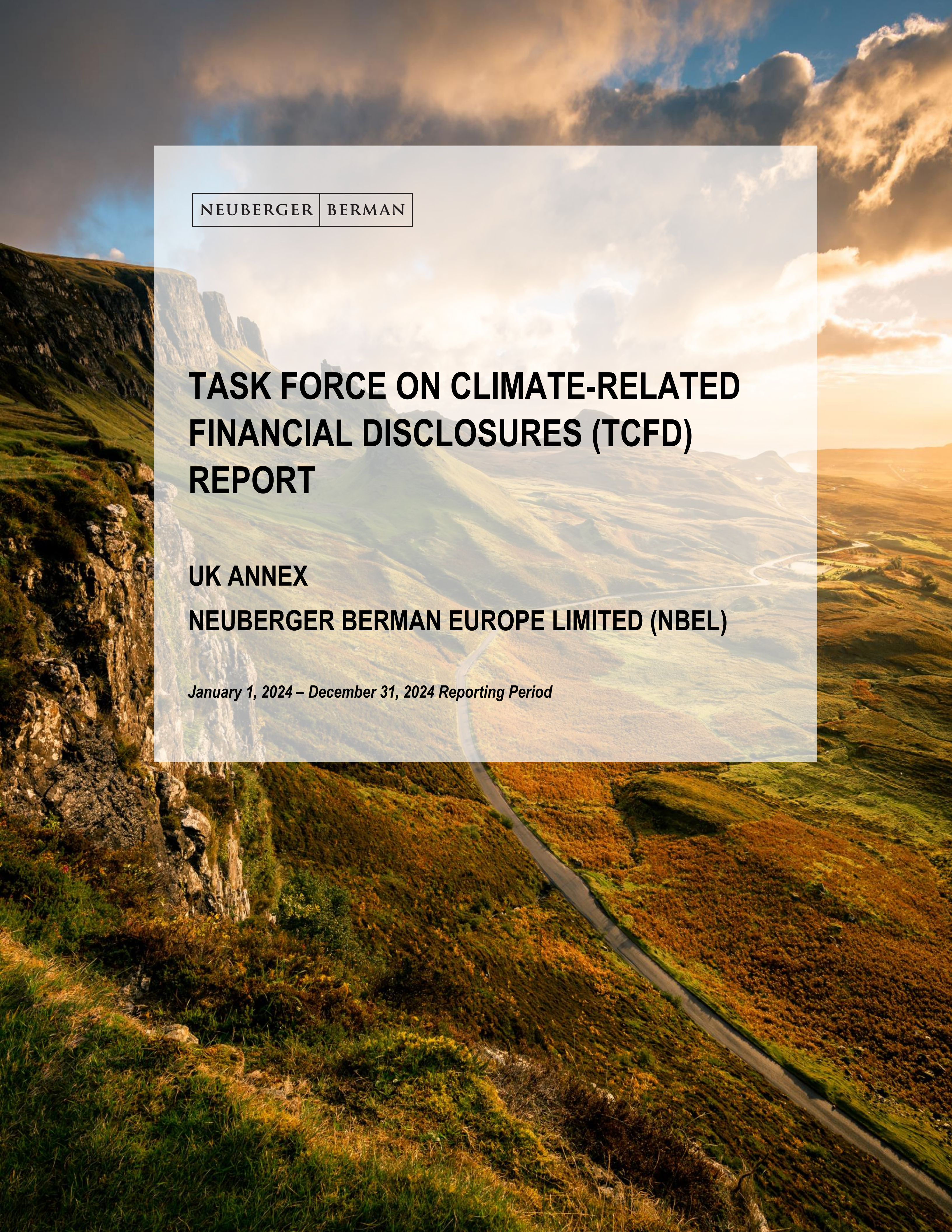

NEUBERGER | BERMAN

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) REPORT

UK ANNEX

NEUBERGER BERMAN EUROPE LIMITED (NBEL)

January 1, 2024 – December 31, 2024 Reporting Period

Table of Contents

Neuberger Berman European Limited (NBEL) forms part of the wider Neuberger Berman Group and is an FCA-authorised firm that provides portfolio management services (among others). NBEL is wholly owned (via intermediate holding companies) by Neuberger Berman Group LLC (Neuberger Berman Group).

AIM

As a long-term-focused asset manager, NBEL and the wider Neuberger Berman Group recognise the profound impact of climate change and the ongoing global transition toward net-zero emissions. With countries actively shaping policies around their Nationally Determined Contributions (NDCs) and enhancing targets ahead of COP30, we understand the importance of assessing how these policies may influence investment landscapes. Our commitment lies in identifying and addressing climate-related risks and opportunities that are financially material to the portfolios we manage, as well as to our broader business strategy and operations.

Climate considerations play a critical role in our investment decision-making process in two key ways. First, in alignment with our fiduciary duty to clients, we analyse climate risks and opportunities that could affect the financial performance of securities or portfolios. Recognising that climate risks can be financially material across many sectors, we integrate these factors, where appropriate, alongside other variables that may impact client capital.

Second, we acknowledge that for many of our clients, the climate impact of their portfolios is increasingly significant alongside traditional investment performance goals. For clients with outcome-driven objectives, we also evaluate how climate-related risks and opportunities align with their desired sustainability outcomes.

This document describes NBEL's climate-related corporate strategy in line with disclosure recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) and the disclosure obligations in the ESG Sourcebook in the Financial Conduct Authority (FCA) Handbook. In particular, it identifies where NBEL's climate-related corporate strategy may differ from our Neuberger Berman Group climate-related strategy and presents metrics at the NBEL level. It also serves as a disclosure against the wider Neuberger Berman Group's commitment to the Net Zero Asset Managers Initiative[1] (as explained below) as well as our Investor Climate Action Plan (as defined by the Investor Agenda). The purpose of this document is to provide our current and future clients and any additional stakeholders with information to help them understand how we assess climate-related issues and opportunities through our approach to governance, strategy, risk management and metrics and targets within NBEL.

References to the "firm" or "firmwide" in this report, are to the Group and the Group-wide position.

We encourage you to also reference our TCFD report for Neuberger Berman Group, which covers Neuberger Berman's worldwide operations, offering a broader view that encompasses the firm's global strategies, initiatives, and climate-related financial disclosures, many of which are leveraged by NBEL. The Group report can be found here.

SCOPE

This report covers NBEL's activities that are in scope for reporting under the ESG Sourcebook, which is portfolio management. This report therefore covers NBEL's assets under management (AUM), which have been calculated based on:

- any funds and separately managed accounts directly managed by NBEL as the contracting entity;
- all funds and separately managed accounts managed by NBEL on a delegated basis; and
- any funds and separately managed accounts managed by NBEL by virtue of an intra-group contractual arrangement together the "NBEL Portfolio".

For the avoidance of doubt, funds or separately managed accounts for which NBEL carried out currency hedging services; are not included in the scope of this report that is, NBEL did not provide portfolio management services in relation to these funds or separately managed accounts.

Unless otherwise stated, the NBEL Portfolio contains listed public equities and fixed income. The NBEL Portfolio excludes look-through of underlying funds or ETFs held. The following asset classes are excluded from the NBEL Portfolio and its calculations

[1] We understand that the NZAMI is currently undertaking a strategic review that includes reviewing whether target-setting and reporting guidelines are consistent with its objectives. We continue to be signatories to the NZAMI and believe our involvement is consistent with the discharge of our fiduciary duties to clients. We plan to carefully consider the implications of any changes to NZAMI.

due to gaps in underlying data and to avoid potentially inaccurate or misleading disclosure: Money Market securities, derivatives (e.g. OTC, CMO), Repo, Private Equity, Private Debt, Mortgages, Agencies and Municipals.

For further information on data challenges and the steps that NBEL are taking to address such challenges, please see the Gaps in Underlying Data and Methodological Challenges section below.

The NBEL Portfolio amounts to approximately $49 billion.

This annex will cover the reporting period from January 1, 2024 to December 31, 2024. The calculation date for all reported metrics (including the various charts) is as of December 31, 2024. NBEL's climate-related corporate strategy will be reviewed annually and amended as appropriate.

GOVERNANCE

Board Oversight

The NBEL Board of Directors (Board) is currently comprised of six members, four of whom also sit on our group-level Operating and/or Partnership Committees.

