NEUBERGER | BERMAN

2024 UK STEWARDSHIP CODE REPORT

This report shares our active ownership and sustainable investing activities, the philosophies and processes that underpin them, and the outcomes they produce. This report is intended to demonstrate our compliance with the best practices identified in the UK Stewardship Code 2020.

Neuberger Berman is an employee-owned, private, independent investment manager founded in 1939 with over 2,800 employees in 26 countries. The firm manages $538 billion of equities, fixed income, private equity, real estate and hedge fund portfolios for global institutions, advisors and individuals. Neuberger Berman's investment philosophy is founded on active management, fundamental research and engaged ownership. The PRI identified the firm as part of the Leader's Group, a designation awarded to fewer than 1% of investment firms for excellence in environmental, social and governance practices. Neuberger Berman has been named by *Pensions & Investments* as the #1 or #2 Best Place to Work in Money Management for each of the last 11 years (firms with more than 1,000 employees). Visit www.nb.com for more information. Data as of June 30, 2025.

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As the CEO of Neuberger Berman Europe Limited (NBEL), I am pleased to present our report for the UK Stewardship Code (the "Code") for the year ending 31 December 2024. This report highlights how NBEL's approach has consistently delivered stewardship outcomes that benefit our clients.

As an active manager, stewardship is integral to our investment process, and not a separate, siloed effort disconnected from investment decisions. We embed stewardship responsibilities within our investment teams which we believe are crucial to integrating stewardship insights into the investment process and informing investment decisions. This ensures that no stewardship activity occurs in a silo—information is shared to inform investment decisions, engagement priorities and voting actions. By embedding responsibility for active ownership within our teams, we deepen the integration of information and insights gathered from our stewardship efforts.

Our clients have diverse portfolio goals. Some focus on managing financial risks like climate change, while others aim for specific outcomes, such as achieving a "net-zero" portfolio or investing in impact strategies. We ensure we are always dedicated to offering clients investment choices for their valuable capital.

Over the past year, we continued to focus our efforts on improving integration to ensure that our processes that analyse financially material environmental, social, and governance factors alongside other financial metrics remain robust. This prioritisation builds on our belief that material environmental, social, and governance factors can be important drivers of long-term investment returns from both an opportunity and risk-mitigation perspective, as well as our commitment to delivering compelling investment results for our clients over the long term.

NB Votes, which celebrates its fifth birthday in 2025, is an initiative to regularly publish our vote intentions in advance of select shareholder meetings. It enables us to share our broad analysis and insights on strategy and governance at some of the world's most important companies. We have published more than 240 notices since April 7, 2020. We regard this, and the other forms of shareholder engagement we undertake, as an indispensable part of our role as both an active manager and a fiduciary. AI is presenting new opportunities across all aspects of investment management, including the stewardship and sustainable investing space. In 2024, some examples of leveraging AI included supporting research efforts and investment write-ups, enhancing governance efforts by better capturing meeting minutes and action items across key stewardship and sustainable investing committees, assisting with regulatory and policy writing, and supporting the development of proxy voting topical research and framework creations.

At Neuberger Berman, complying with the UK Stewardship Code is of utmost importance. We believe that good stewardship and responsible investment leads to better long-term investment performance for our clients. We fully recognise the significance of the Code and are committed to maintaining high standards, monitoring our framework for continuous improvement. The Board of Directors of Neuberger Berman Europe Limited has reviewed and approved this report.

MATTHEW MALLOY,
CHIEF EXECUTIVE OFFICER
30 October 2025

Executive Summary

In our 2024 UK Stewardship Code Report, we present our strategy and our approach to stewardship the integration of financially material environmental, social and governance factors in our investment management activities. We detail the outcomes of our stewardship activities and assess how the principles of the UK Stewardship Code are reflected in each of these areas. We detail how we comply with the principles of the UK Stewardship Code using current examples and show the outcomes of these activities. Through our engagement efforts, advocacy and transparency, we seek to continue to drive improved standards across the industry.

Whilst this report is written by Neuberger Berman Europe Limited ("NBEL"), NBEL utilises its own resources, but at times also leverages the group resources of its parent company, Neuberger Berman Group LLC and its operating subsidiaries collectively, ("Neuberger Berman"), and therefore we have set out the approach for Neuberger Berman in this report and made it clear where the approach differs more specifically for NBEL.

Stewardship and integration of financially material factors are at the core of how we deliver investment performance and are integral to how we deliver client objectives. It is important to have the right framework and resources in place to achieve the highest possible standards. Given the increasing client demand for financially material environmental, social and governance integrated products and associated reporting, we continue to assess our resources, capabilities and systems to ensure that we are able to meet client objectives.

Our employee-owned, independent structure continues to align our interests with those of our clients. Governance and oversight remain central, with senior committees such as the Stewardship and Sustainable Investing Committee and Proxy Committee regularly reviewing and adapting our strategy in response to evolving regulations.

We prioritise innovation and transparency, deploying proprietary tools like the Net-Zero Alignment Indicator and NB ESG Quotient, which now covers over 4,000 equities and 2,700 credit issuers globally. Leveraging technology—including AI—has improved the quality and timeliness of climate-related data and stewardship activities. Transparency is further strengthened by early proxy vote disclosures and detailed reporting on voting rationales and engagement outcomes.

Furthermore, the rapidly evolving sustainability-related regulatory landscape significantly influences our role as investors, our clients and the companies in which we invest. Operating as a global investor across multiple jurisdictions, we navigate a complex array or regulatory regimes, each with distinct requirements and standards. We recognise the critical role of compliance with sustainability-related regulations in shaping our business decision-making processes, particularly in the development and enhancement of infrastructure to address sustainability. To ensure robust oversight, we have established committees and working groups dedicated to sustainability, risk management, monitoring and internal audit. Central to these efforts is our ESG Regulatory Programme, a collaborative forum of senior representatives from key business functions affected by sustainability-related regulations. This programme oversees the implementation of regulatory requirements and assesses the broader business impacts of emerging sustainability-related policies.

We continue to advocate for the highest standards of conduct and disclosure from the companies in which we invest. We recognise the importance of engagement to our clients and reporting on engagement outcomes. As such, we continue to track and report our engagement activities to ensure we are able to meet client expectations. In response to the growing importance of stewardship reporting, in 2024, we took considerable measures to holistically enhance our data quality and improve efficiencies. To bolster our data quality verification process, we appointed a dedicated lead and enhanced multiple checks across key systems used for investment and client reporting purposes, as well as our proprietary datasets.

As a firm, we continually strive to raise our own standards. In partnership with our Stewardship and Sustainable Investing (SSI) Technology team, we continue to have periodic engagements with data vendors to discuss issues such as data coverage and evolution in methodologies. We also continued to provide engagement reporting both at the firm level and in select strategy- and asset class-specific reports such as our Global Corporate Credit ESG Engagement Report. Additionally, we continue to provide enhanced transparency on our voting activity through our early vote disclosure initiative, NB Votes. In 2024, we disclosed our vote intention and rationale in advance of 39 meetings in 2024, voting in over 99% of the meetings in which we were eligible to vote. In addition, our advocacy in key industry groups) contributed to shaping global sustainability standards and regulatory frameworks, including active involvement in the ISSB's climate reporting consultations.

We hosted a number of virtual client roundtables throughout 2024 that provided opportunities to educate on emerging topics, provide updates on our stewardship and integration approaches, and gather feedback. We were also able to host in-person client roundtables at select conferences and industry events as an additional way to connect with and gather feedback from our clients. Providing our clients with high-quality, informative reporting is a critical component of our stewardship activities. We strive to include case studies of our stewardship efforts, both where we have not yet achieved our objective and where we have been successful. We have closely monitored the questions and topics of focus included in RFPs and DDQs from clients, and incorporated these observations into our stewardship activities and reporting. In response to client feedback, we intend to enhance our tracking systems further to enable us to provide more strategy-specific and firm-level stewardship insights across a range of factors such as proxy voting and engagement statistics.

In drafting this report, we have ensured at every stage that it is balanced and clear. We have provided information across asset classes and geographies where relevant. We also provided examples and case studies throughout the report to demonstrate how our investment approach works in practice. We hope you find the report informative, and look forward to sharing more about our ongoing efforts in future reports.

PRINCIPLE 1

Signatories' purpose, investment beliefs, strategy and culture enable stewardship that creates long-term value for clients and beneficiaries, leading to sustainable benefits for the economy, the environment and society

WHO WE ARE

Since the inception of the firm in 1939, Neuberger Berman's purpose has been to deliver compelling investment results for our clients over the long term, supporting them to achieve their investment objectives. We also understand that for some clients, the outcomes that their portfolios enable are an important consideration in conjunction with investment performance.

From our first application of "avoidance screens" in the early 1940s to the launch of our Socially Responsive Investing team in 1989 and our first Private Equity Impact fund in 2019, Neuberger Berman has been partnering with clients to help achieve the outcomes they value by providing innovative solutions.

Today, we continue to innovate, driven by our belief that stewardship and the determination of the financial materiality of environmental, social and governance factors, like the determination of the financial materiality of any other factor, should be incorporated in a manner appropriate for the specific asset class, investment objective and style of each investment strategy. Considering these financially material factors in an investment process may help generate enhanced returns or mitigate risk within a portfolio. For those clients that seek them, we believe that our outcomes-oriented investment strategies, such as our Impact strategies, may have a positive impact for people and the planet.

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, which is to serve our clients. And with our employees invested alongside our clients—plus 100% of employee-deferred cash compensation directly linked to team and firm strategies—all stakeholders are well aligned.

Our Corporate Structure

NBEL is the legal entity for Neuberger Berman Group's operations in the UK, the Middle East, Africa and Latin America ("LatAm"). Neuberger Berman's holding company is primarily owned by portfolio managers, members of Neuberger Berman's senior management team and investment management professionals, as well as certain of their permitted transferees.

NBEL is the investment manager for certain of the firm's fund ranges suitable for investors based in Europe, the Middle East and Africa ("EMEA"), Latin America and Asia. It maintains separate account relationships with institutional investors across these regions. Notably, NBEL has several European subsidiaries, including Neuberger Berman Asset Management Ireland Limited ("NBAMIL"), which manages its Irish-domiciled UCITS and QIAIF range. NBEL is authorised and regulated by the UK Financial Conduct Authority and regulated by the US Securities and Exchange Commission.

Our Business Values

1 OUR CLIENTS COME FIRST

2 WE ARE PASSIONATE ABOUT INVESTING

3 WE CONTINUOUSLY IMPROVE AND INNOVATE

4 ALIGNMENT IS ESSENTIAL

5 WE INVEST IN OUR PEOPLE

6 OUR CULTURE IS KEY TO OUR LONG-TERM SUCCESS

These business values inform the initiatives and innovations that we have pursued—from our deepening integration of stewardship and sustainable investing and our growing data science capabilities to our work in developing and retaining our workforce. With hard work, we believe these business values will continue to guide Neuberger Berman in the future.

OUR CULTURE

Our culture is underpinned by our values.

A partnership with our clients

At Neuberger Berman, we believe that a focus on fundamental research, investment performance and risk management is central to meeting the needs and objectives of our clients. 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.

Corporate social responsibility is central to the culture at Neuberger Berman

Because our employees' health and well-being remain of utmost concern, management continually seeks feedback from our employees to identify best practices and opportunities for improvement. In 2023, Neuberger Berman was awarded the International Health and Safety Champion of the Year title at the EC Safety Solutions awards. This recognition underscored our commitment to comprehensive health and safety coverage across its European offices by demonstrating resilience and adaptability, reinforcing its dedication to ensuring a safe working environment.

To demonstrate our progress as a responsible corporate citizen across all facets of our work and operations, we continue to measure and report relevant metrics associated with our employees, client portfolios, environmental impact and community engagement. We report on these efforts annually in our dedicated section on Corporate Social Responsibility (CSR) in our Annual Report.

Innovation

Inherent in this culture of partnership is a commitment to innovation—not for its own sake, but to uncover practical solutions for clients as their needs evolve. Since 1939 we have been at 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. More recent examples include being the first large asset manager to provide advance vote disclosure through our NB Votes initiative and the development of our proprietary Net-Zero Alignment Indicator (the "Indicator"), a robust bottom-up tool designed to assess a company's net-zero readiness, and hence its ability to mitigate climate risks. The Indicator incorporates over 40 quantitative data points and qualitative insights and seeks to provide a comprehensive view of our holdings' alignment with climate transition plans, while aiding in the construction of portfolios that meet clients' net-zero criteria. We also expanded our impact investing solutions with a new Global Equity Impact strategy, building on the success of our US Equity Impact strategy. Lastly, we launched an AI taskforce to explore how Generative AI can enhance our stewardship and sustainability-related integration processes.

In-depth research and analysis

Our portfolio managers construct portfolios through distinct investment processes tested over market cycles. They base their investment decisions on their own research, drawing on both their dedicated research teams and the many resources of Neuberger Berman—such as the global equity and fixed income research teams, the Data Science team and the Stewardship and Sustainable Investing Group ("SSI Group")—with the sole purpose of finding attractive investment opportunities. Our managers work independently, but also share ideas and perspectives with each other to seek to achieve attractive outcomes for their clients. We combine this with a strong risk-management culture and thorough investment process oversight to ensure adherence to mandated client guidelines.

How we report and measure relevant metrics

We report on key metrics and efforts pertaining to our employees, client portfolios, environmental impact and community engagement annually in the dedicated Neuberger Berman Stewardship and Sustainable Investing Report. We also publish a TCFD Report, which is reviewed and updated annually. In 2023 we began integrating our CSR reporting into our Annual Report to provide more disclosure on our community partnerships.

PRINCIPLE 1

NEUBERGER BERMAN'S MISSION MODEL AND STRATEGY

We partner with our clients to deliver compelling, long-term investment results in line with their unique investment objectives. To that end, Neuberger Berman has built a comprehensive offering of more than 100 investment strategies across nearly every asset class to serve a diverse client base. Neuberger Berman believes that the best and most efficient way to operate the business and successfully grow is to leverage the breadth of its comprehensive offering of investment strategies, which provides it with the capacity to manage significantly more assets. This broad-based model generates significant recurring revenue streams and strong operating cash flows.

Neuberger Berman's Global Strategic Priorities

- **Execute on the company's business model.** Neuberger Berman is focused on five key areas that we believe will contribute to the company's long-term success:

  1. Delivering strong investment performance
  2. Cultivating deep and lasting client relationships
  3. Enhancing the company's culture to attract and retain talent
  4. Protecting the company through robust risk management
  5. Executing on the company's long-term strategic priorities

- **Serve more clients and expand our product offerings outside of North America.** Neuberger Berman has been expanding its Client Coverage team outside of North America as investors increasingly seek top-performing asset managers regardless of geography. Client Coverage professionals outside of North America have been instrumental in building close relationships with large institutions, intermediary platforms, private banks and sovereign wealth funds. As a result, the percentage of Neuberger Berman's AUM sourced from outside North America has grown in recent years.

  The other key component of its globalisation initiative is to expand the number of global and non-US investment strategies that it offers to clients. It continues to expand its investment capabilities through new hires and acquisitions, which drives its ability to offer new strategies.

- **Innovate and expand alternative investment capabilities.** Over the past several years, Neuberger Berman has launched a number of innovative strategies in response to client demand for alternative strategies on both the private, illiquid as well as on the public, liquid sides. In private markets, Neuberger Berman continues to grow its "evergreen" private markets offerings with the goal of expanding access to the asset class to a broader client base, serving significant demand from the private wealth channel and growing institutional demand for permanent capital vehicles allowing for regular subscription and redemption windows. In January 2023, Neuberger Berman launched a fund with lower investment minimums and eligibility requirements, compared to traditional private equity offerings, making the asset class more accessible to retail investors who couldn't typically benefit from the diversification and returns offered by private equity.

- **Provide clients with multi-asset class solutions and tailored advice.** Neuberger Berman has a number of strategic partnerships with large and sophisticated institutional clients. Its tactical and strategic asset allocation capabilities enable it to provide customised investment solutions to clients. In addition to generating returns, its investment professionals conduct rigorous research to address specific requests and transfer investment and market insights to clients on a regular basis. Given the breadth of the investment platform, Neuberger Berman is one of the few asset managers of its size capable of effectively partnering with clients in such a capacity. Its Multi-Asset team also has the capability to create custom-tailored and flexible solutions across asset classes, combining both alternative and traditional, as well as public and private markets strategies.

NBEL Strategy

The NBEL's strategic priorities are therefore driven by and derived from the firm's five key areas of focus and its long-term strategic priorities. In the context of EMEA and LatAm, that translates to:

- Acquiring, developing and retaining client relationships in the EMEA and LatAm regions through a focus on consistent and strong investment performance, and superior client service, and with particular regard to the FCA's Consumer Duty Rules;
- Expanding its existing client base and selectively forming new relationships, both from a revenue objective and to reduce client concentration risk within the EMEA and LatAm business;
- Diversifying and innovating its product mix, both to deliver on the firm's strategic priorities and to reduce potential product concentration risk within the EMEA and LatAm business;
- Optimising the effectiveness and efficiency of its operational infrastructure to support profitable growth;
- Maintaining effective governance structures, manage risk robustly and comply with all applicable statutory and regulatory rules; and
- Ensuring it is able to remain resilient through internal and external adverse events and conditions which may threaten the achievement of its strategic priorities.

INVESTMENT BELIEFS

Since the inception of the firm in 1939, Neuberger Berman's purpose has been to deliver compelling investment results for our clients over the long term, supporting them to achieve their investment objectives. We also understand that for some clients, the outcomes that their portfolios enable are an important consideration in conjunction with investment performance. From our first application of "avoidance screens" in the early 1940s to the launch of our Socially Responsive Investing team in 1989 and our first Private Equity Impact fund in 2019, Neuberger Berman has been partnering with clients to help achieve the outcomes they value by providing innovative solutions.

Today, we continue to innovate, driven by our belief that the determination of the financial materiality of environmental, social and governance factors, like the determination of the financial materiality of any other factor, should be incorporated in a manner appropriate for the specific asset class, investment objective and style of each investment strategy. Considering financially material factors in an investment process may help generate enhanced returns or mitigate risk within a portfolio. For those clients that seek them, we believe that our outcomes-oriented investment strategies, such as our Impact strategies, will have a positive impact for people and the planet.

Neuberger Berman has been a signatory of the UN PRI since June 29, 2012. In the 2024 reporting cycle, Neuberger Berman scored above the median of all reporting signatories for our ESG integration efforts in every reported category.[1] This also marks the fifth consecutive year in which we obtained the top rating in the overarching Policy, Governance and Strategy category, which aims to capture signatories' overall approach to responsible investment, including engagement and proxy voting. In addition, the firm sees continued strength within its public and private fixed income platform, even across Private Debt, Securitised and Sovereign Debt, despite these asset classes generally perceived by the market as areas where integration of financially material environmental, social and governance factors is a relatively recent development.

[1] Based on the average scores of reporting investment management signatories globally with AUM greater than $50bn.

PRINCIPLE 1

NEUBERGER BERMAN 2024 PRI REPORTING ASSESSMENT RESULTS

PRI Modules	Neuberger Berman Ratings	Median Ratings of Reporting Signatories
Policy, Governance and Strategy[2]	★★★★★	★★★
Indirect - Private Equity	★★★★★	★★★★
Direct - Listed Equity - Active Quantitative	★★★★	★★★★
Direct - Listed Equity - Active Fundamental	★★★★	★★★★
Direct - Fixed income – SSA[3]	★★★★★	★★★
Direct - Fixed income - Corporate	★★★★★	★★★★
Direct - Fixed income - Securitized	★★★★★	★★★★
Direct - Fixed income - Private Debt	★★★★★	★★★★
Confidence-Building Measures	★★★★★	★★★★

A DISTINCT APPROACH TO STEWARDSHIP AND SUSTAINABLE INVESTING

Continuous innovation across four key pillars, focused on material investment results and delivering solutions

Integral to Our Firm

- Scored above the median of all reporting signatories in every category of the latest UN PRI assessment report
- Identified as part of the exclusive 2020 PRI Leaders' Group
- NB's Global Head of Stewardship and Sustainable Investing was appointed Vice-Chair of the ISSB's Investor Advisory Group (IIAG) in 2024

Proprietary, Research-Driven Approach

- Investment-led integration of financially material environmental, social and governance factors into portfolios
- NB ESG Quotient covering 4,000+ equities and 2,700+ credit issuers
- Incorporate climate scenario analysis
- Leverage data science to enhance traditional research
- NB Net-Zero Alignment Indicator

Active Engagement Drives Value

- In 2024, we conducted 3,040 public equity engagements and 1,221 fixed income engagements
- Engagement led by portfolio managers and research analysts
- Firmwide ESG engagement principles
- Industry-leading advance proxy voting disclosure initiative, NB Votes

Sustainable and Impact Innovations

- Offer a range of integrated investment strategies across public and private markets
- Many seek positive impact alongside competitive risk-adjusted returns
- Create custom solutions to deliver financial and sustainability-related objectives, including multi-asset class mandates

For illustrative and discussion purposes only. PRI grades are based on information reported directly by PRI signatories, of which investment managers totaled 2,651 for 2024, 3,123 for 2023, 2,791 for 2021, 1,545 for 2020 and 1,247 for 2019. All PRI 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. Neuberger Berman pays a fee to be a member of PRI and the grades are only available to PRI members. 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.

[2] Formerly Investment and Stewardship Policy.
[3] SSA = Sovereign, Supranational and Agency.

PRINCIPLE 1

OUR HISTORY: A DECADES-LONG COMMITMENT

- Evolution of Policies, Initiatives and Commitments
- Growing Range of Investment Capabilities

1940s
First application of avoidance screens

1980s
Socially Responsive Investing teams

2002
Formalised Proxy Voting Policy

2012
Established NB Stewardship and Sustainable Investing Committee

Became signatory to the UN-supported Principles for Responsible Investment (PRI)

2013
Became signatory to the UK Stewardship Code[4]

Assess: Emerging Market Debt Sovereign Strategy

2016
Established ESG working groups for equities, fixed income and private equity

Assess: Corporate Credit Strategy

2017
SSI Group

Published first Proxy Voting and Engagement Report

[4] Also compliant with the principles of the UK Stewardship Code 2020.

■ Evolution of Policies, Initiatives and Commitments
■ Growing Range of Investment Capabilities

2018

Developed the NB ESG Quotient, a proprietary ESG ratings system for equities and fixed income

Aim for Impact: Municipal Impact Fixed Income Strategy

Assess: Climate Insurance-Linked Strategy

2019

Established Climate-related Corporate Strategy

Published inaugural SSI Annual Report

Aim for Impact: Private Equity Impact Strategy

2020

Established ESG Product Committee

Launched NB Votes initiative

Adopted sustainability-linked corporate credit facility

Identified as part of the 2020 PRI Leaders' Group[5]

Aim for Impact: US Equity Impact Strategy

Amplify: Sustainable Emerging Markets Debt Strategy, Sustainable Research Opportunities Strategy, Global and European Sustainable Equity Strategies

Assess: Japan Equity Engagement Strategy

2021

Became signatory to the Net Zero Asset Managers Initiative (NZAMI)

Established Advisory Council

Established ESG Product Oversight Committee

Amplify: Sustainable Asia High Yield Strategy

Adapt: Climate Transition Multi-Sector Credit Strategy

2022

Launched the proprietary NB Net-Zero Alignment Indicator to assess issuers' climate transition readiness

Climate-Integrated Strategic Asset Allocation

Adapt: Global High Yield SDG Engagement Strategy

2023

Enhanced TCFD Report

Implemented a new Research Management System to centralise equity research and engagement data

Established Asia ESG Investing team

Aim for Impact: Global Equity Impact Strategy

Amplify: Climate Innovation Strategy

Adapt: Climate Transition Global Equity Strategy

China Green Bond Strategy

2024

Launched State of Decarbonisation and Global Energy Transition Dashboard

Aim for Impact: Global Equity Impact Strategy

China Climate Transition Bond Strategy

Please note that certain strategies may not be available in all jurisdictions or only to qualified investors.

[5] The year 2020 represents the first year that asset managers became eligible for PRI Leader designation, which formerly included asset owners only. The new designation was awarded to only 20 of approximately 2,100 investment manager PRI signatories. The Leaders' Group showcases signatories at the cutting edge of responsible investment, and highlights trends in what they are doing. PRI uses signatories' reporting responses and assessment data to identify those that are doing excellent work in responsible investment, across their organisations and with a focus on a given theme each year. The 2020 theme was climate reporting. Information about PRI Leader is sourced entirely from PRI, and Neuberger Berman makes no representations, warranties or opinions based on that information.

Integration of Financially Material Environmental, Social and Governance Criteria into the Investment Process

As an active manager, we have a long-standing belief that financially material environmental, social and governance factors may be an important driver of attractive long-term, risk-adjusted investment returns. That's why we take a comprehensive approach toward managing client assets, including a commitment to understanding and integrating environmental, social and governance risks and opportunities that are financially material into our investment processes. The extent to which these considerations are factored into investment decisions is twofold. First, in line with our fiduciary duty to our clients, we consider risks or opportunities that may impact the financial performance of a security or a portfolio. We believe that environmental, social and governance risks are financially material for many sectors, and therefore, we consider these risk factors alongside any other factor which could impair client capital. Second, we know that for many clients, the social and environmental impact of their portfolios is an increasingly important consideration in conjunction with investment performance. Some clients want to see social and environmental sustainability issues weighed with an importance commensurate with their financial objectives: they may actively seek to invest in leading issuers with sustainable business models, practices, products or services. For clients with outcome-focused objectives, we also consider how environmental, social and governance risks and opportunities may contribute to their desired sustainability outcomes; for example, investments whose core business, products, services or use of proceeds directly contribute to measurable positive social and environmental outcomes. For these investors, we offer sustainable and impact investing strategies. These strategies are clearly labelled in the name of the product or in their offering documents and marketing materials and come with accompanying disclosures about the types of investments they will and will not make.

We continue to innovate, driven by our belief that the determination of the financial materiality of factors, like the determination of the financial materiality of any other factor, should be incorporated in a manner consistent with the specific asset class, investment objective and style of each investment strategy. Factors can be employed in a variety of ways to help generate enhanced returns, mitigate risk and meet specific client objectives within a portfolio. We believe that our approach, which is focused on maximising results for our clients, can also support better-functioning capital markets and have a positive impact for people and the planet.

In the midst of challenging market dynamics, we believe the importance of environmental, social and governance analysis has been reinforced. As investors, we approach markets through a stewardship and sustainable investing lens to assess dynamics such as the disruption of supply chains, technology-enabled behavioural shifts, and attention to human capital management and employee health (see Principle 4 for how we identify and respond to market-wide and systemic risks to promote a well-functioning financial system).

Throughout the year, we continued to integrate analysis across assets, including equity, fixed income and private markets strategies, to varying degrees. The firm's portfolio managers and centralised research teams factor in many variables, such as environmental and product liabilities, legal risk and corporate governance. Our investment professionals have access to an array of analytical resources, providing another lens through which to assess investment candidates.

We consider the integration of financially material environmental, social, and governance factors into the firm's strategic plans to be consistent with our mission statement and investment culture. Along with other material investment factors, Neuberger Berman believes that these financially material factors can be return-enhancing and risk-mitigating. One way we integrate these factors is through our proprietary rating system, the "NB ESG Quotient," which leverages the deep fundamental knowledge of our research analysts and unique insights from our Data Science team to rate thousands of equity and fixed income issuers. In 2024, the coverage of this rating system was 4,000+ equities and 2,700+ credit issuers.

ACTIONS ENABLING EFFECTIVE STEWARDSHIP

Actions Taken to Ensure Our Culture, Investment Beliefs and Strategy Enable Effective Stewardship

Our "client first" culture has resulted in client partnerships and the development of strategies tailored to client needs. Most of our strategies have long-term investment horizons, enabling us to focus on longer-term issues such as climate risk through our engagement and broader stewardship efforts. Further, our employee-owned structure allows us to remain focused on long-term objectives and not be distracted by short-term pressures. Additionally, embedding the importance of our employees into our value system helps us retain top talent. Neuberger Berman are proud to have been ranked first (among those with 1,000 employees or more) in *Pensions & Investments'* 2024 "Best Places to Work in Money Management" survey, where we have finished in the top two for 11 consecutive years. We believe our 97% retention rate among senior investment staff is a testament to these efforts.[6]

As an active manager, we see fundamental and proprietary research as core to our investment approach and culture. We embed stewardship responsibilities within our investment teams, which we believe are crucial to integrating stewardship insights into the investment process and informing investment decisions.

Our commitment to innovation promotes collaboration across the firm. For example, our Data Science team works collaboratively with the SSI Group and research analysts to identify innovative and non-traditional data sources which may provide additional insights. As a result, the Data Science team plays an important role in partnership with investment teams in the development of our own proprietary ratings system, NB ESG Quotient. We continuously seek to identify additional data and research that may enhance our analysis, and discuss these efforts further in Principle 7.

For details of all relevant policies in relation to our approach to Stewardship and Sustainable Investing, as well as how we ensure that these support effective stewardship, please refer to Principle 5.

How Our Purpose, Investment Beliefs and Culture Guide Our Stewardship, Investment Strategy and Decision-Making

We monitor the progress we are making and are continuously enhancing the integration of financially material environmental, social, and governance factors into our investment processes. Relevant indicators include the proportion of assets under management that are formally integrated according to our internal framework; our PRI assessment scores; the effect of analysis on portfolio performance; the impact and outcomes of our engagement and proxy voting activities; and whether we are meeting the needs of our clients for these solutions.

We believe that financially material factors and stewardship activities should be incorporated in a manner consistent with a specific asset class, geography and investment strategy. We believe this integration is most effective when investment teams research financially material environmental, social and governance factors and consider them alongside other inputs, guided by firmwide principles and supported by extensive resources. This is discussed further in Principle 7.

We have embedded the need for effective stewardship across the business as described in Principle 2. We believe this sends a clear example of its importance to our business.

[6] Includes senior investment professionals at MD and SVP level since becoming an independent company in 2009.

PRINCIPLE 1

Serving the Best Interests of Our Clients and Beneficiaries

Over the past year, we continued to focus our efforts on improving integration to ensure that our processes that analyse financially material environmental, social and governance factors alongside other financial metrics are robust. This prioritisation builds on our belief that material environmental, social and governance factors can be important drivers of long-term investment returns from both an opportunity and risk-mitigation perspective, as well as our commitment to delivering compelling investment results for our clients over the long term. Our specific enhancements in the past year include:

1. Deepening our efforts

We continued to deepen our analytical capabilities, focusing on financial materiality across our firm, not only in traditional equity and fixed income strategies, but also in alternative offerings. We have strengthened our core tool for systematic sector-specific integration, the NB ESG Quotient, by not only covering more than 4,000 equity ratings and more than 2,700 credit ratings, but also by enhancing our use of non-traditional data in partnership with our Data Science team and qualitative analyst inputs generated by our central research team.

2. Adapting to regulation

In light of the increased volume of sustainability-driven regulation across the industry, such as the European SFDR, MiFID II Sustainability Preferences, UK SDR and TCFD, and the US embarking on its own journey around climate disclosure at the state level, we focused on enhancing our governance processes to ensure our products continuously comply with regulatory requirements. Our ESG Product Oversight Committee (EPOC), which includes representatives from our firm's control functions, conducts periodic monitoring of the application of ESG factors by portfolio managers and continues to provide an annual review of sustainable and impact-labelled products. Further, the EMEA ESG Product Committee continues to approve SFDR classifications for all new products domiciled or marketed in EMEA, and oversees UK stewardship-related matters and third-party European ESG product labelling. In order to proactively navigate the regulatory landscape, the dedicated SSI Policy and Regulatory Strategist, responsible for the firm's engagement with policymakers and other external stakeholders on policy and regulatory developments across EMEA, hold quarterly calls on relevant regulatory developments to, among others, investment teams and senior leaders.

3. Using our voice

In the past year, we enhanced our capabilities to engage with issuers on topics that we believe can improve performance and reduce risk. In 2024, we conducted 3,040 engagements with issuers of public equities and 1,221 with fixed income issuers. As the first large asset manager to regularly provide proxy vote disclosure in advance of company meetings through our NB Votes initiative, we publish our vote intentions in advance of select shareholder meetings, with a focus on companies where our clients have significant economic exposure. In 2024, we pre-disclosed our voting intentions and rationales for proposals at 39 meetings and opposed the company's recommendation in 49% of them. Through this effort we hope to enhance the level of transparency around our proxy voting decisions, improve corporate practices amongst companies we invest in, encourage our large asset manager peers to also begin preannouncing proxy votes, and openly encourage better corporate governance practices. Four years since launching this effort, we are pleased with the responsiveness and progress demonstrated by many companies as described in Principle 12.

PRINCIPLE 1

ENGAGEMENT WORKS: 2024 HIGHLIGHTS FROM NB VOTES

Through our NB Votes initiative, we publish our vote intentions in advance of select shareholder meetings, with a focus on companies where our clients have significant economic exposure.

Company	Issue	Action	Result	Why Is It Financially Material?
NextEra Energy, Inc.	Limited board disclosure of skills and expertise.	In 2023 NB engaged and encouraged the company to disclose an individualized director skills matrix and supported a shareholder proposal on the topic.	In response to shareholder feedback, the company enhanced existing disclosures through the inclusion of an individualized director skills matrix. As a result, Neuberger Berman opposed a shareholder proposal requesting disclosure of a skills matrix at the 2024 AGM given the company's responsiveness.	We believe a skills matrix can be a helpful tool to evaluate a board's composition of skills and experience, identify skills gaps, and support succession planning and the director nomination process.
Amada Co. Ltd.	Lack of transparency on strategic objectives and capital inefficiencies.	NB has had multiyear engagements with the company regarding capital management and executive compensation. Specifically, we have focused on the importance of sound capital management and improving return on equity (ROE).	In response to shareholder feedback, the company announced its long awaited mid-term plan to improve profitability of its core business and to reduce its overcapitalized balance sheet through share repurchases over the three-year period of the plan. We were also pleased when the company announced the incorporation of ROE in its new equity-linked executive compensation plan given our extensive engagement on the importance of improving ROE.	We believe the company should maintain an efficient capital structure that minimizes the risk-adjusted cost of capital, avoids excessive leverage or cash buildup, and allows for the return of surplus capital to shareholders.
Transdigm Group Incorporated	Independent board leadership	For several years, NB has engaged the board to appoint a lead independent director and have historically withheld support from members of the Nominating and Corporate Governance Committee because the chair of the board was not independent, and a lead independent director had not been appointed.	In late 2023, the independent directors named Robert J. Small as the company's first lead independent director. As a result, Neuberger Berman disclosed our support for Director Small's re-election at the 2024 AGM citing the company's responsiveness.	In absence of an independent chair, we believe it is important to appoint a lead independent director to oversee management and set an agenda aligned with shareholder interests without conflicts of interest that an executive or insider director might encounter.
Moody's Corporation	Shareholder rights	NB engaged with the company and supported the proposal regarding the adoption of the right to call special meetings to signal the importance of shareholder rights.	In response to shareholder feedback, the company put forth a proposal at its annual meeting to provide shareholders the right to call special meetings at a threshold of 25% of outstanding shares.	We believe sound governance practices are foundational to sustained, long-term value creation.

PRINCIPLE 2

Signatories' governance, resources and incentives support stewardship

OUR GOVERNANCE OF STEWARDSHIP AND SUSTAINABLE INVESTING

Board Oversight

Neuberger Berman Group Board

As a private, 100% 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, which is to serve our clients. Neuberger Berman's Group Board of Directors (the "Group Board") is currently comprised of seven directors, one of whom is the firm's Chief Executive Officer with the remaining six appointed by members of the firm. Four directors are independent within the meaning of the New York Stock Exchange listing requirements. The Group Board is responsible for reviewing and approving the Neuberger Berman Group Strategy, which includes the Stewardship and Sustainable Investing strategy. As a subset of all enterprise-wide risks, the Group Board oversees climate-related enterprise risk and reviews the firm's approach to climate-related risks and opportunities at least once a year during the regularly scheduled Neuberger Berman Group Board meetings.

Where relevant, Neuberger Berman has integrated financially material environmental, social and governance risk factors and climate-related risks into day-to-day operations at the firm, including into budget, overall strategy, capital management, risk management, and other matters that the Group Board oversees; this is reflected in the materials that are provided to the Group Board. The Group Board is periodically updated on the firm's progress on its commitment to the Net Zero Asset Managers Initiative. In addition, the Group Board receives materials and information from the Stewardship & Sustainable Investing Advisory Council. The Council, comprised of six industry experts, four with climate expertise, provides guidance on emerging sustainability topics.

Management Responsibility

Senior management is responsible for overseeing the firm's operations, risk department and investment professionals. As a subset of overall management of the enterprise, senior management oversees climate-related risks and opportunities. The CEO is ultimately responsible for updating the Group Board on material updates and relevant climate-related risks and opportunities, and is supported by the Global Head of Stewardship and Sustainable Investing, Head of Investment Risk, Chief Investment Officers (CIOs) and Chief Operating Officer (COO). The Global Head of Stewardship and Sustainable Investing, together with the CIOs, 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.

