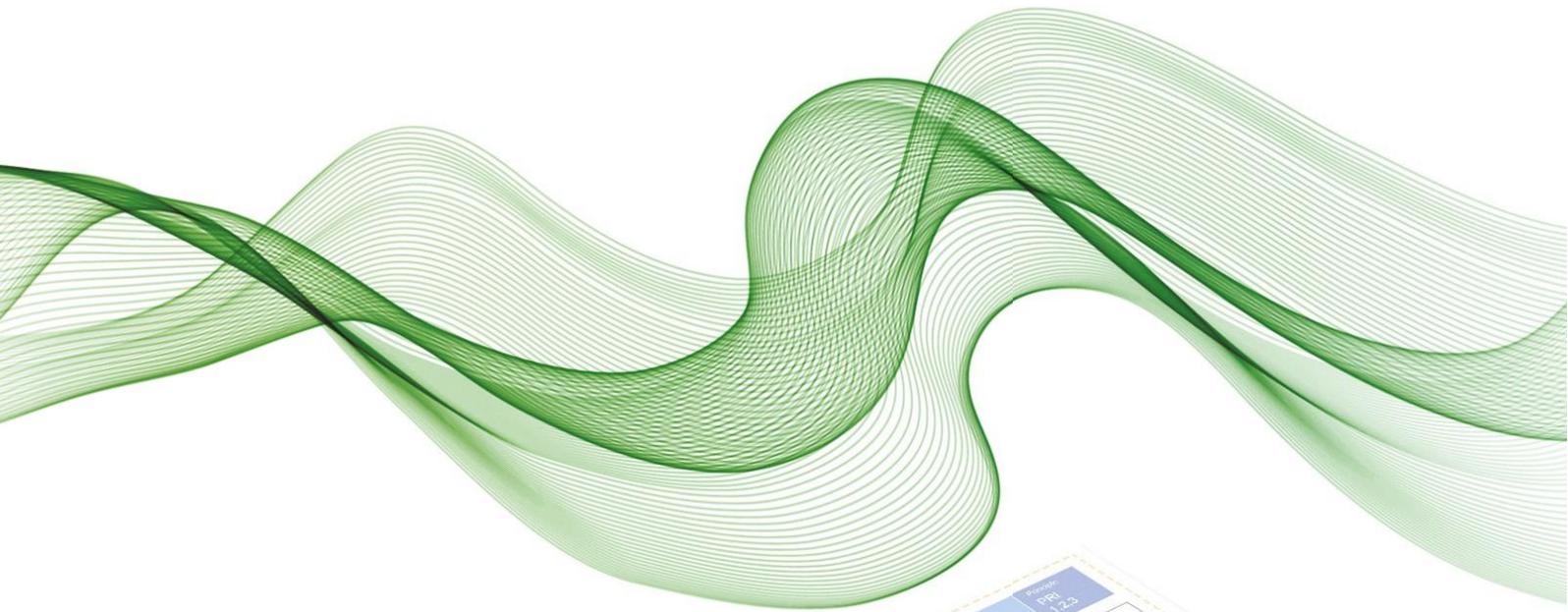


Joseph V. Amato  
President and Chief Investment Officer – Equity  
Member, ESG Committee



Jonathan Bailey  
Head of ESG & Impact Investing  
Chair, ESG Committee

<sup>1</sup>Source: Principles for Responsible Investment (PRI). For illustrative and discussion purposes only. PRI grades are based on information reported directly by PRI signatories, of which investment managers totaled 1,119 for 2019, 1,120 for 2018 and 935 for 2017. All signatories are eligible to participate and must complete a questionnaire to be included. The underlying information submitted by signatories is not audited by the PRI or any other party acting on its behalf. Signatories report on their responsible investment activities by responding to asset-specific modules in the Reporting Framework. Each module houses a variety of indicators that address specific topics of responsible investment. Signatories' answers are then assessed and results are compiled into an Assessment Report. The Assessment Report includes indicator scores, summarizing the individual scores achieved and comparing them to the median; section scores, grouping similar indicator scores together into categories (e.g. policy, assurance, governance) and comparing them to the median; module scores, aggregating all the indicator scores within a module to assign one of six performance bands (from E to A+). Awards and ratings referenced do not reflect the experiences of any Neuberger Berman client and readers should not view such information as representative of any particular client's experience or assume that they will have a similar investment experience as any previous or existing client. Awards and ratings are not indicative of the past or future performance of any Neuberger Berman product or service. Moreover, the underlying information has not been audited by the PRI or any other party acting on its behalf. While every effort has been made to produce a fair representation of performance, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for damage caused by use of or reliance on the information contained within this report. Information about PRI grades is sourced entirely from PRI and Neuberger Berman makes no representations, warranties or opinions based on that information.



LEA 02	Disclosures	Monetary	Principle
<p>Disclosures should be made and made available to investors for use in their investment decisions. Disclosures should be made available to investors for use in their investment decisions. Disclosures should be made available to investors for use in their investment decisions.</p>	<p>Disclosures should be made and made available to investors for use in their investment decisions. Disclosures should be made available to investors for use in their investment decisions. Disclosures should be made available to investors for use in their investment decisions.</p>	<p>Disclosures should be made and made available to investors for use in their investment decisions. Disclosures should be made available to investors for use in their investment decisions. Disclosures should be made available to investors for use in their investment decisions.</p>	<p>Principle 12.3</p>
<p>Reason for interaction</p>	<p>Individual/ internal staff engagements</p>	<p>Collaborative engagements</p>	<p>Service provider engagements</p>
<p>Reason for interaction</p>	<p>Individual/ internal staff engagements</p>	<p>Collaborative engagements</p>	<p>Service provider engagements</p>

# RI TRANSPARENCY REPORT

2019

Neuberger Berman Group LLC

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the reporting period specified above. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information.

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Usage restrictions

Public Transparency Reports are the intellectual property of PRI. In no case, can this report or any content of it be sold to other parties.

Third party organisations who have accessed Transparency reports outside of the Data Portal and intend to use those require the prior written consent of PRI (other than for internal use or research or for the sole benefit of the organisation whose report this refers to).

OO 01.1 Select the services and funds you offer

Select the services and funds you offer	% of asset under management (AUM) in ranges
Fund management	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Fund of funds, manager of managers, sub-advised products	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Other	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Total 100%	

Further options (may be selected in addition to the above)

- Hedge funds
- Fund of hedge funds

OO 01.2 Additional information. [Optional]

Firm Overview

Neuberger Berman was founded in 1939 to do one thing: deliver compelling investment results for our clients over the long term. This remains our singular purpose today, driven by a culture rooted in deep fundamental research, the pursuit of investment insight and continuous innovation on behalf of clients, and facilitated by the free exchange of ideas across the organization. Institutions, advisors, families and individuals across the globe have entrusted us with \$304 billion of their capital as of December 31, 2018.

As a private, independent, employee-owned investment manager, Neuberger Berman is structurally aligned with the long-term interests of our clients. We have no external parent or public shareholders to serve, nor other lines of business to distract us from our core mission. And with our employees and their families invested alongside our clients, - plus 100% of employee deferred cash compensation directly linked to team and firm strategies, - we are truly in this together.

From offices in 22 countries, Neuberger Berman takes an active approach to the management of equity, fixed income, private equity and debt, hedge fund and quantitative strategies, along with the multi-asset class portfolios that bring them together. With more than 500 investment professionals and over 2,000 employees\* in total, Neuberger Berman has built a diverse team of individuals united in their commitment to investment excellence and dedicated to engagement in support of the material environmental, social and governance characteristics that Neuberger Berman believes help drive long-term returns for our clients. Our culture has afforded us enviable retention rates among our senior investment staff and has earned us citations as a top-ranked firm (among those with 1,000 or more employees) in the Pensions & Investments "Best Places to Work in Money Management" survey annually since 2013, ranking second in 2018.

Several key elements reinforce who we are:

**Culture of Partnership and Innovation:** As a private, independent, employee-owned investment manager, Neuberger Berman has the freedom to focus exclusively on investing for our clients for the long term. As such, we are deeply attuned to each client's distinct combination of investment goals, risk tolerance, and income and liquidity requirements, and we can act in partnership to address them as they change over time.

Inherent in this culture of partnership is a commitment to innovation, a firm-wide drive to uncover new solutions as markets and client needs evolve. Not merely innovation for its own sake, but rather the development of transformative concepts rooted in practical client applications. Since 1939 we have been on the forefront of a number of industry trends now considered commonplace—from the launch of one of the first no-load mutual funds to the early adoption of socially responsive investment techniques. As a firm, Neuberger Berman believes that material environmental, social and governance characteristics are an important driver of long-term investment returns from both an opportunity and a risk mitigation perspective. We also understand that for many of our clients the impact of their portfolio is an important consideration in conjunction with investment performance. We recognize ESG factors, like any other factor, should be incorporated in a manner consistent with the specific asset class and style of each investment strategy. We consider ESG factors across our investment platform and offer a range of solutions to meet client objectives.

Our commitment extends beyond our line-up of investment products. We look to collaborate with clients to overcome a variety of challenges, and we are proud to be a thought partner to our clients, offering access to our investment professionals, both in person and through our thought leadership publications, training and joint research projects.

**Experience and Stability:** Neuberger Berman – by design – attracts individuals who share a passion for investing and who thrive in an environment of rigorous analysis, challenging dialogue, and professional and personal respect. In a testament to the strength of the culture we have built—honed by nearly 80 years of markets and countless "once-in-a-lifetime" events—these professionals have tended to stay with the firm. This stability over time drives results and consistency of process.

On average, our lead portfolio managers have worked in asset management for more than 25 years, including an average of 16 years at Neuberger Berman. And while our clients benefit from the wisdom of our seasoned professionals, we are always looking to supplement their ranks with emerging talent. By enabling the transfer of knowledge, providing growth opportunities for skilled investors and building thoughtful succession plans, we seek to ensure a consistent client experience over the long term.

**Breadth of Perspective:** Our portfolio management professionals are critical, independent thinkers who benefit from being part of a global, diverse investment organization composed of more than 500 investment professionals with different perspectives on markets, economies and strategies. Clients benefit from the firm's intellectual capital across investment disciplines—equity and credit, public and private, long and short, large and small—as our breadth of perspective bolsters individual conviction and often results in portfolios with high active shares and the potential for alpha generation.

We continue to value the free exchange of ideas in pursuit of insight that might otherwise go undiscovered. We host multiple forums in which our investment professionals can share research, test theories and expose to scrutiny their investment ideas. These include both formal assemblies—such as our various asset class investment committees and the cross-class Asset Allocation Committee, along with our various research teams—as well as informal connections initiated by like-minded professionals with a shared dedication to the pursuit of investment insight on behalf of clients.

\* All information as of December 31, 2018 unless otherwise indicated. Firm data reflects the collective data for the various subsidiaries of Neuberger Berman Group LLC.

OO 02	Mandatory	Peering	General
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OO 02.1	Select the location of your organisation's headquarters.
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United States

OO 02.2	Indicate the number of countries in which you have offices (including your headquarters).
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- 1
- 2-5
- 6-10
- >10

OO 02.3	Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).
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2080

OO 03	Mandatory	Descriptive	General
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OO 03.1	Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.
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- Yes
- No

OO 04	Mandatory	Gateway/Peering	General
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OO 04.1	Indicate the year end date for your reporting year.
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31/12/2018

OO 04.2	Indicate your total AUM at the end of your reporting year.
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Total AUM  
304,113,000,000 USD  
304,113,000,000 USD

OO 04.4	Indicate the total assets at the end of your reporting year subject to an execution and/or advisory approach.
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Not applicable as we do not have any assets under execution and/or advisory approach

OO 05	Mandatory to Report, Voluntary to Disclose	Gateway	General
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OO 05.1	Provide an approximate percentage breakdown of your AUM at the end of your reporting year using the following asset classes and investment strategies:
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	Internally managed (%)	Externally managed (%)
Listed equity	10-50%	0
Fixed income	10-50%	0
Private equity	<10%	10-50%
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	<10%	0
Fund of hedge funds	0	<10%
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0

Money market instruments	0	0
Other (1), specify	<10%	0
Other (2), specify	0	0

Internally managed 'Other (1)' description  
Multi-Asset Class, Alternative Credit, Options, Insurance-Linked Strategies

00 06 Mandatory Descriptive General

00 06.1 Select how you would like to disclose your asset class mix.

- as percentage breakdown
- as broad ranges

00 06.3 Indicate whether your organisation has any off-balance sheet assets [Optional].

- Yes
- No

00 06.5 Indicate whether your organisation uses fiduciary managers.

- Yes, we use a fiduciary manager and our response to 00 5.1 is reflective of their management of our assets.
- No, we do not use fiduciary managers.

00 07 Mandatory to Report, Voluntary to Disclose Gateway General

Private

00 08 Mandatory to Report, Voluntary to Disclose Peering General

Private

00 09 Mandatory Peering General

00 09.1 Indicate the breakdown of your organisation's AUM by market.

92

Developed Markets

8

Emerging Markets

0

Frontier Markets

0

Other Markets

00 10 Mandatory Gateway General

00 10.1 Select the active ownership activities your organisation implemented in the reporting year.

Listed equity – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors.

Listed equity – voting

- We cast our (proxy) votes directly or via dedicated voting providers
- We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

Fixed income SSA – engagement

- We engage with SSA bond issuers on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with SSA bond issuers on ESG factors. Please explain why you do not.

Fixed income Corporate (financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (non-financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (securitised) – engagement
<input checked="" type="checkbox"/> We engage with companies on ESG factors via our staff, collaborations or service providers. <input type="checkbox"/> We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

00 11	Mandatory	Gateway	General
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00 11.1	Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).
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Listed equity	<input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation.
Fixed income - SSA	<input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation.
Fixed income - corporate (financial)	<input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation.
Fixed income - corporate (non-financial)	<input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation.
Fixed income - securitised	<input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation.
Private equity	<input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation.
Hedge funds	<input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation.
Other (1)	<input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation.
'Other (1)' [as defined in 00 05]	Includes Options, Multi-Asset Class, Alternative Credit and Quantitative

00 11.2	Select the externally managed assets classes in which you and/or your investment consultants address ESG incorporation in your external manager selection, appointment and/or monitoring processes.
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Asset class	ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes		
Private equity	<table border="1"> <tr> <td style="background-color: #0070C0; color: white;">Private equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</td> <td> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process  <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process  <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process  <input type="checkbox"/> We do not do ESG incorporation                 </td> </tr> </table>	Private equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes	<input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Private equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes	<input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation		
Fund of hedge funds	<table border="1"> <tr> <td style="background-color: #0070C0; color: white;">Fund of hedge funds - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</td> <td> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process  <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process  <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process  <input type="checkbox"/> We do not do ESG incorporation                 </td> </tr> </table>	Fund of hedge funds - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes	<input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Fund of hedge funds - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes	<input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation		

OO 11.4	Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.
<p>At Neuberger Berman, we recognize that our clients expect rigorous ESG integration from their investment manager. We firmly believe that attention to material ESG factors helps make us smarter investors and that engagement with companies on ESG topics helps them perform better for their investors and for society. Today, the majority of assets managed by Neuberger Berman consistently and demonstrably integrate ESG factors in portfolio construction and security analysis.</p> <p>ESG integration occurs across our investment platform to varying degrees based on the product's asset class and the investment teams' specific processes and strategies. In general, integration is based on the principle of financial materiality, recognizing that ESG integration should be specific to the asset class, capital structure, sector, geographic location, issuer size and type, holding period of the security, degree of influence or control, and other considerations.</p> <p>The ESG integration process identifies how ESG factors are used (both as a source of risk mitigation and enhanced opportunity), measured and reported, as well as their influence on decision-making and how each of the investment teams continue to enhance and evolve its process over time. We believe that the most effective way to integrate ESG into an investment process over the long term is for investment teams themselves to research ESG factors and consider them alongside other inputs into the investment process. For this reason, we embed such research in the work of our security research analysts rather than employing a separate ESG research team. The investment teams can then choose how best to apply all the tools of active management, whether that is to engage or ultimately to sell a security when it no longer offers an attractive risk-adjusted potential return.</p> <p>Our ESG working groups have developed policy statements for ESG integration at the asset class level.</p> <ul style="list-style-type: none"> <li>• <b>PUBLIC EQUITY:</b> Neuberger Berman believes that ESG characteristics are a good proxy for the strength of the business model and management team at a given company. We also believe that strong corporate governance aligns management and shareholder interests, and that environmental and social practices can assist in identifying business models that may create sustainable value while potentially mitigating downside.</li> <li>• <b>PUBLIC FIXED INCOME:</b> Neuberger Berman believes that analyzing ESG characteristics enhances traditional credit analysis by providing a fuller understanding of the risk profile of each issuer. Our proprietary credit analysis frameworks integrate bottom-up ESG research in order to enable our portfolio managers to better assess investment opportunities. Portfolio managers can also use ESG characteristics as an additional differentiator on a risk-adjusted basis during portfolio construction.</li> <li>• <b>PRIVATE MARKETS (EQUITY AND DEBT):</b> Neuberger Berman believes that ESG characteristics are an important part of the due diligence of any private investment. We seek to conduct this diligence ourselves when we invest alongside other general partners on a particular transaction. We also consider ESG factors when investing in a private equity fund / firm (through a primary, secondary or general partner stake), and view the track record and commitment to ESG integration by general partners as an indicator of their quality and approach to risk management.</li> </ul> <p>Monitoring Processes</p> <p>We systematically measure our ESG activities, including the proportion of assets under management that are explicitly integrating ESG criteria, our proxy voting record and our engagement activities. We measure our success through sustained improvement in our ESG expertise, deeper ESG integration in investment processes and research activities, and greater ability to meet the needs of our clients for ESG-integrated solutions.</p>	

OO 12	Mandatory	Gateway	General
OO 12.1	Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.		
Core modules			
<input checked="" type="checkbox"/> Organisational Overview <input checked="" type="checkbox"/> Strategy and Governance			
RI implementation directly or via service providers			
Direct - Listed Equity incorporation			
<input checked="" type="checkbox"/> Listed Equity incorporation			
Direct - Listed Equity active ownership			
<input checked="" type="checkbox"/> Engagements <input checked="" type="checkbox"/> (Proxy) voting			
Direct - Fixed Income			
<input checked="" type="checkbox"/> Fixed income - SSA <input type="checkbox"/> Fixed income - Corporate (financial) <input checked="" type="checkbox"/> Fixed income - Corporate (non-financial) <input type="checkbox"/> Fixed income - Securitised			
Direct - Other asset classes with dedicated modules			
<input type="checkbox"/> Private Equity <input type="checkbox"/> Hedge Funds and/or Fund of Hedge Funds			
RI implementation via external managers			
Indirect - Selection, Appointment and Monitoring of External Managers			
<input checked="" type="checkbox"/> Private Equity			
Closing module			
<input checked="" type="checkbox"/> Closing module			
OO LE 01	Mandatory	Gateway	General

**OO LE 01.1** Provide a breakdown of your internally managed listed equities by passive, active - quantitative (quant), active - fundamental and active - other strategies.