As a subset of all enterprise-wide risks, the Board oversees climate-related enterprise risk and reviews NBEL's approach to climate-related risks and opportunities. This oversight is carried out through several governance mechanisms (outlined in greater detail below), including reporting by the EMEA ESG Product Committee to the EMEA Product Governance Committee (which reports directly to the NBEL Board) and senior NBEL employees. The Board receives regular updates on the wider Neuberger Berman Global ESG regulatory programme. The Head of Europe Sustainable Investing provides regular updates to the Board on the TCFD requirements, climate risks and opportunities as well as an overview of the Stewardship and Sustainable Investing Advisory Council meetings and their findings.

NBEL directors receive training on Director's Duties and Liabilities, Senior Managers & Certification Regime, Internal Capital Adequacy and Risk Assessment (ICARA) and climate-related topics and/or issues. Where relevant and appropriate, senior management has integrated financially material environment, social and governance risk factors and climate-related risks into day-to-day operations at NBEL, including into budget, overall strategy, capital management, risk management, and other matters that the Board oversees, and this is reflected in the materials that are provided to the Board.

On an annual basis, the Neuberger Berman Stewardship and Sustainable Investing group presents the Stewardship and Sustainable Investing Strategy to the Board and NBEL CEO. The Stewardship and Sustainable Investing Strategy is an internal Neuberger Berman document outlining the Neuberger Berman environment, social and governance priorities for the year ahead to relevant internal stakeholders and includes an update on Neuberger Berman's Net Zero Asset Managers Initiative commitment[1] (including NBEL).

Management Responsibility

Senior management is responsible for overseeing NBEL's operations, risk department and investment professionals. As a subset of overall management of NBEL, senior management also oversees climate-related risks and opportunities. The Board are updated on climate-related risks and opportunities considered material by the following NBEL subject matter experts: the Global Head of Stewardship and Sustainable Investing, the Head of Europe Sustainable Investing, Head of Investment Risk, the Sustainable Investing Policy and Regulation Lead, and EMEA Counsel. The NBEL CEO is invited to attend the Stewardship and Sustainable Investing Advisory Council, which was established in 2021 and is currently comprised of six industry experts, including three members with experience in climate non-profits, academia and investing.

The Head of Europe Sustainable Investing is responsible for ensuring appropriate climate expertise and analytical capabilities are in place to support portfolio managers and research analysts in understanding the potential implications of climate change for security analysis and portfolio construction.

Neuberger Berman Europe Limited Committees

The committees that oversee and guide our initiatives are predominantly global in scope, encompassing and addressing the needs of NBEL alongside our broader organisational objectives. In this section, we specifically highlight the unique committee that is dedicated to NBEL, distinguishing it from our comprehensive global framework. For detailed insights into our global committees and their overarching environment, social and governance strategies, please refer to pg. 6-8 in our global TCFD report.

EMEA ESG Product Committee

The EMEA ESG Product Committee is chaired by the Head of Product Strategy EMEA & APAC. It includes the Head of Europe Sustainable Investing, Head of Investment Risk EMEA and Asia, EMEA Counsel and other senior employees. The EMEA ESG Product Committee is responsible for approval of Sustainable Finance Disclosure Regulation (SFDR) classifications for products launched or being marketed in EMEA, consideration of climate risks and opportunities and UK Stewardship-related matters. The EMEA ESG Product Committee reports to the EMEA Product Governance Committee which reports directly into the NBEL Board. NBEL climate-related risks and opportunities are under the formal remit of the EMEA ESG Product Committee.

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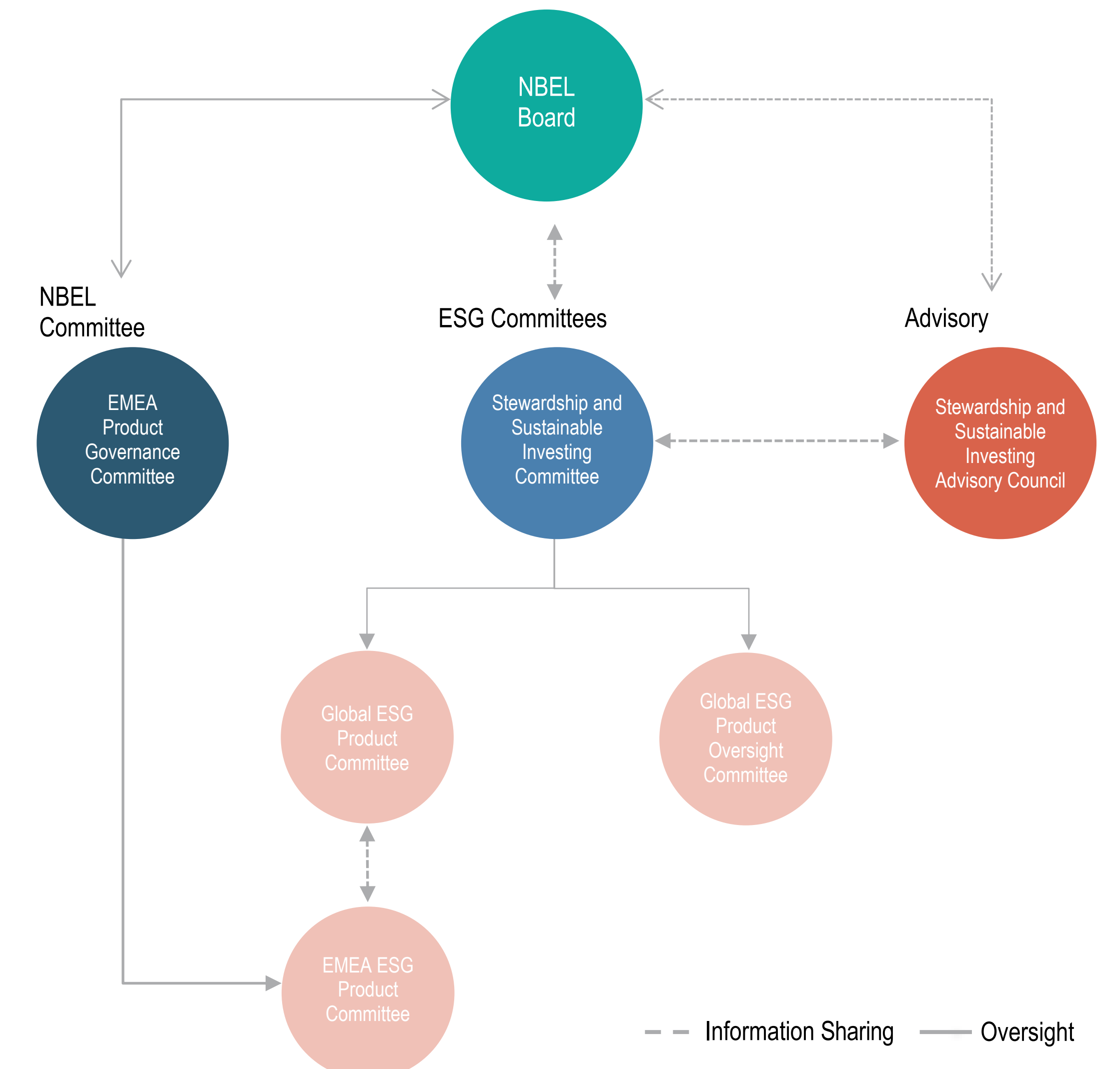
[1] We understand that the NZAMI is currently undertaking a strategic review that includes reviewing whether target setting and reporting guidelines are consistent with its objectives. We continue to be signatories to the NZAMI and believe our involvement is consistent with the discharge of our fiduciary duties to clients. We plan to carefully consider the implications of any changes to NZAMI.

NBEL's approach to considering climate risks and opportunities is consistent across the Neuberger Berman Group and guides our decision-making and engagement process, including in respect of affiliates to which we delegate and third parties outside of the Neuberger Berman Group. We recognise the risks of climate change to NBEL's business strategy, financial planning and operations, which determines how we design investment solutions in response to client demand, choose our facilities, and access capital.

Overview of NBEL's ESG Governance Structure



Neuberger Berman's affiliates/subsidiaries (including NBEL) are part of the Net Zero Asset Managers Initiative which has a goal of achieving net-zero emissions in line with the Paris Agreement. Any NBEL intra-group delegation must take into consideration that the Neuberger Berman entity (to which the function is delegated) is also managed to the same net-zero emissions target by 2050.[2]

[2] We understand that the NZAMI is currently undertaking a strategic review that includes reviewing whether target setting and reporting guidelines are consistent with its objectives. We continue to be signatories to the NZAMI and believe our involvement is consistent with the discharge of our fiduciary duties to clients. We plan to carefully consider the implications of any changes to NZAMI.