The governance structure of Neuberger Berman includes five key committees. Partnership, Operating, EMEA Product Governance Committee, Investment Risk and Operational Risk committees are engaged in discussion on a variety of topics, including environmental, social and governance topics and climate-related risks and opportunities that are financially material to its business, as part of the normal course of business.

Neuberger Berman Europe Limited Board Oversight

The NBEL Board of Directors (the "Board") is currently comprised of six directors 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 program. The Head of Europe Sustainable Investing provides regular updates to the Board on 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.

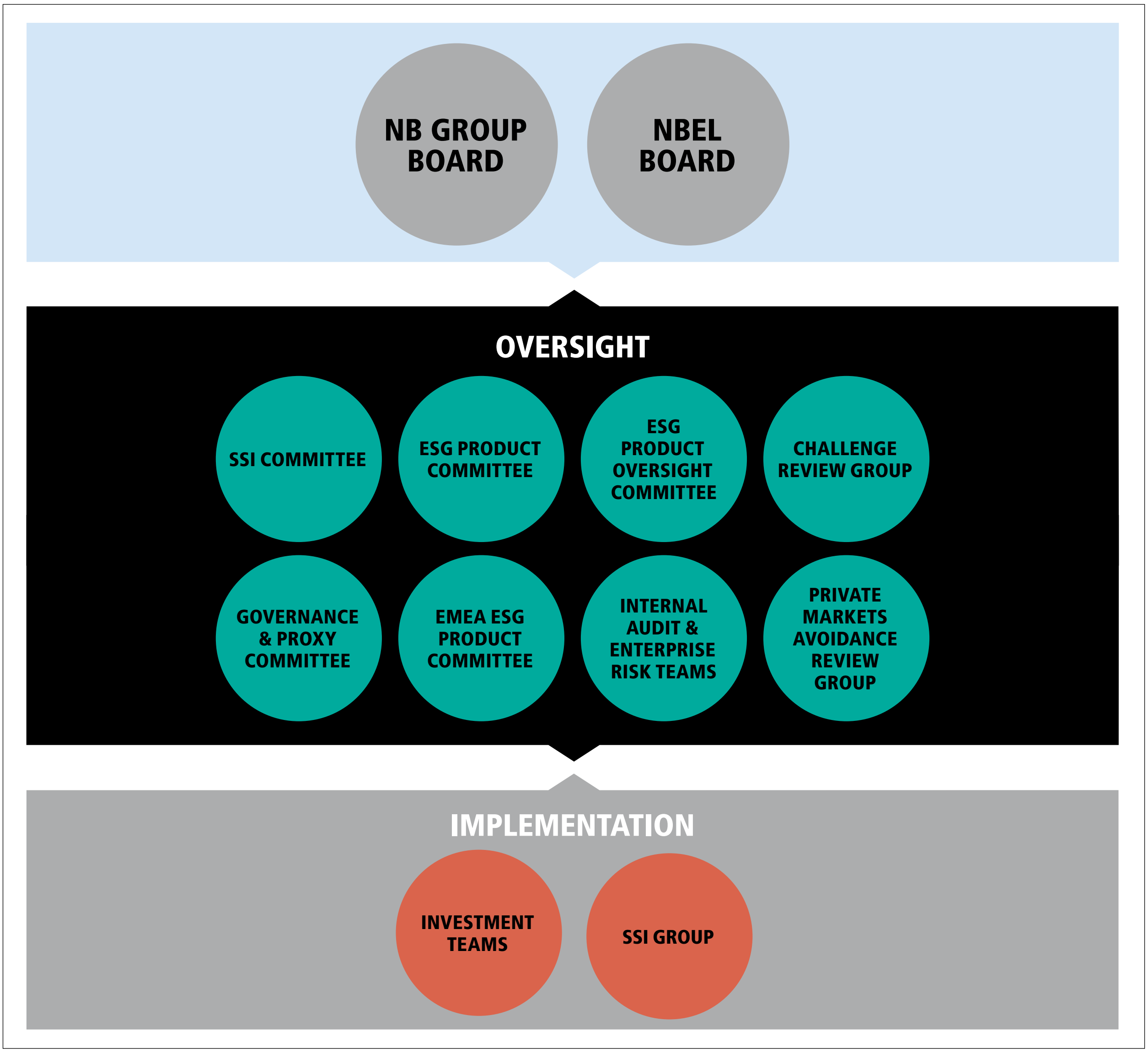
On an annual basis, the Neuberger Berman Stewardship and Sustainable Investing Group presents the Stewardship and Sustainable Investing Strategy to the Board and NBEL CEO.

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 is updated on climate-related risks and opportunities considered material by the following NBEL subject matter experts: Global Head of Stewardship and Sustainable Investing, Head of Europe Sustainable Investing, Head of Investment Risk, the Sustainable Investing Policy and Regulation Lead, and EMEA Counsel.

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.

STEWARDSHIP AND SUSTAINABLE INVESTING GOVERNANCE STRUCTURE - SHARED MEMBERSHIP



PRINCIPLE 2

NEUBERGER BERMAN'S KEY COMMITTEES

	Membership	Description
PARTNERSHIP COMMITTEE	Leaders from large businesses and client channels, large equity holders and senior management across asset classes, including the Global Head of Stewardship and Sustainable Investing.	Engages in how to effectively develop the firm's investment strategies and client franchise through evolving markets while enhancing our firm culture.
INVESTMENT RISK COMMITTEE	Senior investment leaders including the CRO (Chair), CEO, President and CIO for Equities and other senior investment and risk professionals.	Oversees investment performance and risk evaluation, acts as an escalation point for investment risks, evaluates the suitability of new products under consideration, and oversees and reviews commingled fund liquidity.
OPERATING COMMITTEE	Global heads of the firm's operating platform functions, including marketing and COOs across asset classes.	Engages in how to promote high-quality execution of our business, including opportunities for global scale, regional specialisation and workforce development.
OPERATIONAL RISK COMMITTEE	Senior operations leaders, including the Head of Business Risk (Chair), CRO, COO, CFO, Chief Technology Officer (CTO), CISO, General Counsel – Asset Management and other senior risk, operations and technology professionals.	Provides oversight of and acts as an escalation point for risks that may expose the firm to uncompensated loss or significant business disruption and acts as a forum for review and approval of actions taken to mitigate, manage or accept those risks.
EMEA PRODUCT GOVERNANCE COMMITTEE	Committee comprised of senior leaders (including Head of EMEA & LatAm) Chaired by Head of Product Strategy – EMEA & APAC	Oversees product governance processes and controls, including development, management and regulatory compliance.

NEUBERGER BERMAN'S KEY SSI COMMITTEES AND GROUPS

In addition, Neuberger Berman has formed specific SSI committees and groups comprised of senior professionals across the firm, which include:

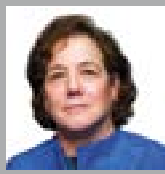
	Membership	Description
STEWARDSHIP AND SUSTAINABLE INVESTING COMMITTEE	• Chaired by the Global Head of Stewardship and Sustainable Investing. • Comprised of senior investment professionals across all asset classes, including the Chief Investment Officer (CIO) for Equities, and representatives from Equity, Fixed Income and Private Equity teams. • Includes senior professionals from client coverage, risk management, legal and compliance, marketing, and our client organization.	The Stewardship and Sustainable Investing Committee reviews the stewardship and sustainable investing strategy for the firm. Its primary responsibility is reviewing the Stewardship and Sustainable Investing Policy and proposing amendments as needed. It also serves as a cross-asset class forum to share research, drive deeper engagement and foster innovation on sustainability-related topics.
ESG PRODUCT COMMITTEE	• Chaired by the Global Head of Stewardship and Sustainable Investing. • Includes the CIO for Equities.	The ESG Product Committee oversees previously approved sustainability-related commitments made at the product and/or investment strategy level as established by the Stewardship and Sustainable Investing Policy.
ESG PRODUCT OVERSIGHT COMMITTEE	• Co-chaired by the Head of Business Risk and the Head of Investment Risk. • Includes senior leaders such as the Global Head of Stewardship and Sustainable Investing, Head of Product Development, and other senior leaders across the support and controls teams (legal and compliance, marketing and risk).	The ESG Product Oversight Committee oversees previously approved sustainability-related commitments made at the product and/or investment strategy level.
CHALLENGE REVIEW GROUP	• Includes selected members of the Stewardship and Sustainable Investing Committee, Head of Investment Risk, and representatives from the Asset Management Guideline Oversight (AMGO) and legal and compliance teams.	The Challenge Review Group is responsible for the critical review and decision of appeals submitted by investment teams against issuers identified as prohibited by applicable avoidance policy.
GOVERNANCE & PROXY COMMITTEE	• Chaired by President & CIO for Equities. • Comprises of senior investment professionals across Equities business and supported by members of the Stewardship and Sustainable Investing Group.	The Governance & Proxy Committee oversees application of firmwide proxy voting guidelines and procedures, including NB Votes initiative.
PRIVATE MARKETS AVOIDANCE REVIEW GROUP	• Includes selected members of the Stewardship and Sustainable Investing Committee, Head of Investment Risk, and representatives from the Asset Management Guideline Oversight (AMGO) and legal and compliance teams.	The Private Markets Avoidance Review Group is responsible for reviewing and approving any challenges relating to new investment opportunities made on behalf of certain clients and commingled funds who have elected to adhere to the Neuberger Berman Private Markets Avoidance Policy.
EMEA ESG PRODUCT COMMITTEE	• Chaired by Head of Product Strategy EMEA and APAC. • Comprised of senior leaders and subject matter experts (including the Head of Europe Investing).	The EMEA ESG Product Committee is responsible for the approval of SFDR classifications for products being marketed in EMEA, European ESG badging, and related UK stewardship matters.

ADVISORY COUNCIL

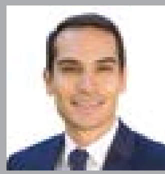
Vijay Advani
Former Executive Chairman of Nuveen, the Investment Management arm of TIAA, and current Chairman of the US-India Business Council Global Board of Directors

Ben Caldecott
Director, Oxford Sustainable Finance Program & Founding Director of the UK Centre for Greening Finance & Investment

Janine Guillot
Former Special Advisor to the Chair of the International Sustainability Standards Board



Mindy Lubber
President and CEO of Ceres, a sustainability focused non-profit organization based in Boston, MA



George Serafeim
Charles M. Williams Professor of Business Administration and Chair of the Impact-Weighted Accounts Project at Harvard Business School

	Membership	Description
SSI ADVISORY COUNCIL	Consists of respected external thought leaders.	The Stewardship and Sustainable Investing Advisory Council brings the latest knowledge from academia, the non-profit sector, and institutional asset owners to provide guidance on the future of impact investing and sustainability topics and challenge us to go further in our own efforts.

CASE STUDY CONSIDERING PHYSICAL RISK AND ADAPTION

Background: The world is already beginning to feel the economic impact of climate change. In 2024, global economic losses from natural disasters reached $368 billion and exceeded the 21st-century average ($324 billion) and median ($329 billion) on a price-inflated basis. In response, some experts believe that $400 billion per annum of proactive investment is needed this decade to properly address physical risk and adaptation efforts.[2] Through our engagement with clients and portfolio companies we have identified areas of clarification which could create confidence to invest:

- **Understanding and standardised definitions:** One of the most cited barriers for investing in adaptation is understanding what is and is not adaptation finance. Unlike mitigation, adaptation is location-specific and dynamic.
- **More defined universe for adaptation financing:** Given the dynamism of adaptation, identifying investments outside of infrastructure projects can be difficult.
- **Better data to assess physical risk:** Current data struggles to adequately capture sensitivity and exposure to climate hazards, particularly for complex business models.

Guidance: The Advisory Council members offered the following guidance on how to overcome these challenges:

- When it comes to measuring physical risk the Council expressed concerns over solely relying on macro-focused top-down data tools. A more holistic approach that incorporates management engagement and supply chain insights can help to address current shortcomings in data.
- Physical risk was highlighted as both a tool that can be utilized in a fact-based sustainable investing approach and an important risk consideration given the acceleration of extreme weather events.
- Defining an adaptation universe through an innovation lens, identifying material climate hazards across sectors to help assess investment potential of adaptation solutions.

Implementation: Following the Advisory Council, we began investigating potential physical risk frameworks that could provide sector-specific insights to be used in tandem with third-party data provider output to better identify potential areas of risk which can then inform our company engagement. In addition, we are working to create an adaptation taxonomy, informed by industry frameworks, such as the Climate Bonds Initiative Resilience Taxonomy (CBRT), to help identify climate resilient investable opportunities.

[2] Adaptation: physical risk, financial risk, opportunity", Goldman Sachs, 2024.

RESOURCING STEWARDSHIP

Stewardship and Sustainable Investing Group

Our dedicated Stewardship and Sustainable Investing Group (SSI Group) is responsible for setting the firm's global Stewardship and Sustainable Strategy in collaboration with the Stewardship and Sustainable Investing Committee (SSI Committee) and after consultation with portfolio managers, CIOs and CEO of Neuberger Berman. The team drives the implementation of the global stewardship and sustainable investing strategy by deepening stewardship efforts and the integration of financially material environmental, social and governance themes into new and existing investment strategies. The Stewardship and Sustainable Investing Strategy is reviewed by the firm's Partnership Committee and Group Board of Directors on an annual basis.

The team also coordinates the firm's approach to proxy voting and engagement, works with research teams on innovating our proprietary assessment of companies and issuers, and leads thought leadership, highlighting our stewardship and sustainable investing research as a way to encourage dialogue and share best practices.

The team's work is supported by stewardship and sustainable investing 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.

The Global Head of Stewardship and Sustainable Investing reports to the President and Chief Investment Officer—Equities. The SSI Group consisted of 27 professionals with a range of backgrounds, including asset management, portfolio management, environmental management, data science, non-governmental organisations and public policy. Further, several senior team members bring asset class-specific and market-specific expertise. This range of skillsets enables the team to partner effectively with teams across geographies and asset classes on their integration of financially material environmental, social and governance factors and stewardship efforts. Upon joining the team, new members are trained in our investment processes and approach to integration of financially material environmental, social and governance factors. Given the increasing client demand for products integrating such factors and associated reporting, we continue to reassess our resources, capabilities and systems to ensure that we are able to meet client objectives. The SSI Group also presents to the Operating Committee and the Partnership Committee to engage with them on integration of financially material environmental, social and governance factors across the platform, and to report on progress and goals for the coming year.

Ongoing efforts undertaken by the SSI Group in partnership with the SSI Committee include in-depth reviews of trade association memberships to ensure alignment with our Stewardship and Sustainable Investing Policy, the development of investment tools to better assess climate transition risk, and the implementation of a Neuberger Berman Global Standards Policy in accordance with human rights and ethical business conduct expectations. The team also continues to play a key role in implementing SFDR across relevant strategies, including the European ESG Template ("EET"), SFDR Pre-contractual templates, Periodic Report Templates and Website Disclosures, and ensuring that a robust process is in place to monitor the designations in light of evolving legislative and industry guidance and best practices. This includes further automation of and enhancements to SFDR processes to facilitate investment team interaction with our proprietary tools.

Stewardship and Sustainable Investing Committee

The Stewardship and Sustainable Investing Committee (SSI Committee) is responsible for the annual review of the Stewardship and Sustainable Investing Policy, which is then amended as needed and presented to the board of Neuberger Berman.

The SSI Committee is chaired by the Global Head of Stewardship and Sustainable Investing and is comprised of senior professionals across all asset classes and functions of the firm, including the President and Chief Investment Officer—Equities, senior portfolio managers from the Fixed Income and Private Investment teams, the Heads of Research across the investment platform, the Chief Risk Officer and senior professionals from our client coverage teams, and Legal and Compliance.

The SSI Committee oversees stewardship and sustainable investing efforts firmwide, including the review of goals and priorities such as the development of new investment strategies integrating financially material environmental, social and governance factors, monitoring implementation, measuring performance and contributing to annual reporting to networks like the UN PRI, the UN Global Compact and the Task Force on Climate-related Financial Disclosures ("TCFD"). The SSI Committee also acts as a cross-asset-class forum to share research on emerging issues and trends, and to drive deeper engagement and education on key topics across the firm. The SSI Committee reviews collaborative initiatives and memberships.

A detailed description of the Committee's broader responsibilities can be found in our Stewardship and Sustainable Investing Policy.

ESG Product Committee

Neuberger Berman's ESG Product Committee was established as a sub-committee of the SSI Committee to ensure the integrity of any sustainability-related claims made by our strategies through our shared labelling system.

The ESG Product Committee is comprised of senior leaders, including the Global Head of Stewardship and Sustainable Investing, President and Chief Investment Officer—Equities, and Head of Investment Risk, and is an additional mechanism embedded to ensure compliance with our practices for integrating financially material environmental, social and governance factors.

The SSI Committee delegates responsibility for the detailed review of new and existing strategies making a sustainability-related claim to the ESG Product Committee to ensure integrity and consistency in their integration of financially material environmental, social and governance factors. The ESG Product Committee is responsible for determining whether portfolio managers systematically and explicitly include material sustainability-related risk and opportunities in investment analysis and investment decision-making for all securities.

For funds integrating financially material environmental, social and governance factors, the ESG Product Committee focuses on making sure that the investment teams apply firm-level integration processes and tools, such as the NB Materiality Matrix and the NB ESG Quotient, in their investment process. Portfolio managers must also provide case studies showing how financially material environmental, social and governance factors are integrated into their investment decision-making as well as an understanding of the low ESG-rated names in their portfolio. For example, for thematic funds, the ESG Product Committee asks the investment teams to explain how companies relate directly to the relevant theme as well as why some have low ESG ratings.

EMEA ESG Product Committee

The EMEA ESG Product Committee was established as a sub-committee of the EMEA Product Governance Committee to strengthen the local governance structure and improve the overall effectiveness of the systems of compliance, risk management and internal controls of sustainability-related claims made by our products in EMEA or marketed in EMEA. The Committee is comprised of senior leaders and subject matter experts, including the Head of Europe Sustainable Investing.

The EMEA ESG Product Committee is responsible for the approval of SFDR classification for all new products launched in EMEA and for existing EMEA products seeking reclassification under the SFDR; the approval of SFDR classification for products launched outside EMEA that are marketed within EMEA; and the approval of SFDR periodic report templates for in-scope EMEA products. The Committee is also responsible for the review and consideration of environmental, social, and/or governance disclosures and updates to the UCITS and QIAIF fund platforms, as well as the review and consideration of relevant environmental, social, and/or governance requirements for EMEA products. Additionally, the Committee approves the UK TCFD report. Matters relating to UK stewardship, such as the approval of the UK Stewardship Code Report, also fall within its remit, along with oversight of third-party European sustainability fund labels. The Committee makes recommendations to the EMEA Product Governance Committee on any area within its remit where action is needed. Where it is identified that a significant issue has occurred, or a risk has been identified, it may be necessary to engage the Board of NBEL for guidance and approval. For example, in 2024, the EMEA ESG Product Committee reviewed and approved the SFDR Periodic Reports for our UCITS and QIAIFs classified as Article 8 or 9 under SFDR, the UK Stewardship Code Report, and reviewed several reclassification requests for European products. Moreover, the Committee undertakes periodic training on relevant subjects to ensure that the members of the Committee can properly discharge their duties.

ESG Product Oversight Committee

The ESG Product Oversight Committee (EPOC) was established as a sub-committee of the SSI Committee, which is a functional committee overseeing global stewardship and sustainable investing matters for Neuberger Berman businesses. The EPOC was redesigned toward the end of 2022 with the objective of providing ongoing assurance that sustainability-related claims and commitments approved at the ESG Product Committee are implemented appropriately, and that those claims and commitments are articulated accurately and consistently in key materials (e.g., prospectuses, fund documents, pitchbooks). Examples of strategies/funds/products in scope for review include those with an internal categorisation of Assess (Integration), Adapt (Transition or SDG Engagement), Amplify (Sustainable) or Aim for Impact (Impact); where net-zero commitments have been made; and/or SFDR designations, MiFID II Sustainability preferences or independent labels apply. The EPOC is co-chaired by the Head of Investment Risk and Head of Business Risk, and includes members from the SSI, Legal and Compliance, Product, Marketing and Risk groups.

Internal Audit Function

The Internal Audit team's primary role is to help the firm protect its assets, reputation and sustainability. This team operates as an independent function to provide accountability to senior management through assessment of the control framework. In addition to regular sustainability-related portfolio reviews, the team conducts annual audits of environmental, social and/or governance integration practices firmwide and of individual investment teams, and reviews of key stewardship metrics, including elements of PRI reporting.

The role of the Internal Audit team in relation to auditing sustainability matters is described in more detail in Principle 5.

PRINCIPLE 2

Enterprise Risk Management

Neuberger Berman employs a risk management framework that features dedicated investment risk, operational risk, and guideline oversight and supervision teams, including Asset Management Guideline Oversight ("AMGO") and Central Supervision. In order to provide organisational checks and balances, these teams are independent of the firm's portfolio managers. Together, they provide for consistency in and frequency of risk reviews, and have an ability to escalate to executive management and our Board regarding certain issues, including unusual investment, and counterparty credit, operational or reputational risk matters that may have a potential effect on either client portfolios or the investment management business as a whole. Risk teams also collaborate with other control units of the firm as appropriate, including Legal and Compliance, Internal Audit, Finance and Operations.

Since the implementation of SFDR Level 2, AMGO distributes weekly Sustainable Investment exposure updates during the last month of each quarter listing the percentage of Sustainable Investments in our UCITS that have a sustainable investment commitment. AMGO also conducts a substantial attestation process to ensure that sustainability-related commitments in our public funds are complied with. Our control groups meet with portfolio management and business units to help identify risks and proactively mitigate such risks to the extent possible to maintain a strong internal control environment. In 2024, AMGO expanded its use of IGD, a digital platform for receiving and storing documents, by including the legal team and prospectus updates into the platform. This integration streamlines the updating of investment guidelines following prospectus revisions. It allows AMGO to access updates—such as changes to sustainability-related guidelines, including avoidance criteria and sustainable investments—early in the process, ensuring readiness to amend the guidelines as soon as the updates take effect.

Neuberger Berman has an established governance framework for assessing the efficiency of the group enterprise risk management which includes the Neuberger Berman Group Board, Partnership Committee, Operating Committee, Investment Risk Committee, Operational Risk Committee, SSI Committee, and at the regional level, the NBEL Board, EMEA Risk and Compliance Committee, EMEA Product Committee, EMEA ESG Product Committee and EMEA Conflict of Interest Committee. The establishment of these committees' membership ensures fair representation of business skills and competences to deliver an efficient oversight of our Risk Pillars, described further in Principle 4.

Portfolio Managers and Research Analysts

Investment professionals throughout our firm are responsible for carrying out stewardship activities and incorporating financially material environmental, social and governance factors in portfolios and investment research. A high percentage of our professionals have the responsibility of stewardship and/or sustainability-related considerations as a part of their role.

Each portfolio manager has a customised approach to the integration of financially material environmental, social and governance factors that are driven by multiple considerations, including strategy objectives, asset class and investment time horizon, and the specific research and portfolio construction process used by the portfolio manager. Each portfolio management team determines how best to pursue integration —from conducting research into sustainability-related risks, to measuring and comparing issuers at the security level.

For all integrated strategies, each portfolio management team selects an approach from our ESG Integration Framework: Assess, Adapt, Amplify, Aim for Impact or Avoid. In building their portfolios, portfolio managers consider whether to seek a more holistic understanding of risk and return ("Assess"), seek to achieve social and/or environmental outcomes through engagement ("Adapt"), tilt the portfolio to best-in-class issuers ("Amplify"), invest in issuers that are intentionally generating positive social/environmental impact ("Aim for Impact") or simply exclude particular companies ("Avoid"). Please see Principle 7 for further information on our ESG Integration Framework.

The approach to integration can be further customised by the type of vehicle employed for investing, such as implementing client-specific avoidance criteria, tilting toward specific financially material environmental, social and governance characteristics valued by the client, or seeking certain types of positive impact (please see Principle 7). To review the degree of integration of financially material environmental, social and governance factors across the firm, the Global Head of Stewardship and Sustainable Investing actively participates in the investment performance review of a number of investment teams integrating financially material environmental, social and governance factors, chaired by each platform's Chief Investment Officer, in addition to the work of the EPOC.

A FORMAL PROCESS TO DETERMINE OPTIMAL INTEGRATION OF FINANCIALLY MATERIAL ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS

Portfolio managers work with the SSI Group to develop their research and integration approach

Determine Optimal Level of Integration of Environmental, Social and Governance Factors for Investment Strategy	Incorporate Framework Into Research and Portfolio Construction Process	Formal Review and Approval From ESG Product Committee	Monitor Through Ongoing Governance and Transparency
Consider multiple factors: • Strategy objectives • Asset class considerations • Investment time horizon • Investment philosophy • Research process • Portfolio construction	• Research sustainability-related risks and opportunities • Formalise process to measure and compare issuers at security level • Consider sustainability in operational due diligence of third-party managers • Construct portfolios influenced by these insights	• Focused on ensuring framework is consistent with: – Firm sustainability-related standards – Regulatory requirements • Formal review and approval of approach to integration of financially material environmental, social and governance factors by ESG Product Committee	• Annual review of sustainability labelled products by ESG Product Oversight Committee • Monitor compliance with guidelines and exclusions, including internal audit • Risk monitoring • Regular review of proprietary ratings, Climate Value-at-Risk • Investment performance reviews vs. benchmarks • Compensation tied to stewardship and sustainable investing research insights and integration

Stewardship and sustainable investing considerations are included in the work of our research analysts rather than a separate research team. To augment our analysis, we regularly add new data sets and leverage the capabilities of our Data Science team. With custom ratings covering more than 4,000 equities and 2,700 credit issuers, the investment teams can choose how best to apply all the tools of active management. Further details of our approach to integrating financially material environmental, social and governance factors are set out in Principle 7.

Given the dynamic and evolving nature by which environmental, social and governance factors are financially material to investment performance, we are committed to continued innovation and improvement.

Governance and Proxy Committee

Neuberger Berman has designated a Governance and Proxy Committee ("Proxy Committee") with the responsibility for: (1) developing, authorising, implementing and updating Neuberger Berman's policies and procedures in relation to governance matters; (2) administering and overseeing the governance and proxy voting processes; and (3) engaging and overseeing any third-party vendors to monitor proxies and/or apply our custom guidelines. The Proxy Committee consists of senior management from across the firm, including the Chief Investment Officer—Equities, the Head of Global Equity Research, the Global Head of Stewardship and Sustainable Investing, senior portfolio managers, as well as a senior member of the Legal and Compliance Department, who will advise on matters as they arise.

REFLECTION ON THE EFFECTIVENESS OF OUR GOVERNANCE STRUCTURES

Our commitment to continuous improvement includes reviewing the effectiveness of our governance structures and processes. Our committee structures, responsibilities and membership are reviewed on a regular basis. Oversight of effective stewardship is integrated into all levels of our governance structure and processes. Whilst we believe our stewardship remains robust, we also strive for continuous improvement, as described below.

2024 Key Developments

Stewardship and Sustainable Investing Advisory Council: Previously, we established the NB Stewardship and Sustainable Investing Advisory Council, comprised of industry experts, to bring the latest knowledge from academia, the non-profit sector and institutional asset owners, and to guide our stewardship and sustainable investing journey. In 2024, our expert Advisory Council members provided guidance on viewing physical risk both as a sustainable investing tool and a key risk consideration amid rising extreme weather events. The Council meets quarterly, and has previously focused on the topics of net-zero and climate transition investing, biodiversity and sustainability-related investing in China.

Data and Technology: In response to the growing importance of stewardship reporting, in 2024, we took considerable measures to holistically enhance our data quality and improve efficiencies. In an effort to bolster our data quality verification process, we appointed a dedicated lead and enhanced multiple checks across key systems used for investment and client reporting purposes, as well as our modelled proprietary datasets. We discuss our investments in systems, processes, research and analysis, as well as the use of services providers throughout this report, particularly in Principles 6, 7, 8, 9 and 12.

Expected Developments

With evolving investor objectives, regulatory pressure and global challenges driving interest in environmental, social and governance considerations, we are focused on the following broad sustainability trends and themes:

Regulation: The rapidly evolving sustainability-related regulatory landscape significantly influences our role as investors, our clients and the companies in which we invest. Operating as a global investor across multiple jurisdictions, we navigate a complex array of regulatory regimes, each with distinct requirements and standards. Moreover, the increasing volume of new regulations and the unpredictability of future changes present resource, financial and organizational risks, requiring ongoing adaptation and resilience within our operations.

We closely monitor legal and regulatory requirements that may directly affect our business, which include but are not limited to:

- Corporate reporting requirements, including the EU's Corporate Sustainability Reporting Directive changes and the introduction of the UK Sustainability Reporting Standards (SRS). As advocates of regulatory consistency across jurisdictions, we are a strong supporter of the International Sustainability Standards Board (ISSB) introducing a global baseline that builds on existing frameworks. As the Vice Chair of the ISSB's Investor Advisory Group (IIAG), we support the ISSB in developing the global baseline for sustainability reporting by providing feedback on the technical and practical aspects of the standards from an investor point of view;
- Fund disclosure requirements, including under the extension of the UK's Sustainable Disclosure Requirements (SDR) to overseas funds and the review of the EU's Sustainable Finance Disclosure Regulation (SFDR);
- Investor stewardship, including the review of the EU's Shareholders Rights Directive (SRD) and the UK Stewardship Code.

We recognise the critical role of compliance with sustainability-related regulations in shaping our business decision-making processes, particularly in the development and enhancement of infrastructure to address sustainability. To ensure robust oversight, we have established committees dedicated to sustainability, risk management, monitoring and internal audit. Central to these efforts is our ESG Regulatory Programme, a collaborative forum of senior representatives from key business functions affected by ESG and sustainable finance regulations. This programme oversees the implementation of regulatory requirements and assesses the broader business impacts of emerging sustainability-related policies.

Climate and Net-Zero Commitments: As an asset manager with a long-term perspective, Neuberger Berman recognises the impact of climate change and that the transition toward global net-zero emissions is well underway. Ultimately, countries will be shaping policy around their Nationally Determined Contributions (NDCs), and, as investors, we have to consider the impact of those policies. We are committed to understanding the climate-related risks and opportunities that are material to the portfolios we manage, as well as to our business strategy and operations, and managing risks that are material to our business.

The extent to which climate considerations are factored into investment decisions is twofold. First, in line with our fiduciary duty to our clients, we consider climate risks or opportunities that may affect the financial performance of a security or a portfolio. We believe that climate risks for many sectors are material, and therefore, we consider climate risk factors alongside any other financially material environmental, social and governance or financial factor that could impair client capital.

Secondly, we know that, for many of our clients, the climate impact of their portfolio is an increasingly important consideration in conjunction with investment performance. For clients with these outcome-focused objectives, we also consider how climate risks and opportunities may contribute to the requested sustainability outcomes. To serve these clients, we have continued to expand the climate-related solutions we offer at both the asset allocation and individual investment strategy level, including our climate transition, impact and thematic strategies.

Looking ahead, we believe governments, companies and investors will continue to feel and respond to the effects of climate change, and new investment risks and opportunities will arise as a result. We are dedicated to continuing to identify, assess and manage these risks and opportunities to protect client assets. As regulators increase sustainability disclosure requirements, climate data gaps will eventually narrow. We will continue to do our part by thoughtfully engaging with issuers to encourage them to disclose financially material climate risks and formulate action plans to address those risks. As data quality improves, we will also seek to enhance our climate risk measurement tools and extend their applicability across additional asset classes. Finally, we look forward to continuing to partner with our clients on developing solutions that meet their individual investment and climate objectives.

Impact/Thematic Offerings: We find that the majority of stakeholders believe meaningful data on the social and environmental impact of funds could be transformational for the investment industry. Through the integration of the UN SDGs, investors are able to target businesses growing in a sustainable way. Clear and growing demand from investors to quantify impact moving away from purely financial materiality to "double materiality"[7] has led to growth in targeted thematic funds, attracting investors who are able to express their own values and goals through their investment choices.

Data/Technology: A key challenge for the investment industry is the availability and reliability of data and measurement of financially material environmental, social, and governance factors. We are continually exploring new ways to strengthen our investment processes, enhance our data and tools, and provide transparent reporting to our clients. We believe data from non-traditional data sources such as alternative or big data is likely to transform active management over the coming years, minimising the reliance on voluntary disclosure and large third-party data providers. We are also using machine learning and natural-language-processing techniques. At this juncture we believe it allows us to identify non-obvious candidates whose contribution to one or more sub-themes may not be fully expressed in financial disclosures, but still is critical to the fundamental thesis on the security.

Artificial Intelligence (AI): AI is presenting new opportunities across all aspects of investment management, including the stewardship and sustainable investing space. Building on the firmwide efforts to foster AI adoption, in late 2023, we launched the AI for Sustainable Investing Task Force, which has pulled together representatives from the Stewardship and Sustainable Investing Group, Investment Research, and Data and Technology. The group focuses on identifying and documenting specific use cases and stewardship and sustainable investing prompts for ChatGPT, serving as champions across the firm and educating our peers on AI efforts. The group also pilots various use cases in depth in an effort to create solutions. Through its work, in 2024, we launched the SSI AI Assistant within our in-house AI capabilities, enhancing data accessibility for our investment teams and research analysts. This tool offers retrieval of key documents such as proxy statements and internal research, enabling a more conversational way of engagement with that data.

In 2024, some use case examples of leveraging AI included supporting research efforts and investment write-ups, enhancing governance efforts by having better capturing meeting minutes and action items across key stewardship and sustainable investing committees, assisting with regulatory and policy writing, and supporting the development of proxy voting topical research and framework creations.

Additionally, we have been testing the use of AI to identify and isolate consistent data points across long qualitative reports, such as the TCFD or company Sustainability Reports, which can then inform trend analysis and company trajectory. We also believe that AI can strengthen our engagement with companies, firstly, by using our internal research which is supported by AI to validate company sustainability commitments relative to our views, and secondly, by questioning companies on their use of AI, to ensure they are benefiting from the efficiencies, but also factoring in the necessary governance around its use.

Climate and more specifically net zero has been another key area where we are seeking to leverage AI.

- We explored how AI might be able to correct for the fragmented and backward-looking nature of climate data by helping paint a clearer picture of companies' climate strategies. In particular, we piloted the application of in-house AI capabilities to more efficiently extract information from sustainability reports and assess the use of proceeds for green bonds. This resulted in significant time savings for the credit analysts which can allow for more time to be spent on deeper credit analysis and engaging directly with companies.
- We are also using AI to help analyse and validate the results of our proprietary Net-Zero Alignment Indicator that seeks to capture a company's current status and progress over time toward net-zero targets by looking at long-term ambitions, short- to medium-term targets, disclosure, emissions performance, decarbonisation strategy and capital allocation. AI enables us to more efficiently identify outliers in terms of leaders and laggards, capture changes in data over time, and perhaps more importantly what is driving that change, summarise deviations in scores which is particularly effectively from a reporting perspective, and even helping us to write the code behind our model.

[7] Double materiality takes into account both the financial impact and environmental impact.

Lastly, we recognise the significant environmental impact that AI has on the environment mainly due to the significant computational resources required. Factors like energy consumption, carbon footprints, e-waste and resource extraction can financially impact companies across sectors. We are developing an engagement framework to enable research analysts to better address these topics directly with companies and evaluate their financial materiality.

Performance Management and Incentives to Integrate Stewardship

We consider the integration of financially material factors including those related to environmental, social and governance issues as part of our portfolio manager and analysts' overall duties; therefore, incorporating financially material environmental, social and governance issues into our investment process is tied to overall investment performance, which directly affects the variable pay of investment professionals at all levels. Investment professionals throughout the firm are responsible for incorporating financially material environmental, social and governance factors in portfolios and investment research. To reinforce the importance of such factors, compensation for many investment professionals is tied to related research insights and integration. As an example, our central research equity department of investment professionals incorporate proprietary ESG ratings for the stocks under their coverage. As part of the annual evaluation process, we review each analyst's engagement statistics and outcomes for the year. As part of the annual review and reward process, when assessing the performance of staff, NBEL identifies current and future risks, including reputational and sustainability-related risks. The consideration of NBEL sustainability risks are incorporated into the relevant NBEL staff performance assessment along with all relevant risks. We believe this incentivises and motivates NBEL staff to consider financially material environmental social and governance-related performance as part of their individual performance reviews. This approach promotes sound and effective risk management and discourages excessive risk-taking with regards to sustainability risks or otherwise. It also showcases the importance NBEL places on integrating financially material environmental social and governance factors into the NBEL investment and remuneration processes.

Training

All of our major investment teams participate in training on stewardship and integration, supported by our SSI Group and external partners. This is not one-time training; we regularly circulate updates as they arise, and provide teach-ins and seminars on global trends, new regulations and industry developments.

We continue to develop the necessary procedures to help educate and train the firm's global investment professionals on sustainability-related matters by regularly communicating and providing educational teach-ins, attending departmental meetings and writing internal blogs on global sustainability trends such as biodiversity, regulatory updates, proxy voting and internal tools that are available, such as the Net-Zero Alignment Indicator (discussed further in Principle 4). For example we hold regular sessions on stewardship and sustainable investing policies and regulation with investment teams to ensure the uniform implementation of regulatory requirements across the firm and discuss financially material implications of policy changes with portfolio managers. To further support our investment teams' engagement efforts, we have developed engagement guides on key thematic topics which include detailed information along with relevant policies and expectations.