Strategies	Percentage of internally managed listed equities
Passive	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Active - quantitative (quant)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%
Active - fundamental and active - other	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Total 100%	

**OO LE 02** Mandatory to Report, Voluntary to Disclose Gateway General

Private

**OO FI 01** Mandatory Gateway General

**OO FI 01.1** Provide a breakdown of your internally managed fixed income securities by active and passive strategies

Type	Passive	Active - quantitative	Active - fundamental & others	Total internally managed fixed income security
SSA	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	100%
Corporate (financial)	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	100%
Corporate (non-financial)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	100%
Securitised	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	100%

**OO FI 03** Mandatory Descriptive General

**OO FI 03.1** Indicate the approximate (+/- 5%) breakdown of your SSA investments, by developed markets and emerging markets.

SSA	65	Developed markets
	35	Emerging markets

**OO FI 03.2** Indicate the approximate (+/- 5%) breakdown of your corporate and securitised investments by investment grade or high-yield securities.

Type	Investment grade (+/- 5%)	High-yield (+/- 5%)	Total internally managed
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Corporate (financial)	<input checked="" type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input type="checkbox"/> 0%	<input type="checkbox"/> >50% <input checked="" type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input type="checkbox"/> 0%	<b>100%</b>
Corporate (non-financial)	<input type="checkbox"/> >50% <input checked="" type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input type="checkbox"/> 0%	<input checked="" type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input type="checkbox"/> 0%	<b>100%</b>
Securitised	<input checked="" type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input type="checkbox"/> 0%	<input type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input checked="" type="checkbox"/> 0%	<b>100%</b>

OO PE 01	Mandatory	Descriptive	General
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OO PE 01.1 Provide a breakdown of your organisation's internally managed private equity investments by investment strategy.

Investment strategy	Percentage of your internally managed private equity holdings (in terms of AUM)
Venture capital	<input type="checkbox"/> >50% <input checked="" type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input type="checkbox"/> 0%
Growth capital	<input type="checkbox"/> >50% <input checked="" type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input type="checkbox"/> 0%
(Leveraged) buy-out	<input type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input checked="" type="checkbox"/> <10% <input type="checkbox"/> 0%
Distressed/Turnaround/Special Situations	<input type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input checked="" type="checkbox"/> <10% <input type="checkbox"/> 0%
Secondaries	<input checked="" type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input type="checkbox"/> 0%
Other investment strategy, specify (1)	<input type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input checked="" type="checkbox"/> 0%
Other investment strategy, specify (2)	<input type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input checked="" type="checkbox"/> 0%
Total 100%	

OO PE 02	Mandatory to Report, Voluntary to Disclose	Descriptive	General
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Private

Private

**SG 01.1** Indicate if you have an investment policy that covers your responsible investment approach.

✓ Yes

**SG 01.2** Indicate the components/types and coverage of your policy.

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach	
<input checked="" type="checkbox"/> Formalised guidelines on environmental factors	
<input checked="" type="checkbox"/> Formalised guidelines on social factors	
<input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors	
<input type="checkbox"/> Fiduciary (or equivalent) duties	
<input checked="" type="checkbox"/> Asset class-specific RI guidelines	<input checked="" type="checkbox"/> Applicable policies cover all AUM
<input type="checkbox"/> Sector specific RI guidelines	<input type="checkbox"/> Applicable policies cover a majority of AUM
<input checked="" type="checkbox"/> Screening / exclusions policy	<input type="checkbox"/> Applicable policies cover a minority of AUM
<input checked="" type="checkbox"/> Engagement policy	
<input checked="" type="checkbox"/> (Proxy) voting policy	
<input type="checkbox"/> Other, specify (1)	
<input type="checkbox"/> Other, specify(2)	

**SG 01.3** Indicate if the investment policy covers any of the following

- Your organisation’s definition of ESG and/or responsible investment and it’s relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

**SG 01.4** Describe your organisation’s investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties,and how they consider ESG factors and real economy impact.

Our firm’s Environmental, Social and Governance Policy provides a broad framework for our approach to ESG integration. This ESG Policy is our guideline for formalizing and focusing on our responsible investment efforts, with the recognition that environmental, social and governance issues have a meaningful impact on delivering investment results for our clients. Our ESG Policy is disclosed to the public on our website at [www.nb.com/esg](http://www.nb.com/esg) where we invite you to find our latest white papers, articles and perspectives on ESG topics.

**Key elements of our policy include our commitment to the PRI:**

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

**Key factors in our firm’s approach to responsible investment include:**

- The establishment of an ESG Committee and ESG Investing Team
- Investment and research approach to incorporating ESG factors
- Our firm’s long history and leadership in ESG investing
- Our ongoing commitment to responsible investment

**SG 01.5** Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

As a firm, Neuberger Berman believes that material environmental, social and governance characteristics are an important driver of long-term investment returns from both an opportunity and a risk mitigation perspective. We also understand that for many of our clients the impact of their portfolio is an important consideration in conjunction with investment performance.

1. Introduction and Philosophy:

Since the inception of the firm in 1939, Neuberger Berman has remained singularly focused on delivering attractive investment results for our clients over the long term. As an active manager, we have a long-standing belief that material environmental, social and governance (ESG) factors are an important driver of long-term investment returns from both an opportunity and a risk-mitigation perspective. Therefore, we take a comprehensive approach toward managing client assets, including the integration of ESG criteria into our investment process. We also understand that for many clients the impact of their portfolios is an important consideration in conjunction with investment performance.

From our first application of “avoidance screens” in the early 1940s to the launch of our U.S. Sustainable Equity team in 1989, Neuberger Berman has been at the forefront of integrating ESG factors into investment processes.

Today, we continue to innovate, driven by our belief that ESG factors, like any other factor, should be incorporated in a manner consistent with the specific asset class, strategy and style of each investment strategy. ESG factors can be employed in a variety of ways to help generate enhanced returns, as well as to meet specific client objectives within a portfolio. We believe our approach not only benefits our clients but can also support better-functioning capital markets and have a positive impact for people and the planet.

2. Scope: This policy applies to capabilities across our investment platform and is intended to provide a broad framework for our approach to ESG integration. The specific approach to ESG integration in any given investment strategy depends upon multiple elements, including the objectives of the strategy, asset class, investment time horizon, as well as the specific research and portfolio construction, philosophy and process used by the portfolio manager. The approach to integration can be customized by type of investment vehicle.

3. Oversight: The ESG Committee ("Committee") is responsible for reviewing the ESG Policy annually and amending it as needed. The Committee is chaired by the Head of ESG Investing and is comprised of senior investment professionals across all asset classes, including the Chief Investment Officer (CIO) for Equities, senior portfolio managers from the Fixed Income and Private Investment teams, and the heads of research for Equities and Fixed Income. The committee also includes senior professionals from client coverage, client service, legal, marketing, operations, and risk management.

Our dedicated ESG Investing team is responsible for setting the firm's ESG strategy in collaboration with the Committee and after consultation with portfolio managers, CIOs and our CEO. The ESG strategy is reviewed by the firm's Partnership Committee and Board of Directors on an annual basis.

4. Integration:

Individual research analysts and portfolio managers are responsible for implementing ESG integration in their portfolios and investment research. We believe this bottom-up approach encourages strategy-specific innovation while allowing each portfolio management team to learn from best practices across the investment platform. Our ESG Investing team accelerates this process with top-down expertise and support.

Each portfolio management team selects an approach from our ESG Integration Framework: Avoid, Assess, Amplify or Aim for Impact. This clarifies why the ESG factors are being integrated into their research and portfolio construction process: whether to simply exclude particular companies ("Avoid"), reach a more holistic understanding of risk and return ("Assess"), tilt the portfolio to best-in-class issuers ("Amplify") or invest in issuers that are intentionally generating positive impact ("Aim for Impact").

The approach to integration can be customized by type of investment vehicle: for example, to implement client-specific avoidance criteria, to tilt toward specific ESG characteristics valued by the client or to seek certain types of positive impact that are meaningful to the client.

Each portfolio management team determines how best to achieve its ESG integration objective and lays out how ESG analysis is conducted to mitigate risk and enhance opportunity, how ESG issuers are analyzed and measured at the security level, and how they influence portfolio construction.

No

SG 01 CC	Voluntary	Descriptive	General
Private			

SG 02	Mandatory	Core Assessed	PRI 6
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SG 02.1 Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

Policy setting out your overall approach

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www.nb.com/pages/public/en-us/esg-investing.aspx">https://www.nb.com/pages/public/en-us/esg-investing.aspx</a>
<input type="checkbox"/> Attachment (will be made public)

Formalised guidelines on environmental factors

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www.nb.com/pages/public/en-us/esg-investing.aspx">https://www.nb.com/pages/public/en-us/esg-investing.aspx</a>
<input type="checkbox"/> Attachment (will be made public)

Formalised guidelines on social factors

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www.nb.com/pages/public/en-us/esg-investing.aspx">https://www.nb.com/pages/public/en-us/esg-investing.aspx</a>
<input type="checkbox"/> Attachment (will be made public)

Formalised guidelines on corporate governance factors

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www.nb.com/pages/public/en-us/esg-investing.aspx">https://www.nb.com/pages/public/en-us/esg-investing.aspx</a>
<input type="checkbox"/> Attachment (will be made public)

Asset class-specific RI guidelines

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www.nb.com/pages/public/en-us/esg-investing.aspx">https://www.nb.com/pages/public/en-us/esg-investing.aspx</a>
<input type="checkbox"/> Attachment (will be made public)

- Screening / exclusions policy

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www.nb.com/pages/public/en-us/esg-investing.aspx">https://www.nb.com/pages/public/en-us/esg-investing.aspx</a>
<input type="checkbox"/> Attachment (will be made public)

- Engagement policy

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www.nb.com/pages/public/en-us/esg-investing.aspx">https://www.nb.com/pages/public/en-us/esg-investing.aspx</a>
<input type="checkbox"/> Attachment (will be made public)

- (Proxy) voting policy

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www.nb.com/pages/public/en-us/esg-investing.aspx">https://www.nb.com/pages/public/en-us/esg-investing.aspx</a>
<input type="checkbox"/> Attachment (will be made public)

- We do not publicly disclose our investment policy documents

**SG 02.2** Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www.nb.com/pages/public/en-us/esg-investing.aspx">https://www.nb.com/pages/public/en-us/esg-investing.aspx</a>
<input type="checkbox"/> Attachment

- Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www.nb.com/pages/public/en-us/esg-investing.aspx">https://www.nb.com/pages/public/en-us/esg-investing.aspx</a>
<input type="checkbox"/> Attachment

- Governance structure of organisational ESG responsibilities

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www.nb.com/pages/public/en-us/esg-investing.aspx">https://www.nb.com/pages/public/en-us/esg-investing.aspx</a>
<input type="checkbox"/> Attachment

- ESG incorporation approaches

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www.nb.com/pages/public/en-us/esg-investing.aspx">https://www.nb.com/pages/public/en-us/esg-investing.aspx</a>
<input type="checkbox"/> Attachment

- Active ownership approaches

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www.nb.com/pages/public/en-us/esg-investing.aspx">https://www.nb.com/pages/public/en-us/esg-investing.aspx</a>
<input type="checkbox"/> Attachment

- Reporting

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www.nb.com/pages/public/en-us/esg-investing.aspx">https://www.nb.com/pages/public/en-us/esg-investing.aspx</a>
<input type="checkbox"/> Attachment

- Climate change

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www.nb.com/pages/public/en-us/esg-investing.aspx">https://www.nb.com/pages/public/en-us/esg-investing.aspx</a>
<input type="checkbox"/> Attachment
<input type="checkbox"/> We do not publicly disclose any investment policy components

SG 03	Mandatory	Core Assessed	General
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SG 03.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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Yes

SG 03.2	Describe your policy on managing potential conflicts of interest in the investment process.
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Generally, employees of Neuberger Berman's North American based registered investment advisers are subject to the firm's Code of Ethics (the "COE"). The COE complies with Rule 204A-1 of the Investment Advisers Act of 1940 (the "Advisers Act") and Rule 17j-1 of the Investment Company Act of 1940 (the "Company Act"), which requires registered investment advisers and investment companies to adopt and enforce codes of ethics applicable to their supervised persons (as defined in the COE) that include certain provisions regarding standards of business conduct; compliance with applicable federal securities laws; reporting and reviewing of personal securities transactions and holdings; reporting of code violations; and the furnishing and acknowledging of a firm's code of ethics.

The COE contains standards of business conduct based upon established principles, including: (a) placing client interests ahead of employees' personal interests; (b) refraining from any practice which would operate as a fraud or deceit; (c) conducting personal securities transactions in such a manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility; (d) reporting actual and potential conflicts of interest; and (e) maintaining confidentiality of client information.

No

SG 03.3	Additional information. [Optional]
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The Code of Ethics also contains employee trading policies and procedures that are closely monitored by our Legal and Compliance Department. Key aspects of the employee trading policies and procedures include: (a) requirements for securities account to be maintained with the firm or other approved entities; (b) an employee price restitution policy; (c) prohibitions against employee participation in initial public offerings; (d) prohibitions against trading on the basis of material non-public information; (e) pre-approval requirements for certain security transactions such as private placement offerings; (f) minimum holding periods for most personal securities transactions; and (g) annual written affirmation of reporting obligations and compliance with the Code of Ethics.

The price restitution policy attempts to address the potential conflict that could arise from employees owning the same securities as clients, or where the accounts of both enter the market at the same time. Subject to certain exclusions, including certain accounts that are custodied and traded by third parties as part of programs sponsored by financial intermediaries, employee trades that are executed on the same day and in the same security as a Client Account are reviewed to ensure that the employee does not receive a better price than the client. In the event that the employee does receive a better price, the employee's price is "switched" to that of the client's and the cash difference in the execution price is disgorged from the employee account. Disgorged proceeds are often allocated to Client Accounts in the form of revised execution prices. In some instances, however, a revised execution price may, for operational reasons beyond the firm's control, not be feasible and the proceeds will either be remitted to Client Accounts or donated to charity.

Advisory Persons (as defined by the Code of Ethics) are subject to a broader review period with respect to their own clients. There may also be differences in policies within the Code of Ethics as it relates to Advisory Persons of the Neuberger Berman funds with respect to certain employee trading policies and procedures, such as holding periods, blackout periods and price switch/disgorgements policies.

SG 04	Voluntary	Descriptive	General
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Private

SG 05	Mandatory	Gateway/Core Assessed	General
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SG 05.1	Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.
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Quarterly or more frequently

Biannually

Annually

Less frequently than annually

Ad-hoc basis

It is not set/reviewed

SG 05.2	Additional information. [Optional]
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Our dedicated ESG Investing team is responsible for setting the firm's ESG strategy in collaboration with the ESG Committee and after consultation with portfolio managers, CIOs and our CEO. The ESG strategy is reviewed by the firm's Partnership Committee and Board of Directors on an annual basis.

Implementation of the strategy is reviewed throughout the year, including by the ESG Committee during its quarterly meetings.