STRATEGY

We are committed to understanding our climate-related risks and opportunities and managing risks material to NBEL's business. Given the nature of NBEL's business, and the portfolios managed by NBEL, our assessment of these climate-related risks and opportunities applies across the Neuberger Berman Group. Below, we set out the assessment tools we use specifically in respect of NBEL.

Investment Portfolios

We have identified key channels through which climate risks and opportunities would impact portfolio companies and thus present a source of investment risk. As global investors, both the Neuberger Berman Group and NBEL have exposure to many investment portfolios across different jurisdictions. For this reason, we have applied a top-down approach to identify the climate risk and opportunity channels for investment portfolios across the Neuberger Berman organisation, including the portfolios managed by NBEL.

We have segmented climate-related risks and opportunities into two categories, physical risk and transition risk, both of which affect NBEL and NBEL portfolio companies in the same manner that they affect the wider Neuberger Berman organisation. Detailed information on our climate risk strategy and short-, medium- and long-term risks and opportunities is set out on pg. 11-13 of our global TCFD report.

Creating Proprietary Tools to Assess Climate Risks and Opportunities

We are committed to innovating our analytical tools to meet client needs. These tools are available to portfolio managers across the firm, including the portfolios managed by NBEL. The following sections show the results of our analysis, applied only to the NBEL Portfolio.

Availability of Measurement and Assessment Tools Across the below NBEL Asset Classes

Asset Class	**Corporate Fixed Income**			**Sovereigns**		**Listed Public Equity**		
Sub-Asset Class	**Investment Grade Credit**	**Non-Investment Grade Credit**	**Emerging Market Debt**	**Developed Market Sovereigns**	**Emerging Market Sovereigns**	**Developed Market Global Equity**	**Small Cap Equity**	**Emerging Market Equity**
Climate Value-at-Risk								
Carbon Emissions								
Neuberger Berman Net-Zero Alignment Indicator								
Natural Capital Assessment								
Climate Solutions								
Neuberger Berman ESG Quotient								
Controversy Monitoring								
Engagement								
Sovereign Sustainability Assessment								

The Neuberger Berman Net-Zero Alignment Indicator

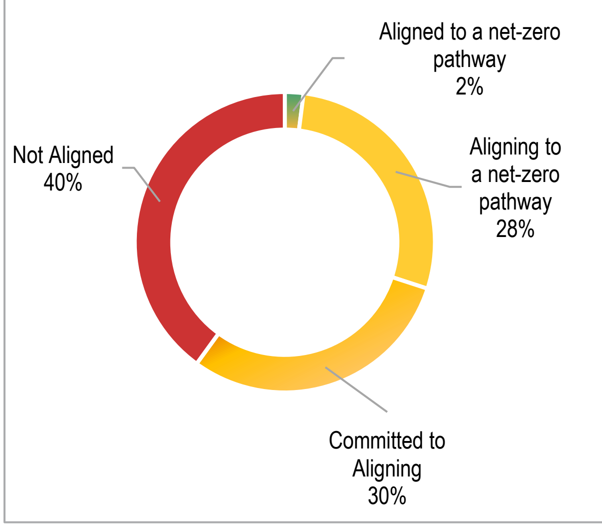
The Neuberger Berman Net-Zero Alignment Indicator (Indicator) is applied across the entirety of the NBEL Portfolio's corporate holdings (not just across net-zero committed products)[1] at both the portfolio and security level. This enables us to assess where relevant a company's net-zero transition readiness, and hence its ability to mitigate climate risks. Using our Indicator at the NBEL level, we found that the majority of issuers are Committed to Aligning, Aligning Toward a Net-Zero Pathway or Aligned to a Net-Zero Pathway. For issuers that are currently Not Aligned, the Indicator aims to help us understand issuers' transition plans and inform future engagement.

Between 2023 and 2024, the NBEL Portfolio's corporate holdings exhibited an upward trend in net-zero alignment, primarily due to a reduction in AUM that were not net-zero aligned. In addition, there was an increase in the proportion of assets categorised as either Aligned to a Net-Zero Pathway or Aligning to a net-zero pathway due to positive progress in companies' transition efforts.

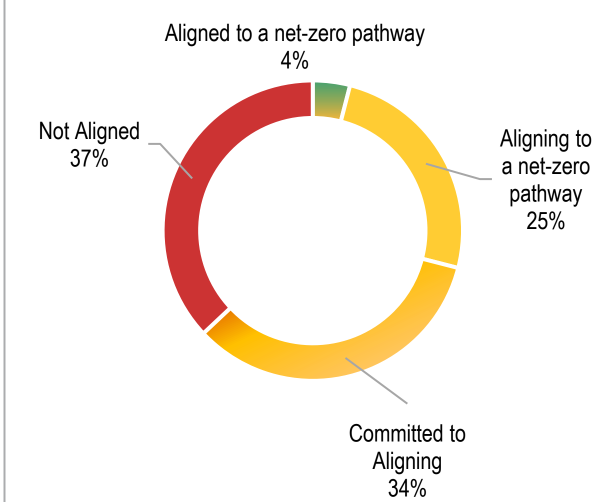
While these movements reflect progress, challenges remain as certain companies face headwinds in maintaining credible transition plans. Our focus continues to be on refining our alignment frameworks, supporting issuers in their climate-related efforts, and identifying opportunities to further advance the portfolio's alignment with net-zero objectives where relevant.

For detailed insights into how the Indicator is applied and its key advantages, please refer to pg. 18-25 in our global TCFD report.

2023 Alignment Status (NBEL Portfolio's Corporate Holdings Weight)



2024 Alignment Status (NBEL Portfolio's Corporate Holdings Weight)



[1] The Indicator is not applied to the sovereign holdings in the NBEL Portfolio.

Climate Value-at-Risk (CVaR)

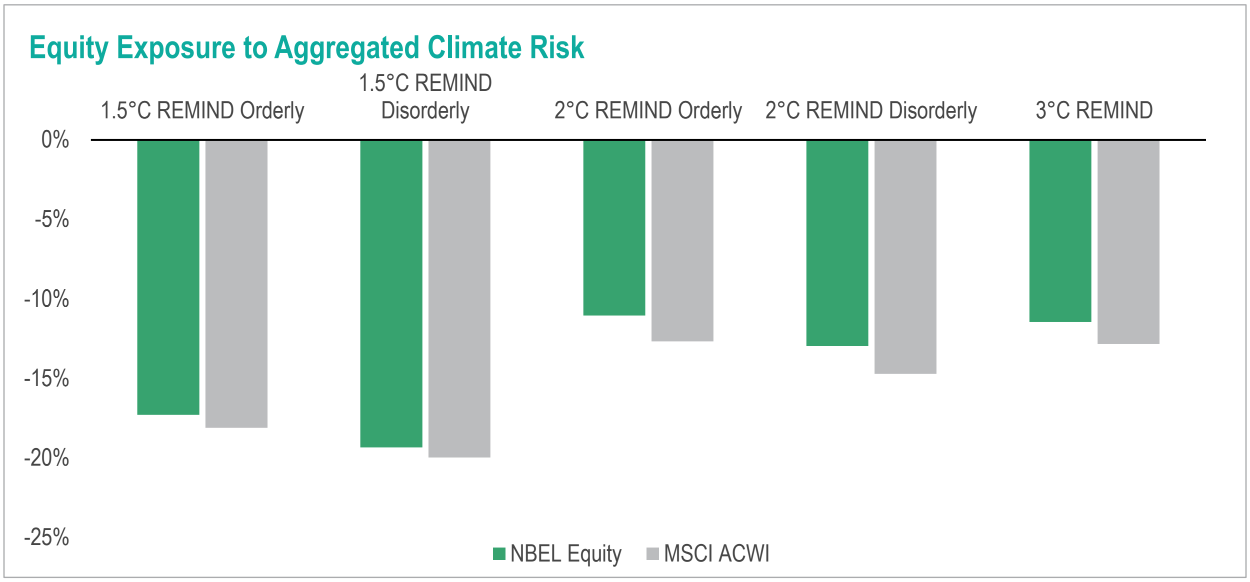
We have implemented top-down scenario analysis for modelling transition and physical risks at the company level in line with the recommendations of the TCFD. At the NBEL level, we review the aggregated CVaR results of the NBEL Portfolio. We are using the REMIND model under the Network for Greening the Financial System (NGFS) scenarios in line with industry recommendations, to understand the impact of orderly vs. disorderly scenarios. Our standard approach, when assessing CVaR results, centers around a 2°C orderly scenario. However, we also have the capability to estimate climate impacts across 1.5°C orderly, 1.5°C disorderly, 2°C disorderly and 3°C scenarios. The details of each REMIND scenario can be found in our global TCFD report on pg. 27.