In addition, during 2024, we provided several trainings including:

- A training for investment teams running European products (UCITS, QIAIF, European segregated mandates) to ensure their knowledge and awareness of principal adverse impact (PAI) and Sustainable Investments remains current, and to demo tools designed to support investment teams in fulfilling obligations specifically with regards to PAI and Sustainable Investments.
- An update for investment teams to improve their awareness and understanding of the changing corporate sustainability reporting initiatives around the world, and how best to engage with companies in setting expectations on reporting aligned to the most applicable reporting standards.
- A regular open forum for investment teams to raise any questions regarding the evolution and changes in global ESG policy and regulation.

We also encourage all professionals to enhance their skills through their own chosen methods, which may include the CFA ESG course of study, further education and degrees, and/or other activities.

PRINCIPLE 2

Diversity of the Workforce

We continue to believe that diversity of all kinds—backgrounds, working styles, education and experiences, as well as gender, race and sexual orientation—provides us with broader perspectives and results in stronger decision making, richer dialogue and improved outcomes for our clients. We also continue to believe that inclusion helps ensure that all our people feel empowered, heard and respected.

Examples of our internal initiatives include:

- **Neuberger Berman's Employee Resource Groups** include NB Pride, NB Asian Network, NB Black Experience, NB Women's Forum, NB Veteran's Group, NB Hispanic and Latinx Network, NextGenNetwork and NB Parents. In 2024, around 900 employees participated in our ERGs across our global population.
- **Social Mobility Data Collection.** We have also recently started to collect self-identified social mobility statistics in select countries to further evaluate socioeconomic diversity at the firm. We plan to expand this program to eligible countries in EMEA as part of our continued commitment to equity, inclusion and diversity.
- **NB Insights Day.** This year, NBEL hosted its annual social mobility initiative, the Insights Day, in partnership with the EMEALA EID Committee. This event hosts students from underrepresented backgrounds to gain an informative 'insight' into the world of asset management.

We participate in an array of external initiatives and partnerships to help benchmark and ultimately improve our diversity and inclusion efforts, as well as share best practices with the industry. Some examples include:

- **Investment20/20.** NBEL has signed on as a participant. Investment20/20 is an award-winning sector-led talent service for the investment management industry, providing a platform for our industry to reach and develop capable young people from more diverse backgrounds. Investment20/20 is part of the Investment Association and funded separately by 50+ members, all of whom have a shared mission to develop a healthy and diverse entry-level talent pipeline for our industry. The program focuses on three key areas: accessing talent, recruiting talent and developing talent. As a member of Investment20/20, Neuberger Berman will be encouraged to participate in the organisation's pre-entry programs and take on trainees.
- **#10000BlackInterns.** We are participating in the UK-based effort to help black students kickstart their career in investment management through six- to eight-week paid summer internships in the London office.
- **The Diversity Project.** This partnership is a cross-company initiative championing a truly diverse, equitable and inclusive UK investment and savings industry.
- **CEO Action for Diversity & Inclusion.** Neuberger Berman is a signatory of CEO Action for Diversity & Inclusion, the largest CEO-driven business commitment to advance diversity and inclusion within the workplace.
- **Armed Forces Covenant.** Neuberger Berman is a signatory of the Armed Forces Covenant (UK), pledging support for the armed forces community. The firm also received the Defence Employer Recognition Scheme (ERS) Silver Award, which recognises organizations that support the armed forces community.
- **Institutional Limited Partners Association's (ILPA) Diversity in Action Initiative.** Neuberger Berman is a signatory of Institutional Limited Partners Association (ILPA) Diversity in Action Initiative, which seeks to promote diversity, equity and inclusion in the private equity industry.
- **UN Global Compact Agreement.** Neuberger Berman is a signatory of the United National Global Compact and committed to reporting and advancing progress across 10 key principles, including human rights and labour.
- **CFA Institute DEI Code.** Neuberger Berman has become a signatory of the CFA Institute's Diversity, Equity, and Inclusion Code in the US, Canada and the UK, which provides guidance for the investment industry to embrace and realise diversity, equity and inclusion. DEI Code signatories commit to six principles that seek to drive DEI progress as it relates to the talent pipeline, staff acquisition, promotion and retention, leadership, influence and measurement—all of which are well aligned with our EID framework.

We are also proud to have received awards for our workforce efforts, including:

- ***Financial Times* European Best Employers.** Looking ahead, in 2025, Neuberger Berman was named among Europe's Best Employers for 2025 as part of an inaugural special report in the Financial Times. Of the 1,000 companies recognised, the firm placed 37th overall and 3rd within the Banking and Financial Services industry category.

- ***Pensions & Investments'* "Best Places to Work in Money Management".** In 2024, Neuberger Berman ranked first in *Pensions & Investments*' Best Places to Work in Money Management (among those with 1,000 employees or more). This marked the 11th consecutive year the firm has finished first or second in the rankings.
- **Corporate Equality Index.** Neuberger Berman received a score of 100 and earned us the Equality 100 Award: Leader in LGBTQ+ Workplace Inclusion as part of the Human Rights Campaign Foundation's 2024, 2023, 2022 and 2021 Corporate Equality Index, the foremost benchmarking survey and report in the US measuring corporate policies and practices related to LGBTQ workplace equality. Neuberger Berman is also a member of the Business Coalition for the Equality Act, supporting passage of the legislation that enshrines civil rights protections for LGBTQ people.
- ***Financial Times* European Diversity Leaders.** Neuberger Berman was named Diversity Leader in 2024, 2023, 2022 and 2021 by the *Financial Times* in the publication's annual ranking of European Diversity Leaders.

Looking Ahead

We continue to assess the effectiveness of our structures and processes and enhance the governance and resources that support our stewardship efforts. We will carry the same commitment to improving into 2025.

PRINCIPLE 3

Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first

Various EU Directives and UK regulatory rules require asset managers to make necessary specific arrangements in terms of organisation and controls to prevent conflicts of interest and, when they cannot be avoided, to identify, manage and monitor them to avoid damaging clients' interests and, should they arise, disclose these situations to clients.

The UK Stewardship Code, under its third principle, provides that its signatories disclose their conflicts policy and how it has been applied to stewardship arrangements. This section aims to explain NBEL's approach to conflicts of interest arising from its stewardship, including engagement and proxy voting activities. As an investment management firm, NBEL is authorised and regulated by the Financial Conduct Authority (FCA), and therefore will follow the FCA's regulations when it comes to conflicts of interest.

NBEL's objective is always to act in the client's best interest when considering matters that are relevant to stewardship, including voting and engagement. In accordance with FCA requirements, NBEL has established and implemented effective conflicts of interest arrangements that are appropriate to its size and organisation, nature, scale and the complexity of its business. Further details are outlined below, as well as within NBEL's Conflicts of Interest Summary, which can be found on Neuberger Berman's website.

Our Conflicts of Interest Policy

NBEL's Conflicts of Interest Summary sets forth its commitment to always act professionally, and to always keep the best interests of clients and their beneficiaries in mind. NBEL will take appropriate steps to identify circumstances that may give rise to actual and potential conflicts of interest that could entail a risk of damage to clients' interests. In the normal course of business, as in any large financial institution, situations resulting in potential or actual conflicts of interest may arise. There is nothing inherently unethical when they do, subject to compliance with regulatory and legal requirements. However, the abuse of such situations is clearly improper, and NBEL is committed to managing these conflicts of interest to prevent abuse and protect clients, employees and counterparties.

Across Neuberger Berman, employees take reasonable steps to identify any conflicts of interest between the firm—including its managers, employees or other relevant persons—and its clients, or among the firm's clients. Integrity, fairness, impartiality and primacy of clients' interests occupy a leading place in our ethical rules and values. NBEL's Conflicts of Interest Policy is detailed and comprehensive, but this report looks in more detail at NBEL's Stewardship Conflicts of Interest Policy, as described below.

Our Stewardship Conflicts of Interest Policy

Due to the importance of stewardship to our business, NBEL has developed a specific Stewardship Conflicts of Interest Policy. We acknowledge NBEL's position as a fiduciary for our clients and their beneficiaries, and seek always to act in their best interests. Accordingly, we take reasonable steps to identify actual and potential conflicts that may give rise to a material risk of damage to the interests of our clients.

NBEL's business is also subject to many of wider Neuberger Berman policies, including, but not limited to, the Code of Conduct, which outlines the legal and ethical framework within which we conduct ourselves, and Code of Ethics, which is designed to ensure NBEL employees put client interests first and conduct their activities in a manner consistent with applicable laws and regulations.

Employees are provided with regular conflicts-of-interest training, including those newly joining the firm, who might not have previous experience with identifying conflicts. Employees are also required to provide regular affirmations of conflict identification to the Compliance Department.

Potential Conflicts of Interest

Key aspects of our Stewardship Conflicts of Interest Policy are set forth below, and are complemented by further information and mitigations provided in our Stewardship Conflicts of Interest Policy, accessible here.

Ownership Conflicts

The business of Neuberger Berman is investment management. As Neuberger Berman is privately owned by current and former employees and some family members, we believe its ownership structure generally aligns with clients, and we consider the conflicts of interest that may arise in relation to its ownership to be rare.

Client and Prospective Client Conflicts

NBEL and its affiliates provide a range of investment services to institutional investors, including several pension funds sponsored by corporations, governments and other organisations. These services include proxy voting and engagement activities in accordance with our Stewardship and Engagement Policy with companies in which NBEL and its affiliates are equity shareholders and/or bond investors.

As a result, the following real or perceived conflicts may arise:

- We may engage with or vote the shares held in a company that is the sponsor of one of our pension fund clients, or is in the same group as one of our clients or prospective clients.
- We may engage with a government or government body that is the sponsor or associate of the sponsor of one of our clients or prospective clients.
- We may engage with a company that has a strong commercial relationship, including as a service provider, with Neuberger Berman/NBEL and its affiliates, and/or with clients or potential clients.
- We may vote on a corporate transaction, the outcome of which would benefit one client or prospect more than another.
- We may engage with a company in which certain clients or prospects are equity holders and others are bond holders.
- We may otherwise act on behalf of clients who have differing interests in the outcome of our activities.

Employee Conflicts

At the individual level, employees may have a personal relationship with senior members of a company or board members, or personally own the securities of that applicable company in which we invest on behalf of our clients. Where such a personal connection exists, employees are required to disclose this to the Compliance Department, where an evaluation of the potential conflict is made, and relevant action taken. Employees are required to highlight any changes to their personal conflict situations as soon as they arise, and this is complemented through regular employee attestations.

Securities Lending Conflicts

While NBEL is not currently engaged with securities lending activities, some accounts advised by other Neuberger Berman entities do. Income generated from such activity is retained by the relevant account(s). Neuberger Berman entities do not retain any benefit.

Managing and Monitoring Conflicts

In all our activities, we seek to promote the long-term value and success of the companies in which our clients invest.

Our Compliance Department

Stewardship and engagement activities are exercised with the aim of influencing the company's behaviour and enhancing long-term risk-adjusted returns for its investors. However, these activities are not carried out with the intention to change control of the issuer or obtain non-public information, nor is information obtained intended to manipulate the market or to be used in any other impermissible manner. In the case that material non-public information is obtained through stewardship or engagement activities, our Compliance Department is informed, and restrictions are put in place around the issuer until the information is publicly disseminated. During the application of the information barrier, stewardship professionals or any other member of Neuberger Berman's staff are not allowed to act upon, or share, the non-public material information. The Compliance Department of NBEL requires that all staff certify on a quarterly basis that they have complied with all NBEL's policies and conflict arrangements. Detailed management information outlining completion of every certification is provided to the Conflicts of Interest Committee and Board of NBEL. Where employees identified as either Senior Management Functions or Certification Employees under the FCA's Senior Manager and Certification Regime do not complete this exercise, they are highlighted to a Certification Committee consisting of Compliance, Human Capital Resources and NBEL Chief Executive Officer to consider appropriate action.

Using Objective Assessments

While we welcome client input and suggestions for engagement, all our engagement activities are selected and pursued based on an objective assessment of the severity of the problems faced by the companies being engaged or the opportunities available to them, the likely effect of public policy and regulation, and the likelihood of success in achieving value-enhancing change or mitigating value-destroying change. We give due regard to the value of the company to our clients and the value at risk given the issues in question.

In our engagements with companies that are the sponsors of (or in the same group as) our clients, we are careful to protect and pursue the interests of all our clients by seeking to enhance or protect the long-term value of the companies concerned. In the first instance, we make clear to all pension fund clients with corporate sponsors that we will treat their sponsoring parent or associated companies in the same way as any other company. In addition, we ensure that in such situations the relevant client relationship director or manager within Neuberger Berman or NBEL is not involved with the engagement or proxy voting process. This same approach would hold true with respect to any engagement with a company with whom we, our owners or our clients have a strong commercial relationship, including suppliers. To date, this type of conflict has not been identified, but if it were, it would be disclosed to clients. If we become aware of potential conflicts, they are disclosed as appropriate.

Proxy matters are conducted in the best interests of clients, in accordance with Neuberger Berman's fiduciary duties, and applicable rules and standards as outlined by the Investment Advisers Act of 1940, fiduciary standards and responsibilities for ERISA clients set out by the US Department of Labor, the UK Stewardship Code, the Japan Stewardship Code and other applicable laws and regulations.

In instances where NBEL does not have authority to vote client proxies, it is the responsibility of the client to instruct its ballots. In circumstances where NBEL has voting authority, NBEL will on a best-efforts basis comply with specific instructions to vote proxies, whether or not such client directions specify voting proxies in a manner that is different from NBEL's policies and procedures. NBEL 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 NBEL may abstain from voting, when it believes it would not be in the client's best interests for reasons such as the presence of share-blocking requirements or meetings in which voting would entail additional costs.

Clients and internal investment teams may at times have different immediate interests in the outcome of certain corporate activities, most notably in the result of a takeover bid involving two public companies. In addressing such situations, we are open with clients about the conflict and disclose it where practically possible. Written communications would be entered into with the client as applicable, in accordance with FCA rules.

Proxy Voting Guidelines and Proxy Committee

As in other cases, through our company engagements and voting recommendations, we give greater consideration to the long-term value that could be created or is at risk of being destroyed for our clients than to the financial effect of a deal for any one client. For our internal investment teams, our Proxy Voting Guidelines serve to inform their assessment. However, they will make their final judgement independently with a view to their fiduciary obligations to their clients. In the event that a portfolio manager or other investment professional at Neuberger Berman believes that it is in the best interest of a client or clients to vote proxies other than as provided in our Proxy Voting Guidelines, the portfolio manager or other investment professional will submit in writing to the Proxy Committee the basis for his or her recommendation. The Proxy Committee will review this recommendation in the context of the specific circumstances of the proxy vote being considered and with the intention of voting in the best interest of our clients.

The Proxy Committee has designated responsibility for:

- Developing, authorising, implementing and updating Neuberger Berman's proxy voting policies and procedures
- Administering and overseeing the governance and proxy voting processes
- Engaging and overseeing any third-party vendors as voting delegates to review, monitor and/or vote proxies

The Proxy Committee consists of senior management from across Neuberger Berman, including the Chief Investment Officer— Equities, the Head of Global Equity Research, the Global Head of Stewardship and Sustainable Investing Investing, senior portfolio managers, and a senior member of the Legal and Compliance Department who will advise on matters as they arise. If one of more members of the Proxy Committee are not independent with respect to a particular matter, the remaining members of the Committee shall constitute an ad hoc independent sub-committee, which will have full authority to act in the event of a conflict.

Views regarding corporate governance and engagement, and the related stewardship actions, are led by our Stewardship and Sustainable Investing team, in consultation with investment teams and professionals in the Legal and Compliance Department and the Global Equity and Fixed Income Research groups, among others. These insightful, experienced and dedicated groups enable us to think strategically about engagement and stewardship priorities.

See the following links: Governance and Proxy Voting Guidelines and Proxy Voting Policies and Procedures.

Conflicts of Interest Are Reviewed

In instances where a material conflict of interest has been determined to exist, NB will generally instruct that such shares be voted in the same proportion as other shares are voted with respect to a proposal, subject to applicable legal, regulatory and operational requirements. NBEL believes that this process is reasonably designed to address material conflicts of interest that may arise in conjunction with proxy voting decisions.

Potential conflicts considered by the Proxy Committee in determining whether to deviate from our Proxy Voting Guidelines include:

- A material client relationship with a corporate issuer under consideration
- Personal or business relationships between portfolio managers and an executive officer, director or director nominee of the issuer
- Joint business ventures
- A direct transactional relationship between the issuer and senior executives at Neuberger Berman

Where an investment professional believes that it is in the best interest of a client or clients to vote proxies in a manner which is inconsistent with Proxy Voting Guidelines, then the investment professional must complete a formal questionnaire in order to provide further rationale to the Proxy Committee for consideration and to determine whether there is a material conflict of interest created in respect to the voting of the proxy in the requested manner. The Proxy Committee will then determine its own recommendation.

In addition to the measures set forth above, all staff members must flag to their line managers any potential conflict of interest they recognise. We also have policies that seek to avoid any potential conflicts for individual staff members of NBEL that arise from engagements with companies in which individuals have personal investments or some material personal relationship with a relevant individual. Where a staff member has a personal connection with a company, they are required to make the necessary disclosure, and are not involved in any relevant engagement activities undertaken by NBEL. Reporting and oversight of conflicts and potential conflicts of interests are carried out by the EMEA Conflicts of Interest Committee, a committee of the NBEL Board.

As part of Neuberger Berman's efforts to address and mitigate potential conflicts of interest, and in addition to the EMEA Conflicts of Interest Committee, it has formed a committee comprised of Chief Investment Officers, Chief Risk Officer, members of Neuberger Berman's Legal and Compliance Department, including Neuberger Berman's Chief Compliance Officer and General Counsel – Asset Management, and the Head of our Asset Management Guideline Oversight function. This committee generally meets quarterly to review the following, among other things: (i) investments by the Funds and other accounts advised by Neuberger Berman or its affiliates in other funds or other pooled investment vehicles (e.g., UCITS funds); (ii) asset allocation decisions, including decisions to allocate assets to internal portfolio managers (e.g., the allocation to a sleeve of a multimanager fund); and (iii) compliance with Neuberger Berman Investment Advisers policy on side-by-side accounts. This review focuses on trade allocation and rotation, a full holdings review, IPO allocation and performance review.

Recording and Escalation

We maintain details of instances of conflicts as they arise in respect to proxy voting and engagement matters. In those limited circumstances where a conflict over our approach to providing voting recommendations (aside from that directed by third-party/client-specific policies) or engagement arises that is not amenable to resolution in the manner set out above, the matter is referred to those members of the Proxy Committee not deemed conflicted. They would form a separate sub-committee to consider appropriate further action. The group is guided by Neuberger Berman's mission to deliver long-term holistic returns, voting policies and other appropriate industry-endorsed guidance.

Annual Review

Consistent with the firm's active management strategies, Neuberger Berman professionals remain informed of trends and best practices related to the effective fiduciary administration of proxy voting, engagement and stewardship. Neuberger Berman will revise its Proxy Voting Guidelines and engagement policies when it determines appropriate or when we observe the opportunity to materially improve the economic outcome for clients. Additionally, we will regularly undertake reviews of selected voting and engagement cases to better learn how to improve monitoring of our portfolio companies and the effectiveness of our stewardship activities. improve monitoring of our portfolio companies and the effectiveness of our stewardship activities.

We review the Stewardship Conflicts of Interest Policy annually, or at any point outside of that period where we identify a material change, to ensure it adequately reflects the types of conflicts that may arise so that we can ensure that they are appropriately managed and as far as possible mitigated.

Case Study One

Potential conflict: We have been approached by several non-governmental organisations to support their agenda and engagement with select companies in which NBEL invests on behalf of its clients. This may cause a conflict of purpose between their agenda and the best interests of our clients more generally.

How it would be addressed: While we welcome dialogue with broader stakeholders and subject matter experts, our investment decisions including our proxy votes are based on our own independent analysis of companies, and an assessment of what is in our own clients' best interests.

PRINCIPLE 3

Case Study Two

Potential conflict: A director of Neuberger Berman may serve as a director of a company into which Neuberger Berman has also invested on behalf of its clients. Being an investor and also serving on the board of the company potentially presents a conflict of interest for the director and Neuberger Berman.

How it would be addressed: If our Proxy Voting Guidelines do not address a certain voting situation, such as a contested election, Neuberger Berman would generally instruct that such shares be voted in the same proportion as other shares are voted with respect to a proposal, or defer to a preselected independent third party to vote our shares. This type of potential conflict occurred in 2021. A director of Neuberger Berman served as a director of a company into which Neuberger Berman had also invested on behalf of its clients. In 2021, the company was subject to a proxy contest where the director's re-election was being contested. The Proxy Committee determined that a conflict existed and that we could not exercise our voting discretion. As a result, in accordance with our Conflicts of Interest policy, we deferred to a preselected independent third party to vote our shares.

Case Study Three

Potential conflict: An issuer may be held across multiple Neuberger Berman investment teams through different asset classes (e.g., through asset-backed securities and public equities).

How it would be addressed: We mitigate potential conflicts through promotion of transparency and open communication via mechanisms such as posting engagements on shared calendars, having the Legal and Compliance Department review written correspondence with issuers, such as letters to ensure consistency with our Governance and Engagement Principles, and notifying key holders as appropriate. The Proxy Committee must approve any proxy vote that is inconsistent with Neuberger Berman's Proxy Voting Guidelines and notify key holders as appropriate.

Case Study Four

Potential conflict: From time to time, Neuberger Berman will invest a client's investments into its own affiliated funds. This takes place based on the idea that the investments are in the best interest of the client, and meet that client's investment restrictions and guidelines.

How it would be addressed: As part of Neuberger Berman's efforts to address and mitigate potential conflicts of interest, it has formed a committee comprising Chief Investment Officers, the Chief Risk Officer, members of Neuberger Berman's Legal and Compliance Department, including Neuberger Berman's Chief Compliance Officer and General Counsel – Asset Management, and the Head of our Asset Management Guideline Oversight function. This committee generally meets quarterly to review the following, among other things: (i) investments by the funds and other accounts advised by Neuberger Berman or its affiliates in other funds or other pooled investment vehicles (e.g., UCITS Funds); (ii) asset allocation decisions, including decisions to allocate assets to internal portfolio managers (e.g., the allocation to a sleeve of a multi-manager); and (iii) compliance with Neuberger Berman Investment Adviser's policy on side-by-side accounts (this review focuses on trade allocation and rotation, a full holdings review, IPO allocation and performance review).

Case Study Five

Potential conflict: There are instances where we may determine to vote proxies in a manner which is inconsistent with Neuberger Berman's Proxy Voting Guidelines. For example, in accordance with our Proxy Voting Guidelines, we generally believe a public company executive should only sit on a maximum of two public company boards. If a director doesn't meet these expectations, we will generally oppose their re-election. This was the case at a precision technology manufacturer in 2024. However, one of our investment teams believed it was appropriate to support the director's re-election at the March 2024 meeting. As described above, where an investment professional believes that it is in the best interest of a client or clients to vote proxies in a manner which is inconsistent with our Proxy Voting Guidelines, then the investment professional must complete a formal questionnaire to provide further rationale to the Proxy Committee for consideration and to determine whether there is a material conflict of interest created in respect to the voting of the proxy in the requested manner.

How it was addressed: Portfolio managers from various investment teams across Neuberger Berman invested in this company met with the Proxy Committee to discuss the merits of the proposal and any views teams had regarding the director. The Proxy Committee determined it was in our clients' best interests to support the re-election given the director's expertise, oversight responsibilities and contributions to the board. Further, the Proxy Committee with support from portfolio managers decided to publish our vote and rationale in advance of the meeting date to clearly explain the reasoning behind our voting decision.

PRINCIPLE 4

Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system

As a global asset manager, identifying and monitoring market-wide and systemic risks is foundational to our ability to serve our clients. We've developed an enterprise risk assessment framework to identify, monitor and manage risk that allows the organisation to operate even under stressed conditions that may arise from material systemic or market events. These risks can vary in type, scope and severity—from macroeconomic risk to liquidity risk to physical climate risk.

We recognise that we have a vested interest in improving the functioning of capital markets as a whole. We believe encouraging the broader implementation of sound stewardship and sustainable investing activities is an important part of this effort. In our view, this can best be achieved through policy advocacy and by working collaboratively with clients and others in the investment industry given the often non-diversifiable nature of market-wide and systemic risks. As policymakers play a crucial role in maintaining and enhancing the sustainability and stability of financial markets, we proactively engage with them on the key jurisdictions in which we invest and operate.

Our Enterprise Risk Framework

Our risk management framework is crucial to our efforts in identifying and managing market-wide and systemic risk. Enterprise risk assessment is intertwined with the investment process, and we have implemented an effective framework to identify, monitor and manage risk that allows the organisation to operate even under stressed conditions that may arise from material systemic or market events. We identify enterprise risk across five pillars:

FIVE PILLARS OF ENTERPRISE RISK

Strategic Risk			Financial Risk	Investment Risk	Operational Risk	Regulatory Risk
Client Platform	**Product Offerings**	**Human Capital and Culture**	**Financial Strength**	**Investment Risk**	**Operating Platform**	**Legal/Regulatory Regime**
Adequacy of client activity to support the target platform footprint	Ability to innovate, maintain and scale competitive and sustainable strategy offerings	Ability to attract and retain talent who embody our business principles	Ability to invest in the business over the long term, maintain a range of equity value/yield to equity owners and meet financial obligations	Potential for portfolios to be negatively affected by market risk factors, active risks or liquidity events	Ability to provide proper operational and technological support and protection for the firm's internal and external activities	Exposure and risk of non-compliance to laws, rules, regulations, contractual obligations, prescribed practices or ethical standards

Risks are identified for each pillar, and each risk is assessed on the basis of quantitative or qualitative measures. Assessment of enterprise risks focuses leadership across business segments and informs committee and board-level oversight needs. While some underlying specific risks might be the particular focus of a function, sustainability-related risk, including climate risk, is one which is assessed throughout the lifecycle of products and cross-functionalities.

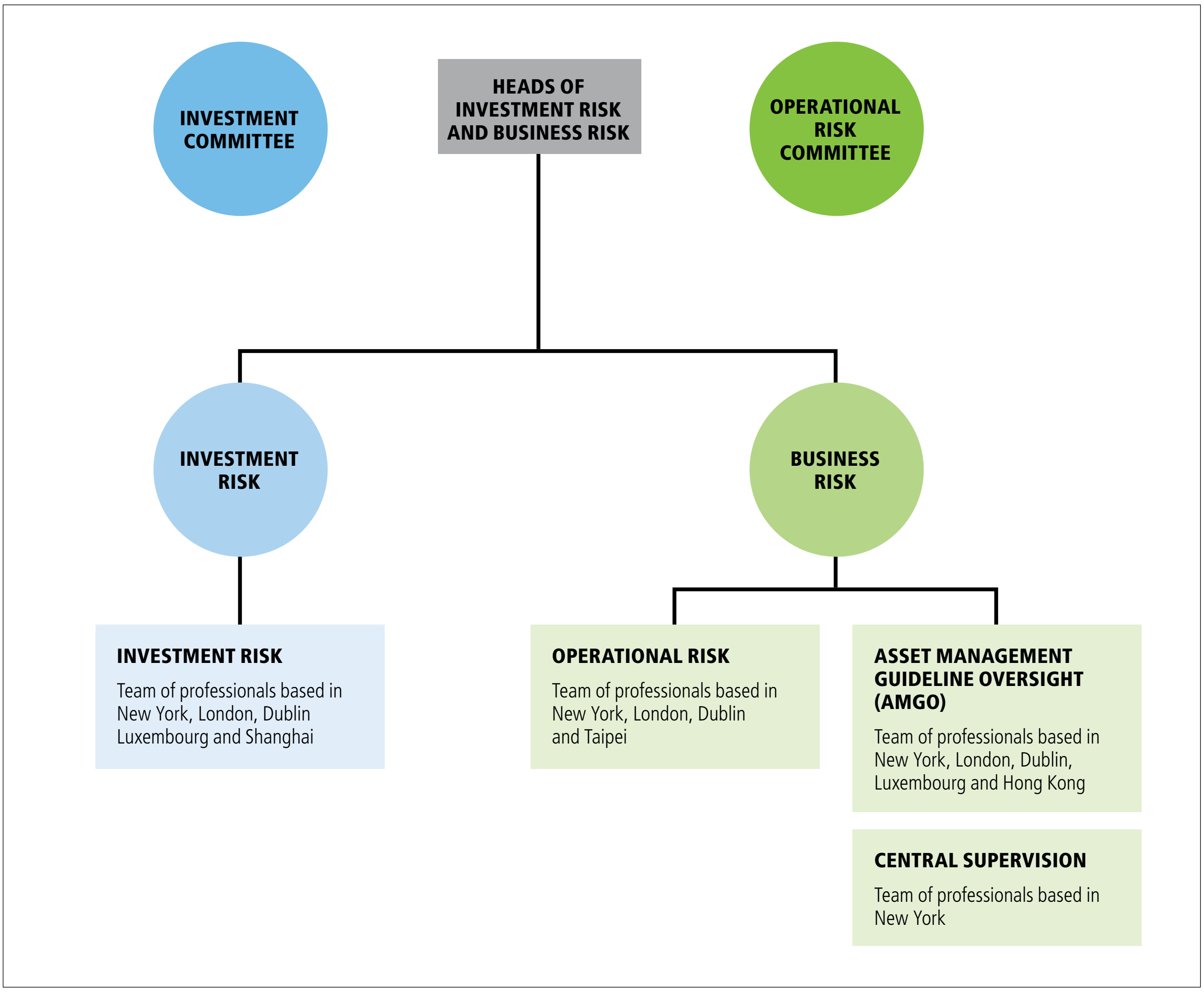
Our enterprise risk management framework and related risk pillars continue to be measured, monitored and assessed to ensure that the framework remains fit and allows the firm to perform at a high level and maintain our stewardship standards during stressed periods.

In terms of structure, the Global Head of Investment Risk and the Global Head of Business Risk co-manage the Risk Group, a dedicated and independent risk group which comprises investment risk and business risk functions. The Risk Group includes four key teams:

- Investment Risk is engaged in the independent identification and measurement of risk exposures within and across portfolios to assist portfolio managers in seeking portfolio returns through intended risk strategies and not by unintentional assumptions of risk.

- Operational Risk coordinates with portfolio management and support and control units in an effort to ensure that operational risks are proactively identified, assessed and mitigated appropriately.
- AMGO is an independent supervisory group whose mission is to monitor compliance with client investment guidelines, mitigate potential financial loss from guideline breaches and trade errors, maintain consistency of guideline monitoring across asset classes, seek to ensure the integrity of the process and provide monitoring support to the overall portfolio management process.
- Central Supervision performs independent supervisory reviews with a focus on monitoring investment suitability. The team's responsibilities include reviewing client suitability for investments, new client accounts and changes to existing client accounts, among other control functions.

The investment risk and operational risk functions are supported by our Investment Risk Committee ("IRC") and Operational Risk Committee ("ORC"), respectively. The role of these governance committees is to sustain a culture of risk awareness propagated through broad divisional senior management participation, with a goal of protecting the firm's clients, reputation and financial well-being. The IRC is chaired by the Head of Investment Risk and the ORC is chaired by the Head of Business Risk.



Identifying and Monitoring Market-Wide and Systemic Risks

Market-wide and systemic risks are important considerations in our investment processes. As an active manager, we continuously identify macro risks and then consider the impact they have on our operations and investments. Risks such as interest rate risk, foreign exchange risk, inflation, employment rates and the impact of climate transition, are incorporated into our research and investment processes.

Our enterprise risk management framework is embedded in our investment processes and designed to identify various forms of established or rising risks, such as interest rate risk, credit risk, currency risk and climate risk on a global basis. To that purpose, the Investment Risk team engages in the identification and measurement of risk exposures within and across portfolios. As part of this process, it employs data from external sources and leverages the insights gleaned from portfolio managers and analysts across market sectors, to foster a comprehensive and dynamic view of current and future risk patterns.

PRINCIPLE 4

The Investment Risk team employs multiple levers to identify and respond to market and systemic risks. On an ongoing basis, it watches market indicators and assesses large market movements affecting strategy and firmwide exposures; it employs strategy- and firm-level dashboards to surface trends, and it conducts market scenario analysis and stress-testing where needed. The team also monitors volatility-related data and performs deep dives into unexpected risk/return profiles should they arise at the portfolio level. The impact of volatility on liquidity is a key aspect of this process, and may trigger more frequent dialogue with portfolio management teams.

In terms of macro risks, engagement with portfolio managers provides a rich source of data and is a crucial tool to ensure that exposures are well within parameters acceptable to the firm and its clients. Each portfolio strategy has dedicated risk analysts to perform ongoing oversight, and the Investment Risk team has regular reviews with portfolio managers of their general risk profiles and periodically may conduct thematic discussions with those managers and their teams to proactively address risk issues.

Importantly, although some risks such as leverage, interest rates and defaults can be monitored and assessed on an ongoing basis, others may be far less predictable, particularly geopolitical events that may, nonetheless, have serious implications for economies, markets and investors. As such, it is crucial to have the ability to work quickly amid such events to identify exposures, escalate communications and seek to contain exposures—something our global, organised risk management structure and procedures are designed to do.

Below, we provide a few examples of risks that we identified in 2024. They illustrate the ongoing interactions and collaborations across our organisation, including between the frontline and the broader support and controls groups, and how we have aligned our investments accordingly. We believe these examples underscore our commitment to identifying and responding to market-wide and systemic risks, thereby promoting a well-functioning financial system.

Market Risk: Bank of Japan change in policy rate

At their early August 2024 meeting, the Bank of Japan (BOJ) kept its key rate steady at 0.5%, pausing its rate-hiking cycle following a surprise hike in July. This change in stance from July's rate hike sparked sharp market volatility: the yen surged, Nikkei fell nearly 20%, and global equities tumbled with the VIX Index more than doubling in one day. By mid-August, Japanese and global markets stabilized, with equities rebounding and most losses recovered, and the BOJ also announced to gradually reduce its Japanese Government Bonds purchases, aiming for more rate flexibility while managing bond market. Lastly, Governor Ueda signaled future hikes will depend on sustained 2% inflation and wage growth, emphasizing a cautious, data-dependent approach.

General Action: This market event is reminder of the inter-connections across global markets including impact of a popular long-standing FX Carry trade on the Japanese Yen especially amongst Hedge Funds strategies and the potential impact of emergency large deleveraging by multiple parties simultaneously as it was also observed in 2022 in the British pound sterling with the Fall budget announcement. In these types of scenarios, we assess our notional exposure by counterparties and portfolios and monitor any disproportionate changes in profit and loss calculated based on the current market value of assets and liabilities, margins call or change in collateral requirements which would trigger a reset of our contracts aligned with our counterparty credit risk policy.

Communications with Clients, Fund and Entity Boards, and Regulators: Significant market events typically result in increased inquiries from clients. The firm utilized its established communication channels to share any relevant investment views and solutions, including assessing the impact of these events from a stewardship and sustainable investing perspective. Additionally, the Investment Risk team provided regular updates to senior management on our investment exposure and monitored the evolving secondary effects and their potential impact on the business. Importantly, we maintained ongoing engagement with relevant regulators regarding firm exposures and overall resilience.

Scenario Testing: In the context of recent years and the different actions of Central Banks on the back of excessive inflation management, the Investment Risk team has engaged with portfolio managers on different possible scenarios including divergence between rate policies across the four major currencies (USD, Euro, JPY and GBP). The assumptions and results of those scenarios are shared during regular interaction with investment teams and assist in identifying any variation in risk concentration or trends.

Geopolitical Risk: US presidential election

Event Overview: As widely anticipated by the market, the 2024 US Presidential and Congressional elections attracted significant global attention due to the stark differences in candidates' policy platforms, each with potential implications for global economic conditions and geopolitical relationships.

General Action: Our first priority during this period was to identify and monitor critical exposures, such as holdings in US treasuries, and to evaluate the most likely scenarios relevant to the firm.

Scenario Testing: Recognising that Congressional outcomes would materially influence the implementation of presidential policy priorities, we conducted scenario testing across multiple potential outcomes. These included situations where each presidential candidate held either a marginal minority or majority in Congress, enabling us to assess the impact on policy delivery and market dynamics.

PRINCIPLE 4

Climate Risk

At Neuberger Berman, we believe the extent and impact of climate change on our economies and societies can be affected by decisions made by consumers, businesses and policymakers. Neuberger Berman identifies, assesses and manages climate risks through a framework that is jointly implemented by the SSI Group, the Investment teams, and the Enterprise Risk and Internal Audit teams.

The **SSI Group** is responsible for developing tools, providing guidance on interpreting climate metrics and scenarios, supporting issuer engagement efforts on climate risks, and engaging in discussions with policymakers and regulators to promote transparency and clarity on climate topics.