SG 06	Voluntary	Descriptive	General
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Private

SG 07	Mandatory	Core Assessed	General
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SG 07.1	Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.
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Roles
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Board members or trustees

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment

Internal Roles (triggers other options)

Select from the below internal roles

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
  - Heads of Research (3)
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
- Other role, specify (1)
- Other role, specify (2)

External managers or service providers

**SG 07.2 For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.**

In 2018, we continued to deepen our commitment at a firm level to impact and sustainable investing by enhancing our ESG Investing team, which today consists of six full-time professionals, led by Jonathan Bailey, which reports to Joe Amato, President and Chief Investment Officer – Equity. The team's primary responsibility is setting and implementing the global ESG strategy by deepening the integration of ESG factors into new and existing investment strategies. The team also coordinates the firm's approach to proxy voting and engagement, works with research teams on innovating our proprietary ESG assessment of companies and issuers, and leads thought leadership, highlighting our ESG research as a way to encourage dialogue and share best practice.

Our ESG Investing team works with investment teams and functions across the firm, and is supported by ESG working groups at the asset-class level that are responsible for providing context-specific expertise and assisting with education and implementation among the investment teams. To review the degree of ESG integration across the firm, the Head of ESG Investing participates in the investment performance review of all ESG integrated investment teams chaired by each platform's Chief Investment Officer.

For individual strategies, we consider the incorporation of ESG issues to part of the overall duties of our research analysts and portfolio managers and choose not to carve out a separate ESG research or stewardship team. As such, each research analyst and portfolio manager is responsible for researching and integrating ESG issues into their investment decision-making process.

Please see below for members of the ESG Committee.

- Jonathan Bailey, Head of ESG Investing
- Joe Amato, President and Chief Investment Officer - Equities
- Irina Babushkina, Equity Research
- Chrystelle Charles-Barral, Risk Management
- Tim Creedon, CFA, Head of Equity Research
- Ingrid Dyott, Co-Portfolio Manager, Sustainable Equity Team
- Steve Flaherty, Director of Investment Grade Research
- Erik Knutzen, CFA, CAIA, Co-Head of the Neuberger Berman Quantitative and Multi-Asset Class investment team and Multi-Asset Class Chief Investment Officer
- Chris Kocinski, Co-Director of Non-Investment Grade Credit Research
- Maura Reilly Kennedy, Managing Director, Private Equity
- Lawrence Kohn, Chief Operating Officer – Equities
- Jim Lyman, Director of Research Municipal Fixed Income
- Dina Lee, Associate General Counsel
- Dik van Lomwel, Head of EMEA and Latin America
- Raluca Pencu, Head of RFP

- Gorky Urquieta, Co-Head of Emerging Markets Debt
- Rob Drijkoningen, Co-Head of Emerging Markets Debt

SG 07.3	Indicate the number of dedicated responsible investment staff your organisation has.
13	
SG 07.4	Additional information. [Optional]
The number above includes our ESG Investing team and our Sustainable Equity team.	

SG 07 CC	Voluntary	Descriptive	General
Private			
SG 08	Voluntary	Additional Assessed	General
Private			
SG 09	Mandatory	Core Assessed	PRI 4,5

SG 09.1	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
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Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)
Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
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We continued to strengthen our partnership with the UN-supported Principles for Responsible Investment. In 2018, Neuberger Berman actively contributed to PRI's work by leading the ESG in Credit Ratings Initiative, which encourages the credit rating agencies to more robustly integrate ESG into their ratings. Specifically, we directly engaged the major credit agencies to provide transparency on how ESG considerations affected the review of each issuer. We also called on them to name issuers who are not providing sufficient disclosure of material ESG topics. We are pleased to see that the major agencies have responded to our collaborative efforts, including by hiring additional ESG specialists, providing greater transparency on industry-specific ESG rating methodologies and identifying specific examples of where ESG risks led to ratings changes. Separately, we were recently appointed as a member of PRI's Private Equity Advisory Committee. We were also a sponsor of the PRI in Person Conference in San Francisco.

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AFIC – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)
Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
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Neuberger Berman has been an Investor Member and Signatory of CDP since 2004 and supports CDP's work running the leading global disclosure system for self-reported company environmental data. We continue to engage companies on the importance of CDP reporting.

CDP Forests

Your organisation's role in the initiative during the reporting period (see definitions)
Moderate

CDP Water

Your organisation's role in the initiative during the reporting period (see definitions)
Moderate

- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Code for Responsible Finance in the 21st Century
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- Invest Europe Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)

Your organisation's role in the initiative during the reporting period (see definitions)
Moderate

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
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Neuberger Berman joined the Global Impact Investing Network (GIIN) in 2017. We are involved in the institutional investor initiative and an active

general member to support the development of the impact investing industry. We also actively participated in the GIIN Investor Forum in Paris and the Annual Impact Investor Survey.

- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)

Your organisation's role in the initiative during the reporting period (see definitions)
Moderate

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
In 2004, Neuberger Berman became an Affiliate Member of ICCR. Members of the Sustainable Equity team participate in the ICCR conferences held in NYC as well as relevant meetings. The Sustainable Equity team also supports ICCR investor initiatives on a case by case basis and participates in collaborative dialogues.

- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES

Your organisation's role in the initiative during the reporting period (see definitions)
Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
Neuberger Berman became a formal member of CERES in 2017. Neuberger Berman is a member of the Ceres network of investors and companies, who tackle the world's biggest sustainability challenges, including climate change, water scarcity and pollution, and human rights abuses. In 2018, we continued our leadership role in the Climate Action 100+ campaign as the lead investor, engaging a systemically important greenhouse gas emitter on taking action to reduce greenhouse gas emissions across the value chain and implementing the recommendations of the Task Force on Climate-related Financial Disclosure.

- Local Authority Pension Fund Forum
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

In 2018, NB celebrated 30 years of membership of US SIF by sponsoring the organization's biennial "Report on US Sustainable, Responsible & Impact Investing Trends."

Your organisation's role in the initiative during the reporting period (see definitions)
Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
Neuberger Berman has been an active member of US SIF since 1989. In 2018, Neuberger Berman celebrated 30 years of membership of US SIF by sponsoring the organization's biennial "Report on US Sustainable, Responsible and Impact Investing Trends" and hosting the report's launch at our corporate headquarters in New York. The latest report found that one in four dollars under professional management in the United States are invested responsibly and that the value of responsibly invested assets had grown 38% since 2016.

- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact

Your organisation's role in the initiative during the reporting period (see definitions)
Moderate

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
<p>Neuberger Berman became a registered participant of the UNGC in 2017. Neuberger Berman is a signatory of the UN Global Compact and is committed to aligning our operations with universal principles on human rights, labour, environment and anti-corruption, and to taking actions that advance societal goals.</p> <p>In 2018, we submitted our first Communication on Progress renewing our continued commitment to the UNGC. We submitted a description of practical actions that Neuberger Berman has taken to implement the Ten Principles in each of the four areas (human rights, labour, environment and anti-corruption) and provided valuable information on our internal metrics to our stakeholders.</p> <p>Many of these principles are already deeply ingrained in our firm and culture, but in formalizing our commitment, we joined other companies in not only upholding our basic responsibilities to people and the planet, but also in setting the stage for long-term success. We are committed to publicly communicating on our progress as a firm in supporting the principles of the UNGC on an annual basis.</p>

- Other collaborative organisation/initiative, specify

Sustainability Accounting Standards Board

Your organisation's role in the initiative during the reporting year (see definitions)
Advanced

**Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]**

Since 2014, Neuberger Berman has been an important proponent of the SASB, which aims to develop and maintain standards for public company ESG disclosures using a rigorous process of evidence-based research and broad, balanced stakeholder participation. As a founding member of the SASB Alliance and the SASB Standards Advisory Group, and as a member of its Investor Advisory Group, Neuberger Berman colleagues from across equities, fixed income and private equity played an active role in encouraging the adoption of the SASB standards by companies in 2018. One important way we did this was by publicly laying out our commitment to integrate the SASB guidelines on materiality into our evaluation of the proxy votes that we cast on behalf of clients before the 2018 proxy voting season began. We have been pleased to see the same from other asset managers and some proxy advisory firms. In July 2018, we hosted a SASB Alliance Event at our New York headquarters.

Other collaborative organisation/initiative, specify

Impact Management Project

**Your organisation's role in the initiative during the reporting year (see definitions)**

Advanced

**Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]**

Neuberger Berman is a member of the Advisory Board of the IMP, which is a global network facilitating an industry standard for impact measurement and management. We utilize the framework in our impact investing strategies; in 2018, we partnered with the IMP to demonstrate the potential application of its framework to public equity investing through a working paper. We also continue to engage in dialogue with the IMP on its forward-looking strategy to continue to drive awareness and application of the framework globally.

Other collaborative organisation/initiative, specify

Coalition for Inclusive Capitalism

**Your organisation's role in the initiative during the reporting year (see definitions)**

Advanced

**Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]**

Neuberger Berman is a founding participant in the Embankment Project for Inclusive Capitalism (EPIC), a collaboration of asset owners, asset managers and asset creators that aims to change the way corporate value is measured and disclosed. In 2018, our portfolio managers played an important role in identifying new metrics to demonstrate long-term value, especially in the healthcare sector. Through roundtables hosted at our New York headquarters and additional events, we worked with other participants on how best to incorporate the United Nations Sustainable Development Goals (SDGs) into the EPIC framework.

Other collaborative organisation/initiative, specify

The CEO Force for Good (CECP)

**Your organisation's role in the initiative during the reporting year (see definitions)**

Advanced

**Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]**

As a long-time member of CECP, Neuberger Berman shares CECP's vision that corporations and their leaders can and should be a force for good in society. In 2018, we continued to encourage companies to share decision-useful long-term plans with long-term investors through our role on the Advisory Board of CECP's Strategic Investor Initiative (SII). Equity research analysts participated in SII's CEO Investor Forums and provided practical and direct feedback to the CEOs on their long-term plans.

SG 09.2	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1
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Private

SG 10	Mandatory	Core Assessed	PRI 4
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**SG 10.1** Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

**SG 10.2** Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

Description
In 2018 we hosted several regional roundtables on trends in ESG investing for clients and peers.

Frequency of contribution
<input checked="" type="radio"/> Quarterly or more frequently
<input type="radio"/> Biannually
<input type="radio"/> Annually
<input type="radio"/> Less frequently than annually
<input type="radio"/> Ad hoc
<input type="radio"/> Other

Provided financial support for academic or industry research on responsible investment

Description
We are currently engaged in research projects with academics in the United States and Japan.
Frequency of contribution
<input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input checked="" type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad hoc <input type="radio"/> Other

Provided input and/or collaborated with academia on RI related work

Description
We regularly collaborate with academic institutions, academics and students on RI related work.
Frequency of contribution
<input checked="" type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad hoc <input type="radio"/> Other

Encouraged better transparency and disclosure of responsible investment practices across the investment industry

Description
As part of our UN Global Compact Communication on Progress, we publicly disclosed data about the diversity of our firm. This data is also disclosed in our ESG Annual Report (published in 2019) and firm-wide Annual Report. We disclosed this data as part of our broader efforts to encourage diversity across the investment industry.
Frequency of contribution
<input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input checked="" type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad hoc <input type="radio"/> Other

Spoke publicly at events and conferences to promote responsible investment

Description
Our ESG Investing team, PMs, heads of research and other colleagues regularly speak at events and conferences to promote responsible investment.
Frequency of contribution
<input checked="" type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad hoc <input type="radio"/> Other

Wrote and published in-house research papers on responsible investment

Description
We regularly publish original research and thought leadership in ESG and Impact Investing topics. These are authored by our ESG Investing team, Sustainable Equity Team, Portfolio Managers, CIOs and individual research analysts. The latest papers can be found at <a href="http://www.nb.com/esg">www.nb.com/esg</a> .
Frequency of contribution
<input checked="" type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad hoc <input type="radio"/> Other

- Encouraged the adoption of the PRI

Description
Our Private Equity team invests as an LP in many private equity funds, many of which are small to mid-sized and whose GPs are not members of the PRI. The PE team actively encourages GPs to join the PRI.
Frequency of contribution
<input checked="" type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad hoc <input type="radio"/> Other

- Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
- Wrote and published articles on responsible investment in the media

Description
Regular articles and op-eds.
Frequency of contribution
<input checked="" type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad hoc <input type="radio"/> Other

- A member of PRI advisory committees/ working groups, specify

Description
Member of the Advisory Committee of the PRI's Credit Ratings Initiative and the PRI Private Equity Advisory Committee
Frequency of contribution
<input checked="" type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad hoc <input type="radio"/> Other

- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)

Description
Member of the Advisory Board of the CECP Strategic Investor Initiative.
Frequency of contribution
<input checked="" type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad hoc <input type="radio"/> Other

- Other, specify

No

**SG 10.3 Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]**

As a firm, we continue to identify areas where we are uniquely positioned to promote responsible investment. For example, we identified that while investor relations functions and sustainability teams within corporations were increasingly aware of the recommendations of the Taskforce on Climate-related Financial Disclosure and the materiality assessment of the Sustainability Accounting Standards Board (SASB), these frameworks were less well understood by corporate directors and corporate secretaries. To accelerate their awareness, we formally incorporated these two frameworks into our Proxy Voting Guidelines for 2018 resulting in coverage from the industry press. This was a helpful reference point for our engagements with companies throughout the year. We were pleased to see the same from Glass Lewis and some other asset managers. We will continue to evolve our proxy voting guidelines to provide companies with clarity around the frameworks and standards which we believe are relevant.

SG 11	Voluntary	Additional Assessed	PRI 4,5,6
Private			
SG 12	Mandatory	Core Assessed	PRI 4
SG 12.1	Indicate whether your organisation uses investment consultants.		
<input type="checkbox"/> Yes, we use investment consultants <input checked="" type="checkbox"/> No, we do not use investment consultants.			
SG 13	Mandatory	Descriptive	PRI 1
SG 13.1	Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).		
<input checked="" type="checkbox"/> Yes, to assess future ESG factors			
	Describe		
Neuberger Berman's Risk department runs scenario analysis and stress testing on the companies that we hold. The risk team monitors the ESG ratings of a portfolio and is taking responsibility for the climate scenario analysis, to be reviewed at least annually. The equity risk model also incorporates governance.			
<input checked="" type="checkbox"/> Yes, to assess future climate-related risks and opportunities			
	Describe		
We have implemented top-down climate scenario analysis for all listed equity and corporate bond portfolios. The security analysis results in an aggregate Climate Value-at-Risk at the portfolio level based on a range of scenarios including those aligned with a 2 degree Celsius and a 1.5 degree Celsius transition as well			
<input type="checkbox"/> No, not to assess future ESG/climate-related issues			
SG 13.2	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.		
	We do the following		
<input type="checkbox"/> Allocation between asset classes <input type="checkbox"/> Determining fixed income duration <input type="checkbox"/> Allocation of assets between geographic markets <input type="checkbox"/> Sector weightings <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not consider ESG issues in strategic asset allocation			
SG 13 CC	Voluntary	Descriptive	General
Private			
SG 14	Mandatory to Report, Voluntary to Disclose	Additional Assessed	PRI 1
Private			
SG 14 CC	Voluntary		General
Private			
SG 15	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1
Private			
SG 16	Mandatory	Descriptive	General
SG 16.1	Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.		
<b>Asset Class</b>	<b>Describe what processes are in place and the outputs or outcomes achieved</b>		
Fixed income - Corporate (financial)	<p>Our fixed income - corporate (financial) ESG integration process follows the same approach as for fixed income - corporate (non-financial). Our credit analysts have developed proprietary ESG ratings specific to financial issuers. Ratings influence internal credit ratings and portfolio construction. Credit analysts engage with issuers directly on material ESG topics.</p> <p>Please see the FI section of our reporting for more information.</p>		
Fixed income - Securitised	<p>Material ESG factors plays an important role in determining the true risk adjusted credit profile of a securitization through an understanding of the GSE corporate governance strategy. Corporate governance includes factors such as risk management, regulatory compliance with the FHFA, litigation risks as well as management control issues. Understanding these issues will provide an investment framework for the true risks associated with the GSE guarantee and will allow us to better evaluate the relative value attractiveness of various investment opportunities.</p>		

Private equity	Neuberger Berman believes that material ESG factors are an important part of the due diligence of any private investment. We conduct this diligence when we invest alongside other general partners on a particular transaction. We also consider ESG factors when investing in private equity funds or private firms through primary, secondary or general partner stakes. Given our unique positioning in the private equity ecosystem, we engage with our partners to share and promote best practices and resources related to ESG integration.
Hedge funds - DDQ	<div style="background-color: #0070C0; color: white; padding: 2px;">Select whether you have responded to the PRI Hedge Fund DDQ</div> <input type="radio"/> Yes <input checked="" type="radio"/> No
Hedge funds	Our Alternatives group has the ability to incorporate ESG factors into its due diligence process and portfolio monitoring, and is able to create customized portfolios around specific client ESG objectives. The group adopts the policies and leverages the experience of the overall firm with regard to ESG.
Other (1) [as defined in Organisational Overview module]	None

SG 18	Voluntary	Descriptive	General
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Private

SG 19	Mandatory	Core Assessed	PRI 2, 6
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**SG 19.1** Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

Selection, Appointment and Monitoring

Do you disclose?