CVaR provides a framework for NBEL to identify climate risk over the long term, and to assist NBEL in understanding potential company exposure to physical and transition risks. However, because the CVaR relies on a number of projections and assumptions about future costs and company valuations under various scenarios, it has significant limitations in sectors where estimates are uncertain and imprecise over longer-term horizons. The physical risk output, for example, is highly relevant to industrial companies whose primary exposure comes through facilities' location data but doesn't account for insurance companies who are primarily exposed through their portfolios. It is our view that CVaR could be underestimating the physical climate risk component, across all warming scenarios, but this is more acute in higher warming scenarios. For instance, while our results show greater climate value-at-risk under the 1.5-degree scenario, we believe physical risks under 2- and 3-degree scenarios could be higher than currently estimated. To address this critical gap, we are developing an internal climate physical risk assessment, which will enable us to more accurately measure and understand these risks at the sector and company level. The transition risk data may also underestimate the ability of companies in certain sectors, like airlines or cement, to pass through costs related to technology opportunities and policy risk. In general, all scenario analysis is dependent on top-down assumptions that need to be contextualised across sectors and individual issuers. As such, we believe that scenario analysis should serve as a starting point for further bottom-up analysis that more precisely identifies climate-related risks and financial materiality through issuer engagement.

At year-end 2024, this scenario analysis was run against the NBEL Portfolio. However, for many asset classes industry-wide gaps in underlying data meant that NBEL did not have adequate, reliable and verifiable CVaR data. NBEL did not consider CVaR data that was not adequate, reliable and verifiable as this could lead to inaccurate or misleading disclosure. For further information on data challenges and the steps that NBEL are taking to address such challenges, please see the Gaps in Underlying Data and Methodological Challenges section below.

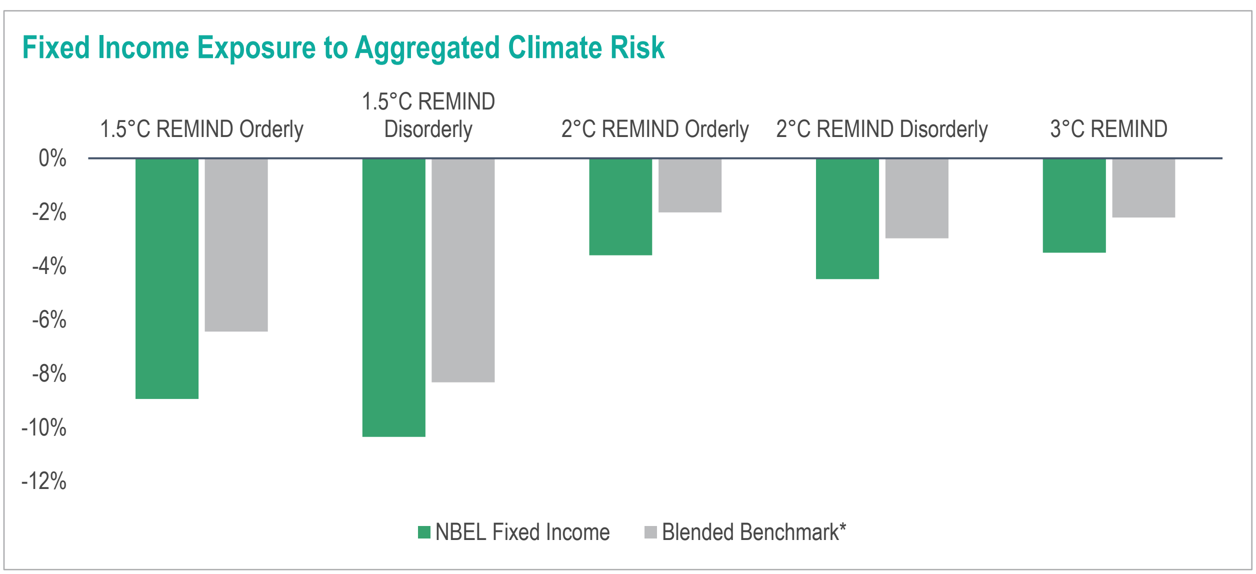
Equities

Across the subset of the NBEL Portfolio's equity exposure as at 31 December 2024, we found that the holdings are slightly more resilient to climate risks than the respective benchmarks, but slightly less resilient than our firm-wide holdings. Given that NBEL's Portfolio exposure represents a subset of the firm-wide exposure, this means that there are proportionally fewer companies which comprise and which can affect the NBEL Portfolio's resilience to climate risk. This results in higher concentration (when compared to the firm-wide exposure) across securities and sectors due to the NBEL Portfolio's smaller size. We consider the NBEL Portfolio's equity income exposure to be resilience to climate risks.



Fixed Income

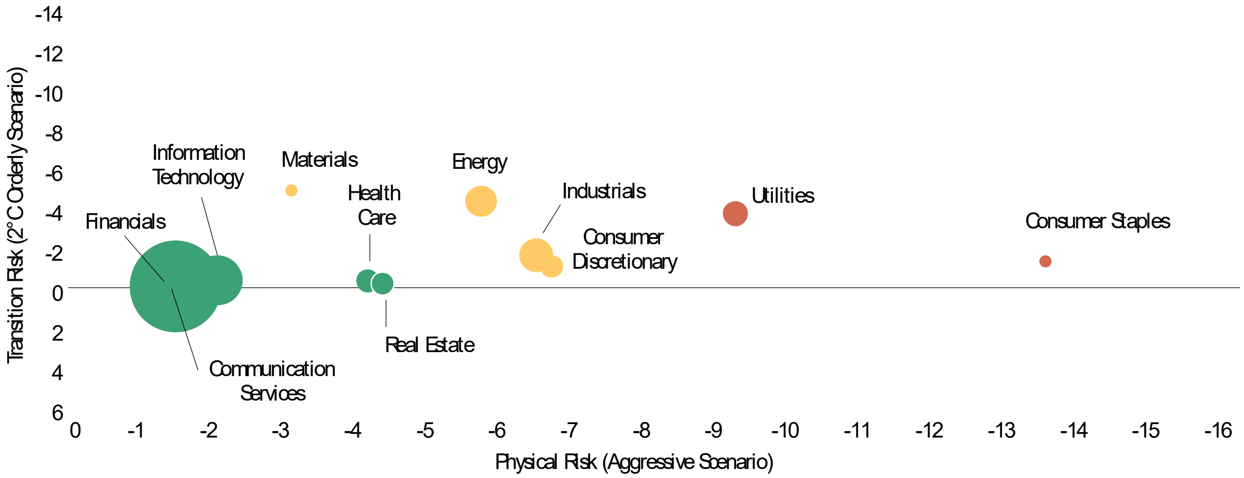
Across the subset of the NBEL Portfolio's fixed income exposure as at 31 December 2024, we found that holdings are less resilient to climate risk across all scenarios than the respective benchmarks. However, across all scenarios in the global TCFD report, our firm-wide fixed income exposure is more resilient to climate risks than their respective benchmarks. There are a number of factors which would explain this. In particular, as the NBEL Portfolio's exposure represents a subset of the firm-wide exposure, this means that there are proportionally fewer companies which comprise and which can affect the NBEL Portfolio's resilience to climate risks. This results in higher concentration (when compared to the firm-wide exposure) across securities and sectors due to the NBEL Portfolio's smaller size. Nevertheless, we consider the NBEL Portfolio's fixed income exposure to be resilience to climate risks.



*Blended Benchmark: 40% BBG Global Aggregate Corporate Index/40%ICE BofA Global High Yield Index (HW00)/20%JP Morgan Corporate Emerging Markets Bond Index - Regular Diversified.