The **Investment teams** are responsible for assessing climate risks and opportunities at the issuer level; in process-focused investing strategies, the conclusions drawn from this assessment may be used in pricing securities and assessing risk, 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 ESG-related risks, including climate risks, as part of the firm's top-down Risk Framework and Governance structure. The firm 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 Risk Register, an inventory of operational risks, and this includes climate risk. This is complemented by a bottom-up approach to identify and manage climate risks throughout a product lifecycle alongside all risk inherent to the activities conducted. Climate-related risk is integrated throughout the process of defining, measuring and monitoring identified through each portfolio's risk profiles. Throughout this process, climate-related risks are identified both at the entity and product level, and assessed based on risk appetite level and possible financially material impacts.

The Enterprise Risk team regularly engages with portfolio managers and the SSI Group on strategy- and fund-level material risks, which may include reviewing key environmental, social and governance metrics, including those related to climate such as carbon emissions, CVaR, etc., as well as implementation of avoidance policies on specific mandates or funds. The Head of Business Risk and the Head of Investment Risk also chair the ESG Product Oversight Committee, which oversees ongoing compliance with ESG claims for all strategies/products and is a member of the ESG Product Committee and the SSI Committee.

Finally, the **Internal Audit team** performs full-scope audits of the SSI function and evaluates integration practices, which may include climate risks and opportunities assessments, of individual investment teams.

Identifying Climate Risk and Opportunity Channels

We have identified key channels through which climate risks and opportunities would impact portfolio companies and thus present a source of investment risk. We adopt the following definitions regarding timeframe of critical impact, which is when we believe portfolios will have the greatest level of financial exposure to the risk under consideration:

- Short-term: 1 year
- Medium-term: 2 – 5 years
- Long-term: 5+ years

PRINCIPLE 4

CLIMATE RISK CHANNELS FOR INVESTMENT PORTFOLIOS

Risk	Description	Timeframe of Critical Impact	Impact on Portfolio Companies	Portfolio-Level Risk Assessment Tools	Investment Risk
Physical: Acute	Risks from increased severity of extreme weather events, including cyclones, flooding, river low flow and wildfires	Long-term	Increased write-offs, capital costs and insurance premiums due to physical asset damage; decreased revenues due to business disruptions	Climate Value-at-Risk (CVaR), Sovereign Sustainability Assessment, third-party and proprietary catastrophe models	Portfolio performance, which leads to lower AUM and decreased revenues
Physical: Chronic	Risks from increased variability in weather patterns, including wind gusts, precipitation and temperatures, including extreme heat and extreme cold	Long-term	Increased operating expenses due to the need to adapt to variable weather patterns and temperatures; decreased revenues due to business disruptions; increased insurance premiums	CVaR, Sovereign Sustainability Assessment	Portfolio performance, which leads to lower AUM and decreased revenues
Transition: Policy	Risks from climate transition regulation that can affect a company's direct operations, suppliers or customers	Short-term, medium-term and long-term	Increased capital expenditures due to nationally determined emissions reduction targets or carbon pricing for certain sectors or their suppliers; increased electricity costs due to grid demand from low carbon transition; decreased revenues due to shifting market demand	CVaR	Portfolio performance, which leads to lower AUM and decreased revenues
Transition: Technology	Risks from failing to create or transition to new low carbon emissions technologies	Short-term, medium-term and long-term	Decreased demand for products and services; stranded asset risk	CVaR, Net-Zero Alignment Indicator	Portfolio performance, which leads to lower AUM and decreased revenues
Transition: Market	Risks from changing consumer behavior, increased costs of raw materials and uncertain market signals	Short-term, medium-term and long-term	Decreased demand for goods and services due to shift in consumer preferences; increased production costs due to input prices; changes in energy costs	Net-Zero Alignment Indicator, NB ESG Quotient, EU Taxonomy Alignment	Portfolio performance, which leads to lower AUM and decreased revenues
Transition: Reputation	Risks from negative stakeholder feedback resulting from inadequate climate action	Short-term, medium-term and long-term	Decreased demand for goods and services; decreased revenue from impacts on workforce; decreased capital availability	NB ESG Quotient, Controversy monitoring	Portfolio performance, which leads to lower AUM and decreased revenues

CLIMATE OPPORTUNITY CHANNELS FOR INVESTMENT PORTFOLIOS

Opportunity	Description	Timeframe of Critical Impact	Impact on Portfolio Companies	Portfolio-Level Risk Assessment Tools	Investment Opportunity
Resource Efficiency	Opportunities from efficiency in use of water and raw materials	Long-term	Decreased operating expenditures due to efficiencies	NB ESG Quotient	Portfolio performance, which leads to higher AUM and increased revenues
Energy Source	Opportunities from use of lower emissions sources, supportive policy incentives and new technologies	Short-term, medium-term and long-term	Decreased operating expenditures due to efficiencies, decreased sensitivity to energy prices	NB ESG Quotient, Net-Zero Alignment Indicator	Portfolio performance, which leads to higher AUM and increased revenues
Products & Services, Resilience	Opportunities from development of climate mitigation and adaptation solutions	Short-term, medium-term and long-term	Increased revenue through demand for climate mitigation and adaptation solutions	CVaR, Net-Zero Alignment Indicator, EU Taxonomy Alignment, Adaptation & Resilience Taxonomy	Portfolio performance, which leads to higher AUM and increased revenues
Markets	Access to new markets, use of public-sector initiatives	Short-term, medium-term and long-term	Increased revenues due to access to subsidies and tax credits	Net-Zero Alignment Indicator	Portfolio performance, which leads to higher AUM and increased revenues

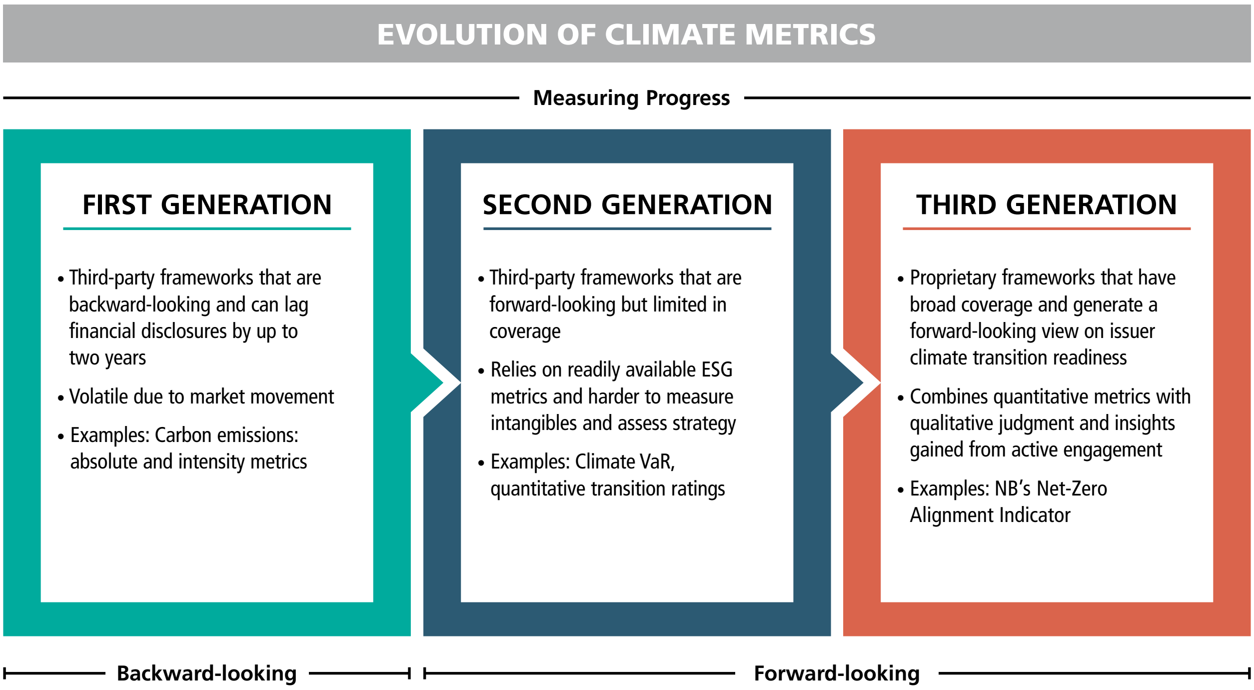
Our clients are increasingly cognisant of these risks and opportunities and eager to know how we integrate them into our investment processes. Many seek to partner with us to develop those processes. They know a deeply complex transition is underway that will create winners and losers among businesses, sectors and regions—and they recognise that this can affect all asset classes, across both public and private companies in their portfolios. Below, we explain how we seek to address climate risk in our investments.

For further information on how we assess the impact of climate risk on our operations, please see our Task Force on Climate-related Financial Disclosures (TCFD) Report and the NBEL TCFD Annex.

Leveraging Stewardship and Research Tools to Address Climate Risk

Evolving Proprietary Tools to Assess Changing Climate Risks and Opportunities

Recognising the growing importance of climate considerations for investors across asset classes, we acknowledge that the tools and metrics used to assess financially material climate-related risks and opportunities must evolve. While early tools focusing solely on carbon emissions or widely available quantitative ESG metrics remain valuable, we observe an increasing need for more sophisticated approaches that incorporate nuanced analyst judgment to address the complexities of the climate transition. To meet this need, we have developed proprietary third-generation frameworks for climate risk and opportunity assessments. These frameworks integrate both quantitative and qualitative inputs and are tailored to the specific characteristics of each asset class.

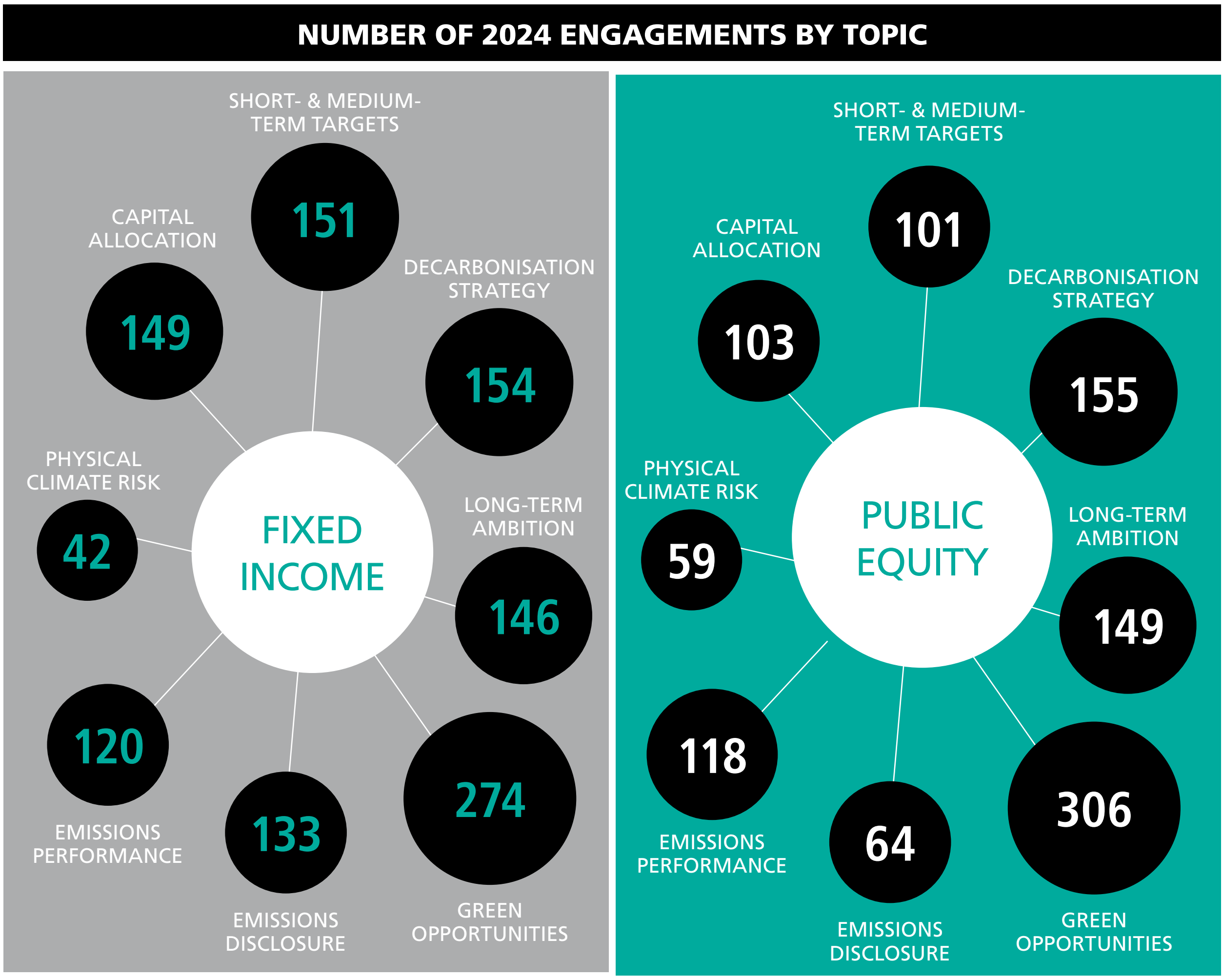


We are committed to continuously enhancing our analytical tools to meet client needs, with a strong focus on improving outcomes for our clients. In 2024, we made significant advancements in leveraging technology and collaboration to enhance ESG and climate integration. To improve ESG data accessibility, we introduced tools like the Proxy Voting Dashboard and the ESG AI Assistant on the NB-GPT platform, our own NB ChatGPT program with greater security controls, streamlining data interaction and governance while boosting analytical depth. AI played a pivotal role in enhancing our strategies with climate commitments, helping to correct fragmented climate data and enhancing in-depth analysis of sustainability reports, green bonds and net-zero alignment indicator results. We also engaged companies on responsible AI governance to ensure its efficient use while addressing environmental impacts, such as energy consumption and carbon footprints.

Proprietary tools like the Neuberger Berman Net-Zero Alignment Indicator[1] continue to evaluate companies' climate targets, emissions performance and decarbonisation strategies using forward-looking data. Reliable climate data remains critical for advancing climate and net-zero outcomes. Platforms like the Neuberger Berman ESG Data Cloud are integrating and standardising diverse datasets. AI-driven insights help validate data, identify trends and uncover outliers in net-zero alignment, allowing analysts to focus on deeper company analysis and engagement. Collaboration across the investment ecosystem remains central to our efforts, with partnerships with institutional investors fostering innovation and our active role in industry advocacy, such as co-chairing the IIGCC Bondholder Stewardship Working Group, contributing to shaping the future of sustainable finance.

1. Engagement

We also see a critical role for engagement as both shareholders and bondholders. We use engagement as a tool to mitigate exposure to transition and physical risks by encouraging issuers to enhance disclosures, evaluate their practices, and make changes to mitigate potentially material risks where necessary. In 2024, our corporate climate-related engagement efforts included:



2. Policy Advocacy and Industry Collaboration

We find it valuable to be an active member in key industry groups to debate and share our practitioner views on emerging policy issues. We are members of the Investment Association's Climate Change Working Group, the Investment Company Institute's ESG Advisory Group, the UK Sustainable Investment and Finance Association (UKSIF), and other groups that actively contribute to relevant policy and regulatory discussions. On an annual basis, our SSI Committee reviews the membership organisations we belong to in order to ensure our memberships do not conflict with our SSI Policy. Where we believe our views on a particular policy topic diverge from those of our membership bodies, we may consider engaging with such organisation to bring our views to the table, and/or publishing our individual position. Our industry collaborations are discussed in greater detail in Principle 10.

3. Intersecting and Emerging Risks

We are careful to acknowledge that climate change and its attendant financially material effects should not be considered in a vacuum. This means weighing those effects against other, more traditional investment risks. But it also means recognising the intersections between climate change and other global social and environmental challenges, such as the threat to biodiversity. As the effort to avert the worst impacts of climate change gathers steam, these wider challenges are also likely to become more financially material within investment portfolios.

Assessing Climate Risk in Our Investments Across Asset Classes

In line with our fiduciary duty to our clients, we consider climate risks or opportunities that may impact the financial performance of a security or a portfolio. We believe that climate risks for many sectors and companies are financially material; therefore, we consider climate risk factors alongside other factors which we believe could impair client capital. Some clients seek to go beyond this, by seeking a sustainability outcome related to, for example, net-zero or climate impact. We partner with these clients to help achieve their net-zero objectives. This includes developing lower-carbon portfolios, as well as setting interim decarbonization and net-zero alignment targets across asset classes. We also evaluate sovereign preparedness and resilience to climate risks through a proprietary sustainable sovereign screen and Sovereign Net-Zero

Alignment Score. These tools are designed to integrate country-specific transition pathways, holistically assessing national efforts to mitigate global warming and align sovereign assets and net-zero goals.

Ultimately, as active managers, we rely on the judgement of our investment professionals. There is no one-size-fits-all response to the climate transition. Each portfolio manager uses the suite of risk and opportunity assessment tools we have outlined above to help them make decisions that fit their clients' individual investment and sustainability objectives.

Listed Public Equity and Corporate Fixed Income

We believe climate risks impact different asset classes through various transmission channels. In equity markets, investors face the risk of losing their entire invested capital. However, they can also participate in upside by investing in companies that benefit from effectively transitioning their business models to net zero or delivering climate solutions. In credit markets, while investors will typically see a return of some principal in the event of a default, credit risk can increase after an acute event such as a hurricane or flood damages corporate assets, impairs cash flows, and thus a corporation's ability to service debt.[1]

Net-Zero Alignment Indicator

To enable a robust bottom-up assessment of a company's transition toward net zero, we created the Neuberger Berman Net-Zero Alignment Indicator, informed by the high-level expectations of the Institutional Investor Group on Climate Change (IIGCC). The Indicator serves two purposes: for our process-focused strategies, it serves as a measure of companies' net-zero readiness and hence we believe it is indicative of its ability to mitigate climate risks, and for our outcome-focused strategies, it can be used to engage with issuers and drive positive outcomes that a client has instructed us to pursue. The Indicator is considered at both the portfolio and security level across listed equity and corporate fixed income portfolios. You can read more about the Indicator in our white paper, Net-Zero Alignment: Beyond the Numbers.

The Indicator's robust approach provides greater insight into creating a "transition-informed" product. Its key differentiators from "off-the shelf" alternatives are that it utilises forward-looking metrics and analyst insights, integrates deep sector-specific knowledge applied by sector analysts, and active engagement is undertaken based on the weakest sub-indicators with outcomes feeding back into the alignment score in real time.

We made significant enhancements to the Indicator in 2024:

- **Data and technology:** We launched our internal Starling data platform to support analysts and portfolio managers in tracking and managing portfolios with specific climate transition objectives. The platform provides transparency around the sub-indicators and underlying data that we believe are driving a company's net-zero alignment status. The platform also enables an analyst to override a sub-indicator to capture changes in company progress or regression to net zero. The Starling platform is governed by the Stewardship and Sustainable Investing Group, who review, challenge or approve an analyst request to override a sub-indicator. Furthermore, Starling has been integrated with key downstream platforms, such as our research and portfolio construction tools supporting investment teams in managing portfolios with climate transition objectives.
- **Sector-Specific Models:** We made significant strides in advancing sector-specific net-zero alignment frameworks, including the development of a dedicated banking model. Recognising the unique emissions profiles and transition challenges faced by financial institutions, this model incorporates sector-specific datasets and assessments to address the material drivers of the net-zero transition like financed emissions and financing high-impact sectors like fossil fuel energy.
- **Engagement:** We actively leveraged the Indicator to monitor and engage with companies held in our climate-committed portfolios contributing to the highest financed emissions to encourage alignment with net-zero pathways. We use the Indicator to focus and map our engagement to the weakest sub-indicators. The Indicator introduces an additional feedback loop: qualitative insights from engagement feed into the relevant sub-indicators, servicing the investment teams with real-time views on company progress or regression towards net zero.

To summarise, having a robust technology platform enables us to react in real time to a change in company commitments which could signal a deceleration in the pace toward decarbonisation. We have found that the qualitative insights of our analysts and active engagement enable us to react faster than the data, which can often run at a significant lag to changes in company transition plans.

[1] Basel Committee on Banking Supervision, "Climate-related risk drivers and their transmission channels", 2021.

PRINCIPLE 4

Private Markets and Alternatives

NB Private Markets generally focuses on environmental, social, governance factors that we believe are financially material on an industry and asset class basis. Given the breadth of our private markets platform, the financially material environmental, social, governance issues may vary by investment. However, our NB Materiality Matrix includes environmental as a dedicated potentially financially material factor category, along with supply chain, social, workforce, and leadership & governance.

Neuberger Berman believes that they afford investors the opportunity to benefit from upside by investing in climate solutions. The private equity industry also tends to invest in lower-carbon industries (e.g., technology and healthcare), which helps mitigate transition risk. However, the ability to mitigate transition risk differs between general partners (GPs), who tend to take controlling stakes in their targets, and thus have more direct influence, and limited partners (LPs), who exert their preferences mainly through capital commitments decisions and engagements with GPs.

In addition to our analysis of financially material environmental, social, governance factors, some clients have established climate goals and objectives. For these specific clients seeking these solutions, Neuberger Berman Private Markets has built tools and capabilities to support clients meet their objectives. For example, NB Private Markets developed a Manager Climate Assessment (the "Assessment") that can be utilised when conducting due diligence on primary fund commitments for select mandates. The Assessment was developed to help clients to analyse a GP on its progress on governance, financially material climate risk management, portfolio company engagement, and reporting, in relation to their own goals and objectives. It also serves as a starting point for engagement for these specific mandates, as well as to inform a relative assessment among peers and over time. In addition, also for certain mandates, NB Private Markets can provide annual carbon footprint reporting for Scope 1 and 2 financed emissions, informed by actual data and supplemented with estimation capabilities. In 2024, NB Private Markets developed a Carbon Credits Questionnaire for select client Sustainable Forestry mandates for the purpose of evaluating a GP's quality assurance programs related to carbon credits. The questionnaire is based on industry standard guidance, including the Integrity Council for the Voluntary Carbon Market (ICVCM). With this tool, NB Private Markets assesses the GP's management of the quality of carbon credits generated from projects in invested funds, and results of the analysis are included in Investment Committee memos when certain funds or clients are involved in the investment.

Engagement remains a key means to collaborate with private equity managers. In addition to broader integration of financially material environmental, social, governance factors, on behalf of certain client mandates, NB Private Markets conducts targeted engagements with GPs on climate topics, including reporting GHG emissions, setting emissions reduction goals, and climate risk analysis, among others.

PRINCIPLE 4

CLIMATE-FOCUSED CLIENT EVENTS

Harvard Business School (HBS) Case Study Discussion

During Climate Week NYC (September 22–29, 2024), we had the privilege of hosting clients at our New York office for a discussion centered around the "Investing in the Climate Transition at Neuberger Berman" case study authored by Professor George Serafeim of Harvard Business School. The case study highlights our innovative efforts to help clients meet their climate transition objectives, such as the development of the Net-Zero Alignment Indicator, which has been instrumental in driving real-world climate solutions across our fixed income and public equity strategies.

The session provided a unique opportunity for over 30 institutional allocators, including pension funds, family offices and other institutional investors—representing a collective USD4.1 trillion in investment portfolios—to engage in a rigorous debate about active versus passive investing, the role of judgment in evaluating climate transition strategies and the value of informed engagement. Following the event, clients concluded that an active investment approach is essential, whether the goal is minimizing climate transition risks or aligning portfolios with specific climate objectives.

Professor Serafeim is a renowned expert in ESG financial materiality, climate transition and impact-weighted accounts. His course at HBS, "Risks, Opportunities and Investments in an Era of Climate Change (ROICC)", equips students to navigate sustainability challenges. The case study on Neuberger Berman is a cornerstone of the financing module, underscoring the complexity of sustainability issues and the need for nuanced approaches.

Key Insights from Our Global Climate Roundtables

Throughout the year we engaged with sustainability leaders at some of the largest institutional asset owners globally to understand their priorities and perspectives on critical climate issues. Three key themes emerged:

1.5°C Targets: Aspirational or Outdated?

While some questioned the rigidity of the 1.5°C target, asset owners agreed it remains a vital North Star for systemic change. However, with global warming accelerating and carbon budgets shrinking, breaching the threshold could necessitate significant policy revisions and impact investors with existing climate commitments.

The Case for Adaptation and Resilience

Climate adaptation is increasingly recognised as critical, but challenges persist—uncertain returns, systemic complexity and long timelines make it less attractive than mitigation. Asset owners emphasize the need for consistent frameworks and multi-stakeholder collaboration to unlock opportunities and complement mitigation efforts.

Navigating "China Risk" in Climate Strategies

China is projected to contribute over 50% of the global increase in renewable capacity by 2030, having achieved its 2030 target of installing 1.2TW of wind and solar capacity six years ahead of schedule, propelled by its national climate goal and declining technology costs. However, many investors underestimate its supply chain role and associated risks, such as human rights concerns. Asset owners highlight the need for a total fund perspective to balance these risks and capitalize on China's role in the global energy transition.

Promoting Continued Improvement of the Functioning of Financial Markets

An important way we promote a well-functioning financial system is by commenting on policy and regulatory topics ranging from sustainability-related disclosures to the global alignment of reporting requirements through formal letters to domestic and foreign financial regulators and responding to policy consultations on stewardship and sustainability related topics.

We also find it helpful to be an active member in certain industry groups to debate and share our views on emerging issues. We are therefore members of several trade associations across jurisdictions, including the Investment Association (IA), the Investment Company Institute (ICI), the Securities Industry and Financial Markets Association (SIFMA) and the European Fund Asset Managements Association (EFAMA) . In order to ensure that our memberships do not conflict with Neuberger Berman's SSI Policy, our SSI Committee reviews our memberships on an annual basis.

Throughout 2024, we engaged on emerging sustainability-related reporting standards and disclosure requirements for asset managers, as described in the examples below.

2024 ENGAGEMENTS ON REPORTING STANDARDS AND DISCLOSURE REQUIREMENTS	
UK Stewardship Code Review Roundtable	Participated in the Financial Reporting Council (FRC) roundtable on the proposed revision of the UK Stewardship Code, where we shared our support on the simplification of the code, as well as constructive feedback on the definition of stewardship and other key points.
Hong Kong Institute of Certified Public Accountants Consultation on ISSB Adoption	Responded to a consultation to express our support for the adoption of the ISSB standards in Hong Kong.
Sustainability Reporting UK Government Consultation	Participated in the UK Sustainability Disclosure Standards Technical Advisory Committee (TAC) Stakeholder Snapshot survey to share our perspectives on sustainability reporting standards and support the use of the ISSB standards in the UK
Transition Finance Market Review (TFMR)	Provided feedback on the TFMR public consultation through the Institutional Investors Group on Climate Change (IIGCC) to support the promotion of capital allocation to assets transitioning to net zero. Responded to a consultation to provide our perspective on the proposed disclosures, naming, labelling and marketing regime.

Our Role in Relevant Industry Initiatives

As long-term investors and stewards of our clients' assets, we participate in industry initiatives that will increase transparency, protect investors, and foster fair and efficient capital markets. In addition to our own research efforts, we believe partnering or liaising with peers, clients, issuers and third-party experts on market-wide and systemic risks is an effective and necessary approach given the collective action needed to adequately address them. Highlights of our participation in various initiatives and collaborative efforts are included below and discussed further in Principle 10.

International Sustainability Standards Board's ("ISSB") Investor Advisory Group ("IIAG")	As a member and Vice Chair of the IIAG, we support the ISSB in developing the global baseline for sustainability reporting by providing feedback on the technical and practical aspects of the standards from an investor point of view. By responding to public consultations and surveys launched by the ISSB, we have supported the ISSB's focus on financial materiality and the ability it provides for jurisdictions to go beyond the baseline through building blocks.
European Fund and Asset Management Association ("EFAMA")	As members of EFAMA's Stewardship and ESG Committee, we actively participate in regular meetings to bring our views to the table on EU sustainable policy initiatives on transparency and disclosures, data, corporate governance, and other topics. The Committee develops policy positions to encourage the mainstreaming of sustainability-related regulatory requirements across the EU and support policymakers in implementing the EU's Sustainable Finance Strategy.
Investment Association ("IA")	Throughout 2024, Neuberger Berman was an active member of the IA's Stewardship Committee, which seeks to promote and enhance asset managers' role as long-term responsible investors on a wide range of material risks and issues while supporting a coherent regulatory environment for stewardship and corporate governance. We are also members of the IA's Climate Change Working Group, which brings together expert members to develop and propose industry positions and recommendations in relation to climate change. This includes developing industry positions to support the transition to net zero and industry action in alignment with the goals on the Paris Agreement.

Evaluating Our Effectiveness in Identifying and Responding to Market-Wide and Systemic Risks

We believe enterprise risk management framework and related governance structures have been effective in our efforts to identify and respond to market-wide and systemic risks. We continue to review these efforts and implement identified enhancements. For example, we observed an increase in volume and complexity of regulatory consultations and continued developments in the regulatory landscape across markets. As a result, we further increased our resources dedicated to policy advocacy and regulatory expertise particularly for the EMEA region in recent years. Additionally, in respect to the expansion of generative AI models, the company has established a robust AI governance protocol in order to allow controlled and resilient exploration of business cases, developing best-practices and challenges to ensure we continue to support our activities with positive impact to the firm, our investors or the market.

PRINCIPLE 5

Signatories review their policies, assure their processes and assess the effectiveness of their activities

PRINCIPLE 5

ENSURING OUR POLICIES SUPPORT EFFECTIVE STEWARDSHIP

Each of our policies has a defined review process, including frequency, documentation protocols and approving parties. Below is the review process for key stewardship-related policies and a list of important guiding documents:

- Our Stewardship and Sustainable Investing Policy is reviewed annually by our Global Head of Stewardship & Sustainable Investing in collaboration with the SSI Committee and executive board members. This is a key policy that applies across our investment platform and is intended to provide a broad framework for our approach to stewardship and integration into our investment management activities.
- Our Sustainable Exclusions Policy is reviewed and updated annually by our SSI Committee, which reports into the Board of Neuberger Berman, using a structured exercise which considers extensive feedback from our investment teams, and an external scan of industry issues. This ensures that we continue to identify key themes and carry out effective stewardship.
- Our Stewardship and Engagement Policy sets forth how Neuberger Berman engages with companies that it invests in on behalf of clients and how engagement is integrated into our investment strategy. We've developed this policy in compliance with the requirements of the Shareholder Rights Directive II (EU/2017/828). The policy is reviewed annually by our SSI Committee and Global Head of Stewardship & Sustainable Investing. Any changes must be approved by the SSI Committee and the Board of Neuberger Berman.
- Our Global Standards Policy is reviewed annually by our SSI Committee. It is applicable across our Irish UCITS and QIAIF portfolios, which have been categorised as either Article 8 or Article 9 financial products in accordance with the Sustainable Finance Disclosure Regulation. Implementation of this policy is managed by Neuberger Berman's Asset Management Guideline Oversight Team, in collaboration with Legal and Compliance.

Policy/Guiding Document	Policy/Document Description	Process For Review	
Stewardship and Sustainable Investing Policy	Provides a broad framework for our approach to integrating g financially material environmental, social and governance factors into our investment management for those clients who seek various degrees of integration	Reviewed annually by our Global Head of Stewardship & Sustainable Investing, the ESG Committee and executive board members	**Ultimate approval by:** SSI Committee
Stewardship and Engagement Policy	Sets forth how engagement is integrated into our investment processes	Reviewed annually by the SSI Committee and Global Head of Stewardship & Sustainable Investing	**Ultimate approval by:** SSI Committee and the NBEL Board of Directors
Governance and Proxy Voting Guidelines	Explains our expectations and approach to voting on key topics	Reviewed annually by the Governance and Proxy Committee, investment teams and Global Head of Stewardship & Sustainable Investing	**Ultimate approval by:** Governance and Proxy Committee
Proxy Voting Policies and Procedures	Describes our oversight structures and processes that guide our proxy voting activities	Reviewed annually by the Governance and Proxy Committee, Legal and Compliance, and Global Head of Stewardship & Sustainable Investing	**Ultimate approval by:** Governance and Proxy Committee
Thermal Coal Involvement Policy	Explains our approach to reviewing and approving investment in securities issued by companies that derive revenue from thermal coal mining or are expanding new thermal coal power generation	Reviewed annually by the SSI Committee, investment teams, Asset Management Guideline Oversight team, Legal and Compliance, and Stewardship & Sustainable Investing Group	**Ultimate approval by:** SSI Committee
Global Standards Policy	Explains our approach to prohibiting investment in securities issued by companies whose activities breach any of the principles and guidelines outlined in the policy	Reviewed annually by the SSI Committee, investment teams, Asset Management Guideline Oversight team, Legal and Compliance, and Stewardship & Sustainable Investing Group	**Ultimate approval by:** SSI Committee
Controversial Weapons Policy	Explains our approach to prohibiting investments in securities issued by companies that have been identified as being involved in the manufacture of controversial weapons	Reviewed annually by the ESG Committee, investment teams, Asset Management Guideline Oversight team, Legal and Compliance, and ESG Investing team	**Ultimate approval by:** SSI Committee

As shown above, our policies and guiding documents are reviewed at least annually and require approval from senior business leaders. Our approach to include a key committee in each review process was deliberate as it helps ensure that views from various business functions, asset classes and geographies are well represented in discussions. We believe this results in more robust dialogue and ultimately more effective policies. Further, we determined it was appropriate to require approval from members of senior leadership given the critical role of our stewardship efforts in our investing practices and our ability to achieve outcomes on behalf of clients.

OUR APPROACH TO ASSURANCE

We have several internal and external processes in place to maintain high standards of stewardship.

Internal Assurance

Internal Audit Function

The Internal Audit function at Neuberger Berman is fully independent of the business with the Head of Internal Audit reporting to the Neuberger Berman Board Audit Committee Chair, who is an independent director. The function is staffed with highly experienced and credentialed individuals responsible for all internal audit activities. As at 31 December 2024, the function consists of 12 team members globally, two of which are located in the EMEA region. Internal Audit is responsible for evaluating the adequacy of the design and operating effectiveness of policies, procedures and internal controls. This is achieved through extensive risk assessment and testing processes which comply with most elements of The Institute of Internal Auditors (IIA) Global Internal Audit Standards.

Internal Audit prepares formal reports at the conclusion of each project and issues the reports to senior management. Reports include heat maps, executive summaries and detailed issue matrices. All issues and action plans are tracked until completion, at which time validation is performed.

Internal Audit performs reviews of the Stewardship and Sustainable Investing function, inclusive of stewardship activities, in accordance with our standard audit cycling methodology. The primary focus of these reviews is to evaluate controls implemented to ensure the proprietary integration framework is maintained as described in marketing materials and policy documents. These reviews also include an evaluation of the accuracy of Stewardship and Sustainable Investing marketing materials and other related collateral such as the Stewardship and Sustainable Investing Policy and annual PRI reporting. The scope includes the following elements of Stewardship and Sustainable Investing:

- Stewardship and Sustainable Investing Policy & Procedures
- Integration & Screening in Public Securities
- Engagement
- Regulatory Compliance
- Proxy Voting
- Stewardship and Sustainable Investing Incorporation in Alternative Investments
- Marketing Materials & Disclosures

In addition to the cycled review of the Stewardship and Sustainable Investing function, Internal Audit:

- Performs annual reviews of specific elements of Stewardship and Sustainable Investing such as proxy voting and exclusion screens. These focused reviews are completed in support of expectations as a PRI signatory. They include verification of proxy voting statistics reported externally and analysis of exclusion screens that have been implemented. Furthermore, they evaluate the tracking and reporting of our engagement activities.
- Evaluates integration and engagement practices of individual investment teams when performing audits of such teams. Investment team audits are completed in accordance with the standard audit cycling methodology. Typically, unique audits are completed for multiple investment teams every year.
- Monitors the activities of the ESG Product Oversight Committee ("EPOC"), which is responsible for ongoing verification of Sustainability-related claims made by investment teams for products and strategies offered by Neuberger Berman which have been reviewed by the ESG Product Committee.
- Performs ad hoc assessments of Stewardship and Sustainable Investing practices at the request of senior management.

Given the important role that Stewardship and Sustainable Investing practices serve in our investment processes, we determined it was appropriate to have our Internal Audit team conduct regular reviews of our practices as we would with other critical business elements. The results of these reviews enable us to evaluate the effectiveness of our practices and identify areas for improvement. We believe this process produces an objective assessment given Internal Audit function is fully independent of the business.

Other Safeguards

Additionally, our Mutual Fund Compliance team performs verification of proxy voting and provides the 38a-1 compliance report to the NB Funds' Board which includes a review of our securities lending practices. In 2023, Neuberger Berman ceased its securities lending program for UCITS funds. For funds still eligible to participate in securities lending, the Stewardship and Sustainable Investing Group monitors outstanding loans and are able to recall securities on loan or restrict names from being loaned in advance of any vote that we wish to be able to exercise. In addition, our Fund Oversight team liaises with Glass Lewis (our proxy service provider) in relation to proxy voting, with the process overseen by Neuberger Berman.

External Assurance

NBEL will continue to assess its approach to assurance on an annual basis, including the use of external assurance providers. NBEL is audited annually in accordance with applicable rules and regulations and whilst this audit does not specifically address our approach to stewardship, our robust Internal Audit function continues to perform this role and we are constantly reviewing and monitoring whether additional external assurance will be required going forward.