We do not disclose to either clients/beneficiaries or the public.  
 We disclose to clients/beneficiaries only.  
 We disclose to the public

**Disclosure to clients/beneficiaries**

Disclosure to clients/beneficiaries

How responsible investment considerations are included in manager selection, appointment and monitoring processes  
 Details of the responsible investment activities carried out by managers on your behalf  
 E, S and/or G impacts and outcomes that have resulted from your managers' investments and/or active ownership  
 Other

Quarterly or more frequently

Listed equity - Incorporation

Do you disclose?

We do not proactively disclose it to the public and/or clients/beneficiaries  
 We disclose to clients/beneficiaries only.  
 We disclose it publicly

The information disclosed to clients/beneficiaries is the same

 Yes  
 No

**Disclosure to public and URL**

Disclosure to public and URL

Broad approach to ESG incorporation  
 Detailed explanation of ESG incorporation strategy used

Quarterly or more frequently

<https://www.nb.com/pages/public/en-us/sustainable-equity-investing.aspx>  
<http://www.nb.com/esg>

Listed equity - Engagement

Do you disclose?	
<input type="radio"/>	We do not disclose to either clients/beneficiaries or the public.
<input type="radio"/>	We disclose to clients/beneficiaries only.
<input checked="" type="radio"/>	We disclose to the public
The information disclosed to clients/beneficiaries is the same	
<input checked="" type="radio"/>	Yes
<input type="radio"/>	No

Disclosure to public and URL	
Disclosure to public and URL	
<input checked="" type="checkbox"/>	Details on the overall engagement strategy
<input type="checkbox"/>	Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals
<input checked="" type="checkbox"/>	Number of engagements undertaken
<input checked="" type="checkbox"/>	Breakdown of engagements by type/topic
<input type="checkbox"/>	Breakdown of engagements by region
<input type="checkbox"/>	An assessment of the current status of the progress achieved and outcomes against defined objectives
<input checked="" type="checkbox"/>	Examples of engagement cases
<input checked="" type="checkbox"/>	Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.)
<input type="checkbox"/>	Details on whether the provided information has been externally assured
<input checked="" type="checkbox"/>	Outcomes that have been achieved from the engagement
<input type="checkbox"/>	Other information
Annually	
<a href="http://www.nb.com/esg">http://www.nb.com/esg</a>	

### Listed equity – (Proxy) Voting

Do you disclose?	
<input type="radio"/>	We do not disclose to either clients/beneficiaries or the public.
<input type="radio"/>	We disclose to clients/beneficiaries only.
<input checked="" type="radio"/>	We disclose to the public
The information disclosed to clients/beneficiaries is the same	
<input checked="" type="radio"/>	Yes
<input type="radio"/>	No

Disclosure to public and URL	
Disclosure to public and URL	
<input checked="" type="checkbox"/>	Disclose all voting decisions
<input type="checkbox"/>	Disclose some voting decisions
<input type="checkbox"/>	Only disclose abstentions and votes against management
Annually	
<a href="https://www.nb.com/pages/public/global/fund-governance.aspx">https://www.nb.com/pages/public/global/fund-governance.aspx</a>	

### Fixed income

Do you disclose?	
<input type="radio"/>	We do not disclose to either clients/beneficiaries or the public.
<input type="radio"/>	We disclose to clients/beneficiaries only.
<input checked="" type="radio"/>	We disclose to the public
The information disclosed to clients/beneficiaries is the same	
<input checked="" type="radio"/>	Yes
<input type="radio"/>	No

Disclosure to public and URL	

Disclosure to public and URL	
<input type="radio"/> Broad approach to RI incorporation <input checked="" type="radio"/> Detailed explanation of RI incorporation strategy used	
Biannually	
<a href="https://www.nb.com/pages/public/en-us/esg-investing.aspx">https://www.nb.com/pages/public/en-us/esg-investing.aspx</a>	

**Hedge Funds**

Do you disclose?	
<input checked="" type="radio"/> We do not disclose to either clients/beneficiaries or the public. <input type="radio"/> We disclose to clients/beneficiaries only. <input type="radio"/> We disclose to the public	

**SG 19.2 Additional information [Optional]**

Each of our portfolio managers integrates ESG factors in a manner which is appropriate for their investment horizon, investment style and asset class. With this in mind we have answered 'Listed Equity - Incorporation' from the perspective of our Sustainable Equity fund.

**SAM 02.1** Indicate what RI-related information your organisation typically covers in the majority of selection documentation for your external managers

	Private equity
Your organisation's investment strategy and how ESG objectives relate to it	<input checked="" type="checkbox"/>
ESG incorporation requirements	<input checked="" type="checkbox"/>
ESG reporting requirements	<input type="checkbox"/>
Other	<input checked="" type="checkbox"/>
No RI information covered in the selection documentation	<input type="checkbox"/>

If you select any 'Other' option(s), specify

For fund investments, we seek to ensure that GPs work with their underlying portfolio companies to consistently and effectively identify/manage what we believe are material ESG risks. We have the ability to diligence a GP's prior investments for prior ESG issues and we engage with them in in-depth discussions on: ESG policy/beliefs, integration in due diligence/value creation plan and monitoring/reporting. We document our fund investment ESG due diligence in our Investment Committee ("IC") memos using our proprietary rubric based upon the PRI LQ DDQ topics.

For direct investments, ESG factors are a part of our rigorous and resource-intensive company due diligence process. We have the ability to diligence a single asset and ensure that the company and private equity sponsor are appropriately managing ESG risks. We incorporate a unique ESG assessment per industry/company and a synopsis of the ESG diligence is included in our direct investment IC memos.

The materials that we include in our IC materials are a culmination of the robust discussions and engagement we have with managers (both for fund investments and direct investments).

**SAM 02.2** Explain how your organisation evaluates the investment manager's ability to align between your investment strategy and their investment approach

Strategy

	Private equity
Assess the time horizon of the investment manager's offering vs. your/beneficiaries' requirements	<input checked="" type="checkbox"/>
Assess the quality of investment policy and its reference to ESG	<input checked="" type="checkbox"/>
Assess the investment approach and how ESG objectives are implemented in the investment process	<input checked="" type="checkbox"/>
Review the manager's firm-level vs. product-level approach to RI	<input checked="" type="checkbox"/>
Assess the ESG definitions to be used	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>
None of the above	<input type="checkbox"/>

ESG people/oversight

	Private equity
Assess ESG expertise of investment teams	<input checked="" type="checkbox"/>
Review the oversight and responsibilities of ESG implementation	<input checked="" type="checkbox"/>
Review how is ESG implementation enforced /ensured	<input checked="" type="checkbox"/>
Review the manager's RI-promotion efforts and engagement with the industry	<input checked="" type="checkbox"/>
Other	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>

Process/portfolio construction/investment valuation

	Private equity
Review the process for ensuring the quality of the ESG data used	<input type="checkbox"/>
Review and agree the use of ESG data in the investment decision making process	<input checked="" type="checkbox"/>
Review and agree the impact of ESG analysis on investment decisions	<input checked="" type="checkbox"/>
Review and agree ESG objectives (e.g. risk reduction, return seeking, real-world impact)	<input checked="" type="checkbox"/>
Review and agree manager's ESG risk framework	<input checked="" type="checkbox"/>

Review and agree ESG risk limits at the portfolio level (portfolio construction) and other ESG objectives	<input type="checkbox"/>
Review how ESG materiality is evaluated by the manager	<input checked="" type="checkbox"/>
Review process for defining and communicating on ESG incidents	<input checked="" type="checkbox"/>
Review and agree ESG reporting frequency and detail	<input checked="" type="checkbox"/>
Other, specify	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>

**If you select any 'Other' option(s), specify**

Neuberger Berman Private Equity believes that mitigating ESG-related risks may reduce overall portfolio risk and increase defense against serious reputational harm. We further believe that integrating ESG factors into our diligence may lead to a more consistent investment outcome and strong financial returns.

Neuberger Berman Private Equity seeks to engage formally and informally with private equity managers and encourage them to incorporate environmental, social, and governance considerations into their investment strategy. In addition to informal engagement with managers, with whom we have relationships, we formally incorporate ESG issues into our fund and direct investment sourcing, investment diligence and investment monitoring processes.

The materials that we include in our investment committee materials are a culmination of the robust discussions / engagement we have with managers (both for fund investments and direct investments).

**SAM 02.3 Indicate the selection process and its ESG/RI components**

- Review ESG/RI responses to RfP, RfI, DDQ etc.
- Review responses to PRI's Limited Partners' Responsible Investment Due Diligence Questionnaire (LP DDQ)
- Review publicly available information on ESG/RI
- Review assurance process on ESG/RI data and processes
- Review PRI Transparency Reports
- Request and discuss PRI Assessment Reports
- Meetings with the potential shortlisted managers covering ESG/RI themes
- Site visits to potential managers offices
- Other, specify

**SAM 02.4 When selecting external managers does your organisation set any of the following:**

	Private equity
ESG performance development targets	<input checked="" type="checkbox"/>
ESG score	<input checked="" type="checkbox"/>
ESG weight	<input checked="" type="checkbox"/>
Real world economy targets	<input type="checkbox"/>
Other RI considerations	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>

**If you select any 'Other' option(s), specify**

Neuberger Berman Private Equity incorporates our proprietary ESG rubric as framework for (i) engagement with the manager, (ii) fund diligence and (iii) ongoing monitoring of fund investments. Those ESG issues addressed during the due diligence phase are observed during the monitoring period, as well.

Neuberger Berman Private Equity seeks to engage formally and informally with private equity managers and encourage them to incorporate environmental, social, and governance considerations into their investment strategy.

An example of our engagement efforts is a series of roundtables that Neuberger Berman hosted in New York and London in 2018. These GP-only events convened a group of over 30 GPs to discuss best practices in ESG in private equity, including presentations from the PRI and SASB, and to encourage peer learning and collaboration.

**SAM 02.5 Describe how the ESG information reviewed and discussed affects the selection decision making process.[OPTIONAL]**

Neuberger Berman Private Equity believes that mitigating ESG-related risks may reduce overall portfolio risk and increase defense against serious reputational harm. We further believe that integrating ESG factors into our diligence may lead to a more consistent investment outcome and strong financial returns. With this mind-set, we incorporate a robust ESG analysis in our investment due diligence materials and ESG factors are an integral part of the fund and direct investment committee discussion and decision making process.

<b>SAM 04</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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**SAM 04.1 Indicate if in the majority of cases and where the structure of the product allows, your organisation does any of the following as part of the manager appointment and/or commitment process**

- Sets standard benchmarks or ESG benchmarks
- Defines ESG objectives and/ or ESG related exclusions/restrictions
- Sets incentives and controls linked to the ESG objectives
- Requires reporting on ESG objectives

- Requires the investment manager to adhere to ESG guidelines, regulations, principles or standards
- Other, specify (1)
- Other, specify (2)
- None of the above

**SAM 04.2** Provide an example per asset class of your benchmarks, objectives, incentives/controls and reporting requirements that would typically be included in your managers' appointment.

Asset class	
<input checked="" type="checkbox"/>	Private equity
Benchmark	
<input checked="" type="checkbox"/>	Standard benchmark, specify We monitor the performance of all of our private equity funds and separate accounts against appropriate benchmarks.
<input type="checkbox"/>	ESG benchmark, specify
ESG Objectives	
<input type="checkbox"/>	ESG related strategy, specify
<input type="checkbox"/>	ESG related investment restrictions, specify
<input checked="" type="checkbox"/>	ESG integration, specify Neuberger Berman Private Equity seeks to engage formally and informally with private equity managers and encourage them to incorporate environmental, social, and governance considerations into their investment strategy. By having a consistent diligence framework and engaging with managers on ESG topics to convey our expectation of improvement, we signal to managers that ESG is an important part of our investment decision making. During 2018, we entered into the early stages of aggregating and tracking ESG fund assessment data over time to inform a proprietary benchmarking system.
<input type="checkbox"/>	Engagement, specify
<input type="checkbox"/>	Voting, specify
<input checked="" type="checkbox"/>	Promoting responsible investment As part of our fund manager ESG assessment, we encourage participation in industry organizations such as the UN PRI. We also host GP education events on ESG to raise awareness of responsible investment.
<input checked="" type="checkbox"/>	ESG specific improvements We partner with GPs to share best practices in ESG policy and investment process enhancements. We expect to increasingly engage with GPs that especially have room for improvement to provide feedback on where and how they can improve their ESG integration practices.
<input type="checkbox"/>	ESG guidelines/regulation, principles/standards, specify
<input type="checkbox"/>	Other, specify
Incentives and controls	
<input checked="" type="checkbox"/>	We do not set incentives and controls
Reporting requirements	
<input checked="" type="checkbox"/>	We do not require the reporting on ESG objectives

**SAM 04.3** Indicate which of these actions your organisation might take if any of the requirements are not met

- Discuss requirements not met and set project plan to rectify
- Place investment manager on a "watch list"
- Track and investigate reason for non-compliance
- Re-negotiate fees
- Failing all actions, terminate contract with the manager
- Other, specify  
As part of our due diligence process, we review a GP's prior track record to evaluate its ability to integrate ESG factors into their diligence and monitoring. If in our diligence we find that the GP has had any material ESG issues in prior funds this would be factored into our investment decision making process. As a minority investor, when financial or ESG related issues arise, we engage with the GP to voice our concerns.
- No actions are taken if any of the ESG requirements are not met

**SAM 04.4** Provide additional information relevant to your organisation's appointment processes of external managers. [OPTIONAL]

Neuberger Berman Private Equity believes that mitigating ESG-related risks may reduce overall portfolio risk and increase mitigation against serious reputational harm. We further believe that integrating ESG factors into our diligence may lead to a more consistent investment outcome and strong financial returns. With this mindset, we incorporate a robust ESG analysis in our investment due diligence materials and ESG factors are an integral part of the fund and direct investment committee discussion and decision making process.

SAM 05	Mandatory	Core Assessed	PRI 1
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**SAM 05.1** When monitoring managers, indicate which of the following types of responsible investment information your organisation typically reviews and evaluates

	Private equity
ESG objectives linked to investment strategy (with examples)	<input checked="" type="checkbox"/>
Evidence on how the ESG incorporation strategy(ies) affected the investment decisions and financial / ESG performance of the portfolio/fund	<input checked="" type="checkbox"/>
Compliance with investment restrictions and any controversial investment decisions	<input checked="" type="checkbox"/>
ESG portfolio characteristics	<input checked="" type="checkbox"/>
How ESG materiality has been evaluated by the manager in the monitored period	<input checked="" type="checkbox"/>
Information on any ESG incidents	<input checked="" type="checkbox"/>
Metrics on the real economy influence of the investments	<input type="checkbox"/>
PRI Transparency Reports	<input checked="" type="checkbox"/>
PRI Assessment Reports	<input checked="" type="checkbox"/>
RI-promotion and engagement with the industry to enhance RI implementation	<input checked="" type="checkbox"/>
Changes to the oversight and responsibilities of ESG implementation	<input type="checkbox"/>
Other general RI considerations in investment management agreements; specify	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>

If you select any 'Other' option(s), specify

Neuberger Berman Private Equity incorporates our proprietary ESG rubric as framework for (i) engagement with the manager, (ii) fund diligence and (iii) ongoing monitoring of fund investments. Those ESG issues addressed during the diligence phase are observed during the monitoring period, as well.

When monitoring managers, we review and evaluate the information above, as appropriate and as available. As an active limited partner and a member of over 130 LP advisory committees, NB seeks to use our position in the private equity ecosystem to encourage managers to incorporate environmental, social, and governance considerations into their investment strategy and to continuously improve on ESG integration, monitoring and reporting.

**SAM 05.2** When monitoring external managers, does your organisation set any of the following to measure compliance/progress

	Private equity
ESG score	<input checked="" type="checkbox"/>
ESG weight	<input checked="" type="checkbox"/>
ESG performance minimum threshold	<input checked="" type="checkbox"/>
Real world economy targets	<input type="checkbox"/>
Other RI considerations	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>

If you select any 'Other' option(s), specify

Similar to question SAM 02.4, Neuberger Berman Private Equity incorporates our proprietary ESG rubric as framework for (i) engagement with the manager, (ii) fund diligence and (iii) ongoing monitoring of fund investments. Those ESG issues addressed during the diligence phase are observed during the monitoring period, as well.

When monitoring managers, we review and evaluate the information above, as appropriate and as available. As an active limited partner and a member of over 130 LP advisory committees, NB seeks to use our position in the private equity ecosystem to encourage managers to incorporate environmental, social, and governance considerations into their investment strategy and to continuously improve on ESG integration, monitoring and reporting.

**SAM 05.3** Provide additional information relevant to your organisation's monitoring processes of external managers. [OPTIONAL]

NB Private Equity actively monitors each of our private equity fund investments (including RI information) through: -Ongoing and in-depth analysis of the fund's underlying portfolio -Meetings with the sponsoring private equity firm and the fund's portfolio company professionals -Quarterly and annual reviews - Active participation on advisory boards and committees when appropriate -Periodic contact with the manager to discuss portfolio development and valuations -Ad hoc in person meetings

**SAM 08** Mandatory to Report, Voluntary to Disclose Descriptive PRI 1

Private

**SAM 09** Mandatory Additional Assessed PRI 1,6

**SAM 09.1** Provide examples of how ESG issues have been addressed in the manager selection, appointment and/or monitoring process for your organisation during the reporting year.