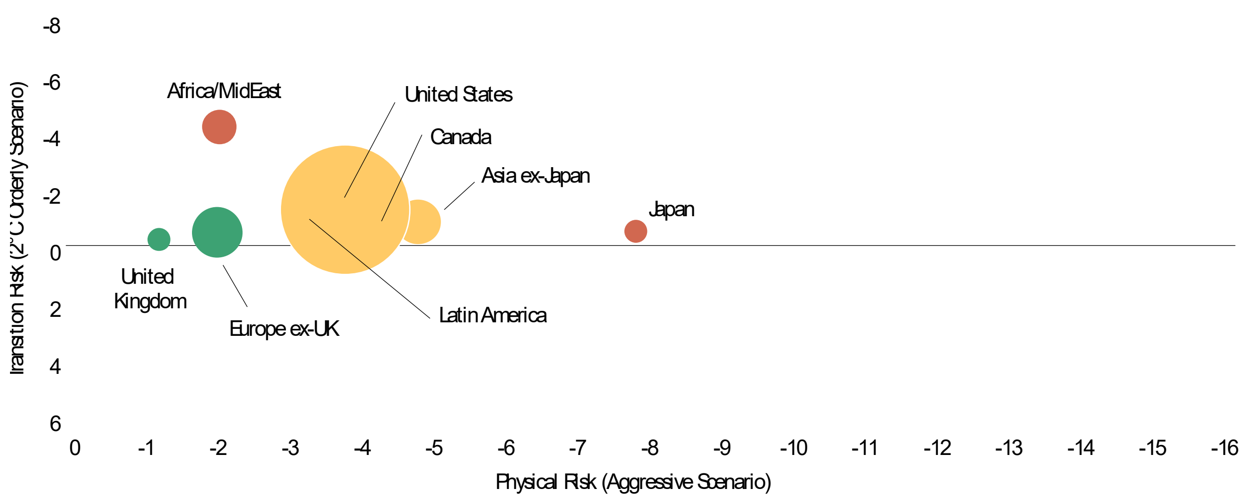
In addition, the holdings-level CVaR data allow us to identify key sectors and regions within the NBEL Portfolio with the highest financial exposure to climate risk overall, as well as specific types of physical risks as at 31 December 2024. While some sector/region combinations within the NBEL Portfolio face significant climate risk, we have a lower level of exposure to those sectors relative to overall investment in the region. This can be observed in the following charts where sectors/regions with the best overall climate risk are in green and the worst overall climate risk in red; the size of our investments in each sector/region is denoted by the size of the circles in the following charts. In addition, our holdings in certain regions appear to have lower climate risk than the expected risk for those regions. In terms of physical risk, the assets we manage face lower physical risk than MSCI ACWI in all categories, and lesser impact from extreme cold and extreme snowfall.

Lower Level of Financial Exposure Across the NBEL Portfolio to the Highest Climate Risk by Sectors as at 31 December 2024



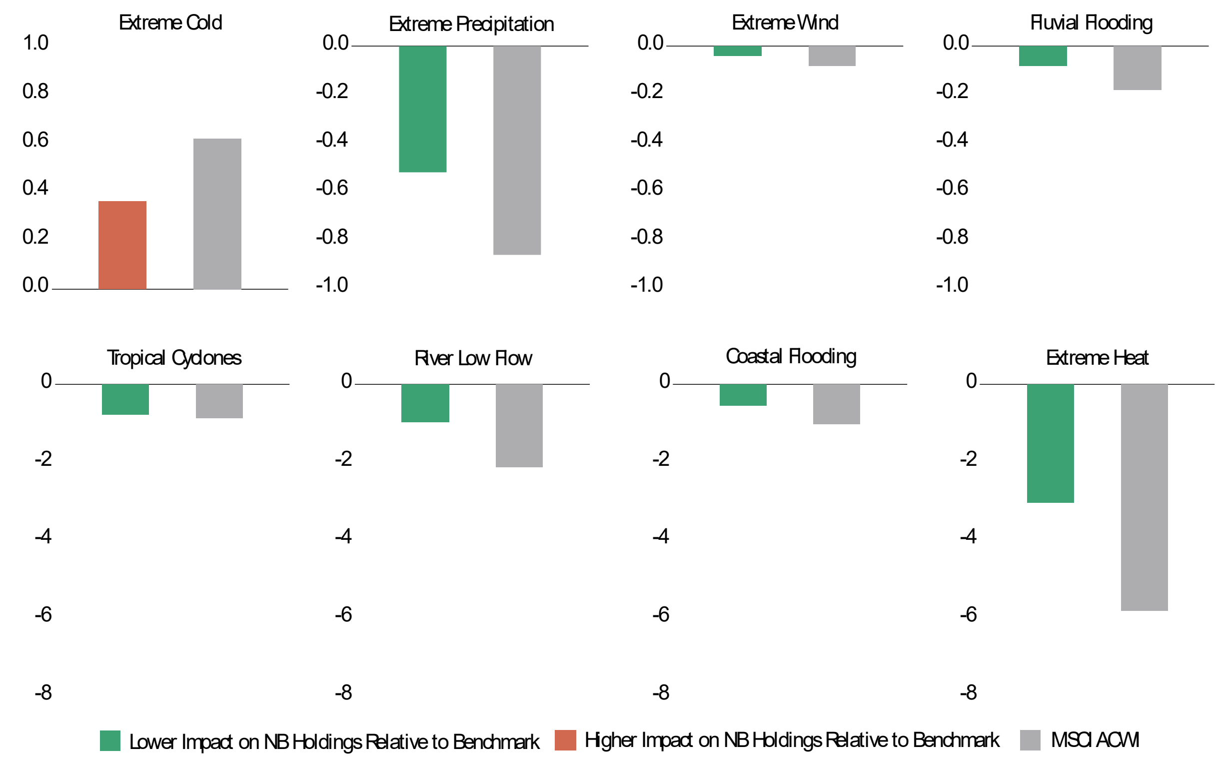
Source: MSCI. Climate impact by sector. Climate risk is shown from: most resilient overall to climate risk (green), moderately resilient overall to climate risk (amber) and least resilient overall to climate risk (red). The circles represent holdings in specified economic sectors, with larger circles representing larger holdings and vice versa.

Lower Level of Financial Exposure Across the NBEL Portfolio to the Highest Climate Risk by Regions



Source: MSCI. Climate impact by region. Climate risk is shown from: most resilient overall to climate risk (green), moderately resilient overall to climate risk (amber) and least resilient overall to climate risk (red). The circles represent holdings in specified regions, with larger circles representing larger holdings and vice versa.

Generally Lower Impact From Physical Risks Across the NBEL Portfolio Compared to MSCI ACWI



Carbon Emissions

As compared to the firm-wide exposure, we understand that the NBEL Portfolio's exposure to carbon-intensive securities, companies and portfolios will be more materially exposed to transition risks. Climate assessment tools are available to portfolio managers across the firm, including NBEL. For more information on how we use these tools, please refer to pg. 31 in our global TCFD report.

Neuberger Berman ESG Quotient

The Neuberger Berman ESG Quotient is built around the concept of measuring financially material sector-specific environment, social and governance risks and opportunities. The Neuberger Berman ESG Quotient produces an overall ESG rating for issuers by assessing them against certain environment, social and governance metrics, and is available to portfolio managers across the firm, including NBEL. For more information on how we use this metric, please refer to pg. 31 in our global TCFD report.

Climate Solutions

Climate solutions may include alignment with the EU Taxonomy (which identifies environmentally sustainable economic activities), impact investment exposure and alignment with certain UN Sustainable Development Goals (SDGs).

Climate solutions metrics are used in select strategies across the firm and may be used in strategies that are included in the NBEL Portfolio. For more information on how we use these metrics in select strategies, please refer to pg. 31 in our global TCFD report.