ENSURING OUR REPORTING IS FAIR, BALANCED AND UNDERSTANDABLE

Our independent Internal Audit team also reviews the accuracy of Stewardship and Sustainable Investing marketing materials and other related collateral such as the Stewardship and Sustainable Investing Policy and PRI reporting to ensure that our reporting on stewardship activities is fair, balanced and understandable. Additionally, ourpublications pertaining to our stewardship activities are reviewed by our Global Head of Stewardship and Global Head of Stewardship and Sustainable Investing. Further, all votes and supporting rationales disclosed in advance of meetings through our NB Votes initiative are reviewed by our Governance and Proxy Committee and Legal & Compliance team for accuracy and appropriateness.

In 2024, we conducted a comprehensive mandatory anti-greenwashing training to employees. The training was aimed at enhancing employees' ability to identify and mitigate the risks associated with greenwashing in investment practices and focused on the principles of accurate and transparent Stewardship and Sustainable Investing reporting, equipping participants with the skills to critically assess sustainability claims and ensure compliance with regulatory standards. The training reinforced our commitment to integrity and accountability in our stewardship activities.

Continuous Improvement of Stewardship Policies and Processes

Reviewing Our Governance Structure

Our commitment to continuous improvement includes reviewing the effectiveness of our governance structures and processes. Our committee structures, responsibilities and membership are reviewed on at least an annual basis.

Additionally, as discussed in Principle 2, in 2021, we established the NB Stewardship and Sustainable Investing Advisory Council to guide our Stewardship and Sustainable Investing journey. Our expert Advisory Council members provide guidance on the future of impact investing and sustainability topics and challenge us to go further in our own efforts. The Council consists of respected thought leaders across the Stewardship and Sustainable Investing landscape whose roles are to provide expert external advice. The Council meets quarterly to provide advice and recommendations to Neuberger Berman, without making investment or voting recommendations. In 2024, some of the topics discussed included stewardship and proxy voting, climate transitions, physical risk and adaptation, regulatory and policy landscape.

We further enhanced the existing governance structures in 2022 by creating a new EMEA ESG Product Committee (the "EMEA ESG PC"). It was established as a sub-committee of the Product Governance Committee, which reports to the Board of NBEL. With delegated authority from the Board of NBEL, the key objective of the EMEA ESG PC is to approve all SFDR classifications for all new products launched in EMEA, products launched ex EMEA being marketed in the region, UK Stewardship-related matters and all other relevant European ESG labelling. For example, in 2024, the EMEA ESG PC approved the UK Stewardship Code Report before its submission to the FRC in addition to the NBEL Board. The EMEA ESG PC works alongside the global ESG Product Oversight Committee, a sub-committee of the Stewardship and Sustainable Investing Committee with functional oversight of global Stewardship and Sustainable Investing matters and responsibility for the ongoing verification of Sustainability-related claims, ensuring that products are appropriately classified and to verify that investment processes which support integration remain up to date and relevant following approval.

Reviewing Our Processes and Resources

We also respond to areas for improvement identified through our internal assurance programs. For example, as a result of an internal audit conducted in 2023, sustainability-related exclusion policies are now systematically coded into relevant trading systems to strengthen the accuracy of implementation. No formal recommendations related to Stewardship and Sustainable Investing were made by Internal Audit during calendar year 2024, although Internal Audit continues to evaluate relevant policies and controls through the normal course of its audit work. Observations communicated by the Internal Audit function reinforce the need for support and control functions to continuously assess Stewardship and Sustainable Investing oversight capabilities and implement incremental improvements, where necessary.

Reviewing Our Policies

As previously outlined, our policies and guiding documents are reviewed at least annually and require approval from senior business leaders. When we review our policies and guiding documents, we seek to ensure the underlying principles in which they were first established remain relevant and current.

Specifically on our exclusion policies, not only are we assessing that the policy remains relevant to the funds applying to underlying holdings, but also that our interpretation of each of the underlying principles is accurate and up to date. Our policies and guiding documents are reviewed by our Stewardship and Sustainable Investing Committee and implementation of these policies are managed by Neuberger Berman's Asset Management Guideline Oversight Team, in collaboration with Legal & Compliance.

As part of the ongoing implementation of our exclusion policies, we will also undertake regular reviews with Neuberger Berman's Asset Management Guideline Oversight Team to ensure companies violating the principles are accurately captured. Neuberger Berman use reputable, recognised third parties to help identify companies that partake in these controversial businesses. For example, where a third-party data assessment indicates that a company is a severe violator of the Global Standards Policy, this company will be added to the Exclusions List. Where a portfolio manager disagrees with the third-party assessment, that portfolio manager may appeal the decision to add the company to the Exclusions List to the Challenge Review Group. If the appeal is successful, the company will instead be placed on the Watch List for monitoring and reviewed annually to ensure that the appeal is still valid. The review will require the portfolio manager to return to the Challenge Review Group and provide updated evidence to revalidate the appeal.

As described above, our Governance & Proxy Committee reviews our Governance and Proxy Voting Guidelines annually and makes updates as deemed appropriate. To enhance transparency, we published a Summary of Material Changes describing the significant updates made to our Proxy Voting Guidelines each year.

PRINCIPLE 6

Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them

MANAGING ASSETS IN ALIGNMENT WITH CLIENTS' STEWARDSHIP AND INVESTMENT POLICIES

NBEL offers a range of strategies across asset classes, each with their own investment style, so that clients are able to invest in products that meet their needs. With 760 investment professionals based in 21 global portfolio management centres, we offer clients around the world a range of strategies and investment solutions across asset classes, capitalisations, styles and geographies in both public and private markets, as well as multi-asset class solutions that bring them all together.

As a firm, Neuberger Berman believes that financially material environmental, social, and governance characteristics can be an important driver of long-term investment returns from both an opportunistic and a risk-mitigation perspective, and we understand that for many clients, portfolio impact is an important consideration in conjunction with investment performance. Not only do we offer strategies that integrate financially material environmental, social, and governance factors, but we also recognise that these factors should be incorporated in a manner consistent with the specific asset class and style of each investment strategy.

While each investment strategy is responsible for the investment and stewardship decisions it will apply on behalf of all clients in a fund, significant time is taken to listen to clients' views and inputs. In addition to creating segregated mandates tailored to individual clients and their investment policies, we also offer pooled products with additional types of integration approaches to suit client needs.

The approach to integration can be further customised by the type of investment vehicle employed for investing; for example, to implement client-specific avoidance criteria, to tilt toward specific environmental, social, and governance characteristics valued by the client or to seek certain types of positive impact. For example, when building a net-zero investment solution, a multi-tool approach is required to identify both risk and opportunity. We utilise climate modelling and stress testing, engaging with companies, targeted climate solution investment or, as a last resort, divesting. Ultimately, it is a combination of all the tools that will help to achieve the goal of net zero. Our starting point is the Net Zero Investment Framework set out by the Institutional Investors Group on Climate Change (IIGCC). The framework provides practical steps and metrics for assessing net-zero alignment. We take this framework as our base and convert it into a seven-step, net-zero action plan to support clients on their journey, from quantifying and defining the targets to implementation and measurement.

Our solutions are:

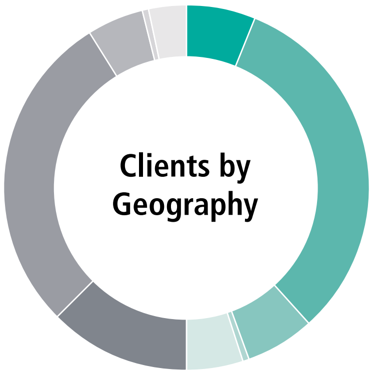
Simple: Setting clear objectives from the outset with milestones in between.

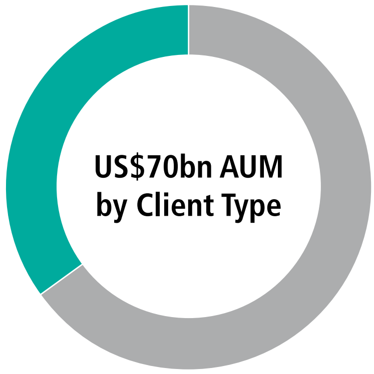
Transparent: We believe our selected metrics provide a transparent approach to measuring success whilst also providing transparency and rationale around the companies we hold.

Portable: The climate transition framework can be calibrated to client-specific needs, so if a client wishes to be more aggressive in the net-zero ambition or requires greater exposure to climate solutions, this can be explored.

In 2024, there were no cases where we did not manage assets in alignment with our clients' stewardship and investment policies.

NEUBERGER BERMAN EUROPE LIMITED – CLIENT BASE





Institutional

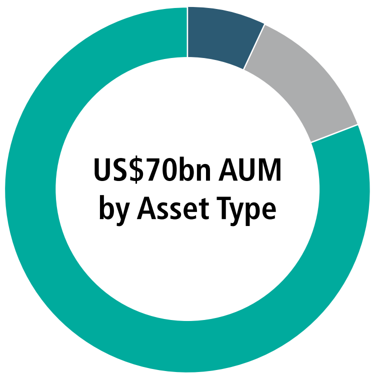
Asia	12.7%
Europe	63.9%
Latin America	12.5%
Middle East	1.1%
North America	9.8%

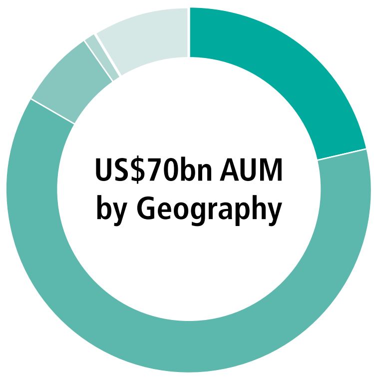
Intermediary

Africa	0.1%
Asia	25.1%
Europe	57.7%
Latin America	9.9%
Middle East	0.8%
North America	6.5%

HNW	0.0%
Institutional	65.0%
Intermediary	34.9%

NEUBERGER BERMAN EUROPE LIMITED – ASSETS UNDER MANAGEMENT





Alternatives	7.2%
Equity	12.1%
Fixed Income	80.7%

Africa	0.0%
Asia	21.6%
Europe	61.7%
Latin America	7.0%
Middle East	1.0%
North America	8.6%

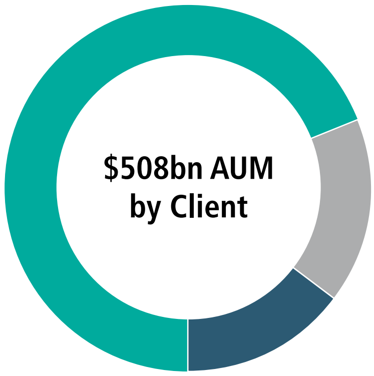
Source: Neuberger Berman. Data as at 31 December 2024. AUM stated in US dollars to align with the consolidated reporting. Figures may not sum up due to rounding.

Our Investment Time Horizon

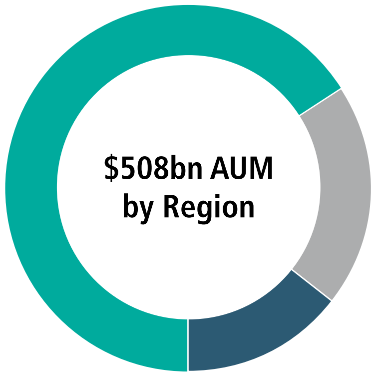
At Neuberger Berman, we believe that a focus on fundamental research, investment performance and risk management is central to meeting the needs and objectives of our clients. We are deeply attuned to each client's distinct combination of investment goals, time horizon, risk tolerance, and income and liquidity requirements, and we can act in partnership to address them as they change over time. As shown in the displays, we invest on behalf of various client types and across multiple asset classes and geographies. As a result, the investment time horizon of our strategies will vary; however, most of our clients seek a longer-term investment horizon. For example, a private equity strategy may have a decade-long investment horizon, while a listed equity strategy may have a five- to seven-year horizon. Importantly, these elements are designed with the client's needs and objectives in mind.

Our portfolio managers construct portfolios through distinct investment processes tested over market cycles to aim to outperform over investment horizons that are appropriate to their particular strategies. They base their investment decisions on their own research, drawing on their dedicated research teams and the many resources of the firm—such as the global equity and fixed income research teams, the Data Science team and the SSI Group—with the sole purpose of finding attractive investment opportunities. Our managers work independently, but also share ideas and perspectives with each other to seek to achieve attractive outcomes for their clients. We combine this with a strong risk management culture and close investment process oversight to ensure adherence to mandated client guidelines.

NEUBERGER BERMAN GROUP – ASSETS UNDER MANAGEMENT



Pension Funds, Sovereign Wealth Funds and Other Institutions	68.9%
Financial Institutions, RIAs and Advisors	16.4%
Private Client	14.6%



Americas	65.9%
Asia	19.8%
EMEA	14.3%

Source: Neuberger Berman. Data as at 31 December 2024. AUM stated in US dollars to align with the consolidated reporting. Figures may not sum up due to rounding.

NEUBERGER BERMAN GROUP ASSETS UNDER MANAGEMENT $508BN

MULTI-ASSET STRATEGIES

	EQUITIES	FIXED INCOME	HEDGE FUNDS & LIQUID ALTERNATIVES	PUBLIC REAL ASSETS
PUBLIC MARKETS $358bn	Global US EAFE / Japan Emerging Markets – China Quantitative Thematic Custom Direct Investing	Global Investment Grade Global Non-Investment Grade Emerging Markets Debt Municipals Multi-Sector Currency	Multi-Manager Hedge Funds Long/Short Event Driven Global Macro Risk Premia Options	Commodities Diversified Real Assets Global REITs US REITs
	$136bn	$196bn	$23bn	$3bn
	PRIVATE EQUITY	**PRIVATE CREDIT**	**SPECIALTY ALTERNATIVES**	**PRIVATE REAL ASSETS**
PRIVATE MARKETS $150bn	Primaries Co-Investments Secondaries Specialty Strategies	Private Debt Capital Solutions Special Situations Residential Loans Specialty Finance Private Placement European Private Loans	Hedge Fund Co-Investments Insurance-Linked Strategies Late-Stage Pre-IPO SPACs	Private Real Estate – Almanac Real Estate Secondaries Real Estate Primaries & Co-Investments Infrastructure
	$103bn	$35bn	$4bn	$8bn

STEWARDSHIP | GLOBAL RESEARCH CAPABILITIES | DATA SCIENCE

Source: Neuberger Berman. Firm AUM as at 31 December 2024. Figures may not sum up due to rounding.

How We Seek and Incorporate Our Clients' Views

We believe stewardship is integral to the investment process for active management, and not a separate, siloed effort disconnected from investment decisions. We embed stewardship responsibilities within our investment teams which we believe are crucial to integrating stewardship insights into the investment process and informing investment decisions. As a result, no stewardship activity is conducted in a silo—information is shared to better inform investment decisions, engagement priorities and voting decisions. Our decision to embed responsibility for active ownership actions within investment teams serves to deepen the integration of information and insights gathered through stewardship efforts into investment processes such as NB ESG Quotient ratings, valuation models, proxy voting decisions and engagement escalation.

Most clients choose to give us voting authority because they agree with this integrated approach to stewardship. We publish our Proxy Voting Guidelines and provide transparency to clients on our voting record to enable them to assess our work. This includes NB Votes, our advance vote disclosure initiative launched in 2020, where we publish our vote intention and rationale ahead of select shareholder meetings. We also increased the publication frequency of our vote records for our US mutual funds and Irish UCITS funds to monthly. After further feedback, in 2021 we created a mechanism where clients can receive an email notification when we publish a new vote intention. In 2022, we began publishing a Summary of Material Changes describing the significant updates made to our Proxy Voting Guidelines and based on feedback received from clients and portfolio companies, we have continued this disclosure practice.

PRINCIPLE 6

In the normal course of business, we have regular dialogue with our clients about investment processes, outcomes and stewardship activities where clients may choose to share their views. Clients may have a range of different objectives, which is why we offer a range of co-mingled funds that are categorised by investment approach, for example those that are "sustainable" or seek to achieve alignment with a "net zero" objective. Clients are free to select products that align with their needs. In addition, we develop customised solutions for clients in separately managed accounts to further align with their unique objectives. These can include specific stewardship objectives, for example in relation to net zero.

In addition to one-on-one client meetings, we host client roundtables on key topics of interest to our clients. We find these interactions with clients to be beneficial as it provides for conversations on timely topics and enables us to respond to client feedback.

Evaluating the Effectiveness of Our Methods to Understand Client Needs

Given our diverse range of clients and investment strategies, we have found it beneficial to engage with our clients through multiple means of communication, including both formal and informal interactions.

Informative Reporting

Providing our clients with high-quality, informative reporting is a critical component of our stewardship activities. We strive to include case studies of our stewardship efforts, both where we have not yet achieved our objective and where we have been successful. We provide this reporting through various communication channels and frequencies as described below.

Client Roundtables

We hosted a number of virtual client roundtables throughout 2024 that provided opportunities to educate on emerging topics, provide updates on our stewardship and integration approaches, and gather feedback. We were also able to host in-person client roundtables at select conferences and industry events as an additional way to connect with and gather feedback from our clients.

RFPs and DDQs

We closely monitor the questions and topics of focus included in RFPs and DDQs from clients, and incorporate these observations into our stewardship activities and reporting. In response to requests for more engagement examples, we provide engagement case studies in this report and in our Stewardship and Sustainable Investing Report. We have been pleased by the positive feedback from clients on these enhancements and continue to explore opportunities to deepen our engagement with them and incorporate their feedback into our activities. Further, in response to client feedback, we intend to enhance our tracking systems further to enable us to provide more strategy-specific and firm-level stewardship insights across a range of factors such as proxy voting and engagement statistics.

Publicly Available Documents

We disclose key stewardship materials on our website, including policies, reports and voting records. In addition to the policies and guiding documents described in Principle 5, these include our these include our PRI Transparency Report and Global Corporate Credit Engagement Report.

These reports are published and distributed to clients on an annual basis. Since 2023, we have published both our firm-level and NBEL-specific Task Force on Climate-Related Financial Disclosures Report.

As discussed in Principle 5, our custom Proxy Voting Guidelines are reviewed annually by our Governance and Proxy Committee and updated as appropriate. As noted earlier in this report, in response to client feedback, we now publish an additional voting document summarising material changes made to our voting guidelines. Additionally, we publish our vote records for our US mutual funds and UCITS funds on a monthly basis. Additionally, many clients receive reporting on proxy voting activities on a monthly or quarterly basis.

PRINCIPLE 7

Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities

PRIORITISING ENVIRONMENTAL, SOCIAL, AND GOVERNANCE FACTORS WHEN ASSESSING INVESTMENTS

We believe that financially material environmental, social, and governance characteristics may be an important driver of long-term investment returns from both an opportunity and risk mitigation perspective, and we understand that for some clients the outcomes that their portfolios enable are an important consideration in conjunction with investment performance.

Portfolio managers, private markets investment professionals and individual credit and equity research analysts are responsible for integrating financially material environmental, social and governance factors into the investment process where relevant. We believe that this bottom-up approach encourages strategy-specific innovation while allowing each portfolio management team to learn from best practices across the investment platform. Our Stewardship and Sustainable Investing Group accelerates this process with top-down expertise and support.

For all strategies that integrate environmental, social and governance factors, each portfolio management team selects an approach from our ESG Integration Framework: Assess, Adapt, Amplify, Aim for Impact or Avoid. In building their portfolios, portfolio managers consider whether to reach a more holistic understanding of risk and return ("Assess"), seek to improve social or environmental performance through engagement ("Adapt"), tilt the portfolio to best-in-class4 issuers ("Amplify"), invest in issuers that are intentionally generating positive social/environmental impact ("Aim for Impact") or simply exclude particular issuers ("Avoid").

We believe our approach to integrating financially material environmental, social and governance factors into our investment processes for Assess strategies is consistent with our fiduciary duty to investors. Our focus on financially material environmental, social and governance factors for pecuniary reasons, as one investment input alongside many other traditional factors, could enable our identification of key risks that individual issuers may face in the near term or over the long haul. We also recognise that certain clients may desire a more outcomes-based approach, which is why we also offer Adapt, Amplify, Aim for Impact, and Avoid strategies. Adapt, Amplify and Aim for Impact strategies disclose their investment approaches in their offering documents and marketing materials, and in some cases the product name for ease of client choice. Transition, Engagement, Sustainable and Impact named funds may have to meet specific local regulatory requirements, including specific exclusions, investment policies, disclosure and reporting requirements that may go above and beyond what is listed below.

Additionally, clients can customize by the type of investment vehicle employed for investing; for example, client vehicles can be created to implement client-specific avoidance criteria, to tilt toward specific characteristics valued by the client or to seek certain types of positive impact.

NEUBERGER BERMAN ESG INTEGRATION FRAMEWORK

	PROCESS	OUTCOME			
	ASSESS	**ADAPT**	**AMPLIFY**	**AIM FOR IMPACT**	**AVOID**
	Portfolio manager considers financially material environmental, social and governance factors for pecuniary reasons alongside traditional factors in their investment decisions. These factors are generally no more significant than other factors in the investment selection process.	Seek to achieve social and/or environmental outcomes through engagement with issuers while also achieving a financial goal.	Seek to achieve a financial goal by investing in issuers with sustainable business models, practices, products or services and leadership on relevant sustainability considerations. Formalized through sustainable investment criteria and exclusions.	Seek to intentionally generate positive, measurable social and environmental outcomes for people and the planet alongside a market rate financial return by investing in issuers whose core business, products, services or use of proceeds of each investment contributes to solutions of pressing environmental and social issues.	Ability to exclude particular issuers or whole sectors from the investable universe to meet regulatory requirements and accommodate client demands.
Examples of naming convention and disclosure	**"The integration of financially material environmental, social and governance factors for pecuniary reasons"** in offering documents	**"Transition" or "Engagement"** in name of product	**"Sustainable"** in the name of a product, or disclosures aligning with the Amplify approach, in offering documents and marketing materials	**"Impact"** in name of product	**Divest/exclude** exclusions in documents

Note: The above summary of the Neuberger Berman ESG Integration Framework is provided for illustrative purposes only. There may be exceptions to our internal naming conventions above in cases depending on the investment process of a product. Investment strategies' ESG integration approaches may evolve over time. Product names and classifications are subject to change as a result of changing sustainability-related regulatory requirements across different jurisdictions. Not all Neuberger Berman investment strategies consider financially material environmental, social and governance factors. The Stewardship and Sustainable Investing Group works together with respective investment teams to receive approval from the ESG Product Committee for appropriate taxonomy designation. Avoidance screens can be combined with other strategies that integrate financially material environmental, social and governance factors into the process based on client requests. Please refer to specific fund and strategy disclosures for further information.

Determining Material Factors Consistent With Clients' Investment Time Horizons

Our research analysts in partnership with our SSI Group developed the Neuberger Berman Materiality Matrix. The Matrix spans multiple asset classes, more than 70 different industries, under 11 sectors and across more than 30 potentially financially material environmental, social and governance factors. The matrix allows us to develop forward-looking views by industry, guiding investment analysis and engagement in a consistent and comparable way, and accommodating real-time insights from sector experts. The matrix is available to all investment teams to use as a starting point for further analysis, and can be applied to asset classes, including private markets. For instance, factors such as , data privacy & security and intellectual property that may be relevant in the technology sector may be less relevant in the packaging industry, where raw material sourcing, recycling and health & safety may be more important.

This approach enables our investment teams to prioritise the most material factors in their stewardship and investment processes. As a result, our investment teams focus their efforts on the issues that most directly affect long-term value creation in line with the investment time horizons of our clients.

Broad Perspective and Granular Insights from Proprietary Ratings

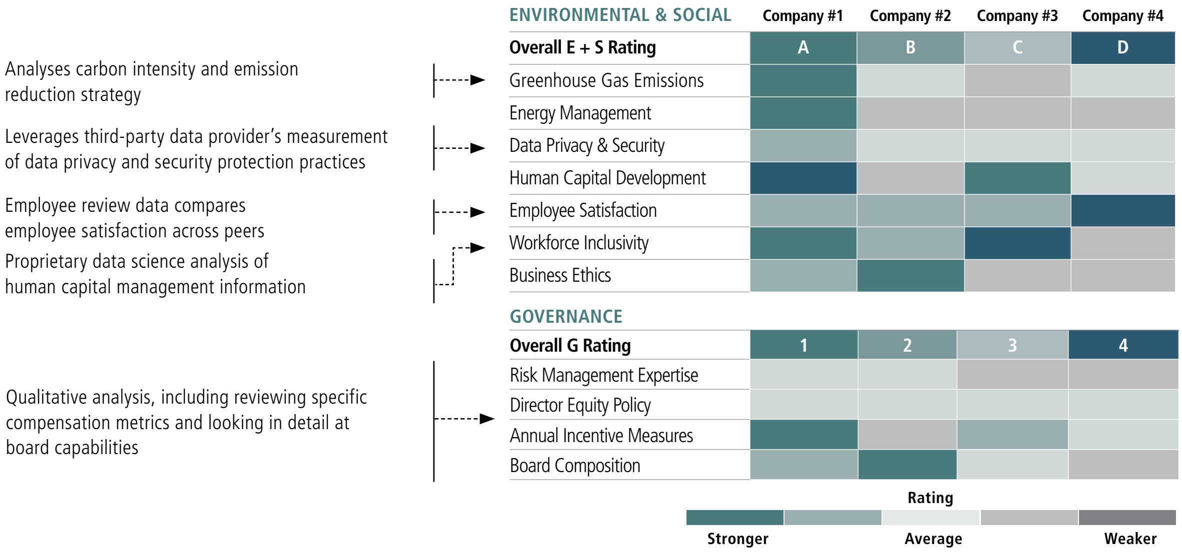
The result of this work is used to create asset-class specific NB ESG Quotients,[7] an industry-relative rating for many companies covered by our central equity and credit analysts on potentially financially material environmental, social and governance characteristics. The ratings are available for all investment professionals at Neuberger Berman throughout the research environment. The underlying data is updated regularly and the rating methodology is reviewed at least every two years with the sector analysts.

[7] Please refer to our Stewardship and Sustainable Investing Policy for additional information on the NB ESG Quotient.

Our custom ratings cover over 4,000 equities and 2,700 credit issuers (including sovereigns), some of which incorporate the analysts' extensive industry experience to make decisions on qualitative categories that may be hard to measure. Given limited disclosure of environmental, social and governance data in some markets and for some types of issuers, some ratings include significant qualitative judgment from analysts themselves. Those ratings may be used by portfolio managers as part of their approach to ESG integration for corporate issuers, for example, by adjusting internal credit ratings up or down based on the NB ESG Quotient.

Specifically for emerging markets, we employ our proprietary Neuberger Berman ESG Quotient ratings for Emerging Markets Debt (EMD) and Equity (EME), ensuring nuanced approaches for both corporate and sovereign entities. Adjustments to the EMD Corporate ESG Quotient methodology may incorporate sovereign ESG ratings to account for state ownership and data limitations. To address ESG data biases and promote equitable development, we use income-adjusted metrics in proprietary tools to mitigate income bias in ESG data, which often favor wealthier nations. This approach prioritizes indicators such as education, health, and income equality, fostering equitable and sustainable development while incentivizing impactful policies.

NB ESG EQUITY QUOTIENT COMPANY RATING EXAMPLE: SOFTWARE



Potential Return Driver

Beyond its value as a resource to investment teams, we see NB ESG Quotient as a potential driver of portfolio returns. Indeed, it is a cornerstone of the firm's Sustainable Research Opportunity (SRO) strategy, which combines the research team recommendations with the top ESG Quotient companies to create a low-cost enhanced index portfolio.

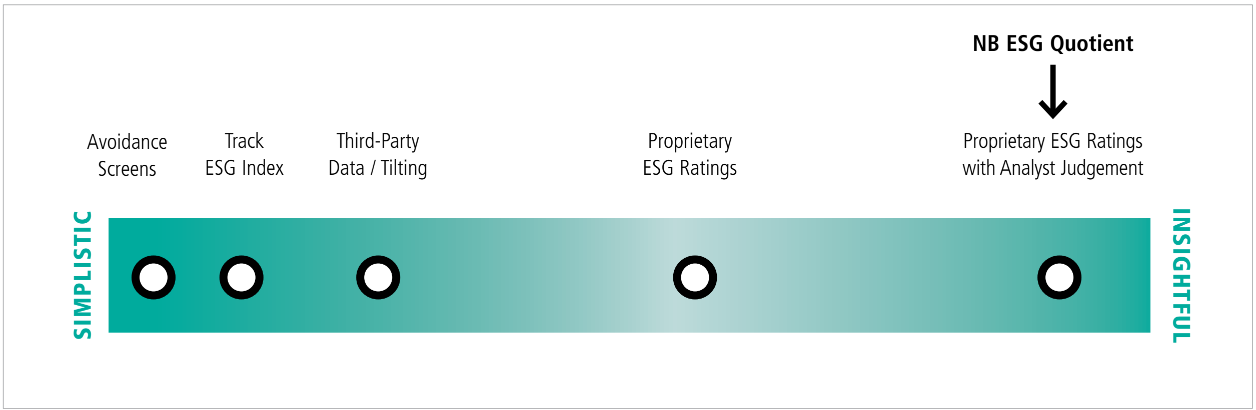
The SRO strategy seeks to capture the attractive characteristics of both passive and active approaches in a Beta Plus format. It combines the low cost of passive investing with the alpha performance objective, fundamentals-driven weightings and investment insights via company engagements of active management. Additionally, the SRO investment team strives to engage with all corporate holdings in the strategy at least annually.

ESG Quotient and Engagement

Engagement is a crucial aspect of Neuberger Berman's active management and has been critical to refining the NB ESG Quotient ratings. The NB ESG Quotient is built around the concept of sector-specific risks and opportunities, and produces an overall rating for issuers by assessing them against certain financially material environmental, social and governance factors. Engagement is an important component of the investment process for most Neuberger Berman funds. The firm leverages internal engagements with management teams of issuers through a robust engagement program to better understand risks and opportunities, and assess good corporate governance practices of investee issuers. For example, a retailer had disclosed enhancements to addressing cybersecurity risks and human capital management practices that were not yet reflected in third-party data. Based on updated disclosure we were able to adjust the inputs to our ratings resulting in what we believe to be an improved assessment of the company through collaboration with the covering analyst.

Data science initiatives have also helped reinforce our ratings on specific companies. For example, by scraping online employee sentiment for one holding, we determined that employee views suggested higher-quality labour practices than were reflected in third-party metrics, reinforcing the conclusions we had drawn in multiple engagements, and creating additional confidence in our own ratings for the company. In our view, NB ESG Quotient ratings are a significant step forward in drawing together what we believe are unique insights that can be applied within portfolios and broadly to promote improved practices across asset classes. They are also a work in progress, and we will continue to refine the integration of data and human perspectives to enhance their contribution.

IMPLEMENTATION SPECTRUM



Dynamic Inputs and Alternative Data

As financially material environmental, social and governance factors evolve, the NB ESG Quotient evolves with them. We review the factors with sector analysts at least once every two years to determine if new material factors have emerged and whether there is a more accurate way to capture them. Qualitative analyst inputs are generated by our central research analysts in partnership with the SSI Group for areas where data availability is limited.

In 2024, our model included more than 40 custom analyst inputs. Further, through our ongoing partnership with Neuberger Berman's Data Science team, we continuously integrate alternative data sources that go beyond third-party ratings. NB ESG Quotient already integrates alternative data from publicly available databases (OSHA, etc.) and employment review websites. The data landscape is constantly evolving. We continuously evaluate new and innovative data providers to enhance our proprietary ratings where corporate disclosure may be lacking.

As discussed in Principle 4, our investment teams leverage a variety of tools and data points to assess climate risk. For example, in 2024, we continued to enhance our proprietary Net-Zero Alignment Indicator, which is considered at both the portfolio and security levels across net-zero-committed listed equity and corporate fixed income portfolios. The Indicator is designed to assess a company's net-zero transition readiness, and hence its ability to mitigate climate risks. It combines over 40 quantitative data points with qualitative insights from our fundamental analysts to generate a forward-looking assessment of a company's climate transition potential. Not only does this tool provide a holistic view on our holdings' alignment status with regard to climate transition plans, but it also helps us construct portfolios aligned with our clients' net-zero criteria.

Stewardship Informs Investment Decisions

No stewardship activity is conducted in a silo—information is shared to better inform investment decisions, engagement priorities and voting decisions. Our decision to embed responsibility for active ownership actions within investment teams serves to deepen the integration of information and insights gathered through stewardship efforts into investment processes such as NB ESG Quotient ratings, valuation models, proxy voting decisions and engagement escalation. As described above, information gathered through engagements and data science initiatives is directly integrated into our investment analysis and decision-making. Further examples of our integration of stewardship can be found in Principle 9, where we provide various case studies, including an overview of certain strategies such as our Global High Yield Engagement Strategy, in which the investment team will consider divestment if a management team remains unresponsive to our attempts at engagement for multiple years.

As described further in Principle 9, engagement is central to our investment process—whether to inform our investment decisions or as part of our stewardship of an asset. We employ a variety of engagement tools, depending on the issuer, the issue being discussed and the accessibility of the issuer. It is also important to consider the relevant asset class and the rights afforded to us when determining an engagement approach, methods and frequency. Since our engagement efforts with a given issuer typically span a multi-year period, it is common to utilise multiple methods of engagement. Further details on our key stewardship activities such as engagement, collaboration and proxy voting can be found in Principles 9, 10, 11 and 12.

Stewardship and Investment Integration Approach Considerations: Asset Class, Geography, Fund Objectives

Investment professionals across our investment platform have developed asset class-specific philosophies for strategies and funds that integrate financially material environmental, social and governance factors into the process that are aligned with our overall firm philosophy:

- **Public Equity:** We consider financially material factors which could include environmental, social and governance topics where we believe they may impact security valuation for example through a company's forward-looking multiple, the value of its intangible assets or its earnings.

- **Corporate credit:** We consider financially material factors which could include environmental, social and governance topics where we believe they may impact near- and medium-term cashflows and EBITDA.
- **Municipal credit:** We consider financially material factors which could include environmental, social and governance topics where we believe they may impact the governance profiles of local governments and public enterprises, labor and stakeholder relations, as well as management and mitigation of environmental risks.
- **Sovereign debt:** We consider financially material factors which could include environmental, social and governance topics where we believe they may impact credit spreads and risk of default. For example, sovereigns with declining control of corruption, weakening adherence to the rule of law, or increasing vulnerability and readiness to climate change may bring incremental risk.
- **Private equity fund investments:** We may consider a Sponsor's level of ESG integration at both the firm and the fund strategy level to determine how environmental, social and governance factors are incorporated into the investment process in a way that is comparable across funds.
- **Private direct investments:** We may assess industry-specific environmental, social and governance factors that are likely to be financially material for a given company as well as the lead Sponsor's level of integration.
- **Real estate:** We may consider environmental, social and governance topics where we believe that they may impact the long-term investment value of real estate companies.

In addition to asset class, materiality of factors may depend on the location of an issuer and the regions in which they operate. For example, issues related to human rights, supply chain management and corruption are more prevalent in emerging and developing economies than developed markets. Similarly, the type and severity of physical risks will depend on the location of company operations. Please see Principle 9 for details on how our integration and engagement efforts may differ across geographies, asset classes and funds, as well as for a variety of engagement examples.

Processes Used With Our Service Providers

All of our stewardship is undertaken in-house by our investment teams and SSI Group. The investment teams are responsible for integrating financially material environmental, social and governance factors and engagement insights into their investment processes.

We also use third-party data providers, as described under Principle 8. In some cases, we integrate the third-party data into our propriety tools to enable our investment teams and engagers to access and compare a wide range of data quickly. The criteria and framework for such services are detailed in the relevant contracts, and the SSI Group monitors the provision of such services on an ongoing basis. The key criteria that we consider when assessing a data provider are the quality of the data, the methodology which we use to calculate data points, how often we have to refresh the data, data delivery tools and data coverage.

As part of data oversight, we have dedicated team members in data governance, technology and operations who manage data quality assurance, perform data analysis and engage with third-party data vendors on data. Prior to onboarding a new provider, we conduct extensive due diligence with input from several functions such as Vendor Management, Business Technology, Legal and Compliance, Client Reporting, Research, Data Governance and SSI to ensure that new service providers have received clean and actionable criteria to support our integration of stewardship investment.

The scope of the services is set out in the relevant contracts and the provision of such services is monitored on an ongoing basis. For example, our Governance and Proxy Committee reviews the services provided by Glass Lewis on at least an annual basis to ensure they are consistent with our needs and expectations, which include Glass Lewis, (1) administering Neuberger Berman's custom Proxy Voting Guidelines or as otherwise instructed by Neuberger Berman to proxies, and submit such proxies in a timely manner; (2) providing research on proxy matters; (3) in a timely manner, notifying us of and providing additional solicitation materials available by issuers reasonably in advance of a vote deadline; (4) handling other administrative functions of proxy voting; (5) maintaining records of proxy statements and other solicitation materials received in connection with proxy votes and providing copies of such proxy statements and other solicitation materials promptly upon request; and (6) maintaining records of votes cast. We include details on the services to be provided in Principle 12 as well as in our Proxy Policies and Procedures document. While services will differ by provider, we may establish general criteria where appropriate. For example, for data providers, we would expect complete, accurate and timely delivery of the product. Principle 8 includes examples of steps we have taken when a vendor has failed to meet our expectations.