Add Example 1

Topic or issue	
	External manager with interest to improve monitoring and reporting

Conducted by	Internal staff
Asset class	Private equity
Scope and process	Engagement: One of the GPs Neuberger Berman Private Equity has historically invested with reached out to the team following one of our ESG engagement breakfasts to ask for guidance around their reporting efforts. The Neuberger Berman Private Equity team held multiple calls with the GP regarding its current reporting as well as its new initiative around an annual ESG / Impact Report. The Neuberger Berman Private Equity team reviewed drafts and provided the GP with feedback on attributes of an effective ESG / impact report during the GP's early stages of developing this annual report.
Outcomes	The GP issued its inaugural ESG / impact report in early 2018 and incorporated feedback provided by Neuberger Berman.

Add Example 2

Topic or issue	External manager with ESG policy but seeking to be industry leading
Conducted by	Internal staff
Asset class	Private equity
Scope and process	Engagement: When diligencing a GP for a potential primary fund investment, Neuberger Berman Private Equity worked with the GP to review areas of improvement, encouraging them to become a UN PRI signatory and to improve industry-specific ESG diligence and incorporating into IC memos.
Outcomes	The GP made improvements to its ESG integration process, including the ESG diligence and investment committee documentation and the GP is undergoing the process to become a UN PRI Signatory.

Add Example 3

Topic or issue	Co-Investment alongside External Manager
Conducted by	Internal staff
Asset class	Private equity
Scope and process	Neuberger Berman Private Equity diligenced an opportunity to co-invest alongside an external manager in an energy-focused company. The company develops, manufactures and distributes energy storage devices.  While the company had an environmentally conscious approach to the disposal of such devices, Neuberger Berman Private Equity was unable to become comfortable that the ESG risks associated with this industry (focused on disposal) were fully mitigated by the lead GP. Neuberger Berman Private Equity discussed these concerns with the GP directly during our investment due diligence process.
Outcomes	Neuberger Berman Private Equity declined the co-investment opportunity, communicating its reason for the decline to the GP promptly.

Add Example 4

Topic or issue	Fund Investment
Conducted by	Internal staff
Asset class	Private equity
Scope and process	Neuberger Berman Private Equity performed extensive due diligence on a potential primary fund investment focused on small & mid-market buyout. Neuberger Berman Private Equity noted that the manager's approach to ESG was still developing during its investment due diligence. Neuberger Berman Private Equity worked with the GP to encourage the implementation of an ESG policy for their small & mid-market buyout focused fund prior to committing to the Fund.
Outcomes	Neuberger Berman Private Equity worked with the GP to encourage the implementation of an ESG policy for their small & mid-market buyout focused fund prior to committing to the Fund. In negotiating our side letter with the GP, this provision was imperative to our commitment. As a Limited Partner Advisory Committee member for multiple of the GP's prior funds, NB Private Equity was able to engage with the GP's senior partners to highlight the importance of this policy adoption.

Add Example 5

Topic or issue	Co-Investment alongside External Manager
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Conducted by	Internal staff
Asset class	Private equity
Scope and process	<p>Neuberger Berman Private Equity diligenced an opportunity to co-invest alongside an established external manager in an add-on acquisition for an existing portfolio company focused on healthcare services. The target company is a large hospital chain within tertiary cities.</p> <p>While the GP has strong ESG processes, Neuberger Berman Private Equity was unable to become comfortable with the ESG risks associated with the pricing structure of the target company, which included increasing total prices paid by patients using a bundled cost structure. Neuberger Berman Private Equity discussed these concerns with the GP directly during our investment due diligence process.</p>
Outcomes	Neuberger Berman Private Equity declined the co-investment opportunity, communicating its reason for the decline to the GP promptly.

- Add Example 6
- Add Example 7
- We are not able to provide examples

LEI 01	Mandatory	Gateway	PRI 1
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**LEI 01.1** Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies (+/- 5%)

- Screening alone (i.e. not combined with any other strategies)
 

Percentage of active listed equity to which the strategy is applied	30%
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- Thematic alone (i.e. not combined with any other strategies)
 

Percentage of active listed equity to which the strategy is applied	10%
---	-----
- Integration alone (i.e. not combined with any other strategies)
 

Percentage of active listed equity to which the strategy is applied	10%
---	-----
- Screening and integration strategies
 

Percentage of active listed equity to which the strategy is applied	50%
---	-----
- Thematic and integration strategies
- Screening and thematic strategies
- All three strategies combined
- We do not apply incorporation strategies

**LEI 01.3** If assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]

Many of our clients have expressed an interest in their assets being managed with exclusions. For all of our Sustainable labelled funds, we maintain a standard list of minimum exclusions. These exclusions are comprised of companies deemed to have violated the UN Global Compact, tobacco producers, controversial weapons manufacturers, civilian firearm manufacturers, private prisons and fossil fuels that do not meet acceptable environmental and climate risks. These funds are also managed with ESG integration which leads to a combination of screening and integration.

LEI 02	Voluntary	Additional Assessed	PRI 1
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Private

LEI 03	Voluntary	Additional Assessed	PRI 1
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Private

LEI 04	Mandatory	Descriptive	PRI 1
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**LEI 04.1** Indicate and describe the type of screening you apply to your internally managed active listed equities.

- Negative/exclusionary screening
  - Product
  - Activity
  - Sector
  - Country/geographic region
  - Environmental and social practices and performance
  - Corporate governance

Description
-------------

We utilise negative/exclusionary screens across multiple funds as well as in response to specific requests from clients. Our entire European-domiciled UCITS platform excludes securities that have been identified by the firm through the utilization of third party data, as having corporate involvement in the end manufacture or manufacture of intended use components of controversial weapons.

For our Sustainable labelled funds, we maintain a standard list of minimum exclusions. These exclusions are comprised of companies deemed to have violated the principals of the UN Global Compact, tobacco producers, controversial weapons manufacturers, civilian firearm manufacturers, private prisons and fossil fuels that do not meet acceptable environmental and climate risks.

Our Sustainable Equity mutual fund endeavours to avoid companies that derive revenue from gambling or the production of: tobacco, alcohol, weapons or nuclear power.

At the request of clients invested in strategies other than Sustainable Equity managed assets, Neuberger Berman can implement additional screening based on global norms, business activity involvement, social values, and country/location. In some instances, clients provide their own exclusionary list. Client-mandated screening makes use of the following screens: product; country/geographic region; and environmental and social practices and performance.

- Positive/best-in-class screening
  - Product
  - Activity
  - Sector
  - Country/geographic region
  - Environmental and social practices and performance
  - Corporate governance

Description
<p>We utilise positive/best-in-class screening across multiple strategies. For example the Sustainable Equity Fund looks for companies that show leadership in their environmental and workplace practices and seeks to invest in companies that demonstrate ESG policies in the following areas:</p> <ul style="list-style-type: none"> <li>• Environmental issues</li> <li>• Employment practices and diversity policies</li> <li>• Community relations</li> <li>• Supply chain issues</li> <li>• Product integrity (safety, quality)</li> <li>• Disclosure and sustainability reporting</li> </ul> <p>Other strategies, for example, Emerging Markets Equity Select, tilt their portfolios towards best in class management companies as well as selecting securities based on country-level ESG risks, sector specific sustainability assessments, and other factors.</p> <p>All of our equity portfolio managers and analysts evaluate governance structures of companies, the quality of oversight of boards, as well as shareholder rights features, and in many cases tilt their portfolios towards best-in-class companies. Our proprietary ratings system can be used by portfolio managers and analysts to complement their own judgement and assessment.</p> <p><input checked="" type="checkbox"/> Norms-based screening</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> UN Global Compact Principles</li> <li><input type="checkbox"/> The UN Guiding Principles on Business and Human Rights</li> <li><input type="checkbox"/> International Labour Organization Conventions</li> <li><input type="checkbox"/> United Nations Convention Against Corruption</li> <li><input type="checkbox"/> OECD Guidelines for Multinational Enterprises</li> <li><input type="checkbox"/> Other, specify</li> </ul>
Description
<p>Our Sustainable labelled funds exclude issuers who we deem to be in breach of the Principles of the UN Global Compact. We are also able to apply norm-based screening to separate accounts on client request.</p>

LEI 04.2	Describe how you notify clients and/or beneficiaries when changes are made to your screening criteria.	
	<p>For client-mandated screening, Neuberger Berman contracts with a third party research firm which provides monthly exclusionary lists, based on their most up-to-date research. Clients may be notified, as applicable, in instances where a security which was previously held is added to the "involvement-list".</p> <p>Where we have established exclusions in co-mingled funds or across an entire platform like our UCITS platform, a 3rd party research firm provides monthly exclusionary lists, based on their most up-to-date research.</p>	

LEI 05	Mandatory	Core Assessed	PRI 1
LEI 05.1	Indicate which processes your organisation uses to ensure screening is based on robust analysis.		
	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.</li> <li><input checked="" type="checkbox"/> Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies</li> <li><input type="checkbox"/> External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar</li> <li><input checked="" type="checkbox"/> Third-party ESG ratings are updated regularly to ensure that portfolio holdings comply with fund policies.</li> <li><input checked="" type="checkbox"/> Trading platforms blocking / restricting flagged securities on the black list</li> <li><input checked="" type="checkbox"/> A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions</li> <li><input checked="" type="checkbox"/> A periodic review of the quality of the research undertaken or provided is carried out</li> <li><input checked="" type="checkbox"/> Review and evaluation of external research providers</li> <li><input checked="" type="checkbox"/> Other, specify</li> </ul> <p>The ESG Committee reviews cases where a company may have been wrongly included or failed to be included on an exclusion list.</p> <p><input type="checkbox"/> None of the above</p>		
LEI 05.2	Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your ESG screening strategy.		
	<ul style="list-style-type: none"> <li><input type="radio"/> &lt;10%</li> <li><input type="radio"/> 10-50%</li> <li><input type="radio"/> 51-90%</li> <li><input checked="" type="radio"/> &gt;90%</li> </ul>		
LEI 05.3	Indicate how frequently third party ESG ratings are updated for screening purposes.		
	<ul style="list-style-type: none"> <li><input checked="" type="radio"/> Quarterly or more frequently</li> <li><input type="radio"/> Bi-annually</li> <li><input type="radio"/> Annually</li> <li><input type="radio"/> Less frequently than annually</li> </ul>		
LEI 05.4	Indicate how frequently you review internal research that builds your ESG screens.		
	<ul style="list-style-type: none"> <li><input checked="" type="radio"/> Quarterly or more frequently</li> <li><input type="radio"/> Bi-annually</li> </ul>		

- Annually
- Less frequently than annually

**LEI 05.5** Additional information. [Optional]  
 All portfolios that are either negatively or positively screened take advantage of comprehensive ESG research.

**LEI 06** Voluntary Additional Assessed PRI 1  
 Private

**LEI 07** Mandatory Descriptive PRI 1

**LEI 07.1** Indicate the type of sustainability thematic funds or mandates your organisation manages.

- Environmentally themed funds
- Socially themed funds
- Combination of themes

**LEI 07.2** Describe your organisation's processes relating to sustainability themed funds. [Optional]  
 We maintain several thematic funds that focus on long term sector trends underpinned by rapid social disruption and changing consumer demand. These portfolios originate from a broad universe of companies and narrowed down to thematic relevance. Analysts individually evaluate the merits of the inclusion of the portfolio companies based on fundamental research, and utilize various elements of ESG integration, including Neuberger Berman's proprietary ESG Rankings, which they help develop.

**LEI 08** Mandatory Core Assessed PRI 1

**LEI 08.1** Indicate the ESG factors you systematically research as part of your investment analysis and the proportion of actively managed listed equity portfolios that is impacted by this analysis.

ESG issues	Proportion impacted by analysis										
Environmental	<table border="1"> <thead> <tr> <th colspan="2">Environmental</th> </tr> </thead> <tbody> <tr> <td><input type="radio"/></td> <td>&lt;10%</td> </tr> <tr> <td><input type="radio"/></td> <td>10-50%</td> </tr> <tr> <td><input type="radio"/></td> <td>51-90%</td> </tr> <tr> <td><input checked="" type="radio"/></td> <td>&gt;90%</td> </tr> </tbody> </table>	Environmental		<input type="radio"/>	<10%	<input type="radio"/>	10-50%	<input type="radio"/>	51-90%	<input checked="" type="radio"/>	>90%
Environmental											
<input type="radio"/>	<10%										
<input type="radio"/>	10-50%										
<input type="radio"/>	51-90%										
<input checked="" type="radio"/>	>90%										
Social	<table border="1"> <thead> <tr> <th colspan="2">Social</th> </tr> </thead> <tbody> <tr> <td><input type="radio"/></td> <td>&lt;10%</td> </tr> <tr> <td><input type="radio"/></td> <td>10-50%</td> </tr> <tr> <td><input type="radio"/></td> <td>51-90%</td> </tr> <tr> <td><input checked="" type="radio"/></td> <td>&gt;90%</td> </tr> </tbody> </table>	Social		<input type="radio"/>	<10%	<input type="radio"/>	10-50%	<input type="radio"/>	51-90%	<input checked="" type="radio"/>	>90%
Social											
<input type="radio"/>	<10%										
<input type="radio"/>	10-50%										
<input type="radio"/>	51-90%										
<input checked="" type="radio"/>	>90%										
Corporate Governance	<table border="1"> <thead> <tr> <th colspan="2">Corporate Governance</th> </tr> </thead> <tbody> <tr> <td><input type="radio"/></td> <td>&lt;10%</td> </tr> <tr> <td><input type="radio"/></td> <td>10-50%</td> </tr> <tr> <td><input type="radio"/></td> <td>51-90%</td> </tr> <tr> <td><input checked="" type="radio"/></td> <td>&gt;90%</td> </tr> </tbody> </table>	Corporate Governance		<input type="radio"/>	<10%	<input type="radio"/>	10-50%	<input type="radio"/>	51-90%	<input checked="" type="radio"/>	>90%
Corporate Governance											
<input type="radio"/>	<10%										
<input type="radio"/>	10-50%										
<input type="radio"/>	51-90%										
<input checked="" type="radio"/>	>90%										

**LEI 08.2** Additional information. [Optional]  
 Neuberger Berman portfolio managers and research analysts perform thorough due diligence on all holdings and potential investments. Their research includes evaluation of strategy, financial measures, as well as ESG related issues.  
 As described in other sections ESG information is available to and reviewed by all members of the Global Equity Research department as well as portfolio managers. Those data points are systematically reviewed as part of the continuous evaluation of holdings.

**LEI 09** Mandatory Core Assessed PRI 1

**LEI 09.1** Indicate which processes your organisation uses to ensure ESG integration is based on a robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Third-party ESG ratings are updated regularly.
- A periodic review of the internal research is carried out
- Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team
- ESG risk profile of a portfolio against benchmark
- Analysis of the impact of ESG factors on investment risk and return performance
- Other, specify

Research produced by NB analysts is evaluated in a comprehensive annual survey by portfolio managers as well as Director of Research on an

- ongoing basis.
- None of the above

**LEI 09.2** Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your integration strategy.

- <10%
- 10-50%
- 51-90%
- >90%

**LEI 09.3** Indicate how frequently third party ESG ratings that inform your ESG integration strategy are updated.

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

**LEI 09.4** Indicate how frequently you review internal research that builds your ESG integration strategy.

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

**LEI 09.5** Describe how ESG information is held and used by your portfolio managers.

- ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- Other, specify
- ESG issues are incorporated into analyst research reports and notes when they are relevant to investment process.
- None of the above

**LEI 09.6** Additional information.[Optional]

The Research Department conducts comprehensive ESG research on company activities and products that is available to all portfolio managers. Within the Research Department, as of December 31, 2018, Neuberger Berman has 31 senior analysts covering 1,879 companies. Our analysts provide comprehensive coverage of companies in their universe, including proprietary ratings and assessments of ESG as well as ESG data and research which is available to them using both internal portals and external platforms like Factset and MSCI.

The layers of fundamental value-add in the proprietary ESG ratings include: 1) identifying material factors by sector using Sustainability Accounting Standards Board (SASB) as a starting point with analyst input, 2) measuring companies' absolute and relative performance against those issues through a variety of public and proprietary sources and 3) actively engaging with companies to facilitate improvement and encourage greater disclosure of material information. Given limited disclosure of ESG data, many ratings include significant qualitative judgment from analysts themselves. Analysis is supported by our Big Data team and insights gleaned from engagement.

These ratings are used by central research analysts in their fundamental analysis of companies and by portfolio managers as part of their approach to ESG integration.

<b>LEI 10</b>	<b>Mandatory to Report, Voluntary to Disclose</b>	<b>Core Assessed</b>	<b>PRI 1</b>
<i>Private</i>			
<b>LEI 12</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 1</b>
<i>Private</i>			
<b>LEI 13</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 1</b>
<i>Private</i>			

LEA 01.1 Indicate whether your organisation has an active ownership policy.