Artificial Intelligence (AI) Integration

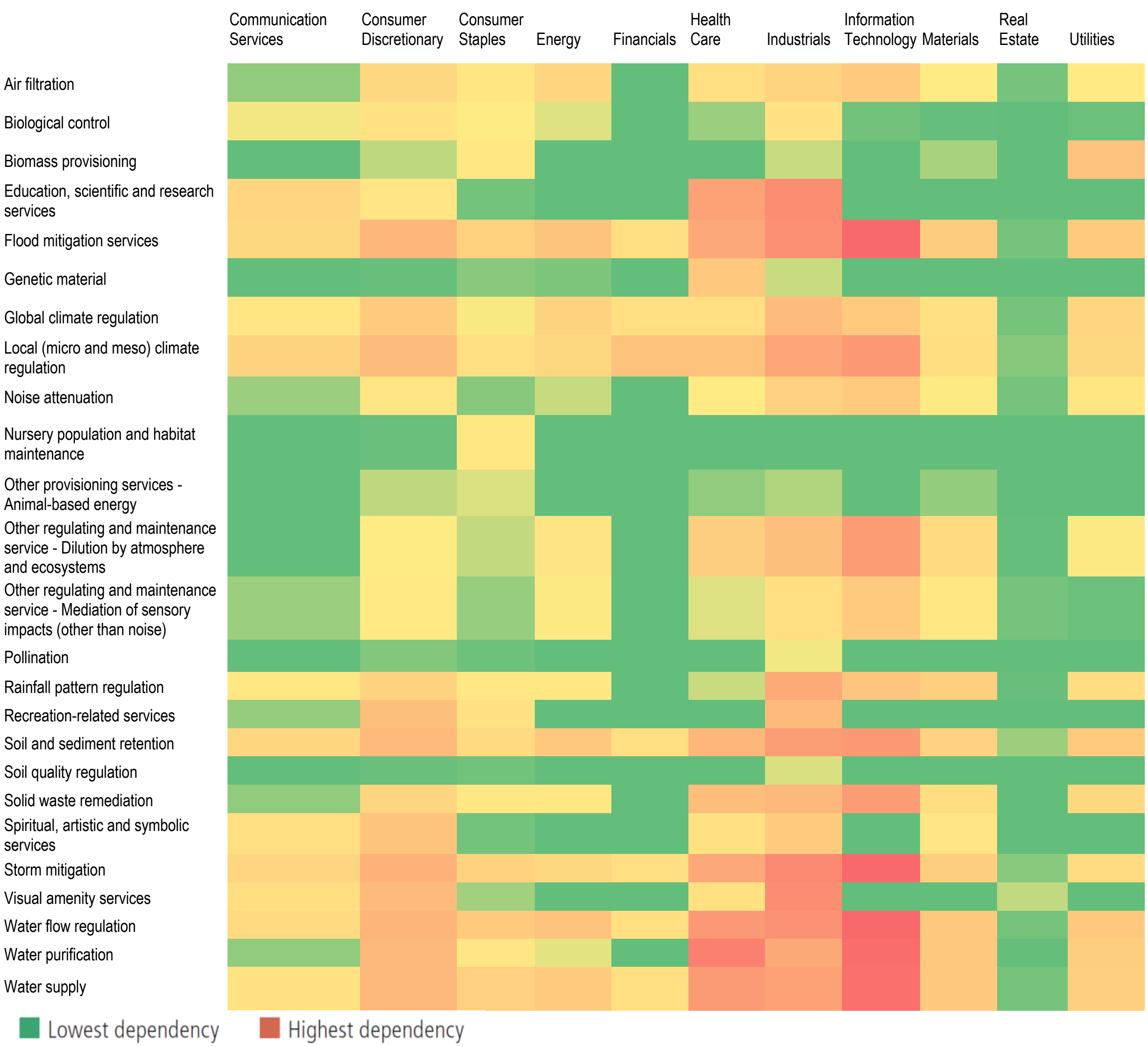
NB ChatGPT, our AI interface, is available to teams across the firm, including NBEL. Throughout 2024, we leveraged NB ChatGPT to enhance our sustainable and climate investing practices, driving efficiency and innovation across multiple dimensions. For more information on how we use this tool, please refer to pg. 34-35 in our global TCFD report.

Natural Capital Assessment

Alongside our tools to assess climate-related risks, we have also created a top-down tool to assess exposure to nature-related risks across the corporate holdings in the NBEL Portfolio[2].

Using Exploring Natural Capital Opportunities, Risks, and Exposure (ENCORE), we have developed a natural capital heatmap, identifying sectors with the highest relative exposure to processes that are dependent on and impact ecosystem services. ENCORE provides an initial mapping that gives details on the level of exposure each sub-industry has to nature-related dependencies and impacts. To identify both the dependencies and impacts (outlined in the below charts), first, we create a coefficient at the sub-industry and ecosystem service level, which averages all the processes within the sub-industry and their level of dependency or impact on nature. Second, we multiply the coefficient by the proportion of the corporate part of the NBEL Portfolio invested in the sub-industry to get relative exposure. Finally, we sum up the exposure at the sector level, with the results presented below.

Natural Capital Heatmap Relative Exposure to Dependencies Across the Corporate Holdings in the NBEL Portfolio at 31 December 2024



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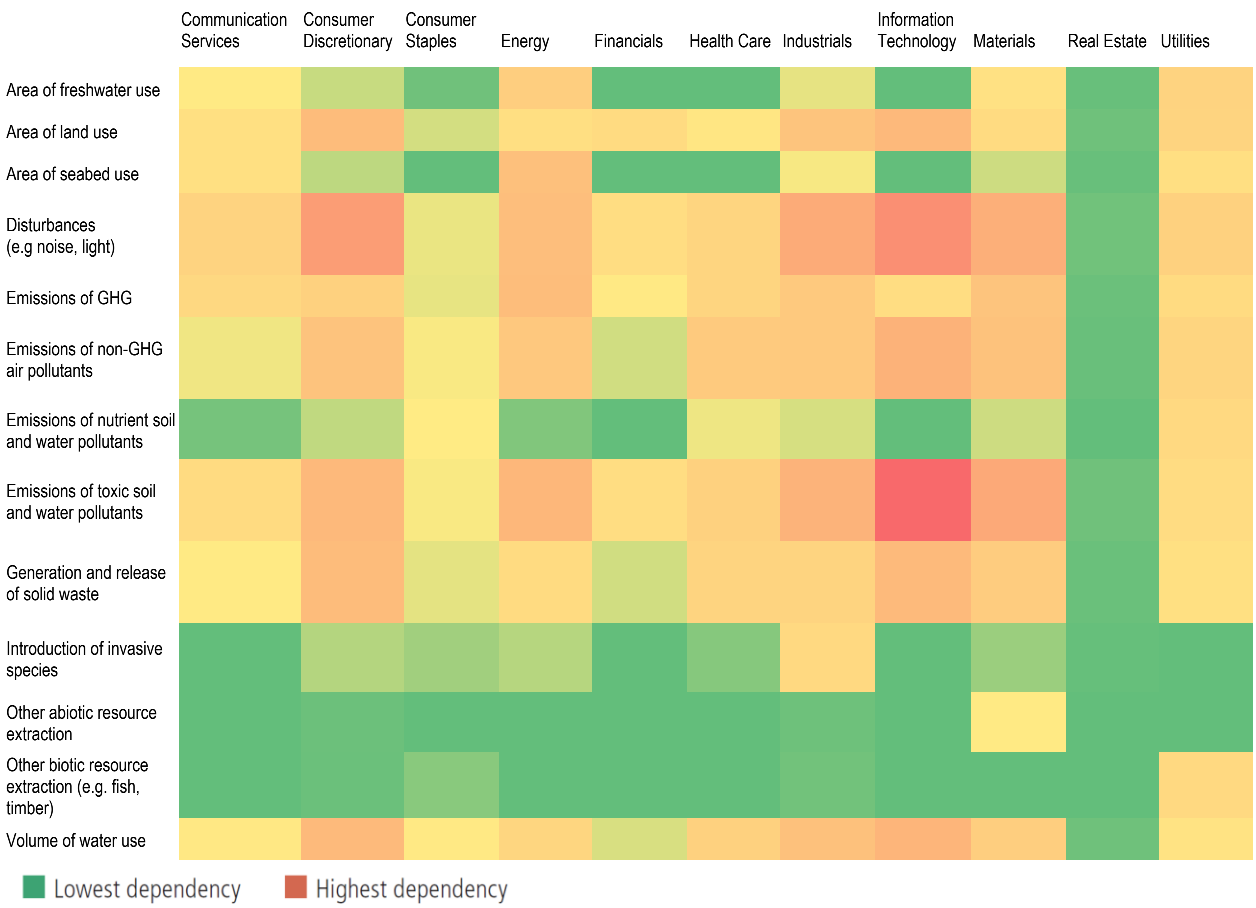
[2] This assessment of the NBEL Portfolio excludes sovereign holdings.

Natural Capital Heatmap Relative Exposure to Impacts Across the Corporate Holdings in the NBEL Portfolio as at 31 December 2024



For more information on this tool, please refer pg. 33 -34 in our global TCFD report.

The above climate assessment tools cannot be applied uniformly across the below listed asset classes. Below, we have provided detail on how we assess climate risks for these asset classes:

Securitised Credit

NBEL's approach to assessing securitized credit has focused on understanding and evaluating the exposure of the underlying collateral pools to relevant climate hazards, physical risks, and implied social vulnerabilities and preparedness. This approach to assessing and identifying climate risks for securitised credit applies across the firm. For more information, please refer to pg. 36 in our global TCFD report.

Sovereigns

We measure climate risks and opportunities for NBEL sovereign exposure by leveraging carbon metrics, the Neuberger Berman Sovereign ESG Quotient, the Neuberger Berman Sovereign Sustainability Assessment and Neuberger Berman Net-Zero Alignment Indicator for sovereigns. This approach to assessing and identifying climate risks for sovereign issuers applies across the firm. For more information, please refer to pg. 37 in our global TCFD report.