We continue to explore ways to improve our communication with vendors and monitor the services they provide to ensure they support the integration of stewardship and investment processes. For example, as described in Principle 5, we have engaged our Enterprise Data Governance team to undertake a comprehensive review of third-party data and support the organisation in establishing controls to monitor the quality and completeness of data provided. Details on how we ensure our service providers' methodologies and implementation are consistent with our approach to integration of financially material environmental, social and governance factors are provided in Principle 8.

PRINCIPLE 8

Signatories monitor and hold to account managers and/or service providers

PRINCIPLE 8

OUR APPROACH TO WORKING WITH SERVICE PROVIDERS

NBEL's outsource providers and vendors are defined as follows (known as 'Third Party' or collectively as 'third parties'):

- **Outsource providers:** An arrangement of any form by which the Third Party performs a process, a service or an activity that would otherwise be undertaken by Neuberger Berman (or the relevant Neuberger Berman legal entity or the fund) itself.
- **Vendors:** A third party that does not fall into the above category that is an arrangement by which the Third Party performs a process, a service or an activity that would typically not be undertaken by Neuberger Berman (or the relevant Neuberger Berman legal entity or the fund) itself.
- **Affiliates:** An intragroup agreement in place between two Neuberger Berman entities to delegate the performance of a process or activity to another entity. For example, NBAMIL, as Manager of UCITS funds, may delegate the investment management function of these funds to, among others, Neuberger Berman Europe Limited and Neuberger Berman Investment Advisers LLC.
- **Examples of outsourcing arrangements:** Application processing, middle- and back-office operations (e.g., fund administration, payroll processing, custody operations, quality control, order processing, trade settlement, risk management).

Third-Party Risk Management Framework (the "Framework")

The oversight and monitoring of service providers begins at the onboarding stage. Neuberger Berman has developed and implemented a Framework to identify, assess, manage and escalate risks identified during the onboarding and oversight of third parties. These include entities providing services to the investment, operations, business and infrastructure technology, and client platforms, inclusive of the fund platforms.

The Framework covers all of Neuberger Berman's subsidiaries globally, including in the UK, and is overseen by the NBEL Operational Risk team. The Operational Risk team is responsible for overseeing the implementation of the Framework across the group and collaborates with multiple internal support and control groups, as well as being the first line business function engaging with the third party.

The Framework structure provides a consistent model and structure, whereby ownership of risk, required due diligence and periodic reviews of third parties resides with each business unit, with oversight provided by the risk, technology and other key support functions across the group (where applicable).

The Risk Assessment

The Framework requires new third parties (services provided by new or existing third parties) to be risk-assessed prior to onboarding to drive appropriate preliminary and ongoing due diligence.

The risk assessment requires NBEL to assess four key risk impact categories and rate each using a four-threshold rating scale as part of the initial risk assessment. The rating of each risk impact type drives the level of due diligence and oversight. The risk impact type ratings are also aggregated to provide an overall risk tier, which drives service-level due diligence (many third parties provide multiple services), reporting and escalation requirements. These include the following:

Risk Impact Type	Due Diligence Criteria	Preliminary Due Diligence Undertaken	Ongoing Due Diligence
Data Type	Medium, Significant, Critical	• Information Security questionnaire • Further information requested directly from the third party if required • Review of independent information security controls report (SOC 2 or equivalent)	• Information Security review (at least annual) • Information Security questionnaire completed by third party • Information Security review of information security controls report
Data Hosting	Critical	• Information Access Management questionnaire	• Information Security annual review of critical rated services
Disruption	Significant, Critical	• Third party completes a BCP questionnaire, which is reviewed by the BCP team • Development of a BCP plan	• Annual review BCP of significant and critical rated services • Third party completes a BCP questionnaire • Annual review of the BCP plan
Replacement	Significant, Critical	• Third party provides credit-related information, which is reviewed by Counterparty Risk • Development of a replacement plan	• Counterparty Risk annual review of significant and critical rated services • Annual review of the replacement plan

ONBOARDING AND DUE DILIGENCE

Risk Assessment

During the onboarding stage, the risks associated with the vendor and/or outsource provider are evaluated via the risk assessment process. This is facilitated through the internal service onboarding tool, ServiceNow, where new vendor/outsource provider service and contract details are input. Once the risk assessment is reviewed and approved by our Operational Risk function, this drives the due diligence steps to be conducted by Neuberger Berman's Information Security, Business Continuity and Credit Risk teams. In addition, irrespective of the outcome of the risk assessment, Neuberger Berman's Compliance team undertakes a negative news and sanctions check of the vendor/outsource provider to ensure that there are no ongoing lawsuits, regulatory sanctions or other breaches of applicable laws and regulations associated with the vendor/outsource provider.

This ensures that we are comfortable that our suppliers do not engage in any unethical practices, such as modern slavery.

Due Diligence

As part of preliminary due diligence prior to engaging a service provider, Neuberger Berman may request that the prospective service provider make available key documents such as: completed due diligence questionnaires, a SOC 1 or SOC 2 report under SSAE 18, audited financials and other credit-related information—all of which are evaluated as part of the review. NBEL may also use publicly available information, as well as perform reference checks, to confirm the service provider's credentials. The Global Technology function performs an information security review, and Operational Risk team performs a BCP review, where appropriate. Any exceptions where the service providers have not met our standards have to be signed off by Group Operational Risk committee before we engage them.

It should be noted that critical data vendors and service providers which require significant investment will also be reviewed by various committees, including the Operational Risk committee, to ensure their suitability to support any new products or services NBEL offer.

NBEL's expectation is that third parties are conducting their operations in line with applicable laws and regulations, such as (i) ensuring an appropriate security framework is in place which meets NBEL's expectations and standards; (ii) ensuring a suitable framework is in place regarding the treatment of firm and client data, such as privacy and non-disclosure agreements and processes to ensure information or data provided to and from NBEL remains confidential and secure; (iii) ensuring processes are in place to identify human rights issues in the supply chain through compliance with anti-slavery and human trafficking laws, statutes, regulations and codes.

Neuberger Berman has implemented automated tracking software to enhance the dissemination management and oversight through the use of questionnaires, including ESG and Modern Slavery related questionnaires, supporting the due diligence process. The outcomes of the initial due diligence are now hosted within the software and outcomes provided to the service provider's relationship manager within Neuberger Berman for evaluation. This process, coupled with the due diligence previously mentioned, enables the development of action plans to address any identified risks, concerns or gaps within the third-party service's ability to meet Neuberger Berman's standards.

To further enhance our monitoring, NB is exploring mechanisms within our framework to ensure comprehensive risk assessments of any fourth parties who are critical to our operations. These assessments are being integrated into our ongoing monitoring process.

Oversight of Delegated Activities

The oversight of delegated activities between Neuberger Berman entities is also covered as part of the third-party onboarding and risk assessment process. In addition to the risk factors noted above for third parties, the risk assessment between Neuberger Berman entities/ delegated activities also captures policy alignment considerations, ensuring that, where activities are delegated between Neuberger Berman entities, they are adhering to the same standards from a policy and process perspective. This ensures that key integration and stewardship considerations at the Neuberger Berman Group level are adopted across different entities. The consistency of the policy alignment is also reviewed as part of the audit cycle to ensure ongoing appropriateness.

Digital Operational Resilience Act

To strengthen digital operational resilience, NBEL, as the consolidated entity overseeing its Irish and Luxembourg subsidiaries subject to the DORA regime, adopted the DORA framework to ensure compliance with the Digital Operational Resilience Act (DORA) by January 2025. Although DORA is a European Union regulation and directly applicable to only NBEL's EU subsidiaries, Neuberger Berman Asset Management Ireland Limited and Neuberger Berman AIFM S.a.r.l., NBEL recognises the best practices that DORA has introduced in terms of ICT risk management and governance and has therefore adopt the principles of the DORA framework into its operations. Vendors and ICT service providers were assessed and prioritized according to their risk profile and criticality to NB European subsidiaries operations. ICT vendors underwent a thorough review of contractual terms to ensure alignment with DORA requirements, including operational resilience, incident reporting, and robust risk management obligations. Where gaps were identified, contracts were remediated to explicitly address DORA provisions.

As part of DORA requirements, NB European subsidiaries are required to maintain a detailed register of information for all ICT third-party service providers, facilitating regulatory oversight and risk monitoring. Although NBEL is not directly required to maintain a Register of Information, it oversees compliance by its subsidiaries.

Notably, DORA places particular emphasis on mitigating both concentration risk, stemming from over-reliance on a small number of key ICT third parties, and exit risk, ensuring that NB European subsidiaries can effectively manage the disengagement or replacement of critical service providers without disruption. These targeted enhancements support NB's ongoing commitment to operational continuity, regulatory compliance, and effective third-party risk management.

Aligning Third-Party Services with Stewardship and Sustainable Investing Standards

In order to ensure that the services and activities of our key third-party providers are aligned with the stewardship and sustainable investing standards of Neuberger Berman Europe Limited, the firm's third-party risk management programme has been enhanced to ensure that key sustainability-related considerations are reviewed and analysed during the vendor due diligence stage. Furthermore, for the most critical and significant service providers, the Service Relationship Managers shall document the minimum standards that should be adhered to in the operation of the service. This is achieved by a documented Service Level Agreement which sets out the standards of performance by the third-party provider as part of the execution of the service. The adherence to these standards are then monitored via Key Performance Indicators (KPIs), which are monitored periodically; any breach of KPI thresholds is then escalated within the third-party service provider.

Focus on digital resilience as part of the Digital Operational Resilience Act (DORA) implementation requires us to enhance our Critical Third Party (CTP) register within our platform to manage the vendors' profiles throughout their lifecycle. The below illustrates the third-party lifecycle including the ongoing monitoring of service provider standards for sustainability, Information Security and Business Continuity.

Sourcing/ Re-evaluation	Preliminary Negotiation/ Renegotiation and Due Diligence	Contract Finalisation	Ongoing Oversight	Renewal/ Amendment/ Termination
• Defines what services are required • Performs research on potential Third Parties • Shortlists a provider	• Complete the New Service Request Form in ServiceNow • Due diligence requirements defined and undertaken • Draft contract and negotiate contract terms	• Final contract to be signed by the Third Party and an authorised NB signatory • Legal update of contract details in ServiceNow	• Perform day-to-day management of the Third Party service • Perform ongoing due diligence of the Third Party service (including those related to Information Security, Business Continuity and ESG) • Annual review of the Third Party service and strategic alignment	• Discuss renewal/ termination decision with Business Relationship Manager • Legal to confirm renewal notification requirements and make amendments to the existing contract • Service Relationship Manager to reach out to Legal to confirm termination notification requirements including the safe and compliant deletion of NB data

PRINCIPLE 8

Looking Ahead

In order to continuously improve our Third Party Risk Management (TPRM) program, ensuring sustainability-related considerations are factored into the program, we intend to carry the following steps in 2025:

1. Complete the integration of different NB systems, leveraging technology to improve onboarding, risk assessment, and ongoing due diligence.
2. With the new organizational structure across NB operational teams, ensure ongoing oversight, structured decision-making, and effective escalation processes for third-party risk as the Third-Party Risk Management programme transitions to BAU.
3. In response to recent industry incidents such as the CrowdStrike and Bloomberg outages, enhance business continuity and recovery planning (including exit planning) by ensuring all significant and critical third parties are included in Business Impact Analyses (BIAs), and by documenting and regularly reviewing robust exit and recovery plans.
4. Establish a dedicated EMEA ICT risk and oversight committee, chaired by the NBEL Operational Resilience team, to provide governance, review, and approval of ICT third-party risk and resilience measures across the region.

Ongoing Evaluation and Oversight

The business units across the group engaging with outside vendors/suppliers and services have access to a third-party risk toolset. The toolset facilitates appropriate record-keeping for due diligence and an audit trail of approvals; is an effective and efficient means to rate the risk of third parties; and allows for issues and concerns to be appropriately escalated to the Operational Risk team and the relevant management groups and committees. As part of the toolset that NBEL uses for third parties, the business is to attest on an annual basis that the risk assessment/service remains consistent and that there are no open issues that require the development of an action plan.

The internal relationship manager is responsible for performance monitoring of third parties as part of the ongoing due diligence process and shall flag any issues to the third party directly to confirm the appropriate resolution and action plan. As part of the lifecycle of the third-party relationship, the relationship manager will have several regular meetings with the third party to discuss key issues and concerns regarding ongoing performance. For different third parties, such as our fund administrators, critical functions may be reviewed daily (e.g., reconciliation breaks) to ensure that they are resolved accordingly. Neuberger Berman also has a Sourcing and Vendor Management Organisation that assists with the review of any material third-party relationships and consider if a Service Level Agreement ("SLA") is required. If applicable, the SLA will include service standards, dependencies and escalation criteria.

Typically, data and outsourced service providers are measured against SLAs and key performance risk and control indicators, with penalties built in for breaches (all of which are recorded on NBEL's risk systems as third-party errors). There are a number of significant and critical third-party relationships where Key Performance Indicators (KPIs) are captured and monitored to identify any signs of deterioration in service performance. These are typically reviewed via service calls with the third parties. For example, with Neuberger Berman's Fund Administrator and Transfer Agent, there are monthly Operations senior management calls, and a monthly service review meeting to review KPIs. In addition, the Neuberger Berman's Operational Risk team meets with the provider's Operational Risk team on a monthly basis to discuss control concerns from the perspective of an independent second line of defense.

Sourcing and Ongoing Viability

The determination as to the appropriateness of services provided by a third party is made at the sourcing stage (prior to risk assessment) and, depending on its annual risk tier review, is then re-reviewed annually. NBEL teams utilise the Sourcing and Vendor Management Organisation (SVMO) team to outline the business need for the department and define what services are required. The business line will then work with the SVMO team to research third parties that have the capability to deliver the service. A shortlist is created for the preliminary due diligence phase—only third parties that have demonstrated the ability to meet this business need are taken forward. The ongoing affirmation that the vendor/outsource provider is continuing to meet the needs of NBEL is achieved through the due diligence by the Business Relationship Manager, who reviews the ongoing due diligence results by the Service Relationship Manager.

Our Relationship Management Approach

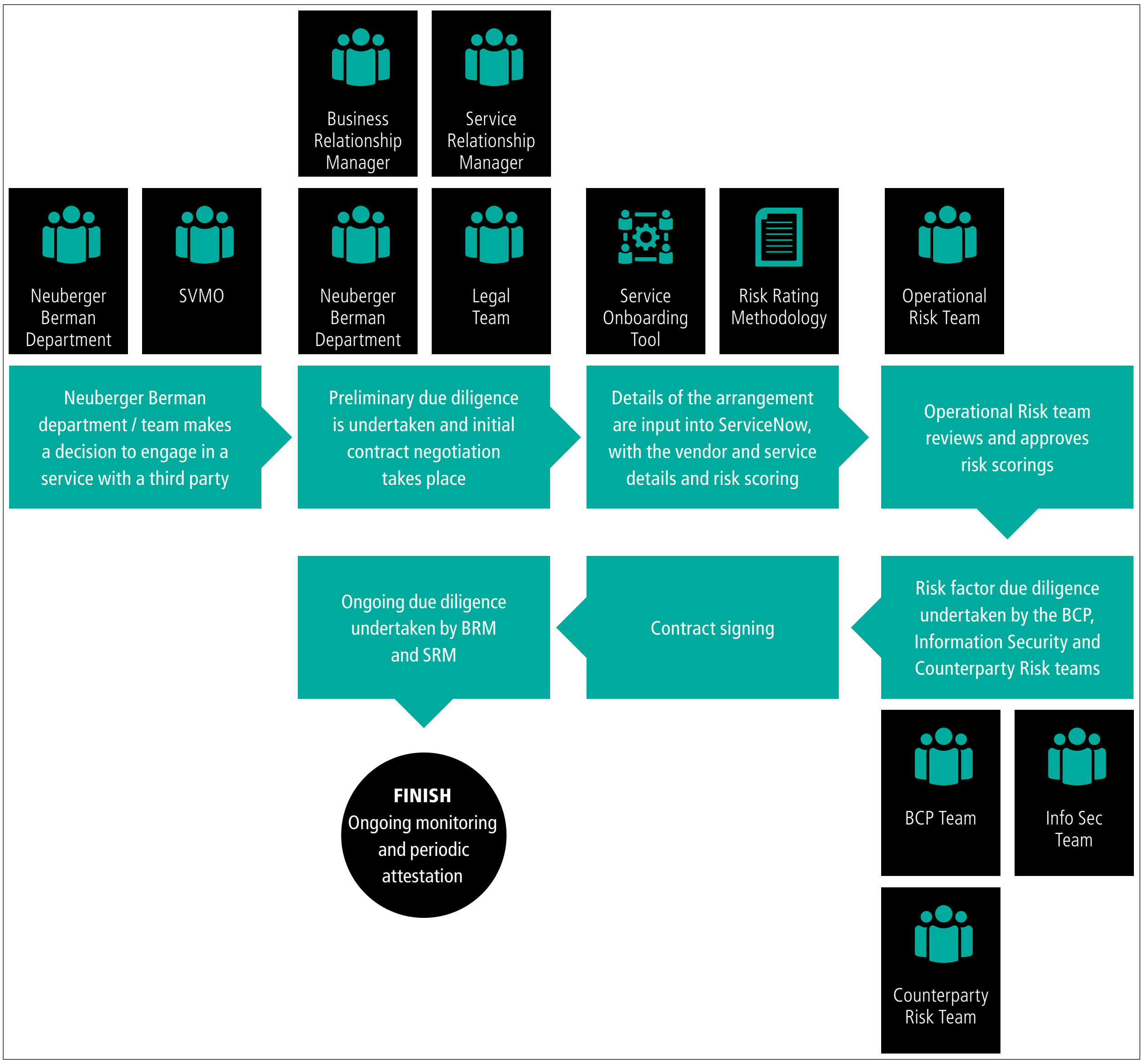
Key roles involved in the oversight of the third parties include but are not limited to:

Service Relationship Manager (SRM)

- Manages the relationship with the third party for a specific service
- Responsible for day-to-day management of the third-party service and ensuring appropriate preliminary and ongoing due diligence is performed
- Responsible for reporting and escalation of issues

Business Relationship Manager (BRM)

- Manages the relationship with the third party on a firmwide basis
- Point of escalation for SRMs
- Owns the risk associated with the third-party relationship and makes risk-based decision



Examples of business-based initial and ongoing due diligence include:

	Service Relationship Manager	Business Relationship Manager
Preliminary due diligence	• Assess ability to meet business needs • Review financial health • Identify fourth party and assess the third party's management this risk • Review key policies, e.g. compliance, error reporting • Review responses to DDQs • Perform virtual or onsite visits	• Review strategic alignment • Review concentration risk • Communication with SRM on due diligence results
Ongoing due diligence	• Monitor changes to service and impact on risk factor ratings • Review of Key Performance Indicators (KPIs) on at least semi-annual basis • Regular communication on issues/errors in BAU activities • Annual review of service, infrastructure and internal environment • Annual review of service users list • Industry review • Virtual or onsite visits	• Review changes to the service that may impact strategic alignment • Annual review of concentration risk • Communication with SRM on due diligence results, and risk control acceptance, if applicable

Data Sources and Processing

ESG data or analytical inputs are derived from proprietary investment tools and in-house research (which incorporates critical thinking and human judgement into the process) alongside multiple datasets including international financial organisations, external data vendors, company direct disclosures (e.g., sustainability reports, annual reports, regulatory filings, and company websites), company indirect disclosures (e.g., government agency published data, industry and trade association data, and third-party financial data providers), development agencies and specialty research providers.

ESG data is a key domain and part of our internal data governance with an assigned ESG Data Steward and a dedicated ESG Data and Reporting team. The ESG Data Steward has periodic engagements with ESG data vendors to discuss data coverage and evolution in methodologies. Subscription to multiple data vendors enables us to evaluate company coverage and quality of data between vendors. In addition, our SSI and ESG Data teams continually explore new data products and vendors to evaluate potential enhancements to our existing data coverage and governance, as well as identifying innovative and non-traditional data sources, which may provide additional insights. Neuberger Berman continuously seeks to identify additional data and research, which may enhance our analysis.

ESG data is integrated throughout the firm's operating management system, compliance and risk management systems, providing all stakeholders transparency, into portfolio ESG metrics in real time.

We believe that the most effective way to integrate financially material environmental, social and governance factors into an investment process over the long term is for investment teams themselves to research these factors and consider them alongside other inputs into the investment process. For this reason, ESG research is included in the work of our research analysts rather than employing a separate 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 company when it no longer offers an attractive risk-adjusted potential return.

We expect that data availability and quality will improve as the market and methods for obtaining and reporting data mature, which would also reduce the proportion of data that is estimated.

Monitoring of ESG Data Providers

As a global investor, we operate in many different jurisdictions, all of which are adopting sustainability-related reporting and disclosure requirements. The need to comply with these regulations is taken into consideration when applicable in business decisions around developing or enhancing infrastructure such as committees focused on sustainability-related matters, risk oversight and monitoring tools, and internal audit as well as monitoring ESG data providers. It is therefore important to be aware of the limitations in both methodology and data, and that ESG data is often incomplete or provided in a non-standardised manner.

Limitations in both methodology and data may include:

- Lack of standardisation of data providers' methodologies;
- Incomplete corporate reporting standards and misalignment with the corporate ESG data provided by the vendors;
- Inconsistencies in the vendors' methodologies for reporting ESG data and disclosures of the underlying data used for deriving third-party metrics;
- Inconsistencies in corporate hierarchies and entity identifiers can lead to inconsistencies in how data providers assign and map ESG datasets to securities;
- Low company coverage across certain indicators and asset classes, especially in private companies and companies that reside in Emerging Markets;
- Divergence in the quality and quantity of disclosure globally for Private Markets (Debt and Equity);
- Some data sets can be reported at a significant time-lag; and
- Some of the available third-party data is calculated using data estimates. There may be discrepancies between the models estimating the data and actual reported data, and significant deviations when data is restated or the underlying assumptions of these models are altered.

As such, investment teams are not dependent on raw data. As discussed in earlier principles, Neuberger Berman has developed a firmwide proprietary ratings system, the NB ESG Quotient, which is under continual review to enhance methodology and data coverage. The NB ESG Quotient leverages third-party data, but not third-party aggregate scores. The NB ESG Quotient enhances the analysis and research of financially material environmental, social and governance risks and opportunities.

However, as this is an industry-wide challenge we continue to advocate for greater standardised disclosure and transparency. We promote acceptance and implementation of the PRI through collaborative industry-wide initiatives that aim to increase awareness, understanding and disclosure. For example, Neuberger Berman is a founding member of the Sustainability Accounting Standards Board ("SASB") Investor Alliance (now the IFRS ISSB Investor Advisory Group), which aims to help develop and maintain standards for public-company sustainability-related disclosures using a rigorous process of evidence-based research and broad, balanced stakeholder participation. We use the SASB framework as the starting point for assessing financially material environmental, social and governance factors across our investment platform. Neuberger Berman is also a formal supporter of the recommendations of the TCFD, which have now come under the scope of the ISSB. Alongside ISSB standards, the TCFD recommendations continue to help develop voluntary, consistent climate-related financial risk disclosures.

To help address these challenges in the near term, we are working with several third parties to receive data on financially material environmental, social and governance matters, which our investment teams are, in turn, able to consider in their investment processes. Environmental, social and governance inputs are derived from multiple datasets, including international financial organisations, external vendors, company direct disclosures (e.g., sustainability reports, annual reports, regulatory filings and company websites), company indirect disclosures (e.g., government agency published data industry and trade association data and third-party financial data providers) development agencies and specialty research providers.

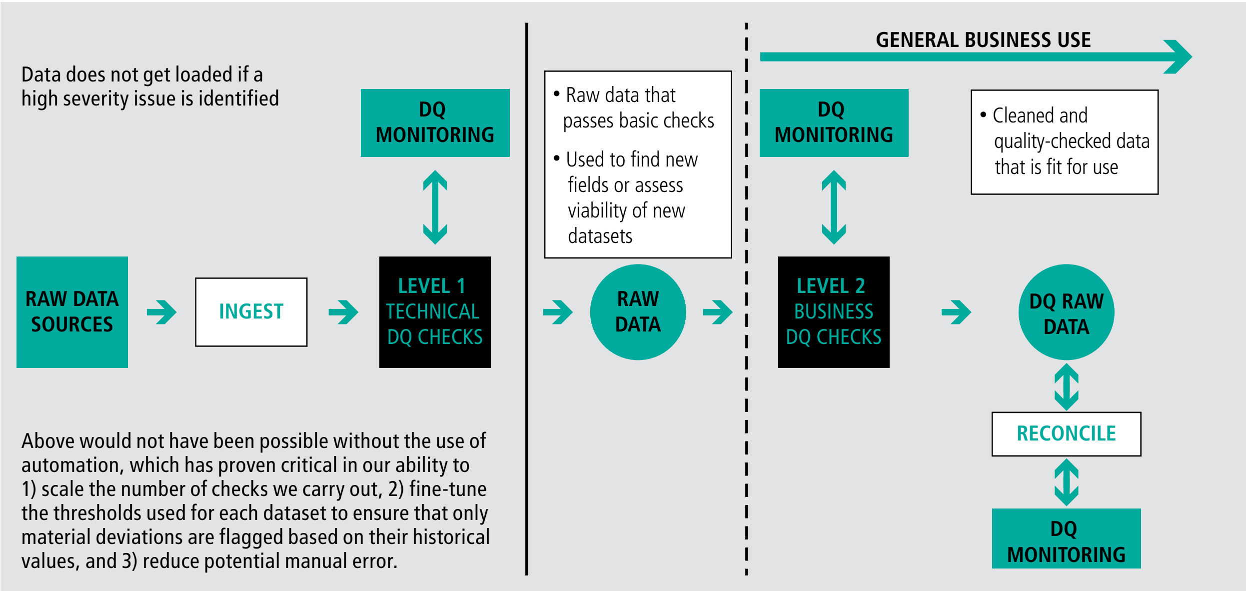
Progress in 2024

Neuberger Berman's ESG Data and Reporting team aims to ensure that data consumed by our colleagues is reliable across all parts of the firm. We also aspire to proactively identify any potential issues and provide assurance on data quality by communicating the results of our investigations and offering solutions.

In 2024, we took considerable measures to holistically enhance our data quality and improve efficiencies. In an effort to bolster our data quality verification process, we appointed a dedicated lead and enhanced multiple checks across key systems used for investment and client reporting purposes, as well as our modelled proprietary datasets.

We perform two layers of checks on over **500k data points** spanning **14k fields** from **four core datasets**. The first layer of technical data quality check aims to detect any structural changes to the data files we receive daily from four core vendors. The second layer of business quality check focuses on identifying anomalies in the data flagged as critical by the business. This detailed and systematic approach to data-quality verification creates a robust foundation for us to expand the number of fields and datasets we can consume in a scalable manner in 2025. In addition, we have established new escalation routes with our key data vendors to ensure that any concerns we raise are promptly addressed and resolved.

PRODUCTION STAGES OF OUR DATA QUALITY (DQ) CHECKS



Looking Ahead

Our efforts in 2024 produced a new data quality baseline that now allows us to focus on other areas such as:

- Further automation of client and regulatory reporting
- Expansion of data quality checks to include other areas
- Creation of an attribution model for ESG metrics that identify the underlying causes and key drivers behind shifts in top-line values.

With the evolving stewardship and sustainability landscape, as well as the push for more transparent reporting and showcasing of progress toward our commitments, we will continue partnering closely with both our internal stakeholders and external vendors to enhance the quality of our ESG data used in our investment research, due diligence and reporting processes.

Monitoring our Proxy Service Provider

As further discussed in Principle 12, although our proxy voting decisions are informed by our in-house custom Proxy Voting Guidelines and proprietary research, we have retained a third-party service provider, Glass Lewis, to assist in the implementation of certain proxy voting- related functions such as, administrative, operational and recordkeeping services. In this capacity, we have engaged Glass Lewis to: (1) provide research on proxy matters; (2) in a timely manner, notify us of and provide additional solicitation materials made available reasonably in advance of a vote deadline; (3) vote proxies in accordance with the Neuberger Berman Proxy Voting Guidelines or as otherwise instructed, and submit such proxies in a timely manner; (4) handle other administrative functions of proxy voting; (5) maintain records of proxy statements and other solicitation materials received in connection with proxy votes, and provide copies of such proxy statements and other solicitation materials promptly upon request; and (6) maintain records of votes cast. As discussed in Principle 7 and 12, our Governance and Proxy Committee has oversight of our proxy voting activities and reviews the services provided by Glass Lewis on at least an annual basis to ensure they are consistent with our needs and expectations. For example, we expect the research and services provided to be timely, accurate and complete. These expectations have been set by the Governance and Proxy Committee in partnership with the Global Head of Investment Stewardship with input from investment teams. We include details on the services to be provided in Principle 12 as well as in our Proxy Policies and Procedures document.

Action Taken Where Third Parties Have Not Met Expectations

We regularly engage with data and service providers to share our views on the quality of service received and make suggestions for future improvements. When expectations are not met or when a breach or service-related issue occurs with one of our third parties, these are communicated to the appropriate relationship manager and are logged in NBEL's internal operational risk system. This includes consistent business and/or operational KPI breaches.

For example, at the beginning of the year, we noted a decline in service levels and slower response times from three third parties, as well as a reduction in the quality of incident reporting. In response, we have made significant progress by updating service level agreements (SLAs) to improve the timeliness and detail of information required. We continue to actively monitor both the quality of information provided and the overall level of service. In this case, the issue was escalated via the Relationship Management, Risk and Compliance teams to ensure that the appropriate remediation measures were put in place, and that monitoring of the processes surrounding the third party would be enhanced.

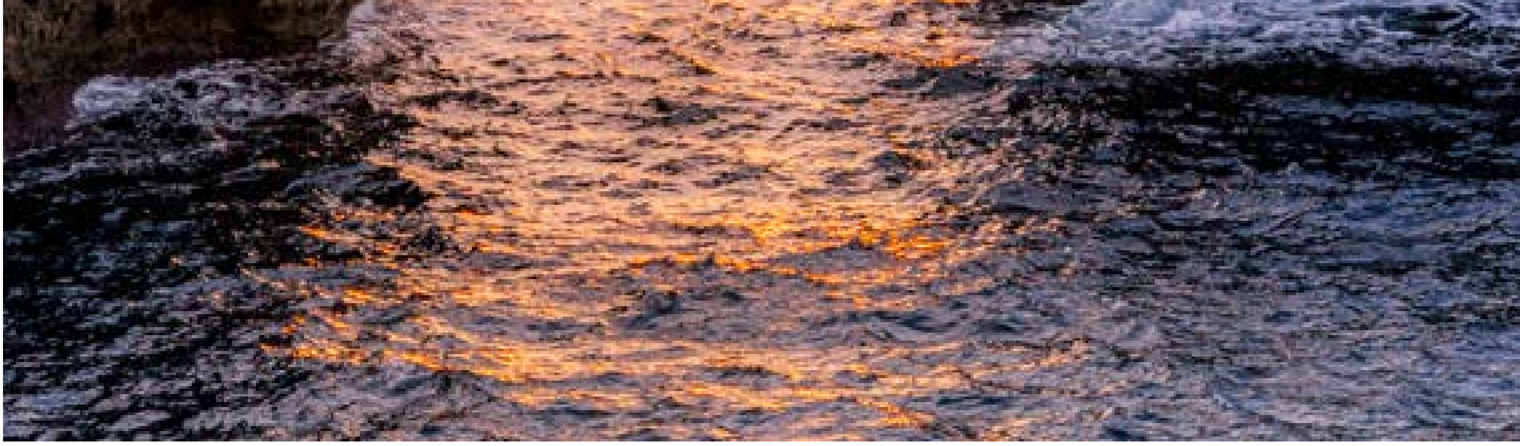
Proactive ongoing engagement with the third parties is crucial for NBEL in addressing control gaps/weaknesses within third parties.

In addition, a number of governance forums are available for the escalation of material issues and errors to ensure the right level of senior manager engagement. Locally, these issues are escalated and discussed at the regional Risk and Compliance Committee and to the EMEA Outsourcing Risk and Oversight Committee, a sub-committee of the regional Risk and Compliance Committee, who is responsible for reviewing and overseeing identified risks associated with our third-party relationships (both vendors and outsourced relationships). These matters can then be escalated further to the Group Operational Risk committee or the NBEL Board, depending on the nature of the issue. Reporting metrics on key Third Parties are presented and discussed at the monthly Operations Metrics meeting, discussed with the Global Head of Operations, and for critical Third Parties, are discussed directly with the Third Party as part of the service review (conducted at least annually).

When, during the lifecycle of the engagement with third parties, incorrect information or data is identified through NBEL's internal control environment, timely escalation to the relevant team within the third parties is required in order to prevent adverse impacts to NBEL and its clients. For example, where any inaccurate portfolio/security information has been identified in our Order Management System provided by our third-party vendor, it shall be raised to our dedicated support contact at the third-party vendor for investigation and resolution. Regular check-ins with the third-party vendor will occur until the cause of the incorrect data/information is discovered and resolved. This will then be followed with the third-party vendor providing root cause analysis and outlining preventative measures to be implemented.

PRINCIPLE 9

Signatories engage with issuers to maintain or enhance the value of assets



OUR APPROACH TO ENGAGEMENT

As an active manager, engagement is core to our investment process—whether to inform our investment decisions or as part of our stewardship of the asset on behalf of our clients. We embed stewardship responsibilities, including engagement, within our investment teams, which we believe is crucial to integrating stewardship insights into the investment process and helping inform investment decisions. This approach enables us to combine subject matter expertise with fundamental insights to engage on financially material issues specific to a given company and its operating profile in an effort to drive sustainable value creation on behalf of our clients. Much of our engagement with issuers arises organically from the investment diligence process, but we are also focused on ensuring that the same attention and intensity are sustained throughout our stewardship of the asset.

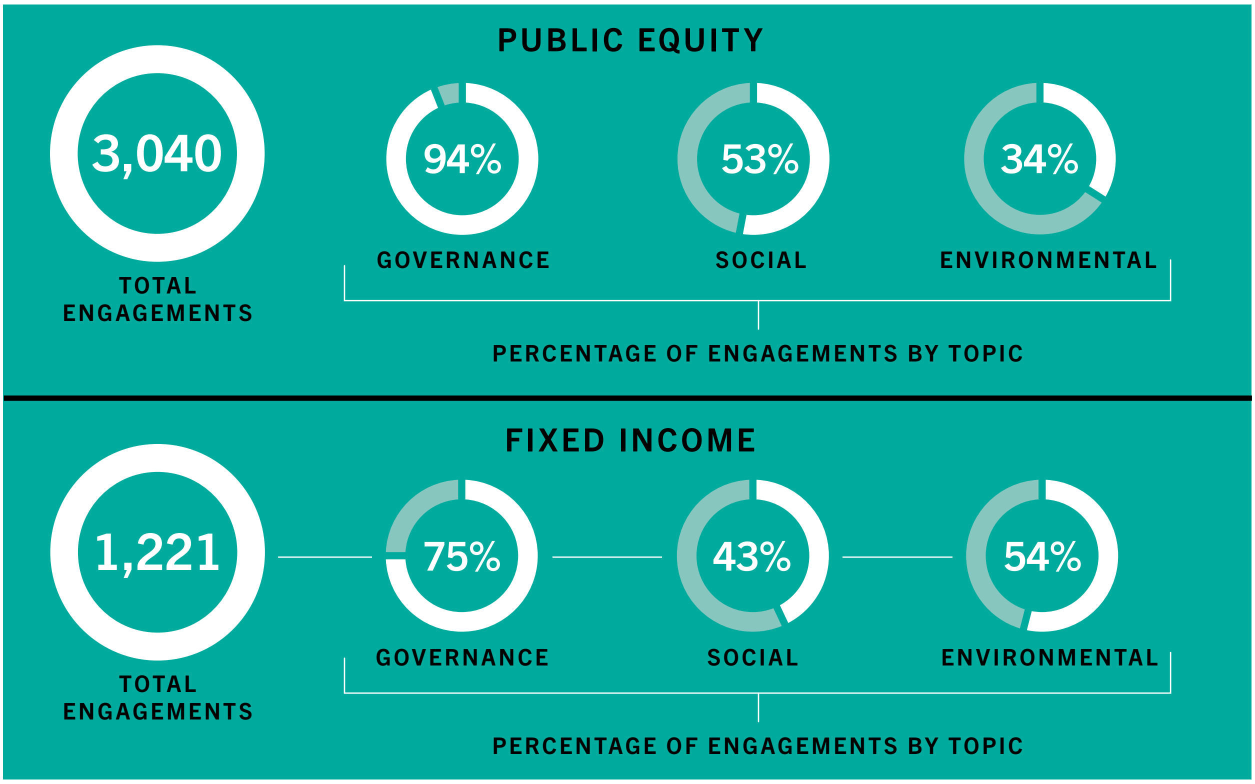
We believe that engaging with issuers is an essential part of being a long-term active owner, and that engaging with issuers on financially material environmental, social and governance topics can improve their performance and reduce their risk profile. With our long-term relationships with companies, Neuberger Berman's investment teams are well positioned to engage with companies on these key issues. In 2024, we conducted 3,040 public equity engagements and 1,221 corporate credit engagements.