Yes

LEA 01.2 Attach or provide a URL to your active ownership policy.

Attachment provided:

URL provided:

<http://www.nb.com/esg>

LEA 01.3 Indicate what your active engagement policy covers:

#### General approach to active ownership

- Conflicts of interest
- Alignment with national stewardship code requirements
- Assets/funds covered by active ownership policy
- Expectations and objectives
- Engagement approach

#### Engagement

- ESG issues
- Prioritisation of engagement
- Method of engagement
- Transparency of engagement activities
- Due diligence and monitoring process
- Insider information
- Escalation strategies
- Service Provider specific criteria
- Other specify;

(Proxy) voting approach

#### Voting

- ESG issues
- Prioritisation and scope of voting activities
- Methods of voting
- Transparency of voting activities
- Regional voting practice approaches
- Filing or co-filing resolutions
- Company dialogue pre/post-vote
- Decision-making processes
- Securities lending processes
- Other specify;

Other

None of the above

No

LEA 01.4 Do you outsource any of your active ownership activities to service providers?

Yes

No

LEA 01.6 Additional information [optional]

For public equities, the Neuberger Berman Governance and Proxy Committee oversees active ownership and is responsible for the proxy voting process, our Governance and Proxy Policy and Proxy Voting Guidelines. The Governance and Proxy Committee also plays a key role in coordinating and overseeing engagement activities that are conducted in line with our Governance and Engagement Principles. Where we believe it appropriate, we will encourage companies to incorporate consideration of material ESG factors in their business models and operations, as well as to disclose their performance against such ESG factors. We seek to engage with companies in a constructive and pragmatic manner, communicating our views and concerns directly to company management. Where relevant, we participate in collaborative engagements in support of these goals, for example, through joint letters such as the Climate Action 100+ campaign, or signing industry letters. We are signatories to the U.K. Stewardship Code, Japan Stewardship Code, the U.S. Investor Stewardship Group as well as the PRI. Neuberger Berman proactively reports on our active ownership activities as encouraged by these bodies.

LEA 02.1 Indicate the method of engagement, giving reasons for the interaction.

Type of engagement	Reason for interaction
Individual / Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> We do not engage via service providers

**LEA 02.4** Additional information. [Optional]

The bulk of our engagement efforts take place through in-depth, in-person meetings with management and boards. Related conference calls, as well as industry events, public and private letter campaigns, proxy votes, and activist campaigns all work together to round out the research, analysis, and investment decisions made by our professionals.

We believe that conducting our own engagements is an important component of fulfilling the fiduciary obligation to our clients. Engagement is an extension of good portfolio management and can't be outsourced. We have both the resources and expertise to carry out this duty and believe this to be the most faithful reflection of our clients' delegated authority. Our analysts and portfolio managers have multi-year track records of engaging and voting on ESG issues and as such bring an important complement to the third-party research and analysis that our professionals already consume as part of their decision-making process.

**LEA 03** **Mandatory** **Core Assessed** **PRI 2**

**LEA 03.1** Indicate whether your organisation has a formal process for identifying and prioritising engagements.

✓ Yes

**LEA 03.2** Indicate the criteria used to identify and prioritise engagements for each type of engagement.

Type of engagement	Criteria used to identify/prioritise engagements
Individual / Internal engagements	Internal / Individual engagements
	<input checked="" type="checkbox"/> Geography / market of the companies <input checked="" type="checkbox"/> Materiality of the ESG factors <input checked="" type="checkbox"/> Exposure (size of holdings) <input checked="" type="checkbox"/> Responses to ESG impacts that have already occurred <input type="checkbox"/> Responses to divestment pressure <input type="checkbox"/> Consultation with clients/beneficiaries <input checked="" type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input checked="" type="checkbox"/> Follow-up from a voting decision <input checked="" type="checkbox"/> Client request <input checked="" type="checkbox"/> Breaches of international norms <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not outline engagement criteria for our individual engagements.

Collaborative engagements	Collaborative engagements
	<input checked="" type="checkbox"/> Potential to enhance knowledge of ESG issues from other investors <input checked="" type="checkbox"/> Ability to have greater impact on ESG issues <input checked="" type="checkbox"/> Ability to add value to the collaboration <input checked="" type="checkbox"/> Geography/market of the companies targeted by the collaboration <input checked="" type="checkbox"/> Materiality of ESG factors addressed by the collaboration <input checked="" type="checkbox"/> Exposure (size of holdings) to companies targeted by the collaboration <input checked="" type="checkbox"/> Responses to ESG impacts addressed by the collaboration that have already occurred <input type="checkbox"/> Responses to divestment pressure <input checked="" type="checkbox"/> Follow-up from a voting decision <input type="checkbox"/> Alleviate the resource burden of engagement <input checked="" type="checkbox"/> Consultation with clients/beneficiaries <input checked="" type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not outline engagement criteria for our collaborative engagements.
<input type="radio"/> No	

LEA 03.3	Additional information. [Optional]
<p>Our engagement prioritization is primarily a function of the following considerations: severity of ESG concern as assessed by our proprietary ESG Ratings, economic exposure to the risk, relative level of influence on a situation (be it through engagement or a voting decision), and the existence of an emergent risk as identified through our internal assessment or collaborative engagement campaigns.</p> <p>While the prioritization assessment is ongoing, the timing of the engagement may be reactionary in urgent cases, opportunistic in cases of industry events or pre-planned meetings, or proactive where time allows and restrictions such as quiet periods or M&amp;A events don't prevent outreach actions.</p> <p>Ultimately, we aim to prioritize engagement that we believe has the largest impact on the best interest and improvement of our clients' assets, be it through the advancement of actionable disclosure, understanding of risks and risk management at an issuer, or through influence and action to mitigate risks and take advantage of investment opportunities.</p>	

LEA 04	Mandatory	Core Assessed	PRI 2
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LEA 04.1	Indicate whether you define specific objectives for your organisation's engagement activities.
Individual / Internal engagements	<input checked="" type="checkbox"/> All engagement activities <input type="checkbox"/> Majority of engagement activities <input type="checkbox"/> Minority of engagement activities <input type="checkbox"/> We do not define specific objectives for engagement activities carried out by internal staff.
Collaborative engagements	<input checked="" type="checkbox"/> All engagement activities <input type="checkbox"/> Majority of engagement activities <input type="checkbox"/> Minority of engagement activities <input type="checkbox"/> We do not define specific objectives for engagement activities carried out through collaboration

LEA 04.2	Additional information. [Optional]
<p>Our portfolio companies are tracked continuously by both the portfolio managers holding the position as well as by the covering research analyst. Additionally, for ESG-focused engagements we maintain a record of the objective, follow up, and timeline for each instance of the engagement. While many of the objectives are, by default, tracked on an annual improvement basis we have a minority of instances where more frequent engagement or more urgent concerns raised accelerate those objective timelines. As we refine our process and accumulate lessons and experiences we aim to integrate those more systematically into the investment process.</p>	

LEA 05	Mandatory	Core Assessed	PRI 2
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LEA 05.1	Indicate if you monitor and/or review engagement outcomes.
Individual / Internal engagements	<input checked="" type="checkbox"/> Yes, in all cases <input type="checkbox"/> Yes, in majority of cases <input type="checkbox"/> Yes, in a minority of cases <input type="checkbox"/> We do not monitor, or review engagement outcomes carried out by our internal staff.
Collaborative engagements	<input checked="" type="checkbox"/> Yes, in all cases <input type="checkbox"/> Yes, in a majority of cases <input type="checkbox"/> Yes, in a minority of cases <input type="checkbox"/> We do not monitor, or review engagement outcomes via collaborative engagement activities.

LEA 05.2	Indicate if you do any of the following to monitor and review the progress of engagement activities.
----------	--

Individual / Internal staff engagements	<input checked="" type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on continuous basis <input type="checkbox"/> Other; specify
Collaborative engagements	<input checked="" type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on continuous basis <input type="checkbox"/> Other; specify

**LEA 05.3** Additional information [Optional]

In collaborative engagements our prioritization is a function of the urgency of the risk at the company and the level of exposure to the issuer of our clients' holdings. Where we deem the engagement to be of high value, we seek leadership positions in the shareholder group; where the opportunities are selected without our, or with minimal involvement, we evaluate the potential opportunities using our standard process, albeit reactively.

In the case of collaborative engagement, we see the greatest value in understanding and addressing systemic risk and emerging risks that are difficult to assess using current data or methodology. This provides both an opportunity to learn and a chance to work over an extended time horizon, often in contrast to the urgency of individual issuer engagement.

Ultimately, we aim to prioritize engagement that we believe has the largest impact on the best interest and improvement of our clients' assets, be it through the advancement of actionable disclosure, understanding of risks and risk management at an issuer, or through influence and action to mitigate risks and take advantage of investment opportunities.

**LEA 06** Mandatory Additional Assessed PRI 2,4

**LEA 06.1** Indicate whether your organisation has an escalation strategy when engagements are unsuccessful.

Yes

**LEA 06.2** Indicate the escalation strategies used at your organisation following unsuccessful engagements.

- Collaborating with other investors
- Issuing a public statement
- Filing/submitting a shareholder resolution
- Voting against the re-election of the relevant directors
- Voting against the board of directors or the the annual financial report
- Submitting nominations for election to the board
- Seeking legal remedy / litigation
- Reducing exposure (size of holdings)
- Divestment
- Other, specify

No

**LEA 06.3** Additional information. [Optional]

Neuberger Berman recognizes that public markets function on the fundamental principle of shareholder input into the governance of invested companies. As such, we believe it is appropriate to pursue a variety of avenues to exercise our fiduciary obligation to clients and ensure the best interest of their investment principal, as well as, the long-term sustainable performance of the companies we invest in. While we strongly believe constructive engagement must precede other action, where that has failed, shareholders should not shy away from more direct action that we, as active managers with fundamental analysis of the business, are well positioned to pursue. While the overwhelming majority of our feedback is communicated to companies through our regular dialogue, where situations demand a more aggressive approach, we communicate our expectations through public or private letters and explore more involved strategies including vote intention disclosure, director nominations, and contested meetings of shareholders, among others. These situations are rare and only take place where we are not satisfied with the pace of improvements or where there is a rare opportunity to address a particular problem.

**LEA 07** Voluntary Additional Assessed PRI 1,2

**LEA 07.1** Indicate whether insights gained from your organisation's engagements are shared with investment decision-makers.

Type of engagement	Insights shared
Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 07.2	Indicate the practices used to ensure information and insights collected through engagements are shared with investment decision-makers.
<input checked="" type="checkbox"/> Involving investment decision-makers when developing engagement programme <input checked="" type="checkbox"/> Holding investment team meetings and/or presentations <input checked="" type="checkbox"/> Using IT platforms/systems that enable data sharing <input type="checkbox"/> Internal process that requires portfolio managers to re-balance holdings based on interaction and outcome levels <input type="checkbox"/> Other; specify <input type="checkbox"/> None	

LEA 07.3	Indicate whether insights gained from your organisation's engagements are shared with your clients/beneficiaries.						
<table border="1"> <thead> <tr> <th>Type of engagement</th> <th>Insights shared</th> </tr> </thead> <tbody> <tr> <td>Individual/Internal staff engagements</td> <td> <input type="radio"/> Yes, systematically  <input checked="" type="radio"/> Yes, occasionally  <input type="radio"/> No </td> </tr> <tr> <td>Collaborative engagements</td> <td> <input type="radio"/> Yes, systematically  <input checked="" type="radio"/> Yes, occasionally  <input type="radio"/> No </td> </tr> </tbody> </table>		Type of engagement	Insights shared	Individual/Internal staff engagements	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No	Collaborative engagements	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No
Type of engagement	Insights shared						
Individual/Internal staff engagements	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No						
Collaborative engagements	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No						

LEA 07.4	Additional information. [Optional]
<p>Research analysts regularly update all of our investment professionals on their engagements with corporate management, as do professionals responsible for the engagement program, who converse with the relevant analysts and PMs prior to, and following engagements. High profile ESG engagements are tracked in detail, including participants, topics discussed, notes, and follow-up objectives and timelines.</p> <p>Clients gain insights from our engagements through our regularly published case studies and reports detailing our activities in this area. These include reasons for the engagement, lessons learned, communicated expectations, as well as outcomes. These serve to provide clients with a sampling of the broader engagement program, the success of which remains dependent on the ability to carry out constructive private dialogue, and to demonstrate both the scope of our activities as well as our outcome-focused approach.</p>	

LEA 08	Mandatory	Gateway	PRI 2
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LEA 08.1	Indicate if you track the number of your engagement activities.						
<table border="1"> <thead> <tr> <th>Type of engagement</th> <th>Tracking engagements</th> </tr> </thead> <tbody> <tr> <td>Individual / Internal staff engagements</td> <td> <input type="radio"/> Yes, we track the number of our engagements in full  <input checked="" type="radio"/> Yes, we partially track the number of our engagements  <input type="radio"/> We do not track </td> </tr> <tr> <td>Collaborative engagements</td> <td> <input checked="" type="radio"/> Yes, we track the number of our engagements in full  <input type="radio"/> Yes, we partially track the number of our engagements  <input type="radio"/> We do not track </td> </tr> </tbody> </table>		Type of engagement	Tracking engagements	Individual / Internal staff engagements	<input type="radio"/> Yes, we track the number of our engagements in full <input checked="" type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track	Collaborative engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track
Type of engagement	Tracking engagements						
Individual / Internal staff engagements	<input type="radio"/> Yes, we track the number of our engagements in full <input checked="" type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track						
Collaborative engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track						

LEA 08.2	Additional information. [OPTIONAL]
<p>NB utilizes a firm-wide tracking system to capture our engagements on ESG topics. This system is integrated within our broader calendar/research technology platform and ensures that engagement opportunities are visible to investment professionals and captured in a systematic way that additionally archives information for future reference. Though this system captures our formal meetings with companies it does not account for informal interactions with companies that take place during our routine conversations or industry events. Additionally, for more focused ESG engagements, including our collaborative engagements, we maintain records of event date, internal participants, external participants, analyst and portfolio management involvement, objectives, top topics discussed, content of the engagement, follow-ups, ownership, and several other factors. We are continually adding functionality to this platform to provide greater detail while ensuring consistency across the many investment professionals who contribute to our engagement program.</p>	

LEA 09	Mandatory to Report, Voluntary to Disclose	Core Assessed	PRI 2
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Private

LEA 10	Voluntary	Additional Assessed	PRI 2
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Private

LEA 11	Voluntary	Descriptive	PRI 2
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Private

LEA 12	Mandatory	Descriptive	PRI 2
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LEA 12.1	Indicate how you typically make your (proxy) voting decisions.		
<table border="1"> <thead> <tr> <th style="background-color: #0070c0; color: white;">Approach</th> </tr> </thead> <tbody> <tr> <td> <input type="radio"/> We use our own research or voting team and make voting decisions without the use of service providers. </td> </tr> </tbody> </table>		Approach	<input type="radio"/> We use our own research or voting team and make voting decisions without the use of service providers.
Approach			
<input type="radio"/> We use our own research or voting team and make voting decisions without the use of service providers.			

✓ We hire service provider(s) who make voting recommendations and/or provide research that we use to guide our voting decisions.

Based on
<input type="radio"/> the service provider voting policy we sign off on <input checked="" type="radio"/> our own voting policy <input type="radio"/> our clients' requests or policies <input type="radio"/> other, explain
<input type="radio"/> We hire service provider(s) who make voting decisions on our behalf, except for some pre-defined scenarios where we review and make voting decisions.
<input type="radio"/> We hire service provider(s) who make voting decisions on our behalf.

LEA 12.2	Provide an overview of how you ensure your voting policy is adhered to, giving details of your approach when exceptions to the policy are made.
----------	---

Neuberger Berman executes proxy votes to support the long-term interests of clients. We seek to cast all votes where we have been delegated voting authority by clients as one part of our broad commitment to being an active and engaged owner.

Our internally-developed Proxy Voting Guidelines comprehensively lay out our voting positions on corporate governance, environmental, and social issues. Additionally, our Proxy Voting Procedures detail the governance of our process designed to reasonably ensure that Neuberger Berman votes proxies prudently and in the best interest of its advisory clients for whom Neuberger Berman has voting authority. It also describes how Neuberger Berman addresses any conflicts that may arise between its interests and those of its clients with respect to proxy voting.

NBIA's Governance and Proxy Committee ("Proxy Committee") is responsible for developing, authorizing, implementing and updating the Proxy Voting Guidelines and Procedures, administering and overseeing the proxy voting process, and engaging and overseeing any independent third-party vendors as voting delegates to review, monitor and/or vote proxies.