Private Markets and Alternatives

Private markets funds currently face challenges that inhibit our ability to disclose carbon emissions and related risks specifically in relation to such funds. Currently, we request portfolio company metrics of general partners (GPs) across private equity primaries, co-investments and select secondaries on a look-through basis. However, we have received a low response rate for such metrics. Overall, portfolio company-level data of primaries and secondaries tend to be inconsistent across both data coverage and frequency of reporting. Specifically for secondaries, obtaining data on a look-through basis is even more challenging where our private markets funds are a secondary buyer of private equity fund positions. Where possible, our private markets funds have developed a methodology for estimating the carbon footprint of such funds' investments (limited to certain direct and primary funds investments). However, we continue to request and encourage the disclosure of actual data as we believe that the available estimated data may be limited in its accuracy and application to the full portfolio. For more information on our firm-level approach to assessing and identifying climate risks in private markets, please refer to pg. 40 in our global TCFD report.

Business Strategy & Operations

In addition to investment portfolios, we know that climate change will also likely impact NBEL's own business strategy which may have to change how we design investment solutions in response to client demand, how we choose our facilities and how we access capital.

Additionally, the sustainability-related regulatory landscape is rapidly evolving both for us as investors, and for our clients and investee companies. As a global investor, NBEL has exposure to many different jurisdictions with a myriad of regulatory requirements, which presents a source of transition risk for NBEL's business strategy and operations. As different governments can have diverging views on the climate transition, political changes contribute to this regulatory and policy-related uncertainty. In addition, the volume of new requirements and, in some cases, the unpredictability of regulatory change, may continue to be a risk from a resource, financial and an organisational perspective.

NBEL is committed to addressing its operational emissions consistent with efforts to achieve global net-zero emissions by 2050. NBEL is undertaking further analysis to reduce and consider offsetting its operational emissions to achieve this goal.

Policy Advocacy & Industry Collaboration

We recognise that policymakers play a crucial role in maintaining and enhancing the sustainability and stability of financial markets, as well as setting reporting and disclosure standards and reducing greenwashing by clarifying climate-related terminology. As a result, we regularly engage with policymakers on key policy and regulatory initiatives though public consultations, letters to policymakers, and by participating in UK-based industry groups such as the Investment Association and the UKSIF.

In 2024, we commented on a series of UK developments, including the Stakeholder Survey on the adoption of the IFRS Sustainability Disclosure Standards, the Transition Finance Market Review (TFMR) through the IIGCC, and the FRC roundtables on the review of the UK Stewardship Code.

For more information on our engagement with policymakers, please refer to pg. 43 in our global TCFD report. For more information on our engagement with the investment industry, please refer to pg. 44 in our global TCFD report.

Considering Climate Risks in Operations

We actively seek to identify and monitor our potential operational exposures to climate-related physical risks and are aware that NBEL's facilities, data centres and key locations may be at risk. For example, the NBEL headquarters (in London) is vulnerable primarily to river flooding.

We consider climate risks in operations at the firm level through top-down climate modelling and proxy data. For more information, please refer to pg. 42-43 in our global TCFD report.

Net Zero Asset Managers Initiative

We recognize that we have a vested interest to improve the functioning of capital markets as a whole. We believe supporting best practices in stewardship and sustainable investing activities is an important part of this effort. We believe this can best be achieved by engaging with clients and others in the investment industry, including by conducting joint research on climate-related topics and supporting the creation and use of industry-standard tools.

In light of this commitment, NBEL, as part of the Neuberger Berman Group continues to be a signatory to the Net Zero Asset Managers Initiative (NZAMI) and believes our involvement is consistent with the discharge of our fiduciary duties to clients. We understand that NZAMI is currently undertaking a strategic review that includes reviewing whether target setting and reporting guidelines are consistent with its objectives. We plan to carefully consider the implications of any changes to NZAMI.

RISK MANAGEMENT

Investment Portfolios

NBEL identifies, assesses and manages climate risks through a rigorous framework that is jointly implemented by the Neuberger Berman Stewardship and Sustainable Investing group, the investment teams, and the Internal Audit and Enterprise Risk teams. The Stewardship and Sustainable Investing group is responsible for i) drafting avoidance policies that are applied to certain vehicles to minimise climate risks; ii) supporting issuer engagement efforts on climate risks; and iii) engaging in discussions with policymakers and regulators to promote transparency and clarity. The investment teams are responsible for assessing climate risks and opportunities at the company level; in process-focused investing strategies, the conclusions drawn from this assessment may be used in pricing securities and constructing climate-resilient portfolios, whereas in outcome-focused investing strategies, they may be used to drive specific climate outcomes. Climate risk assessments can also be used to identify engagement priorities.

The Enterprise Risk team, comprised of the Investment Risk and Business Risk teams, oversee financially material environment, social and governance-related risks, including climate risks, as part of the Neuberger Berman Group's top-down Risk Framework and Governance structure. The Enterprise Risk team has established a Risk Appetite Statement, which defines the Risk Framework's five key pillars: Strategic, Financial, Investment, Operational and Regulatory Risk. The framework assesses the level and types of risk that the Firm is willing to accept to achieve its strategic objectives and plans, and to ensure compliance with applicable regulatory requirements.

We have also identified a set of Risk Categories, which are detailed on our Neuberger Berman Group Operational Risk Register (Risk Register)[1], which include an inventory of operational risks NBEL faces, and this includes climate risk. This is complemented by a bottom-up approach to identify and manage climate risks throughout a product life cycle (as appropriate) alongside all risk inherent to the activities conducted. Climate-related risk is integrated throughout the process of defining, measuring and monitoring risks that are identified through each portfolio's risk profiles. Throughout this process, where adequate, reliable and verifiable data is available, climate-related risks are identified both at the entity and product level and assessed accordingly in respect of significance toward the risk appetite level and possible financially material impacts.

The Enterprise Risk team regularly engages with portfolio managers and the Stewardship and Sustainable Investing group on strategy/fund-level climate and financially material environment, social and governance risks, which may include reviewing key environment, social and governance metrics, including those related to climate such as carbon emissions, CVaR, etc., as well as implementation of avoidance policies on specific funds/accounts. The Head of Business Risk and the Head of Investment Risk jointly chair the ESG Product Oversight Committee, which oversees ongoing compliance with environment social and governance claims for all strategies/products. The Global Head of Business Risk and/or the Head of Investment Risk EMEA and Asia are members of the EMEA ESG Product Committee, the Global ESG Product Committee and the Stewardship and Sustainable Investing Committee. Individual Risk team members receive training and education on environment, social and governance through a variety of mediums, including members involved in environment, social and governance-related activities and who provide regular communication and updates, videos, conferences, events, blogs and internal intranet pieces.

In addition, the Risk & Compliance Committee, as part of its ICARA oversight reviews the Pillar II climate scenario before it is proposed to NBEL Board for approval. Finally, the NBEL Internal Audit team performs full-scope audits of the ESG Investing function and evaluates ESG integration practices, which may include climate risks and opportunities assessments, of individual investment teams.

Minimum Standards for Certain Vehicles

We have a number of avoidance policies designed to meet client climate and sustainability objectives and comply with regulations in specific jurisdictions. For more information about the avoidance policies we may apply, please refer to pg. 48 in our global TCFD report.

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[1] The scope of the Risk Register is broader than the scope of the NBEL Portfolio. The Risk Register captures the functions, activities and processes at the Neuberger Berman Group level, which includes NBEL, and is accurate as of 31 December 2024. The asset classes excluded from the NBEL Portfolio's scope are not excluded from the Risk Register, which covers the teams that manage and/or support all NBEL asset classes including those carved out from the NBEL Portfolio.

Issuer Engagement

For more information, on our approach to stewardship and engagement applies across the firm, including to NBEL, please refer to pg. 49 in our global TCFD report.

Our engagement process is guided by the measurement and assessment tools used by NBEL to identify and assess material climate-related risks for products and investment strategies e.g., the Net-Zero Alignment Indicator, CVaR, carbon emissions metrics, Neuberger Berman ESG Quotient, climate solutions metrics and natural capital assessment. Please see above for further information on these measurement and assessment tools.

Business Strategy & Operations

Navigating the Regulatory Landscape

As a global investor, we operate in many different jurisdictions, some of which are adopting climate or sustainability-related reporting and disclosure requirements, which presents a source of transition risk for our business strategy and operations. As part of the Stewardship and Sustainable Investing group, a Sustainable Investing Policy and Regulation Lead is responsible for tracking and monitoring environment, social and governance regulatory developments in EMEA and worldwide. Alongside the EMEA Legal team, the Sustainable Investing Policy and Regulation Lead is responsible for briefing senior NBEL leadership on material regulatory developments on at least a monthly basis, as well as sending regular updates to the wider business.