As an active owner, we employ a variety of engagement tools depending on the issuer, the issue being discussed and the accessibility of the issuer. Since our engagement efforts with a given issuer typically span a multi-year period, it is common to utilise multiple methods of engagement, such as one-on-one meetings with companies or letters to the board. Yet as will become clear through the case studies and statistics we share in this Principle, the tools and techniques we use for engagement continue to evolve.

As discussed further in Principle 11, while the overwhelming majority of our engagement is done in collaboration with companies and their management teams, we strongly believe that the exercise of investor rights prescribed in regulations and company bylaws are part of our responsibility in the pursuit of value creation and the protection of our clients' investments. We believe engagement should not be a top- down dictated approach, but rather investment-driven, taking into consideration matters such as investment objectives, issuer-specific circumstances and our history of engagement.

Where a company does not respond to our concerns or our concerns have not been sufficiently addressed, we may take escalated action such as withholding support from directors, supporting or filing a shareholder proposal, sending letters to the board of directors, or making our concerns public, amongst others. The escalation tools leveraged will depend on the rights available to us and the circumstances of the case in question. Importantly, escalation methods are not exclusive and when an escalation method is utilised, we continue to seek to drive change through private one-on-one engagements.

2024 ENGAGEMENT OVERVIEW[1]



PRIMARY ENGAGEMENT TOPICS

GOVERNANCE

- Long-term business strategy (1,950)
- Capital structure (1,247)
- Risk management (399)
- Financial disclosure and controls (367)
- Compensation structure (331)

SOCIAL

- Human capital management (477)
- Government relations (336)
- Supply chain management (275)
- Community relations (237)
- Labor relations (226)

ENVIRONMENTAL

- Climate risk management (1,894)
- Green opportunities (575)
- Energy management (317)
- Environmental/climate reporting (299)
- Waste and hazardous materials management (120)

Engagement

We believe engagement is a two-way dialogue between Neuberger Berman and an entity on material topics to the entity in question where we provide context and feedback on areas of concern or opportunities for improvement. Engagement should not be one-sided, but rather involve knowledge-sharing. Below we provide the types of interactions included in our engagement reporting.

- 1:1 in-person meetings or conference calls
- 1:1 meetings at conferences
- Small group meetings where we had meaningful dialogue with the company
- Site visits/due diligence meetings that involve in-depth risk and opportunity assessments or interviews

Our investment teams may have other types of interactions that we do not classify as an engagement or include in our engagement reporting. Examples of interactions not classified as engagements include attending a company presentation at a conference, participating in an earnings call, attending an annual meeting, and small group meetings where we did not have meaningful dialogue with the company. Letters sent to companies sharing views or concerns are reported separately.

[1] Engagement numbers reported in this figure represent the number of company meetings held as defined in this section.

Methods of Engagement

We employ a variety of engagement tools, depending on the issuer, the issue being discussed, and the accessibility of the issuer. Since our engagement efforts with a given issuer typically span a multi-year period, it is common to utilise multiple methods of engagement. As described in Principle 6, most of our clients have long-term investment horizons, which enables us to focus on material long-term issues on our engagements. Our most commonly used method of engagement regardless of asset class is company meetings where our investment teams engage in direct dialogue with an issuer in a private or small group setting. For our listed equity strategies, proxy voting-related methods are important engagement tools. Our most important engagement tools include:

- **Company Meetings:** The Neuberger Berman research department and portfolio management teams host on average over 3,000 one-on-one meetings with company management teams in-person at our offices and via conference calls, in addition to outside meetings and on-site company visits. These meetings provide an opportunity to communicate views and concerns directly to company managements.
- **Written Communication:** Should portfolio managers determine that additional means to communicate with company management teams is warranted, they can pursue formal written communication with management teams and boards of directors on identified areas of concern and recommended courses of action. We expect companies to be responsive to our formal and informal communications.
- **Shareholder Proposals and Proxy Contests:** Portfolio management teams may seek governance change through shareholder proposals, proxy contests and other measures of shareholder activism if a company's responsiveness is deemed inadequate.
- **NB Votes:** Through our NB Votes initiative, we publish our vote intentions in advance of select shareholder meetings, with a focus on companies where our clients have significant economic exposure.
- **Proxy Voting:** One important way in which we exercise engagement is through voting proxies on behalf of our advisory clients for whom we have voting authority. We do this in order to fulfil our fiduciary responsibility to protect our clients' best interests and as an important component of our approach to creating shareholder value.
- **Industry Collaborations:** We collaborate with several organisations, especially where we feel our leadership can make a significant contribution.

Prioritising Our Engagement Efforts

Neuberger Berman has identified nine key governance and engagement principles focused on positively influencing corporate behaviours to seek to drive long-term, economic value. As a multi-asset class manager, we engage with issuers across the capital structure using a range of tools and approaches guided by these principles. We leverage the NB Materiality Matrix to identify material long-term issues as described in Principle 7.

Our engagement prioritisation is a function of the following considerations: severity of our concern as assessed by our proprietary ratings, potential economic exposure to the risk, relative level of influence on a situation (be it through engagement or a voting decision), the existence of an emergent risk as identified through our internal assessment, and importantly, analyst judgement. Engagement targets and topics may also be informed by a specific strategy's objectives, commitments or thematic focus areas. For example, a strategy that has made a client-directed net-zero commitment to achieve a carbon footprint reduction target of 50% by 2030 will additionally seek to prioritise engagements on climate risk management and carbon transition plans.

While the prioritisation assessment is ongoing, the timing of the engagement may be reactionary in certain cases, opportunistic in cases of industry events or pre-planned meetings, or proactive where time allows and without undue restrictions such as during quiet periods or M&A events that may prevent outreach actions.

STRATEGY Companies should adopt, formulate and communicate value-enhancing long-term strategies	**INCENTIVES** Companies should align management incentives with long-term shareholder goals	**BOARD INDEPENDENCE** Effective boards of directors must be truly independent
SHAREHOLDER REPRESENTATION Companies should strive to maximise shareholder representation	**CAPITAL DEPLOYMENT** Companies should allocate capital to maximise long-term risk-adjusted shareholder value	**TRANSPARENCY AND COMMUNICATIONS** Companies should provide transparency in communication and reporting
RISK MANAGEMENT Boards of directors should actively engage with management to evaluate and control enterprise risk	**ENVIRONMENTAL ISSUES** Companies should consider financially material environmental risks and opportunities to their business and operations	**SOCIAL ISSUES** Companies should consider financially material social risks and opportunities pertaining to human capital management, customers, local communities and society to their business and operations

Ultimately, we aim to prioritise engagement that is expected to have a positive impact on the protection of and improvement to the value of our clients' assets, be it through the advancement of actionable disclosure, or understanding of financially material risks and risk management at an issuer.

Engagement May Differ by Market, Geography and Asset Class

Important elements to consider when engaging across asset classes and markets include, but are not limited to: access to management, ownership rights, nature of the investment (direct or indirect) and engagement history with the issuer. As a result, our chosen engagement approach and method is informed by the relevant market and asset class.

Upside Potential

Markets More Efficient — Markets Less Efficient

Downside Mitigation

IDENTIFY QUALITY AND VALUE

- We add proprietary analysis and alternative data to provide forward-looking and timely insights
- Transparency and consistency of engagement and proxy voting can drive systems change
- Strategy examples: developed market large cap equities

DRIVE VALUE CREATION

- We conduct primary due diligence given limited availability of publicly available data
- We believe direct engagement has outsized potential to create value
- Strategy examples: emerging market equities

COMPREHENSIVELY PRICE RISK

- We factor in financially material risks identified through multiple sources into relative pricing of securities
- Potential to drive improved outcomes is limited, but systematic engagement can signal importance
- Strategy examples: investment grade fixed income

GAIN INFORMATION EDGE ABOUT RISK

- We conduct independent analysis to fill data gaps
- Engagement can improve disclosure and potentially outcomes
- Strategy examples: private debt, non-investment grade fixed income

The following examples are intended to showcase different approaches that may be utilised for various asset classes, geographies and funds.

Sovereign Debt
Actively engaging with governments and other institutions to build a more holistic picture beyond the data is crucial. This helps to improve economic prosperity and accelerate progress not only for sustainability enhancement, but also for generating long-term excess returns in our portfolios. The ability to access a sovereign is not comparable to that of a corporate issuer, but it is certainly not impossible, and where opportunities arise, we always look to engage while respecting the sovereign's democratic process. We believe it is important for investors to focus on the UN SDGs, while also seeking to advance the narrative around nationally determined contributions (NDCs) and country-specific issues such as anti-money laundering, corruption, labour and human rights, financial terrorism or child labour. We also believe collaborative engagements through industry initiatives such as Emerging Markets Investor Alliance and the Principles for Responsible Investment (PRI), as well as at investor conferences and bond roadshows, are key to improving the outcomes of engagements.

Private Equity
Neuberger Berman's engagement on financially material issues has increasingly extended to the private equity universe, where we believe maintaining a dialogue with clients and private equity managers is an important part of our role in the ecosystem. Our due diligence efforts, which inform by our Manager Integration of Financially Material Environmental, Social, and Governance Considerations Scorecard for fund investments and NB Materiality Matrix for direct co-investments into companies, serve as a starting point for engagement with general partners (GPs). We connect with GPs in seminars and one-on-one settings to provide guidance and support to improve policies and practices.

We believe NB Private Equity is differentiated in that we are able to serve as a strategic partner to GPs across the spectrum of their capital needs (primaries, secondaries and co-investments). These multiple touchpoints afford NB Private Equity a certain level of influence over the lead sponsors with whom we partner, as we are seen as "true partners" with scale and vast resources. As such, we are able to engage with GPs in an effective way, and have the ability to encourage lead sponsors to address certain areas of concern with respect to specific investments.

Additionally, our position within the private equity ecosystem provides us with enhanced information, as we have both a fund and direct investment perspective with many of the lead GPs with whom we work. For example, having completed a primary investment in the fund of a particular GP, we are often well positioned to track the underlying assets and, in many cases, may have even co-invested in a portfolio company of a fund on whose advisory board we sit. This may provide us with additional insight and the ability to monitor our co-investments, including voicing our concerns and exercising influence over the GP, should we feel that there is an ESG concern.

Beyond deal-specific engagements, NB Private Equity seeks to engage formally and informally with private equity managers. An example of our engagement efforts is e our GP roundtable series. We provide details on a recent roundtable in Principle 10.

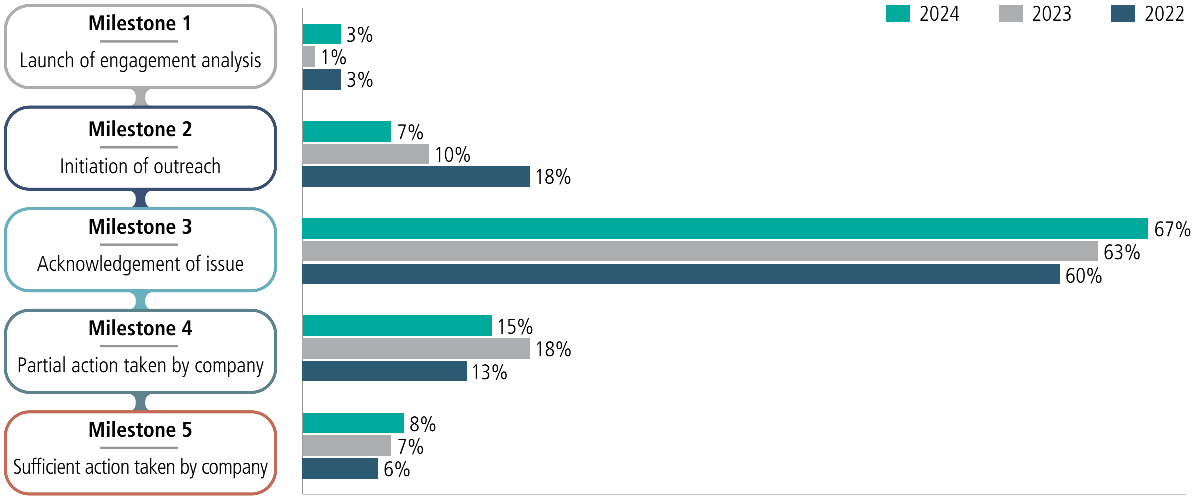
Fixed Income: Global High Yield Engagement Fund

In 2022, we created the Global High Yield Engagement Fund1 in partnership with a client looking to develop an engagement-focused strategy for which we use the United Nations Sustainable Development Goals (SDGs) as a framework to inform our engagements with issuers. Our engagement process begins with collaboration between our SSI Group and research teams to establish financially-material engagement objectives intended to amplify each issuer's contributions to the SDGs. Once these objectives are assigned, our research teams engage with each issuer and review developments with the SSI Group to incorporate additional insights and feedback. We regularly monitor issuers' advancement toward these objectives using specific KPIs and formally document this progress using a multi-staged tracking system.

Notably, these engagement efforts extend to both public and privately owned issuers. Approximately 40% of issuers in the Global High Yield market are privately-owned, thus we have the opportunity to influence change in a market not commonly reached through traditional investor stewardship efforts.

Moreover, because we aim to effect change through engagement, our ability to engage with each issuer is a critical factor in our investment decisions for this fund. If we find that an issuer is unresponsive to our engagement attempts after a two- to three-year period, our investment team will consider divesting.

NEUBERGER BERMAN GLOBAL HIGH YIELD ENGAGEMENT FUND: YEAR-OVER-YEAR ENGAGEMENT PROGRESS[2,3]



Engagement example:

We achieved a successful engagement outcome in 2024 with a major foodservice distributor in the US. Palm oil is a raw material with a high potential for adverse environmental impacts and is often found in packaged foods, on which a meaningful portion of the company's sales rely. Such environmental impacts in the issuer's supply chain pose financially material risk to the issuer if not properly managed. Therefore, we encouraged the issuer to reduce the potential adverse impacts of its palm oil sourcing by becoming a member of the Roundtable on Sustainable Palm Oil (RSPO). Our diligence process included multiple discussions with the issuer's management team, including the CFO, Treasurer, and Investor Relations. Following our discussions, the company established a Palm Oil Policy and became a member of the RSPO, meaningfully contributing to SDG 15.

PRINCIPLE 9

Public Equity: Global Equity Impact Strategy

Our Global Equity Impact strategy seeks to invest in listed companies whose products or services have the potential to deliver significant, intentional and measurable positive social and environmental outcomes. The universe of potential companies is evaluated through an integrated process using proprietary impact analysis, traditional fundamental financial assessment and material ESG considerations. Our Theory of Change involves actively engaging with companies over a multi-year horizon. By concentrating engagement efforts on key areas that drive both financial and social or environmental value, we believe companies may not only increase positive outcomes, but also better manage their financial risks, growth opportunities and enterprise value. We set detailed impact engagement objectives for each company holding and report on progress over time. As a result of active engagement, our investor role has the potential to go beyond providing capital to driving positive impact by working with companies.

The team uses proprietary analysis to assess the quantitative and qualitative impact of companies that is aligned with a theory of change. Through this process, we assess the collinearity between financial performance and positive outcomes before including a company in the portfolio.

Impact analysis example:

Heating and cooling of buildings accounts for 15% of global carbon emissions, while roughly 30% of the electricity consumed by buildings is estimated to be wasted. As a result, cost effective solutions that increase the energy efficiency of building operations and reduce energy waste, have the potential to have a substantial impact on global carbon emissions.

This analysis led us to invest in a leading HVAC manufacturer that specializes in sophisticated heating and cooling systems that are substantially more energy efficient than legacy systems. This product offering enables customers to realize both cost savings and a reduction in their carbon footprint. The company has an ambitious long-term avoided emissions target and has seen its progress towards achieving this target accelerate over the past two years.

Japan: Japan Equity Engagement Team

In Japan, the largest companies are typically the focus of investors, especially when it comes to engagement. The Neuberger Berman Japan Equity Engagement team invests in small to mid-size companies that we believe have strong business fundamentals and attractive growth outlook that many investors have seemingly passed by. Given our knowledge of the market and local presence, we have an enhanced ability to find companies that would often be overlooked and that we believe would benefit from engagement and the adoption of sustainable business practices.

For all of our core investments, we set an engagement objective and a customised strategy to periodically and on an ad hoc basis address capital management and financially material issues, typically employing a milestone system to monitor progress being made. A key point in this process is presenting our case to the company—to clear away any outdated misperceptions about environmental, social, and governance issues and emphasise the potential financial benefits to the business of committing to sustainable business practices. During our engagements with management, we provide a comprehensive presentation material, including a list of issues that we believe should be prioritised and warrant their focus with a view to strengthening the business and improving performance. A smaller company may have more limited resources, so our focus on financially material issues can help companies allocate resources more effectively to achieve sustainable growth of corporate value.

In engaging with companies, meeting with senior leaders is crucial, because, if convinced, they can use their authority to clear the way for change, especially where mid-level managers may be reluctant to move forward. We believe the case for sustainability can be compelling, and presenting our ideas in a cogent fashion, backed by data and experience, can help lay the groundwork for long-term investment success.

Engagement example:

We engaged a dental materials maker company and its Board Director on the continuation of its anti-takeover defense measures (aka "Poison Pill"). The company generates more than half of its dental business sales from overseas markets, which it explains has the potential to grow to 20x that of the domestic market and intends to penetrate with its flagship materials used for dental crowns. While we positively view the company's strong growth profile backed by its technological capabilities, we have held concerns about its corporate governance specifically with regards to maintaining a Poison Pill that we view runs counter to the protection and enhancement of minority shareholder rights and values. Hence, we engaged the management for its removal, which we see as a critical step toward long-term value creation.

The Director explained that the Poison Pill was implemented in the late 2000's when the firm's stock valuations had hit an all-time low of 0.3x following the great financial crisis. However, the company acknowledged that the Pill's necessity had declined in recent years as the company's valuations have recovered substantially and the Board was actively discussing whether it should be continued or abandoned ahead of next year's annual shareholder's meeting. We provided our internal quantitative analysis showing that the company's valuations were trading at a 20% discount to peers without such measures that we believed was partly attributable to the maintenance of the Pill. Hence, we explained that the removal would be consistent with management's target to raise the firm's long-term corporate value. We also added that ending such anti-shareholder measures would send a strong message to both existing and prospective shareholders that management was committed to pursuing long-term shareholder value creation. It was a productive discussion and we intend to continue to engage with the company on corporate governance improvements such as this one moving forward.

The following case studies provide examples of our engagement activities and outcomes on a range of material topics across different markets, asset classes and sectors.

ENGAGEMENT CASE STUDY
ENHANCING COMMITMENTS TO SAFETY

COMPANY	SECTOR	ISSUE	CATEGORY	INVESTMENT TEAM	ASSET CLASS	STATUS
AMAZON	CONSUMER DISCRETIONARY	WORKER SAFETY	SOCIAL	QUALITY EQUITY	EQUITIES	ONGOING

Background

As a premier e-commerce company, Amazon has leveraged its expansive scale, logistics expertise and operational finesse to outpace competitors, with its commitment to warehouse automation, fleet modernization and sustainable packaging initiatives significantly bolstering its market dominance.

In following through on Executive Chair Jeff Bezos's 2021 commitment to be "Earth's best employer and safest place to work," in 2022, newly minted CEO Andy Jassy formalized two bold leadership principles: "Strive to be Earth's Best Employer" and "Scale Brings Broad Responsibility." Jassy further acknowledged that safety remains a priority at the company by disclosing and benchmarking employee safety statistics and noting that, "we don't seek to be average, we want to be best-in-class." This ambition has driven substantial investments in labor practices and a robust framework for continued improvement in working conditions and safety outcomes.

The company's operational model, although efficient, may carry significant health and safety costs for its workforce, potentially affecting long-term worker availability and company sustainability. Over many years, Amazon has continued on an aggressive expansion path, which presents challenges and complexities in human capital management. Our analysis acknowledges that the working culture at Amazon can be highly intense. However, on balance, we believe the company is committed to being best-in-class and delivering positive outcomes for its workforce.

As investors, we appreciate Amazon's data-driven culture of accountability. However, with regard to contract employees and delivery service providers (DSPs), we were concerned that the company may have had a blind spot in assessing company safety. With regard to overall human capital management practices, we believed that proactive management and its commitment to best-in-class practices would reduce reputational risks, improve workforce stability, and potentially avert future regulatory or labor challenges.

Scope and Process

In recent years, our direct dialogue with the company has included in-depth discussions with key governance figures, including board members, and sustainability executives including roles such as Workplace Health and Safety, Governance and External Affairs, Associate General Counsel, Labor and Employee Relations, Senior Human Rights Manager and Senior Program Manager, Career Choice and Operations Human Resources. These interactions allowed us to delve into critical areas such as health and safety, employee turnover, wages, unionisation and initiatives aimed at employee skill and career advancement.

Through reviews of Amazon's sustainability disclosures and filings, coupled with regular safety-focused discussions, we gained insights into the company's evolving safety practices and metrics, indicating a positive trend in safety improvements. However, we noted that the company did not disclose safety metrics for its outside DSPs, something that we believed was essential to better capture its overall safety record. In keeping with our view that, "what gets measured gets managed," we encouraged the company to expand their safety disclosures to include DSPs.

Outcome and Outlook

Subsequent to our dialogue, the company began reporting safety metrics for DSPs in the first quarter of 2024, reflecting not only its commitment to improvement but also, we believe, illustrating the impact that engagement can have, even on the largest of companies.

We believe that Amazon's data-driven management approach and commitment to transparent disclosure are driving real results, and we continue to closely monitor its performance with regard to human capital. Given the company's extraordinary reach, its practices have ramifications across a host of areas, including raising the bar for competitor labor practices. Our ongoing engagement ensures that we are well-positioned to assess Amazon's business execution and adherence to its commitments.

ENGAGEMENT CASE STUDY
WATCHING FOR PROGRESS ON GOVERNANCE

VERALTO CORP.	INDUSTRIALS	GOVERNANCE STRUCTURES	GOVERNANCE	US EQUITY IMPACT	EQUITIES	ONGOING
COMPANY	SECTOR	ISSUE	CATEGORY	INVESTMENT TEAM	ASSET CLASS	STATUS

Background
Veralto Corp. is a global water treatment company that was spun off from Danaher Corp. in the fall of 2023. As a newly independent business, Veralto adopted several governance structures that we believe were not aligned with best practices. However, we recognised that these structures were not uncommon for newer issuers, and thus we believed that engagement supporting the company could prove fruitful with the expectation that the company would improve governance practices over time.

Scope and Process
Our engagement with Veralto began after its senior leadership team had been announced and shortly before the transaction was completed; dialogue continued afterward through several meetings with the company's CEO and CFO. Key to our concerns were Veralto's governance structures, including its classified board, shareholders' inability to call a special meeting and supermajority voting requirements. We also expressed a desire to see the company set science-based climate targets.

With the release of the company's annual proxy in May 2024, we set up a call with its investment relations team to convey our concerns. We expressed our desire that it adopt best-in-class governance practices such as declassifying the board, adopting majority voting and giving shareholders the right to call special meetings. We told management that, based on our governance standards, we would be voting against the election of its nominated directors.

Outcome and Outlook
Veralto acknowledged our feedback and noted that the board was open to changing certain governance structures. However, it said that this would take time given its short life as an independent public company.

In September 2024, the company released an updated sustainability report in which it established new Scope 1 and 2 carbon emissions reduction targets aligned with a 1.5°C climate pathway. The company also stated its intention to set and communicate additional public sustainability goals in the future.

In May 2025, the company's Proxy included two management proposals directly related to our engagement discussions: Repeal of Classified Board and Elimination of Supermajority Requirement. We publicly announced our vote in favor of these proposals through our NB Votes initiative, to signal our support for the company's responsiveness to shareholder feedback. We will continue to engage with Veralto to encourage the company to further these efforts by providing shareholders the right to call special meetings and adopting a majority vote standard for uncontested director elections. We believe that better governance can create greater accountability, and in turn help it to pursue capital allocation that maximises long-term shareholder value and helps expand its investor base.

ENGAGEMENT CASE STUDY
PUTTING EXCESS CAPITAL TO WORK

COMPANY	SECTOR	ISSUE	CATEGORY	INVESTMENT TEAM	ASSET CLASS	STATUS
YAMANASHI CHUO BANK	FINANCIAL SERVICES	CAPITAL EFFICIENCY	GOVERNANCE	JAPAN EQUITIES	EQUITIES	ONGOING

Background

Yamanashi Chuo Bank (YCB) is a regional lender neighboring the greater Tokyo region that is seeking to transform its business model and capital management to achieve sustainable long-term growth. The company came to our attention in 2022 as part of our assessment of Japan's changing banking landscape given reforms to balance sheet efficiency and the evolving monetary environment, which increased real yields and prospects for profitability.

YCB is in a region with abundant natural resources for manufacturing clients and had the potential to grow its business serving affluent individuals in the Tokyo metropolitan area. From a financial perspective, we noted its significant overcapitalisation (its Tier 1 capital was among the highest of Japan's domestic lenders and more than two times the required amount) and low valuation (0.1 times book value, or the lowest among its peers at the time). It also held what we considered excessive cross-shareholdings with many of its clients. In our view, the company was a strong candidate for engagement that could translate into meaningful value creation and share appreciation over time as long as these issues were addressed.

Scope and Process

The Japan Equity team's engagement with YCB involved, like many of its interactions do, a comprehensive assessment of the company designed to highlight issues associated with the business and to build a trusting relationship that can enhance the team's impact on strategy. The dialogue began modestly but accelerated with a change in bank leadership. Importantly, we observed that the company had a solid roadmap for improved profitability but had failed to effectively communicate it to the markets, which were largely ignoring YCB. As part of the engagement, we provided case studies on how other banks were tackling communications as well as balance sheet improvements.

In 2022, our analysis suggested that the bank could raise its return on equity from 2% to 5% in the intermediate term, largely through balance sheet reforms, which could help to support an improvement in price to book value ratio from 0.1x to 0.5x. Our longer-term thesis was that better profitability could take this to as high as 0.8x. We engaged the company's Senior Director on revising its mid-term plan to clarify when and how the bank's net profit target would be achieved and suggested accelerating balance sheet reform including the reduction of the Tier 1 capital ratio and unwinding of cross-shareholdings.

The following year, in dialogue with the Chairman, we encouraged the bank to consider unwinding its cross shareholdings and use the proceeds to reinvest in its human capital to grow its high-net-worth business in Western Tokyo while also raising shareholder returns.

Outcome and Outlook

In response to our engagement in 2022, the bank undertook its first share buyback in nearly a decade to improve balance sheet efficiency. In 2023, the firm revised its mid-term net profit and ROE targets, with (1) a detailed plan to raise profits by growing its loans and fee income businesses, (2) accelerated unwinding of cross-shareholdings, and (3) a three-year plan to reskill its staff in order to grow its consulting business. In 2024, the Tokyo Stock Exchange recognised the bank's capital efficiency improvement initiatives and disclosure as a "best practice" within the industry. That year, in light of the company's strong progress, we voted in support of top management at their annual meeting despite the company not fully meeting our expectations on capital efficiency and cross-shareholding levels as stated in our proxy voting guidelines.

We are working with management to help craft its next mid-term plan, due for 2025, with the goal of driving further improvements in earnings growth and optimisation of the balance sheet.

ENGAGEMENT CASE STUDY
SOURCING PALM OIL RESPONSIBLY

PERFORMANCE FOOD GROUP	FOOD BEVERAGE & TOBACCO	RESPONSIBLE SOURCING	ENVIRONMENTAL	NON-INVESTMENT GRADE CREDIT	FIXED INCOME	COMPLETE
COMPANY	SECTOR	ISSUE	CATEGORY	INVESTMENT TEAM	ASSET CLASS	STATUS

Background
Performance Food Group (PFGC) is one of the largest food service distributors in the US, selling ingredients, prepared foods and other products primarily to convenience stores and restaurants. It operates in an industry in which environmental effects within the supply chain pose financially material risks if not properly managed. Palm oil is a popular raw material found in many packaged foods that accounts for a meaningful portion of PFGC's sales. Unfortunately, the oil has often been associated with adverse environmental and social impacts, including deforestation and harm to wildlife, and human rights and working conditions concerns, reinforcing the importance of responsible sourcing.

Scope and Process
We have maintained a long relationship with PFGC, including regular engagement over the past five years. The process included various discussions with its management team, including the Chief Financial Officer, Treasurer and Investor Relations. Over time, we encouraged the company to more effectively document the sourcing of the palm oil used in its products. Although the company prioritized responsible sourcing, it did not maintain any certification, traceability disclosures or targets to do so. To help establish best practices, we asked that the company join the Roundtable on Sustainable Palm Oil (RSPO), the global standard for sustainable palm oil. The RSPO requires documentation and commitment to responsible sourcing, including compliance with established environmental and social criteria.

Outcomes and Outlook
In October 2023, PFGC acted on our request to become a member of the RSPO, and in February 2024 established a palm oil policy. We will continue to engage with the company around sustainable sourcing initiatives and disclosures, including maintaining its RSPO membership. In addition, we plan to focus our future engagements on reducing food waste and increasing the use of low-carbon transportation technologies.

ENGAGEMENT CASE STUDY
CEMENTING PROGRESS IN EMISSIONS

EAGLE MATERIALS	MATERIALS	CARBON EMISSIONS	ENVIRONMENTAL	SMALL CAP, MULTI CAP OPPORTUNITIES	EQUITIES	ONGOING
COMPANY	SECTOR	ISSUE	CATEGORY	INVESTMENT TEAM	ASSET CLASS	STATUS

Background

Eagle Materials is a low-cost manufacturer of essential construction materials, including cement and gypsum wallboard. The company is in the midst of a multiyear modernization that should ultimately allow it to reduce costs and comply with more stringent environmental regulations. However, technology is not yet in place to meaningfully reduce the carbon impact of cement, thus reinforcing the value of tracking its usage and seeking alternative products to reduce carbon footprint.

Scope and Process

Over several years, we maintained regular engagement with Eagle to discuss a range of sustainability issues. In particular, we spoke with the Chief Financial Officer and investor relations officer about improving the collection of sustainability data and public disclosure on financially material environmental, social and governance topics. Given the carbon-intensive nature of cement production, we emphasized the importance of addressing carbon emissions. We also asked that they introduce science-based goals on Scope 1 and 2 emissions, and explore the use of alternative materials and technologies to reduce carbon footprint.

Outcomes and Outlook

In response to our efforts and those of other investors, the company gradually improved its level of disclosure, providing Scope 1 and Scope 2 emissions for first time in its latest sustainability report. It is accelerating the production of alternative products, including Portland limestone cement, and modernising plants with less energy-intensive kilns. Not only will these plant upgrades cut carbon emissions and improve compliance with relevant environmental regulations, but they will increase capacity, lower manufacturing costs, and have a strong return on investment. In addition, Eagle is working closely with the Department of Energy to identify new technologies for carbon capture. Although it aspires to achieve net-zero emissions, given technology constraints the company remains reluctant to commit to a specific date to fully achieve this goal. However, it has established intermediate goals, reflecting its commitment to maintaining progress.

We plan to continue engaging with Eagle on establishing science-based carbon emissions reduction targets, and on enhancing its sustainability practices.

ENGAGEMENT CASE STUDY
FACILITATING DECARBONISATION GOALS

COMPANY	SECTOR	ISSUE	CATEGORY	INVESTMENT TEAM	ASSET CLASS	STATUS
JSW STEEL	MATERIALS	DECARBONISA-TION	ENVIRONMENTAL	EMERGING MARKETS DEBT	FIXED INCOME	ONGOING

Background

JSW Steel Limited is a multinational steel producer based in India. It operates manufacturing facilities in Karnataka, Tamil Nadu and the western state of Maharashtra, producing products such as hot and cold rolled coils, wire rods and galvanised coils and sheets. The company is committed to sustainability and environmental stewardship and has a target of achieving net-zero carbon emissions across all operations by 2050, aligning its efforts with global climate action goals and India's commitments under the Paris Agreement. Further, due to the steel industry's carbon-intensive nature, addressing emissions has the potential to not only mitigate regulatory and reputational risks but also open new market opportunities and strengthen competitiveness.

Scope and Process

Neuberger Berman's analysis toolset includes the Net-Zero Alignment Indicator, a proprietary scoring system designed to assess how well companies are aligned with global net-zero goals. It employs both quantitative data and qualitative insights from research analysts to evaluate climate transition plans and progress. With scoring across six broad categories informed by the high-level expectations of the Institutional Investor Group on Climate Change (IIGCC), the tool supports our avoidance simplistic divestment of heavily emitting companies and in favor of a more nuanced approach that takes into account progress on environmental goals.

Although we had engaged with JSW across topic areas for many years, starting last year, we heightened our focus on emissions amidst broad-ranging discussions on the Net-Zero Indicator, a "just" carbon transition, water and other topics. In particular we found that the company could achieve better scoring (and real-life) performance though enhanced disclosures. In interactions with the company's investor relations team, we looked for information short and medium-term targets, emissions performance, and overall plans for achieving long-term sustainability goals, among other matters.

Given our agreement with JSW's view that climate risk is financially material to its business, we encouraged the company to disclose its decarbonization plan and provide details on its path to reducing Scope 3 (indirect) emissions.

When management informed us that they were committed to achieving net-zero emissions by 2050, we encouraged them to publicly disclose this target and provide information on their plan to reduce Scope 3 emissions. Later, the company published a net-zero target, but we await further details explaining how it would reduce emissions to reach its targets, especially in phase 2 of its decarbonisation plan, which relies on technology that is not currently available.

Outcome and Outlook

In its most recent sustainability report, the company reported a 5.6% decrease in emissions intensity in accordance with the IEA's Sustainable Development Scenario. Additionally, it informed us that it planned to publish a net-zero roadmap next year.

Our engagement with JSW is ongoing, as we continue monitoring its progress toward its long-term and interim emissions reduction targets and encouraging increased disclosure around how it intends to meet these targets.

ENGAGEMENT CASE STUDY
CLEARING THE AIR ON METHANE TARGETS

COMPANY	SECTOR	ISSUE	CATEGORY	INVESTMENT TEAM	ASSET CLASS	STATUS
CHENIERE ENERGY	OIL & GAS	METHANE EMISSIONS	ENVIRONMENT	CORE EQUITY, QUALITY EQUITY	EQUITIES	ONGOING

Background

Cheniere Energy is the largest producer of liquified natural gas (LNG) in the US and the second-largest operator in the world. Operating primarily on the US Gulf Coast, Cheniere exports LNG to locations around the globe.

In general, natural gas and LNG occupy a grey area for those interested in climate and sustainability. Although a carbon emitter, natural gas is considered much cleaner than coal. Therefore, natural gas has been replacing coal as a key component of the utility sectors' overall fuel mix. With the accelerating secular demand for energy, due in part to the growth of data centers powering artificial intelligence, we believe that LNG will continue to occupy an important part of the energy landscape for years to come.

Given this reality, we believe it is important for LNG exporters to operate efficiently and in a more climate-friendly manner to help limit emissions.

Scope and Process

Neuberger Berman's research analysts and portfolio managers have engaged with Cheniere and its management for many years, with some portfolios holding positions for a decade or more. Over time, we have performed deep analysis on Cheniere and have constructively engaged often with the company while offering our views on a range of issues, including emissions.

Cheniere has been a premier operator in its field, and believes its proactive environmental actions are a competitive advantage. The company takes a data- and science-based approach to identifying potential emissions reduction opportunities, often applying cutting-edge technology for measurement purposes.

Given our shared goal of continued emissions reductions, we believe it is important for the company to continue proactive climate stewardship related to emission reduction—a topic that we increasingly emphasized in our regular engagements. In particular, we believe that establishing best practices in methane management is a key imperative for gas producers. Companies that effectively manage their methane emissions can not only improve operational efficiency and mitigate regulatory risks but also improve their reputation with stakeholders, investors and the public, helping to maintain their "social license" to operate.

Outcomes and Outlook

After input from Neuberger Berman and other stakeholders in October 2024, Cheniere announced a voluntary "measurement-informed" Scope 1 annual methane emissions target for its liquefaction facilities, drawing on data from its measurement and mitigation programs.

The company pledged to achieve an emissions intensity target of 0.03% per tonne of LNG produced at its two Gulf Coast liquefaction facilities by 2027. This would meet the "Gold Standard" under the United Nations Environment Programme's (UNEP) Oil & Gas Methane Partnership 2.0, of which Cheniere is a member.

In addition, the company updated its peer-reviewed LNG life cycle assessment, originally published in 2021. Cheniere found that its supply-chain specific carbon emissions intensity is lower than the level shown in a 2019 study by the US Department of Energy Technology Laboratory (NETL).

We applaud Cheniere's clear progress and willingness to partner on this important topic of methane emissions reduction. We will continue to engage with the company in its efforts to ensure continued progress.

PRINCIPLE 10

Signatories, where necessary, participate in collaborative engagement to influence issuers

OUR APPROACH TO COLLABORATIVE ENGAGEMENT

We recognise 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 sustainability-related topics and supporting the creation and use of industry-standard disclosures. Below are examples of our memberships and the role we play in each.