LEA 14	Voluntary	Additional Assessed	PRI 2
<i>Private</i>			

LEA 15	Mandatory	Descriptive	PRI 2
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LEA 15.1	Indicate the proportion of votes where you or the service providers acting on your behalf have raised concerns with companies ahead of voting.
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- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- Neither we nor our service provider(s) raise concerns with companies ahead of voting

LEA 15.2	Indicate the reasons for raising your concerns with these companies ahead of voting.
----------	--

- Vote(s) for selected markets
- Vote(s) for selected sectors
- Vote(s) relating to certain ESG issues
- Vote(s) on companies exposed to controversy on specific ESG issues
- Vote(s) for significant shareholdings
- On request by clients
- Other

LEA 15.3	Additional information. [Optional]
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We routinely raise concerns about a wide variety of issues as part of our engagement program. While the focus is articulated by our previously described prioritization process some of the communication may be opportunistic, taking place during conversations not primarily focused on ESG.

We generally do not communicate our voting rationale to companies though may use discretion where we have submitted a vote that has the potential to have a material impact on the outcome or where clarity on the rationale provided to the board serves to better achieve the intention of vote. This is particularly the case in instances where extensive dialogue has taken place on a subject, for example such as compensation situations where we may continue to oppose a plan despite constructive engagement on the subject.

LEA 16	Mandatory	Core Assessed	PRI 2
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LEA 16.1	Indicate the proportion of votes participated in within the reporting year in which, you and/or the service provider(s) acting on your behalf, have communicated to companies the rationale for abstaining or voting against management recommendations.
----------	--

- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers do not abstain or vote against management recommendations

LEA 16.2	Indicate the reasons your organisation would communicate to companies, the rationale for abstaining or voting against management recommendations.
	<input type="checkbox"/> Votes for selected markets <input type="checkbox"/> Votes for selected sectors <input checked="" type="checkbox"/> Votes relating to certain ESG issues <input checked="" type="checkbox"/> Votes on companies exposed to controversy on specific ESG issues <input checked="" type="checkbox"/> Votes for significant shareholdings <input type="checkbox"/> On request by clients <input type="checkbox"/> Other
LEA 16.3	In cases where your organisation does communicate the rationale for the abstention or the vote against management recommendations, indicate whether this rationale is made public.
	<input type="radio"/> Yes <input checked="" type="radio"/> No
LEA 16.4	Additional information. [Optional]
	<p>Neuberger Berman provides extensive disclosure of its proxy voting activities and voting record. This includes regular reporting as well as quarterly updates on the voting record of our mutual funds. Company management teams can review these records in conjunction with our publicly released Proxy Voting Guidelines to understand our voting rationale. When a company contacts us to discuss the rationale for our vote, we are happy to provide an explanation. At times we proactively communicate our voting decisions as part of our broader engagement program, however we are not aware of a practical means for us to establish a proactive communication of detailed voting rationales with corporate management teams at all of the 5,000 companies which we own on behalf of our clients. We have had no indication that the companies in which we invest expect such communication.</p>

LEA 17	Mandatory	Core Assessed	PRI 2
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LEA 17.1	For listed equities where you and/or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.								
	<input checked="" type="checkbox"/> We do track or collect this information								
	<table border="1"> <tr> <td></td> <td>Votes cast (to the nearest 1%)</td> </tr> <tr> <td>99%</td> <td></td> </tr> </table>		Votes cast (to the nearest 1%)	99%					
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99%									
	<table border="1"> <tr> <td></td> <td>Specify the basis on which this percentage is calculated</td> </tr> <tr> <td><input checked="" type="radio"/></td> <td>of the total number of ballot items on which you could have issued instructions</td> </tr> <tr> <td><input type="radio"/></td> <td>of the total number of company meetings at which you could have voted</td> </tr> <tr> <td><input type="radio"/></td> <td>of the total value of your listed equity holdings on which you could have voted</td> </tr> </table>		Specify the basis on which this percentage is calculated	<input checked="" type="radio"/>	of the total number of ballot items on which you could have issued instructions	<input type="radio"/>	of the total number of company meetings at which you could have voted	<input type="radio"/>	of the total value of your listed equity holdings on which you could have voted
	Specify the basis on which this percentage is calculated								
<input checked="" type="radio"/>	of the total number of ballot items on which you could have issued instructions								
<input type="radio"/>	of the total number of company meetings at which you could have voted								
<input type="radio"/>	of the total value of your listed equity holdings on which you could have voted								
	<input type="checkbox"/> We do not track or collect this information								

LEA 17.2	Explain your reason(s) for not voting on certain holdings
	<input checked="" type="checkbox"/> Shares were blocked <input checked="" type="checkbox"/> Notice, ballots or materials not received in time <input type="checkbox"/> Missed deadline <input checked="" type="checkbox"/> Geographical restrictions (non-home market) <input checked="" type="checkbox"/> Cost <input type="checkbox"/> Conflicts of interest <input type="checkbox"/> Holdings deemed too small <input checked="" type="checkbox"/> Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement) <input type="checkbox"/> Client request <input type="checkbox"/> Other

LEA 17.3	Additional information. [Optional]
	<p>Neuberger Berman will seek to vote all shares under its authority so long as that action is not in conflict with client instructions. There may be circumstances under which Neuberger Berman may abstain from voting a client proxy, such as when Neuberger Berman believes voting would not be in clients' best interests (e.g., not voting in countries with share blocking or meetings in which voting has extensive administrative impediments). Neuberger Berman understands that it must weigh the costs and benefits of voting proxy proposals relating to foreign securities and make an informed decision with respect to whether voting a given proxy proposal is prudent and solely in the interests of the clients and, in the case of an ERISA client and other accounts and clients subject to similar local laws, a plan's participants and beneficiaries. Neuberger Berman's decision in such circumstances will take into account the effect that the proxy vote, either by itself or together with other votes, is expected to have on the value of the client's investment and whether this expected effect would outweigh the cost of voting.</p>

LEA 18	Voluntary	Additional Assessed	PRI 2
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LEA 18.1	Indicate if you track the voting instructions that you and/or your service provider on your behalf have issued.
	<input checked="" type="checkbox"/> Yes, we track this information
LEA 18.2	Of the voting instructions that you and/or third parties on your behalf issued, indicate the proportion of ballot items that were:
	<p><b>Voting instructions Breakdown as percentage of votes cast</b> For (supporting) management recommendations  88.8%</p>

- Against (opposing) management recommendations
- 11.2%
- Abstentions
- 0%
- No, we do not track this information

LEA 18.3	In cases where your organisation voted against management recommendations, indicate the percentage of companies you have engaged.
30	

LEA 19	Mandatory	Core Assessed	PRI 2
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LEA 19.1	Indicate whether your organisation has a formal escalation strategy following unsuccessful voting.
<input checked="" type="checkbox"/> Yes	
<input type="checkbox"/> No	

LEA 19.2	Indicate the escalation strategies used at your organisation following abstentions and/or votes against management.
<input checked="" type="checkbox"/> Contacting the company's board	
<input checked="" type="checkbox"/> Contacting the company's senior management	
<input checked="" type="checkbox"/> Issuing a public statement explaining the rationale	
<input checked="" type="checkbox"/> Initiating individual/collaborative engagement	
<input type="checkbox"/> Directing service providers to engage	
<input checked="" type="checkbox"/> Reducing exposure (holdings) / divestment	
<input type="checkbox"/> Other	

LEA 19.3	Additional information. [Optional]
<p>Neuberger Berman recognizes that public markets function on the fundamental principle of shareholder input into the governance of invested companies. As such, we believe it is appropriate to pursue a variety of avenues to exercise our fiduciary obligation to clients and ensure the best interest of their investment principal, as well as, the long-term sustainable performance of the companies we invest in. While we strongly believe constructive engagement must precede other action, where that has failed, shareholders should not shy away from more direct action that we, as active managers with fundamental analysis of the business, are well positioned to pursue. While the overwhelming majority of our feedback is communicated to companies through our regular dialogue, where situations demand a more aggressive approach, we communicate our expectations through public or private letters and explore more involved strategies including vote intention disclosure, director nominations, and contested meetings of shareholders, among others. These situations are rare and only take place where we are not satisfied with the pace of improvements or where there is a rare opportunity to address a particular problem.</p>	

LEA 20	Voluntary	Descriptive	PRI 2
Private			

LEA 21	Voluntary	Descriptive	PRI 2
Private			

FI 01.1	Indicate (1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and (2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.
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SSA	Screening alone	5
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	95
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	0
Corporate (non-financial)	Screening alone	0
	Thematic alone	0
	Integration alone	45
	Screening + integration strategies	55
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	0

FI 01.2	Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.
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**Integration alone**

The primary ESG incorporation strategy that Neuberger Berman utilizes throughout our fixed income process is the Integration approach. Portfolios are constructed through a research driven framework that builds on our proprietary bottom up fundamental credit analysis and the overall scale of our research. Our ESG Scorecard influences internal credit ratings and is overlaid with a macro focused analysis that optimizes the appropriate risk adjusted sector weightings to construct a client's portfolio.

**Screening + Integration**

Neuberger also utilizes an Integration and Screening approach. Our UCITS platform in Europe excludes issuers deemed tied to Controversial Weapons. Neuberger also implements additional screening based on global norms, business activity involvement, social values, and country/location-specific exclusions as requested by clients. Neuberger utilizes third party research to implement exclusionary rules in our trading systems. Our co-mingled Emerging Markets funds also exclude companies involved in Direct Child Labour and Tobacco. The Municipal team can apply screens for separate accounts per request on top of its integrated approach.

Private

FI 03.1	Indicate how you ensure that your ESG research process is robust:
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- Comprehensive ESG research is undertaken internally to determine companies' activities; and products and/or services
- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate

- Internal audits and regular reviews of ESG research are undertaken in a systematic way.
- A materiality/sustainability framework is created and regularly updated that includes all the key ESG risks and opportunities for each sector/country.
- Other, specify

specify description
Fixed Income incorporates ESG analysis into its credit process on a systematic basis using a proprietary ESG Scorecard. Scores are reviewed by our Credit Committee.

None of the above

**FI 03.2** Describe how your ESG information or analysis is shared among your investment team.

- ESG information is held within a centralised database and is accessible to all investment staff
- ESG information is displayed on front office research platforms
- ESG information is a standard item on all individual issuer summaries, research notes, 'tear sheets', or similar documents
- Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- Records capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

**FI 03.3** Additional information. [Optional]

Non Investment Grade and Investment Grade

ESG is a critical component of the fundamental process of the fixed income teams, incorporated into our Credit Best Practices framework for over 20 years. We have adopted proprietary governance scorecard since 2009, have utilized third party ESG providers since 2014 and over the last two years have established a proprietary NB ESG Scoring System. Additionally, our credit committee conducts quarterly ESG reviews that monitor the effectiveness of the scoring system, reviews portfolio wins/losses tied to ESG and evaluates attribution data regarding the impact of ESG on returns.

Municipal Fixed Income

The Municipal team has a proprietary rating system in place to assess the environmental or social use of proceeds and place-based potential for impact using both social and environmental indicators from external data sources, with respect to the Municipal Impact strategy.

Emerging Markets Debt

In sovereigns, ESG factors constitute 40% of the team's proprietary Country Credit Model, using data from the World Bank, UNDP, Emissions Database for Global Atmospheric Data, Transparency International. Corporates integrate selected E and S indicators from Sustainalytics and MSCI with its own Governance assessment. The resulting Risk Ratings can be 1 or more notches lower than the internal Credit Ratings.

<b>FI 04</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>PRI 1</b>
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**FI 04.1** Indicate the type of screening you conduct.

	SSA	Corporate (non-financial)
Negative/exclusionary screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Positive/best-in-class screening	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Norms-based screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**FI 04.2** Describe your approach to screening for internally managed active fixed income

At the request of clients, Neuberger implements exclusions based on global norms, business activity involvement, social values, and country/location-specific. Neuberger Berman utilizes 3rd party research to implement these exclusionary tests in our trading systems. In some instances, clients provide their own exclusionary lists. The Emerging Markets Debt team excludes from its investable universe those companies involved in Controversial Weapons, Direct Child Labour and Tobacco.

For the Municipal Impact strategy, the team applies positive and negative screens. Negative screens include issuers deemed not sustainable and use of proceeds that have an overall negative impact on people and the planet. The strategy targets bonds that fund projects that have an overall positive impact based on our proprietary framework, with a bias to underserved communities.

None of our UCITS funds invest in securities that have been identified by the firm through the utilisation of third party data, as having corporate involvement in the end manufacture or manufacture of intended use components of biological and chemical weapons, anti-personnel land mines, or cluster munitions as defined in the Biological and Toxin Weapons Convention of 1972, the Chemical Weapons Convention of 1993, the Anti-personnel Landmines Convention of 1997, and/or the Convention on Cluster Munitions of 2010.

**FI 04.3** Additional information. [Optional]

<b>FI 05</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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FI 06	Mandatory	Core Assessed	PRI 1
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FI 06.1		Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.			
Type of screening	Checks				
Negative/exclusionary screening?	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above				
Positive/best-in-class screening	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input checked="" type="checkbox"/> Other, specify <table border="1" data-bbox="507 745 1394 835"> <tr> <th>other description</th> </tr> <tr> <td>Reporting is provided on request to clients around positive/best-in-class portfolios, and also reviewed on a quarterly basis by Portfolio Analytics.</td> </tr> </table> <input type="checkbox"/> None of the above			other description	Reporting is provided on request to clients around positive/best-in-class portfolios, and also reviewed on a quarterly basis by Portfolio Analytics.
other description					
Reporting is provided on request to clients around positive/best-in-class portfolios, and also reviewed on a quarterly basis by Portfolio Analytics.					
Norms-based screening	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above				

FI 06.2		Additional information. [Optional]	
<p>For fund and client-mandated screening, breaches are communicated to portfolio managers and applicable compliance personnel upon discovery. Breaches may be identified by independent supervisors via the order management system compliance module, or other means, including via the portfolio manager themselves. Breaches are remedied as soon as reasonably possible, in accordance with the terms of client investment management agreements. A breach may require market action by the portfolio manager. Active breaches are reviewed by a committee to determine portfolio impact, trends, and to identify potential areas for control enhancement. The EMD team has hard-coded rules in portfolio management systems to block trades in companies that meet its Negative Screening/Exclusion criteria: Controversial Weapons, Direct Child Labour and Tobacco.</p>			

FI 10	Mandatory	Descriptive	PRI 1
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FI 10.1		Describe your approach to integrating ESG into traditional financial analysis.	
<p>We have established a systematic process of integrating ESG analysis into our Fixed Income research capabilities. Neuberger Berman Fixed Income uses the depth of our research capabilities, access to management teams and third party data analytics to develop independent opinions on ESG factors that are relevant to credit risk in each industry. The research team plays an integral part in the investment process at Neuberger Berman. Analysts take ESG factors into account when assessing whether a company merits consideration as a viable investment or to continue holding that investment. Our analysts also identify what they believe are ongoing ESG risks, and consider them as inputs when calculating expected targets for their recommendations. As part of our research process, we frequently meet with corporate management teams to discuss a variety of issues, including ESG related information.</p> <p><b>Investment Grade and Non-Investment Grade</b></p> <p>ESG is a critical component of the fundamental research process that determines Neuberger Berman Internal Credit Ratings.</p> <p>The teams have integrated ESG issues into their Credit Best Practices framework since its inception over 20 years ago. We initiated a proprietary methodology of evaluating Governance through a Management Scorecard during 2009, and began using third party ESG scoring providers during 2014. Since then, we enhanced our process through the creation of an ESG Scorecard which we use to assign a proprietary Neuberger Berman ESG Score to all issuers that we invest in, including those not scored by third party providers.</p> <p>ESG analysis is performed by the Investment Grade and Non-Investment Grade Credit research teams directly and is not outsourced to a centralized group within Neuberger Berman or a third party ESG rating service. The systematic ESG process that we have established is focused on identifying industry-specific factors within Environmental and Social which we believe are material to credit risk assessment, and which are customized for each sector. We also analyze Governance through a proprietary methodology that is standardized across industries. Proactive engagement with issuers is completed to enhance disclosure, improve ESG analysis, and affect positive change. In addition, the teams conduct quarterly ESG Reviews with Credit Committee and performance attribution is monitored to determine the impact of ESG analysis and our system.</p> <p>We are also committed to continuous improvement in our ESG integration strategies. For example, during 2018, we began systematically incorporating Glassdoor data in our proprietary ESG Scores. We believe that issuers with low Glassdoor scores from their employees are indicative of potential for higher credit risk. We prioritize these issuers for engagement and the Glassdoor ratings are incorporated into our ESG Scores and Internal Credit Ratings.</p> <p><b>Emerging Markets Debt</b></p> <p>ESG factors are an integral part of EMD investment process, both in sovereigns and corporates. ESG factors make up 40% of the Country Credit Model</p>			

(CCM) ratings, drawing data from international organizations such as the World Bank, Emissions Database for Global Atmospheric Research, United Nations Development Programme, Transparency International, Sustainable Development Solutions Network (SDSN) and the Bertelsmann Stiftung. These ratings are incorporated in Hard Currency and FX scorecards. In 2018, we increased the number of environmental factors in our ESG process, with higher emphasis on areas such as the country's carbon-footprint, exposure to climate change and clean energy production.