As the sustainable finance regulatory framework continues to evolve in the UK, not only do we monitor and, where relevant, engage on key legal and regulatory requirements that directly affect our business, but also seek to monitor for key legal or regulatory requirements that could affect our clients and investee companies in certain jurisdictions. In the UK, these include but are not limited to:

- **Corporate reporting requirements**, including the upcoming implementation of the ISSB standards and transition plan disclosure requirements for companies;
- **Fund disclosure requirements,** including under the UK's Sustainability Disclosure Requirements (SDR) and its potential extension to overseas funds; and
- **Frameworks to mobilise capital toward the transition,** including the Transition Finance Market Review and subsequent creation of the Transition Finance Council.

For more information on our firm-level approach to navigating regulation, please refer to pg. 56 in our global TCFD report.

Operational Risk & Business Continuity

Our Business Risk team operates across the firm to minimise operational risk and ensure business continuity. Our London office, which is NBEL headquarters, has dedicated operational risk professionals. For more information, on our firmwide approach, please refer to pg. 56 in our global TCFD report.

Moreover, we recognise that our own operational carbon footprint could subject us to transition risks. Both our clients and our employees expect NBEL to be prepared for these scenarios, and we have taken steps to minimise our exposure in this regard by carefully considering energy efficiency and other sustainability metrics when selecting buildings for our offices. NBEL's London office building is certified by BREEM, a UK-based certification for sustainable buildings. In fact, 50% of the buildings in which we have a tenancy globally have a sustainability accreditation such as LEED, BREEM or WELL (a designation given when building standards demonstrate a commitment to occupant health and comfort).

METRICS & TARGETS

Investment Portfolios

The NBEL Portfolio is approximately $49 billion, of which approximately $34 billion is composed of corporate assets and approximately $15 billion is in sovereign holdings. For these holdings, consistent with TCFD guidance, we report total carbon emissions, carbon footprint and weighted average carbon intensity across Scope 1, 2 and material Scope 3 emissions. We report material Scope 3 emissions on a best-efforts basis according to the Partnership for Carbon Accounting Financials (PCAF) standards. In addition, we report the percentage of the NBEL Portfolio that has SBTi-validated targets.

The NBEL Portfolio coverage varies due to gaps in underlying data, as explained in the Gaps in Underlying Data and Methodological Challenges section below. Carbon intensity is dependent on revenue and is thus fully covered for the in-scope asset classes (see below). Total carbon emissions and footprint rely on Enterprise Value Including Cash (EVIC) and thus have lower coverage.

Comparatively, from 2023 to 2024, total emissions decreased but weighted average carbon intensity and carbon footprint increased. The increase in overall weighted average carbon intensity and carbon footprint is driven by Scope 3 weighted average carbon intensity and carbon footprint, respectively, as we observed a decrease in Scope 1&2 weighted average carbon intensity as well as carbon footprint. The increase in Scope 3 figures can be, in part, driven by observed increases in Trucost-estimated values in material sectors, as Trucost had refreshed their Scope 3 downstream emissions due to changes in disclosed data and identification of outlier data points. We note that this is driven by estimated and backward-looking values that cannot be relied upon in isolation, and we continue to consult other metrics such as our proprietary Neuberger Berman Net-Zero Alignment Indicator to measure and assess transition progress.

Metrics for the NBEL Portfolio's Corporate Holdings as at 31 December 2024

Indicator	2022	2023	2024	Unit
Total Emissions	13,662,929	11,351,741	10,543,916	tCO_2e
Scope 1 & 2	3,450,351	2,973,127	2,413,261	tCO_2e
Scope 3*	10,212,578	8,378,615	8,130,655	tCO_2e
Weighted Average Carbon Intensity	3,652	1,982	2,731	tCO_2e/$ million revenue
Scope 1 & 2	294	241	194	tCO_2e/$ million revenue
Scope 3*	3,652	1,741	2,537	tCO_2e/$ million revenue
Carbon Footprint	1,304	1,178	1,273	tCO_2e/$ million invested
Scope 1 & 2	124	121	104	tCO_2e/$ million invested
Scope 3*	1,180	1,057	1,169	tCO_2e/$ million invested
SBTi-Validated Targets	17.5	23.2	26.6	Market Value %

Source: Neuberger Berman (Holdings), S&P TruCost (emissions), MSCI (EVIC).

*Scope 3 included company investments in NACE sectors L2: 05-09, 10-18, 19, 20,21-33, 41-43, 49-53, 81).

Metrics for the NBEL Portfolio's Sovereign Holdings as at 31 December 2024

Indicator	2022	2023	2024		Unit
Financed GHG Emissions			**(incl. LULUCF)**	**(excl. LULUCF)**	
Financed GHG Emissions - Territorial + Imports Based (MV / GDP-PPP)* GHG Emissions	7,610,314	10,298,507	4,974,528	4,483,635	tCO2e per $million GDP-PPP
Financed GHG Emissions - Production Based (MV / GDP-PPP)*GHG Emissions	6,300,952	8,335,308	3,918,035	3,427,142	tCO2e per $million GDP-PPP
Financed GHG Emissions - Consumption Based (MV / GDP-PPP)* GHG Emissions	6,787,677	7,452,836	4,468,060	3,977,166	tCO22e per $million GDP-PPP
Weighted Average Carbon Intensity					
Weighted Average Carbon Intensity – Territorial + Imports Emissions per PPP-GDP	483	630	381	343	$tCO2_2e$ per $million GDP-PPP
Weighted Average Carbon Intensity – Production Emissions per PPP-GDP	400	510	300	263	$tCO2_2e$ per $million GDP-PPP
Weighted Average GHG Emissions – Consumption Emissions per Capita	12	6	9	9	tCO_2e per capita

Source: Neuberger Berman (Holdings), S&P TruCost (emissions, GDP, population).

Business Operations

We are committed to addressing our operational emissions consistent with efforts to achieve global net-zero emissions by 2050 and are undertaking further analysis to reduce and consider offsetting our operational emissions.

NBEL's London headquarters office building is certified by BREEM, a UK-based certification for sustainable buildings.

In addition, for NBEL's London headquarters, we measure our nature-related impacts including water usage and waste recycled.

Environmental Metrics Across our Business Operations as at 31 December 2024

Indicator	2022	2023	2024	Unit
Scope 1 & 2 London regional headquarters	**170**	**338**	**312**	**mtCO2e**
Scope 1 London regional headquarters	37	76	15	mtCO2e
Scope 2 London regional headquarters	133	262	297	mtCO2e
Scope 3 Global operational emissions[1]	**11,286**	**27,668[2]**	**20,081**	**mtCO2e**
3.3 Fuel and energy related categories	1,494	1,443	924	mtCO2e
3.5 Waste generated in operations	233	216	234	mtCO2e
3.6 Business travel	6,689	23,326*	15,396	mtCO2e
3.7 Employee commuting	2,862	2,677	3,526	mtCO2e
3.8 Upstream leased assets	8.3	5.3	1	mtCO2e

Above, we have reported our NBEL emissions for Scope 1 and 2. We have reported on NBEL's business operations:

(i) that are material to the Neuberger Berman business as a financial institution; and

(ii) where we had access to sufficiently robust data within the reporting period.

1 Scope 3 emissions for NBEL are not included as the available data (e.g., for employee business travel) cannot be accurately attributed to NBEL. As a result, we are unable to provide an accurate figure for NBEL at this time and have elected to instead report Scope 3 emissions at the global firm level, where data is sufficiently robust for disclosure.

2 Between 2022 and 2023, our firm's business travel emissions increased significantly as travel activities returned to pre-COVID 19 levels.

Gaps in Underlying Data and Methodological Challenges

For more information on this industry-wide issue and the steps that we are taking to address these gaps and data challenges in future, please refer to pg. 64 in our global TCFD report.

COMPLIANCE STATEMENT

The disclosures in this report comply with the requirements set out in Chapter 2 of the ESG Sourcebook which forms part of the FCA Handbook.

Matthew Malloy, NBEL CEO

DISCLAIMER

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Firm data, including employee and assets under management figures, reflect collective data for the various affiliated investment advisers that are subsidiaries of Neuberger Berman Group LLC (the "firm"). Firm history and timelines include the history and business expansions of all firm subsidiaries, including predecessor entities and acquisition entities. Investment professionals referenced include portfolio managers, research analysts/associates, traders, product specialists and team-dedicated economists/strategists.

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