The EMD Corporate team integrates selected E and S sub-indicators from MSCI and Sustainalytics, based on the materiality results obtained through a backtesting against financial ratios and bonds spreads from 1Q-2009 through 2Q-2018. Adding to E and S scores based on these selected Indicators, the EM Corporate analysts generate their own Governance scores through an internally developed tool which is 70% based on bottom-up topics centered on the bond issuers (i.e., controlling shareholder's experience and reputation), and 30% from top-down factors of their respective Country of Risk, taken from the Sovereign EMD team methodology. Weights for the E, S and G vary depending on the industry when calculating the overall ESG score. The integration of this internally generated ESG score with the internal Credit Rating make up a Comprehensive Risk Rating, which can be 1 or more notches lower than the internal Credit Rating if the ESG score is comparably low within its own industrial sector. Fair value assumptions for bonds' valuation and investment decisions are derived from the Comprehensive Risk Rating.

**FI 10.2 Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.**

**SSA**

**Municipal Fixed Income**

As part of all municipal fixed income analysis, ESG is an integrated part of the investment analysis, with a particular focus on risk mitigation. The quality of issuers' governance and management practices are assessed, including corruption, sound budgetary practices, and responsible use of debt. The team also considers environmental and social risks that may affect the borrower's ability to repay. For instance, are chronic social or environmental factors a significant risk to the economic viability of the issuer (e.g., crime or polluted drinking water)? And if the issuance is reliant on annual appropriation, the team closely examines the use of proceeds and whether the project being funded is essential to the community and thus likely to be repaid. In 2018 we further enhanced our process by incorporating ESG assessment into our portfolio management system prior to it being considered for purchase.

**Emerging Markets Debt**

ESG Factors make up 40% of the Country Credit Model (CCM) ratings, drawing data from international organizations such as the World Bank, Emissions Database for Global Atmospheric Research, United Nations Development Programme, and Transparency International, Sustainable Development Solutions Network (SDSN) and the Bertelsmann Stiftung. These ratings are incorporated in Hard Currency, Rates and FX scorecards. In 2018, we increased the number of environmental factors in our ESG process, with higher emphasis on areas such as the country's carbon footprint, exposure to climate change and clean energy production.

**Corporate (non-financial)**

We believe that material ESG factors are important drivers of credit risk. As a result, the Global Investment Grade Credit and Global Non-Investment Grade Credit teams systematically consider and evaluate ESG factors as an important component of their credit analysis discipline when making investment decisions for their portfolios. Proprietary ESG Scores are a key component of their internal credit ratings. Internal credit ratings are notched up or down depending on the ESG profile of the issuer, under the oversight of the team's Credit Committee. By integrating our proprietary ESG analysis into our internal credit ratings, there is a direct link between our analysis of material ESG factors and our portfolio construction activities across our teams' strategies.

ESG analysis is an important component of the teams' fundamental credit research, and can help to identify business risks, which would cause deterioration in an issuer's credit profile. The team has integrated ESG issues into its Credit Best Practices framework since its inception, and has formalized this framework in the form of a proprietary ESG Scoring System. Importantly, these proprietary scores are assigned to all issuers, even those not scored by third party services and including privately owned companies, which the team believes is unique to the market. Additionally, the team is directly engaged in the ESG research process – it is not outsourced to a third party or a different group within the firm – and derives ESG Scores as part of their credit underwriting process, which is overseen by the team's most senior investment professionals which comprise the Credit Committee.

The proprietary ESG Scoring System is built around the concept of sector specific criteria, which focuses on the ESG issues that are the largest drivers of credit risk in each industry. The Sustainability Accounting Standards Board ("SASB") framework for sector specific criteria are used as a starting point, but the teams customize each set of sector criteria based on their judgement, leveraging their significant sector/industry expertise. The teams also assigns weightings to E, S and G which vary by sector and are aimed at enhancing their credit risk assessment.

The teams believe that maintaining an active dialogue with senior management is an essential driver of consistent long-term investment results, as it provides them with a more holistic understanding of the credit risk, enables the team to offer feedback when they see shortcomings, and allows them to suggest alternative steps to protect value when necessary.

The teams believe that the depth of our research capabilities and scale provide a unique platform to engage with issuers in their markets on ESG related issues. Through our proprietary ESG Engagement Tracker, we closely monitor our engagement activities, report on these discussions to our Credit Committee and are helping to lead efforts to educate the credit markets on ESG issues and decrease the credit risk of our portfolio companies over time.

The EMD Corporate team integrates selected E and S indicators from MSCI and Sustainalytics, based on the materiality results obtained through a backtesting against financial ratios and bonds spreads from 1Q-2009 through 2Q-2018. Adding to E and S scores based on these selected Indicators, the EM Corporate analysts generate their own Governance scores through an internally developed tool which is 70% based on bottom-up topics centered on the bond issuers (i.e., controlling shareholder's experience and reputation), and 30% from top-down factors of their respective Country of Risk, taken from the Sovereign EMD team methodology. Weights for the E, S and G vary depending on the industry when calculating the overall ESG score. The integration of this internally generated ESG scores with the internal Credit Rating make up a Comprehensive Risk Rating, which can be 1 or more notches lower than the internal Credit Rating, if the ESG score is comparably low within its own industrial sector. Fair value assumptions for bonds' valuation and investment decisions are derived from the Comprehensive Risk Rating. In addition, these downgrades and the incurrence on severe Controversies & Incidents, trigger mandatory Engagement efforts whose answers are discussed by our analysts and the Portfolio Managers, and can influence investment decisions further.

**FI 10.3 Additional information [OPTIONAL]**

Our Fixed Income Investment Teams work closely with our ESG Investing Team and collaborate closely with other asset class Investment teams to review and continuously improve our process for ESG integration and share best practices. Oversight of the ESG process and the development of data regarding the effectiveness of ESG in the Fixed Income market are also important priorities for all teams. The teams work collaboratively within the firm through a Fixed Income ESG Working Group and through the firm's ESG Committee. The ESG Committee, which has members from across our investment teams at the firm, oversees progress and ensures access to various resources at the firm level. Additionally, the ESG Investing team participates in quarterly reviews of the ESG integration process across each investment team.

**FI 11 Mandatory Core Assessed PRI 1**

**FI 11.1 Indicate how ESG information is typically used as part of your investment process.**

	SSA	Corporate (non-financial)
ESG analysis is integrated into fundamental analysis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is used to adjust the internal credit assessments of issuers.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is used to adjust forecasted financials and future cash flow estimates.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis impacts the ranking of an issuer relative to a chosen peer group.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
An issuer's ESG bond spreads and its relative value versus its sector peers are analysed to find out if all risks are priced in.	<input type="checkbox"/>	<input type="checkbox"/>
The impact of ESG analysis on bonds of an issuer with different durations/maturities are analysed.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Sensitivity analysis and scenario analysis are applied to valuation models to compare the difference between base-case and ESG-integrated security valuation.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is integrated into portfolio weighting decisions.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Companies, sectors, countries and currency and monitored for changes in ESG exposure and for breaches of risk limits.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
The ESG profile of portfolios is examined for securities with high ESG risks and assessed relative to the ESG profile of a benchmark.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other, specify	<input type="checkbox"/>	<input type="checkbox"/>

**FI 11.2** Additional information [OPTIONAL]

The EMD and corporate fixed income teams integrate ESG scores and analysis in all Investment cases, which are the team's internal research notes and issuer summaries.

**FI 12** Mandatory Additional Assessed PRI 1

**FI 12.1** Indicate the extent to which ESG issues are reviewed in your integration process.

	Environment	Social	Governance
SSA	<input checked="" type="checkbox"/> Systematically <input type="checkbox"/> Occasionally <input type="checkbox"/> Not at all	<input checked="" type="checkbox"/> Systematically <input type="checkbox"/> Occasionally <input type="checkbox"/> Not at all	<input checked="" type="checkbox"/> Systematically <input type="checkbox"/> Occasionally <input type="checkbox"/> Not at all
Corporate (non-financial)	<input checked="" type="checkbox"/> Systematically <input type="checkbox"/> Occasionally <input type="checkbox"/> Not at all	<input checked="" type="checkbox"/> Systematically <input type="checkbox"/> Occasionally <input type="checkbox"/> Not at all	<input checked="" type="checkbox"/> Systematically <input type="checkbox"/> Occasionally <input type="checkbox"/> Not at all

**FI 12.2** Please provide more detail on how you review E, S and/or G factors in your integration process.

SSA
<p>Municipal Fixed Income</p> <p>E,S,and G factors are a part of the internal credit analysis process with a particular focus on the material issues that could affect the ability of a borrower to repay and the reliability of future cash flows. The research analyst assesses these factors alongside every other credit factor they consider and confirms in the system that the analysis was conducted in order for the bond to be eligible for purchase.</p>
Corporate (non-financial)
<p>The proprietary ESG Scoring System is built around the concept of sector specific criteria, which focuses on the ESG issues that are the largest drivers of credit risk in each industry. The Sustainability Accounting Standards Board ("SASB") Alliance framework for sector specific criteria are used as a starting point, but the teams customized each set of sector criteria based on their judgement, leveraging their significant sector/industry expertise. The teams also assigns weightings to E, S and G which vary by sector and are aimed at enhancing their credit risk assessment.</p> <p>Each issuer is evaluated using an ESG Scorecard, which is comprised of the factors that our analysts view as most material to credit risk for the company. After using several data sources, combined with our own access to management teams and industry peers, our analysts assign scores to these material factors. The output of this research process is then presented to our Credit Committee, comprised of our portfolio managers and most senior investment professionals, along with our factors such as business fundamentals, industry trends, covenants and financial metrics. As part of these presentations, our Credit Committee provides direct oversight of the ESG Scorecard for each issuer, requests changes to criteria in certain circumstances, provides feedback and adjusts their assessment of relative value and portfolio positioning based on the analysis and dialogue with our research analysts.</p>

**FI 12.3** Additional information.[OPTIONAL]

Material ESG factors are identified and assessed during the credit research process using the following framework for environmental and social factors:

- We start by utilizing the environmental and social factors identified by the Sustainability Accounting Standards Board (SASB) as potentially material for the given industry. Our analysts were involved in the development of the SASB standards through participation in the industry working groups, and our heads of Investment Grade and Non-Investment Grade Fixed Income Research have volunteered to serve on SASB's Sector Working Groups. We

believe SASB provides an excellent minimum set of industry-specific sustainability factors and have formally integrated an expectation that Board members be familiar with them in our Proxy Voting Guidelines. However, not all factors identified by SASB are relevant for fixed income investors, or for the time horizon over which we are valuing a security. Therefore, each credit analyst has modified the factors specifically for their industry or sector based on their expert judgement. A good example would be the Technology sector where the SASB standards include product lifecycle management including metrics around recoverability of materials and certifications of recyclability. Our Technology analyst views this as being unlikely to affect the ability of a technology hardware company to be able to repay principal and interest, whereas issues around energy, water and waste efficiency of manufacturing processes, supply chain management, and labour standards and data security are considered

- The factors identified by credit analysts are reviewed and discussed with the Head of Investment Grade Fixed Income Research and the Head of ESG Investing, and the analyst's rationale is debated and any modifications made. This discussion also includes the relative weight to place on each factor
- The credit analyst is then responsible for scoring each issuer on an industry-relative basis against each of these factors. Where possible robust data sources are used to complete this scoring, however many material factors have poor levels of disclosure and in those cases the credit analyst provides their own scoring based on qualitative inputs including engagement with management

We do not believe that the materiality of Governance factors varies significantly between sectors and so we have a proprietary Investment Grade credit Governance score which is standardized across all sectors. This considers:

- Level of independence of Board members
- Capability of the Board
- Compensation tied to cash flow and long-term viability
- Capability of management
- Financial statements quality and disclosure

ESG scores allow credit analysts to reach more comprehensive views on relative value between issuers, and to prioritize additional research and engagement efforts on the specific ESG factors on which a given issuer appears to be lagging. In this way, credit analysts are focusing on the material ESG factors which they believe are likely to be most financially material to the portfolio as a whole.

ESG scores are reviewed in aggregate on a quarterly basis by Portfolio Managers, the Head of Investment Grade Fixed Income Research, and the Head of ESG Investing.

FI 13	Voluntary	Descriptive	PRI 1
<i>Private</i>			
FI 14	Mandatory to Report, Voluntary to Disclose	Core Assessed	PRI 2
<i>Private</i>			
FI 15	Mandatory to Report, Voluntary to Disclose	Additional Assessed	PRI 1,2
<i>Private</i>			
FI 16	Mandatory to Report, Voluntary to Disclose	Additional Assessed	PRI 1,2
<i>Private</i>			
FI 17	Mandatory to Report, Voluntary to Disclose	Additional Assessed	General
<i>Private</i>			
FI 18	Voluntary	Descriptive	PRI 1,2
<i>Private</i>			

CM1 01	Mandatory	Additional Assessed	General										
CM1 01.1	Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:												
	<input type="checkbox"/> Third party assurance over selected responses from this year's PRI Transparency Report <input type="checkbox"/> Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year <input type="checkbox"/> Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year) <input checked="" type="checkbox"/> Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year) <input checked="" type="checkbox"/> Internal verification of responses before submission to the PRI (e.g. by the CEO or the board) <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Whole PRI Transparency Report has been internally verified</li> <li><input type="checkbox"/> Selected data has been internally verified</li> </ul> <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above												
CM1 02	Mandatory	Descriptive	General										
CM1 02.1	We undertook third party assurance on last year's PRI Transparency Report												
	<input type="radio"/> Whole PRI Transparency Report was assured last year <input type="radio"/> Selected data was assured in last year's PRI Transparency Report <input checked="" type="radio"/> We did not assure last year's PRI Transparency report <input type="radio"/> None of the above, we were in our preparation year and did not report last year.												
CM1 03	Mandatory	Descriptive	General										
CM1 03.1	We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:												
	<input type="checkbox"/> We adhere to an RI certification or labelling scheme <input type="checkbox"/> We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report <input type="checkbox"/> ESG audit of holdings <input checked="" type="checkbox"/> Other, specify <p style="margin-left: 20px;">Our submission is reviewed by our Head of ESG Investing, our Legal Department, our President and CIO (Equities), as well as investment teams.</p> <input type="checkbox"/> None of the above												
CM1 04	Mandatory	Descriptive	General										
CM1 04.1	Do you plan to conduct third party assurance of this year's PRI Transparency report?												
	<input type="radio"/> Whole PRI Transparency Report will be assured <input type="radio"/> Selected data will be assured <input checked="" type="radio"/> We do not plan to assure this year's PRI Transparency report												
CM1 06	Mandatory	Descriptive	General										
CM1 06.1	Provide details of the third party assurance of RI related processes, and/or details of the internal audit conducted by internal auditors of RI related processes (that have been reported to the PRI this year)												
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;"></td> <td>What RI processes have been assured</td> </tr> <tr> <td></td> <td> <input type="checkbox"/> Data related to RI activities  <input type="checkbox"/> RI policies  <input type="checkbox"/> RI related governance  <input type="checkbox"/> Engagement processes  <input checked="" type="checkbox"/> Proxy voting process  <input type="checkbox"/> Integration process in listed assets  <input checked="" type="checkbox"/> Screening process in listed assets  <input type="checkbox"/> Thematic process in listed assets  <input type="checkbox"/> Manager selection process for externally managed assets  <input type="checkbox"/> Manager appointment process for externally managed assets  <input type="checkbox"/> Manager monitoring process for externally managed assets  <input type="checkbox"/> ESG incorporation in selection process for private equity investments  <input type="checkbox"/> Other </td> </tr> <tr> <td></td> <td>When was the process assurance completed(dd/ mm/yy)</td> </tr> <tr> <td></td> <td>29/03/2019</td> </tr> <tr> <td></td> <td>Assurance standard used</td> </tr> </table>				What RI processes have been assured		<input type="checkbox"/> Data related to RI activities <input type="checkbox"/> RI policies <input type="checkbox"/> RI related governance <input type="checkbox"/> Engagement processes <input checked="" type="checkbox"/> Proxy voting process <input type="checkbox"/> Integration process in listed assets <input checked="" type="checkbox"/> Screening process in listed assets <input type="checkbox"/> Thematic process in listed assets <input type="checkbox"/> Manager selection process for externally managed assets <input type="checkbox"/> Manager appointment process for externally managed assets <input type="checkbox"/> Manager monitoring process for externally managed assets <input type="checkbox"/> ESG incorporation in selection process for private equity investments <input type="checkbox"/> Other		When was the process assurance completed(dd/ mm/yy)		29/03/2019		Assurance standard used
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	When was the process assurance completed(dd/ mm/yy)												
	29/03/2019												
	Assurance standard used												

- IIA's International Standards for the Professional Practice of Internal Auditing
- ISAE 3402
- ISO standard
- AAF 01/06
- SSE18
- AT 101 (excluding financial data)
- Other

CM1 07	Mandatory	Descriptive	General
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CM1 07.1	Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed
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- CEO or other Chief-Level staff

	Sign-off or review of responses
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- Sign-off
- Review of responses

- The Board

- Investment Committee

	Sign-off or review of responses
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- Sign-off
- Review of responses

- Compliance Function

- RI/ESG Team

- Investment Teams

- Legal Department

- Other (specify)