Organisation/Initiative	Our Role
Alternative Investment Management Association (AIMA)	Member
Asia Investor Group on Climate Change (AIGCC)	Member
Asian Corporate Governance Association (ACGA)	Member, Chair of the Japan Working Group
Asset Management Association of China (AMAC)	Member
Asset Management Association Switzerland (AMAS)	Member
Association of Investment Companies (AIC)	Member
British Private Equity and Venture Capital Association (BVCA)	Member
Belgian Asset Managers Association	Member
Capacity-Building Alliance Of Sustainable Investment (CASI)	Member
CDP	Investor Member and Signatory
Ceres	Member
Chinese Climate Engagement Initiative (CCEI)	Founding Member
Climate Action 100+	Individual Engager
COLCAPITAL, a Colombian PE association	Member
Council of Institutional Investors (CII)	Member, Member of Corporate Governance Advisory Council
Emerging Markets Investor Alliance	Member
European Fund and Asset Management Association (EFAMA)	Member, Member of the ESG and Stewardship Committee
ESG Data Convergence Initiative (EDCI)	Member
Farm Animal Investment Risk and Return (FAIRR)	Member
Global Impact Investing Network (GIIN)	Member
Global Real Estate Engagement Network (GREEN)	Member
Global Real Estate Sustainability Benchmark (GRESB)	Member
Gulf Capital Market Association	Member
Green Investment Principles for the Belt and Road Initiative (GIP)	Member
Harvard Business School Impact-Weighted Accounts Project	Practitioner Council Member

Organisation/Initiative	Our Role
Impact Management Project	Advisor
Initiative Climat International (iCI)	Member
Institute of International Finance (IIF)	Member
Institutional Investors Group on Climate Change (IIGCC)	Member, Member of Bondholder Stewardship Working Group
Investment Company Institute (ICI)	Member, Board of Directors, ESG Advisory Group, Member of ESG Taskforce
Institutional Limited Partners Association ILPA Diversity in Action	Member
Insurance Asset Management Membership Association of China (IAMAC)	Member
Interfaith Center on Corporate Responsibility (ICCR)	Member
International Financial Reporting Standards IFRS Sustainability Alliance	Founding Member, Corporate Engagement Working Group Member, APAC Working Group Member, Participant in Standards Advisory Groups ("SAG"), Member of the ISSB Investor Advisory Group ("IIAG") (formerly, the SASB Investor Advisory Group)
Invest Europe	Member
Investment Adviser Association (IAA)	Member
Investment Management Association of Singapore (IMAS)	Member
Investment Association (IA)	Member of Stewardship Committee and Climate Change, Working Group
Irish Association of Investment Managers (IAIM)	Member
Irish Funds	Member, ESG Data Reporting Working Group
Japan Investment Advisory Association (JIAA)	Member
Japan Investment Trust Association	Member
Japan Stewardship Code	Signatory
Korea Financial Investment Association (KOFIA)	Member
Latin American Venture Capital Association (LAVCA)	Member
Loan Syndications and Trading Association (LSTA) Integrated Disclosure Project IDP	Member
Net Zero Asset Managers Initiative (NZAMI)	Signatory
Operating Principles for Impact Management	Signatory
Oxford University Initiative on Rethinking Performance	Partner
Securities Industry and Financial Markets Association (SIFMA)	Member
Securities Investment Trust & Consulting Association (SITCA)	Member
Shanghai Asset Management Association	Member
Swiss Private Equity & Corporate Finance Association (SECA)	Member
Swiss Sustainable Finance Association	Member
Task Force on Climate Related Financial Disclosures (TCFD)	Supporter
TCFD Japan Consortium	Member, Green Investment Guidance (GIG) Supporter
Transition Pathway Initiative (TPI)	Research Funding Partner
UK Sustainable Investment and Finance Association (UKSIF)	Member
UN Global Compact	Signatory
United Nations Principles for Responsible Investment (UN PRI)	Signatory Member of Corporate Reference Reporting Group ("RPRG"), Global Policy Reference Group ("GPRG"), and Sovereign Debt Advisory Committee
US SIF – The Forum for Sustainable and Responsible Investment	Member, Board of Directors
Workforce Disclosure Initiative WDI	Signatory
World Benchmarking Alliance	Member
30% Club Japan Investor Group	Member, Board of Directors

While we support many highly impactful groups and initiatives, each year, we seek to particularly focus our efforts where we feel our leadership can make a unique and significant difference. Below are examples from 2024:

Emerging Markets Investors Alliance (EMIA): In 2023, Neuberger Berman joined EMIA. EMIA is an organisation that empowers institutional emerging market investors to support good governance, promote sustainable development, and enhance investment performance in the governments and companies they invest in. Established in 2015, EMIA began by organising educational events on emerging market governance issues in 2010. It now offers a broad range of governance and sustainability topics, educational events, and research for investors. EMIA also enables investors to become effective advocates for good governance and sustainability in emerging markets.

UN PRI: Neuberger Berman continued to actively contribute to the PRI's work by participating in its Global Policy Reference Group (GPRG), where we share expertise and insights on ongoing policy and regulatory issues. In addition, as members of the Investor Reference Group on Corporate Reporting (RPRG), we shared our views regarding stewardship practices in private equity and emerging reporting frameworks on ESG-related data, including the ISSB global baseline and the EU's Corporate Sustainability Reporting Directive (CSRD). Additionally, as members of the Sovereign Debt Advisory Committee, we contributed to the PRI's recent report titled "Considering climate change in sovereign debt." The report covers emerging topics in climate considerations for sovereign debt investors and provides engagement prompts, case studies and data sources.

Investment Association (IA): Throughout 2024, Neuberger Berman was an active member of the IA's Stewardship Committee, which seeks to promote and enhance asset managers' role as long-term responsible investors on a wide range of material risks and ESG issues while supporting a coherent regulatory environment for stewardship and corporate governance. We are also members of the IA's Climate Change Working Group, which brings together expert members to develop and propose industry positions and recommendations in relation to climate change.

Global Real Estate Engagement Network (GREEN): In 2022, we joined GREEN, a network of asset owners and asset managers representing approximately €2 trillion of assets under management. The network focuses on climate risk within the real estate investment trust ("REIT") sector. Since joining, Neuberger Berman has led engagements with select REIT companies.

Institutional Investors Group on Climate Change (IIGCC): Neuberger Berman is a member of IIGCC, a leading global investor membership body and the largest in Europe focusing specifically on climate change. Through our IIGCC membership, we support and help shape the public policies, corporate action and investment practice required to address financially material climate risks. In 2024, Neuberger Berman continued to serve as an active member of the Bondholder Stewardship Working Group. The working group—comprising nine core member investors representing £2.66 trillion assets under management and a mixture of asset owners and asset managers—aims to support bondholders' influence by engaging with companies to address the material risks and opportunities associated with climate change.

ESG Data Convergence Initiative: In 2022, Neuberger Berman Private Equity[17] became a signatory to the ESG Data Convergence Initiative, an industry collaboration representing over 500 limited partners and general partners (GPs) as of 2025, which seeks to standardise ESG metrics and provide a mechanism for comparative reporting for the private market industry. Neuberger Berman Private Equity requests the standard set of ESG metrics from GPs and their portfolio companies on an annual basis.

International Sustainability Standards Board's (ISSB) Investor Advisory Group (IIAG): As a member of the IIAG, we support the ISSB in developing the global baseline for sustainability reporting by providing feedback on the technical and practical aspects of the standards from an investor point of view. By responding to public consultations and surveys launched by the ISSB, we have supported the ISSB's focus on financial materiality and the ability it provides for jurisdictions to go beyond the baseline through building blocks.

Interfaith Center on Corporate Responsibility (ICCR): We have been a member of ICCR for several decades. Each year, ICCR members conduct roughly 300 dialogues with over 200 companies on a wide range of issues. As members of ICCR, our investment teams are able to participate in various working groups focused on topical issues such as the just transition, methane emissions, and equitable global supply chains, which convene stakeholders to discuss key considerations to assess and address the relevant issue.

Transition Pathway Initiative (TPI): Neuberger Berman is a Research Funding Partner of the TPI, which is a global asset-owner-led initiative that assesses companies' preparedness for the transition to a low carbon economy by encouraging companies to set practical targets and increase disclosure. Our support has helped the TPI team to broaden coverage and continue making their important analysis a public good. We have incorporated this analysis into some of our proprietary ratings and will continue to leverage this tool in our investment processes.

UN Global Compact: 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. In 2024, Neuberger Berman submitted its sixth Communication on Progress (COP), demonstrating Neuberger Berman's commitment to implement the Ten Principles, and qualified for the Global Compact Advanced Level 1.

[17] "Neuberger Berman Private Equity" refers to Neuberger Berman's Private Equity Investment Portfolios and Co-investment Platform.

Asian Corporate Governance Association (ACGA): Our Portfolio Manager of Japanese Equities assumed the role of the Chair of the Japan Working Group ("JWG") of the ACGA in 2021. The Group consists of over 100 asset owners and managers with a combined assets under management of US$40 trillion and aims to support the improvement of corporate governance across companies in Japan. The role of the Chair involves managing the Group's mid-term strategy, which includes collaborative engagements with key institutions in Japan's investment chain, including companies, and in the future, with regulators and industry associations. The Chair also supports ACGA's thought leadership initiatives such as publishing open letters and white papers on key issues related to Japan's corporate governance.

Advocacy and Public Policy Engagement

As mentioned in Principle 4, we recognise that policymakers play a crucial role in maintaining and enhancing the sustainability and stability of financial markets. We proactively comment on policy and regulatory topics ranging from sustainability-related disclosures to the global alignment of reporting requirements through formal letters to financial regulators, responses to policy consultations, and participation in industry-wide working groups and collaborative efforts, like the PRI's Global Policy Reference Group. Given policymakers play an important role in increasing transparency for investors and shareholders as well as reducing greenwashing, we proactively engage with them on the key jurisdictions in which we invest and operate.

We have recently engaged on policy discussions and consultations impacting asset managers, our clients and investee companies, including:

- The European Commission public consultation on the Level 1 review of the Sustainable Finance Disclosure Regulation (SFDR) to support the enhancement of the current regime through streamlined disclosures and, potentially, the introduction of voluntary labels;
- The International Sustainability Standards Board (ISSB) consultation to express our support for the use of the IFRS Sustainability Disclosure Standards as a global baseline, as well as a separate survey regarding the ISSB's next priorities;
- The Taskforce for Nature-related Financial Disclosures (TNFD) Disclosure Framework to highlight the challenges and opportunities of nature-related reporting for financial institutions;
- The UK Financial Conduct Authority's (FCA) consultation paper on its Sustainability Disclosure Requirements (SDR), introducing a disclosures, naming, labelling and marketing regime.

We also find it valuable to be an active member in key industry groups to debate and share our practitioner views on emerging policy issues, including the Investment Association's Stewardship Committee. In addition, we are members of the Investment Company Institute (ICI), the Securities Industry and Financial Markets Association (SIFMA), the Investment Association (IA), the European Fund and Asset Management Association (EFAMA), the UK Sustainable Investment and Finance Association (UKSIF), and other groups that actively contribute to policy and regulatory discussions. On an annual basis, our SSI Committee reviews the membership organisations we belong to ensure our memberships do not conflict with our SSI Policy. Where we believe our views on a particular policy topic diverge from those of our membership bodies, we may consider engaging with such organisation to bring our views to the table, and/or publishing our individual position.

Collaborative Engagement Case Studies

While most of our engagements are conducted independently, we believe collaborative engagements can be a helpful tool in achieving outcomes. We collaborate with several organisations and initiatives, especially where we feel our leadership can make a significant contribution. Below we provide examples of collaborative engagements Neuberger Berman has undertaken.

COLLABORATIVE ENGAGEMENT CASE STUDY
ACGA JAPAN WORKING GROUP

CROSS-SHAREHOLDINGS	GOVERNANCE	ONGOING
ISSUE	CATEGORY	STATUS

Background

The Asian Corporate Governance Association (ACGA) consists of over 100 asset owners and managers with combined assets under management of US$40 trillion; its Japan Working Group (JWG) of approximately 30 asset owners and managers aims to support the improvement of corporate governance at companies across Japan.

Scope and Process

Our Portfolio Manager of Japanese Equities assumed the role of the Chair of JWG of the ACGA in 2021. The role of the Chair involves managing the Group's mid-term strategy, which includes collaborative engagements with key institutions in Japan's investment chain, including companies, regulators and industry associations as well as thought leadership initiatives and advocacy work.

In April 2024, ACGA published an open letter on strategic shareholdings in Japan which underscored the need to accelerate the reduction of strategic investments in corporate Japan. These strategic shareholdings often referred to as cross-shareholdings can hinder capital efficiency, governance, and competition. The letter outlines recommendations for policy reform, enhanced disclosure, and governance oversight, to support long-term corporate value and economic growth.

Outcomes and Outlook

Ultimately, over 25 global asset managers and owners co-signed the letter. Cross-shareholding remains an important topic for the Japanese market and one that we continue to engage on with our portfolio companies.

COLLABORATIVE ENGAGEMENT CASE STUDY
IIGCC BONDHOLDER STEWARDSHIP WORKING GROUP

CLIMATE CHANGE	ENVIRONMENTAL	ONGOING
ISSUE	CATEGORY	STATUS

Background

Neuberger Berman is a member of the Institutional Investors Group on Climate Change (IIGCC), a leading global investor membership body and the largest in Europe focusing specifically on climate change. Through our IIGCC membership, we support and help shape the public policies, corporate action and investment practice required to address financially material climate risks. In 2022, Neuberger Berman became an active member of the Bondholder Stewardship Working Group.

Scope and Process

The working group aims to support bondholders' influence by providing a forum for participants to discuss best practices and effective approaches to engagement strategy. The working group convenes monthly to discuss key objectives, including bondholder engagement tools and financing structures and frameworks for new issuance. In January 2024, we were appointed co-Chair of this group.

Outcomes and Outlook

As part of the working group, in 2023, Neuberger Berman contributed to IIGCC's report "A Critical Element: NetZero Bondholder Stewardship Guidance – Engaging with Corporate Debt Issuers," which provides a six-step toolkit for bondholders to enhance their climate stewardship practices. Building on this, in 2024, we contributed to two key papers: "Engaging Labelled Debt Guidance" and "Net Zero Bondholder Stewardship: The Potential for Unlabeled Debt Discussion"first addresses inefficiencies in labelled debt markets, offering best practices for engagement and showcasing our proprietary labelled bond checklist, which evaluates bonds beyond their labels by assessing the sustainability credentials of issuers. The second advocates for engaging general-purpose bond issuers to improve transparency and integrate net-zero factors, as well as leveraging regulatory frameworks like CSRD, TCFD and the EU taxonomy, to align capital to company net-zero commitments. These contributions highlight our dedication to providing actionable solutions for investors seeking alignment with climate goals.

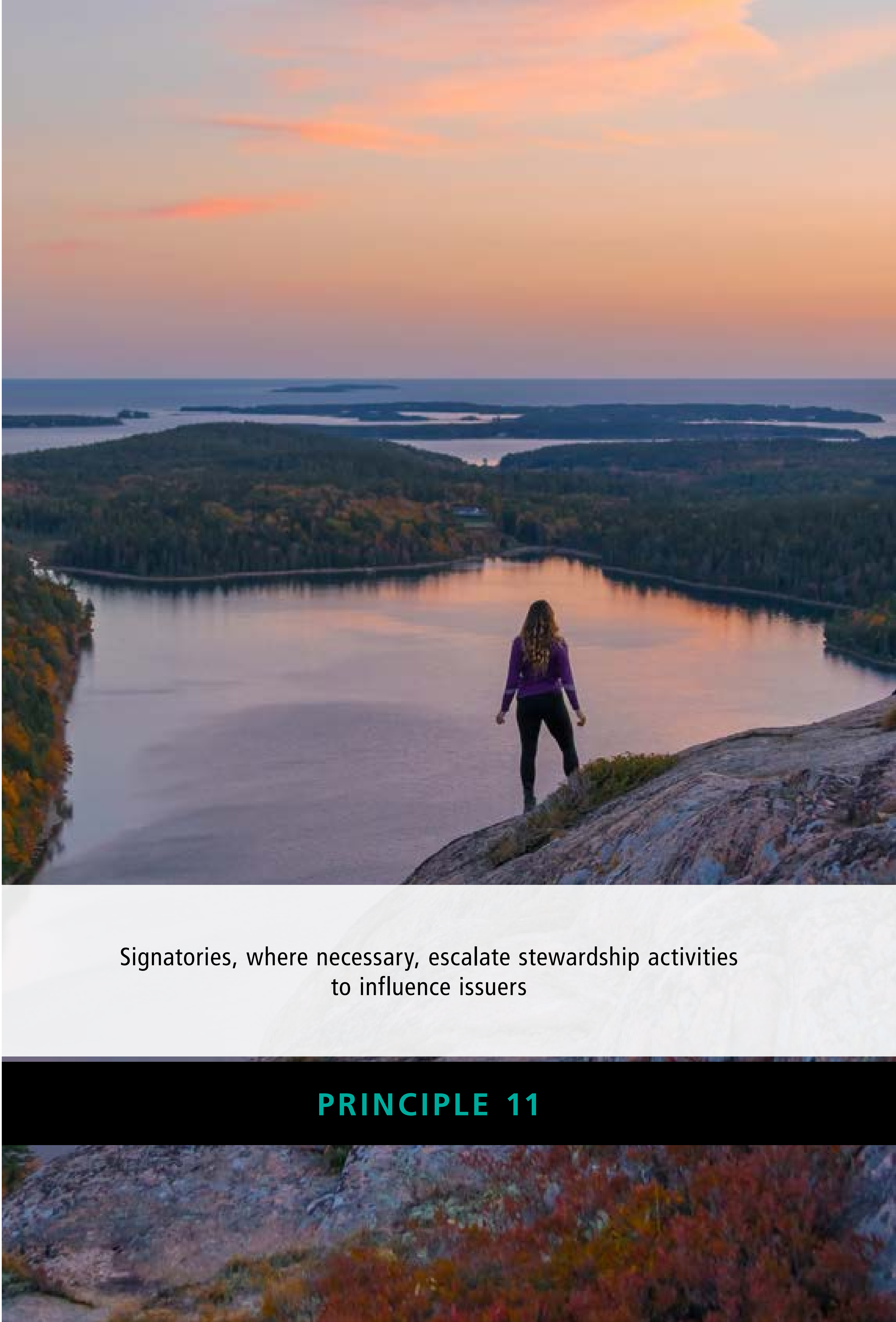
COLLABORATIVE ENGAGEMENT CASE STUDY
GP ENGAGEMENT WEBINAR

ESG DISCLOSURES AND PRACTICES	ENVIRONMENTAL, SOCIAL AND GOVERNANCE	ONGOING
ISSUE	CATEGORY	STATUS

Background
Neuberger Berman Private Equity engages with clients and private equity managers to share environmental, social, governance integration best practices. In 2024, Neuberger Berman Private Equity hosted a webinar discussing the importance of data and research on how environmental and social factors can link to performance for private equity general partners ("GPs").

Scope and Progress
The webinar was a fireside chat with Dr. George Serafeim, professor at Harvard Business School and Neuberger Berman Stewardship & Sustainable Investing Advisory Council member. Topics of discussion included Dr. Serafeim's research on climate technologies and solutions, impact-weighted accounts, and key takeaways from Dr. Serafeim's book, "Purpose and Profit: How Business Can Lift Up the World."

Outcomes and Outlook
Neuberger Berman Private Equity continues to engage with industry stakeholders and advisory groups. We continue to seek to share best practices with general partners on the current state of the market.



Signatories, where necessary, escalate stewardship activities to influence issuers

PRINCIPLE 11

ESCALATION OF STEWARDSHIP ACTIVITIES

While the overwhelming majority of our engagement is done in collaboration with companies and their management teams, we strongly believe that the exercise of shareholder rights prescribed in regulations and company bylaws is part of our responsibility in the pursuit of value creation and the protection of our clients' investments. The issues we focus on are guided by the Governance and Engagement Principles described in Principle 9. We believe escalation should not be a top-down dictated approach, but rather investment-driven, taking into consideration matters such as investment objectives, issuer-specific circumstances and our history of engagement.

Where a company does not respond to our concerns or our concerns have not been sufficiently addressed, we may take escalated action such as:

- Withholding support from directors, opposing a management proposal or supporting a shareholder proposal at annual general meetings
- Engaging with the board of directors
- Sending letters to the board of directors
- Visiting company sites
- Joining a collaborative initiative
- Making our concerns public or pre-disclosing voting intentions
- Submitting a shareholder proposal
- Nominating new director candidates to the board
- Reducing exposure
- Withholding or ceasing investment in the company

Our general approach to escalation is applicable across geographies and asset classes. The escalation tools leveraged will depend on the rights available to us and the circumstances in question. Importantly, escalation methods are not exclusive and, when an escalation method is utilised, we continue to seek to drive change through private one-on-one engagements. Some examples of our escalation in engagements are included below.

CASE STUDY: ELIMINATING A PROBLEMATIC SHARE STRUCTURE

COMPANY
LIONS GATE ENTERTAINMENT CORP

ISSUE
GOVERNANCE

FORMS OF ESCALATION
FILED SHAREHOLDER PROPOSAL, LETTER TO THE BOARD, MULTIPLE ENGAGEMENTS WITH THE BOARD

STATUS
IN PROGRESS

As a firm believer in strong corporate governance, we advocate for companies to maintain voting structures that entitle all shareholders to one vote per share, and have been encouraged by the increasing number of companies shifting away from these legacy multi-class structures to single class shares structures. With the announced spin-off of Lions Gate's studio business, we encouraged the company to adopt a "one share, one vote" policy so that both resulting companies would have governance structures that align the voting and economic interests of all shareholders. Further, we found the company's dual-class share structure to be inconsistent with market practice, and believed it to impair value: At the time we made the proposal, the company's Class B shares traded at a forward Enterprise Value to EBITDA multiple that was less than the average of its selected peers. We believed that the discount was driven in part by the dual-class structure, which dampened trading liquidity, complicated the capital structure and gave certain shareholders outsized influence.

We communicated our concerns to the company via engagement and a written letter to the board. Lack of responsiveness from the company compelled us to submit a shareholder proposal calling for the collapse of the dual-class share structure, a stance ultimately supported by a majority of shareholders.

Since the shareholder proposal vote, the board has committed to collapse the dual-class structure.

CASE STUDY: PROBLEMATIC CROSS-SHAREHOLDINGS

COMPANY
KEISEI ELECTRIC RAILWAY

ISSUE
CAPITAL MANAGEMENT

FORMS OF ESCALATION
LETTER TO THE BOARD, VOTING ACTION, PUBLISHING VIEWS

STATUS
ONGOING

Due to the Company's lack of transparency regarding its plans to further reduce its ownership in The Oriental Land Company ("OLC") and to use those proceeds to grow corporate value, we determined that the shareholder proposal requesting the company provide more disclosure on its management of investment securities warranted support as its implementation would both increase transparency of the Company's capital management strategy and improve the Company's capital efficiency and sustainable growth as these proceeds can be used to either reinvest for growth opportunities or be redistributed to shareholders. As part of our engagement, we sent a letter to the board sharing our concerns and published our views on the proposal.

CASE STUDY: INFLUENCING BOARD CHANGES

COMPANY
ASHLAND GLOBAL HOLDINGS INC.

ISSUE
GOVERNANCE

FORMS OF ESCALATION
NOMINATING NEW DIRECTORS TO THE BOARD

STATUS
COMPLETED

While we didn't engage in a proxy contest in 2021, we have previously escalated our engagements to that level. For example, in 2019, we reached an agreement with Ashland Global Holdings Inc. to enhance its governance, increase board-level oversight of capital allocation decisions and more closely tie executive compensation to returns. The agreement called for the addition of a total of three new independent directors: one already included among the management-side slate of nominees and two additional yet-to-be-named board members that would be jointly agreed upon.

We pursued this action due to concerns about capital allocation decisions pertaining to Ashland's 2017 purchase of a nutraceutical ingredients producer. We felt the purchase was inconsistent with its stated goal of moving toward a less complex business. In late 2018, an activist investor initiated a proxy fight, calling for the replacement of four directors. Although we had voiced concerns privately with Ashland in the past, the new proposals caused a shift in our approach. In our view, a protracted proxy fight could prove distracting and lead to a suboptimal outcome. Moreover, we doubted that the company's investor base would agree to install the dissident slate of nominees. Consequently, we proposed a separate agreement with Ashland that we felt could lead to better results for all stakeholders.

As a result, the activist investor dropped its proxy battle and signed the agreement as part of its own settlement with the company. Continuing our past practice, we have maintained a dialogue with the company on multiple issues.

CASE STUDY: ENVIRONMENTAL MANAGEMENT AND CAPITAL STRUCTURE

COMPANY
THAMES WATER

ISSUE
ENVIRONMENTAL AND GOVERNANCE

FORMS OF ESCALATION
DIVESTMENT

STATUS
COMPLETED

Thames Water, the UK's largest water and wastewater company, faced mounting political, regulatory, and environmental risks, including increasing sewage discharges and pollution incidents due to aging infrastructure. We engaged with Thames to discuss its wastewater discharge, storm overflow impacts, turnaround strategy, and recapitalisation plan.

The company provided updates on the Thames Tideway Tunnel, a major infrastructure project intended to reduce sewage discharge volume and duration. Thames also launched a live storm discharge map, the first of its kind in the sector, which reports real-time overflow data and has since influenced broader regulatory transparency standards.

We also engaged on the company's need for a recapitalization strategy to address its significant increase in capital investments to turnaround its operations. Thames' capital structure lacked a credible recapitalisation plan, with weak shareholder commitment to provide equity.

Despite the additional information on the environmental initiatives and infrastructure progress, we believed the company's capital structure and impaired access to capital limited its ability to make operational improvements and address these risks. The lack of progress on its re-equitization meant it still lagged peers on environmental performance. Persistent concerns around environmental risk management and capital structure led us to reduce our exposure and ultimately exit the investment.

CASE STUDY: BUSINESS STRATEGY AMIDST CHANGING SECULAR TRENDS

COMPANY
MULTIPLAN

FORMS OF ESCALATION
DIVESTMENT

ISSUE
GOVERNANCE

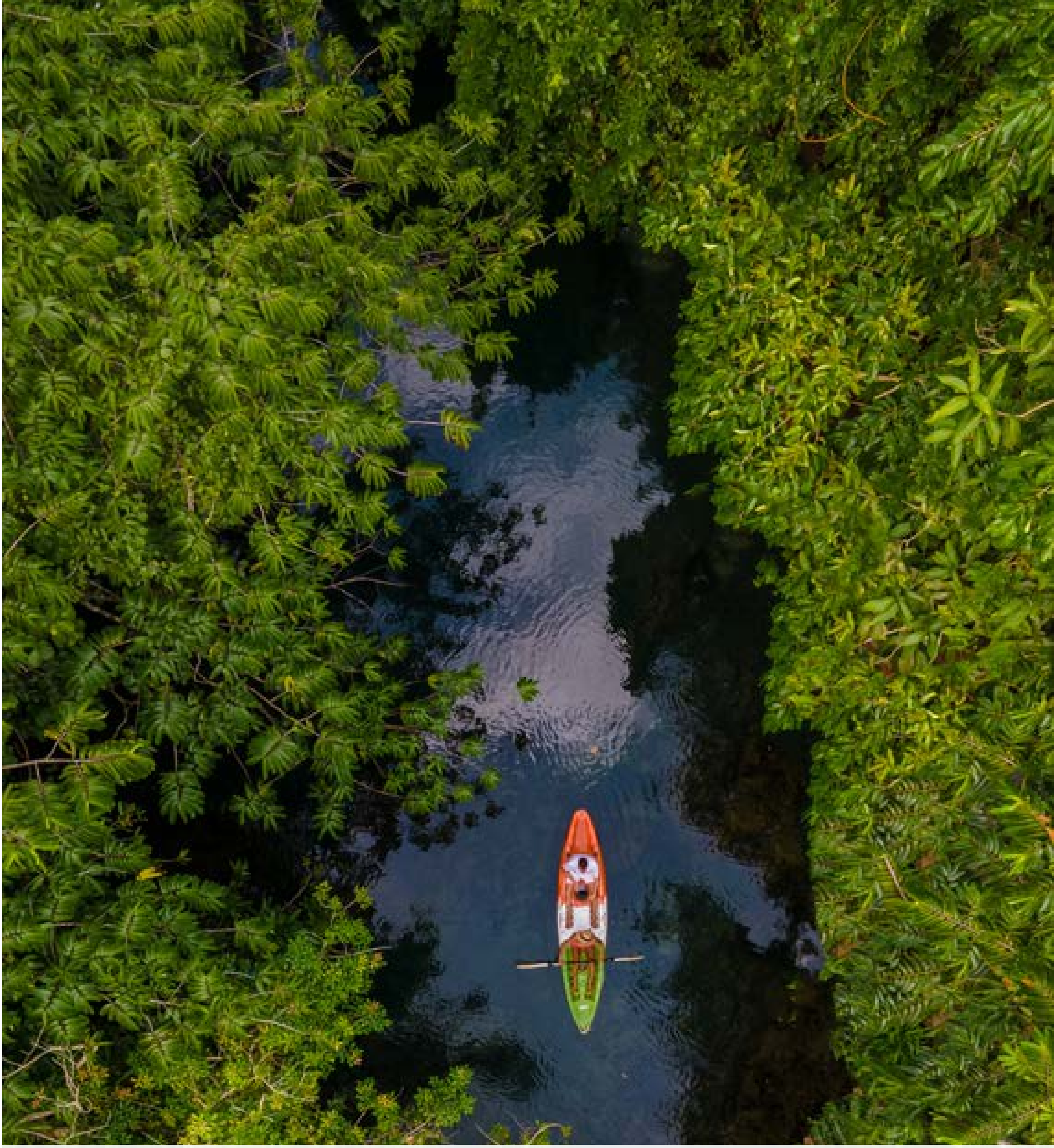
STATUS
COMPLETED

Multiplan is a healthcare services company that works with insurance payors to lower costs of care and increase competitiveness, utilizing an extensive proprietary medical data library to reprice out-of-network medical claims. MLTPLN earns the majority of its revenue by collecting a percentage of the savings it generates for customers.

We identified regulatory and social pressure related to out-of-network healthcare, signaling secular trends towards greater in-network and value-based care models. We engaged with MLTPLN to express concerns about the core business being unfavorably exposed to these structural shifts, and how MLTPLN would address these risks.

We discussed MLTPLN's competitive positioning amid the move toward increased in-network healthcare spending, which we expected to drive volumes away from the company. We also engaged with MLTPLN on its strategy to reposition the business in light of these policy concerns and changing competitive landscape. MLTPLN was unable to provide transparency on the impact of secular headwinds on deteriorating earnings performance, customer attrition, and volume losses. Further, the company was unable to communicate a credible strategy to pivot the business, and did not meet stated timelines and objectives for addressing these challenges.

Due to the evolving competitive and policy landscapes, and the company's lack of transparency on the business decline and strategic direction, we determined the risks of continuing to invest outweighed the potential benefits. Ultimately, we exited our position. Following our divestment, the credit underwent a liability management exercise.



Signatories actively exercise their rights and responsibilities

PRINCIPLE 12

OUR RIGHTS AND RESPONSIBILITIES AS AN INVESTOR

Listed Equities: Our Voting Approach

We believe that proxy voting is an integral aspect of active investment management. Many of our clients entrust us with the responsibility of proxy voting on their behalf, and we take that responsibility seriously. Accordingly, we believe proxy voting must be conducted with the same degree of prudence and loyalty accorded any fiduciary or other obligation of an investment manager.

Neuberger Berman has developed custom Proxy Voting Guidelines that comprehensively lay out our voting positions, including the potential financial impact on a company from corporate governance, environmental and social issues. In our voting activities across all geographies, we consider the Proxy Voting Guidelines as well as region-specific best practices where as well as region-specific best practices where appropriate. For example, in Japan we have a voting. For example, in Japan we have a voting guideline on cross-sharing given the prevalence of the practice in the market. The Proxy Voting Guidelines are updated as deemed appropriate and reviewed at least on an annual basis. Additionally, our Proxy Voting Policies and Procedures (together with the Proxy Voting Guidelines) detail the governance of our process that is 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. In 2022, we began publishing a Summary of Material Changes when significant updates were made to our Proxy Voting Guidelines, and continued this practice in 2024. In 2023, we also published a separate set of voting guidelines for investment companies. While we provide our views on general voting matters in our Governance and Proxy Voting Guidelines, we recognise that investment companies such as mutual funds, closed-end funds and ETFs present different issues and considerations for investors than operating companies. As a result, we believe creating a separate set of guidelines that outlines our general approach to common voting matters at investment company shareholder meetings provides improved clarity on our approach. These documents are available on our website and dedicated proxy voting webpage.our Proxy Voting Policies and Procedures (together with the Proxy Voting Guidelines) detail the governance of our process that is 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. In 2022, we began publishing a Summary of Material Changes when significant updates were made to our Proxy Voting Guidelines, and continued this practice in 2024. In 2023, we also published a separate set of voting guidelines for investment companies. While we provide our views on general voting matters in our Proxy Voting Guidelines, we recognise that investment companies such as mutual funds, closed-end funds and ETFs present different issues and considerations for investors than operating companies. As a result, we believe creating a separate set of guidelines that outlines our general approach to common voting matters at investment company shareholder meetings provides improved clarity on our approach. These documents are available on our website and dedicated proxy voting webpage.

Neuberger Berman seeks to vote all shares under its authority so long as that action is not in conflict with client instructions. In 2024, on a global basis, we voted at over 5,000 meetings, which represents 99% of the total meetings in which we were eligible to vote. Unvoted meetings were typically due to cases where Neuberger Berman determined voting would not be in clients' best interests for reasons such as the presence of share-blocking requirements, meetings in which voting would entail additional costs, or where Powers of Attorney were missing or late. Neuberger Berman understands that it must weigh the costs and benefits of voting proxy proposals relating to 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. 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.

As discussed in last year's report, in 2024, we enhanced our disclosure on our process of evaluating shareholder proposals. We believe this additional disclosure provides more insight on our general analysis approach for our clients and portfolio companies.

Approach to Client-Directed Voting

As part of our proxy voting procedures, for clients for whom we manage a segregated account, if a client provides voting instructions on a specific matter, we will vote their shares consistent with those instructions, whether or not they differ from Neuberger Berman's custom Proxy Voting Guidelines. These clients may also opt to retain voting authority or adopt a bespoke voting policy. We are evaluating third-party providers to enable client-directed voting for clients invested in pooled accounts. In the event that a portfolio manager or other investment professional at Neuberger Berman believes that it is in the best interest of a client or clients to vote proxies other than as provided in our Proxy Voting Guidelines, the portfolio manager or other investment professional will submit in writing to the Proxy Committee the basis for his or her recommendation. The Proxy Committee will review this recommendation in the context of the specific circumstances of the proxy vote being considered and with the intention of voting in the best interest of our clients.

Monitoring Our Voting Rights

As part of the account set-up process, we partner with custodians and our proxy voting service provider to ensure that we will receive ballots for all shares we are eligible to vote. We provide a list of our holdings to our proxy voting service provider on a daily basis to be used in a ballot reconciliation process to ensure that expected ballots have been received. Any discrepancies are addressed with the appropriate custodians or ballot distributors and internal teams.

Securities Lending

Some Neuberger Berman products or client accounts where we have authority and responsibility to vote the proxies may participate in a securities lending program that we administer. We maintain thresholds on the amount of shares permitted to be lent per stock and per fund, and retain a portion of shares in each votable stock to be able to vote. Where a security is currently on loan ahead of a shareholder meeting, we will generally attempt to terminate the loan in time to vote those shares. Where a security that is potentially subject to being loaned is eligible to be voted in a stockholder meeting, a portfolio manager may restrict the security from lending. We maintain the list of securities restricted from lending and receive daily updates on upcoming proxy events from the custodian. We may also restrict shares from being lent if we are leading a collaborative engagement effort with the issuer. As of December 31, 2024, our lent securities through our mutual funds securities lending program at the time of the potential proxy event represented less than 0.6% of our votable shares.

Disclosing Our Votes

Recognising the importance of transparency in our voting activities, in addition to providing our Proxy Voting Guidelines and Procedures via our website, we publicly disclose all voting records of our registered UCITS funds here. In addition to disclosing our vote records, we disclose our rationale for any items voted in opposition to management. Neuberger Berman cannot publicly disclose vote-level records for separate accounts without the express permission of the client; however, we publicly disclose aggregate reporting on at least an annual basis for all votes cast across comingled and separate accounts.

As discussed below and in Principle 1, we launched the NB Votes advance proxy vote disclosure initiative in 2020 to regularly disclose our positions to the public and explain our voting rationale and intentions at select shareholder meetings. NB Votes presents an opportunity to communicate our expectations on a variety of topics and to demonstrate the nuanced judgement that goes into voting decisions. It improves the overall transparency on our approach to proxy voting, which is an area of interest to clients, as well as to companies, regulators and market participants more broadly. We disclosed our vote intention and rationale in advance of 39 meetings in 2024.

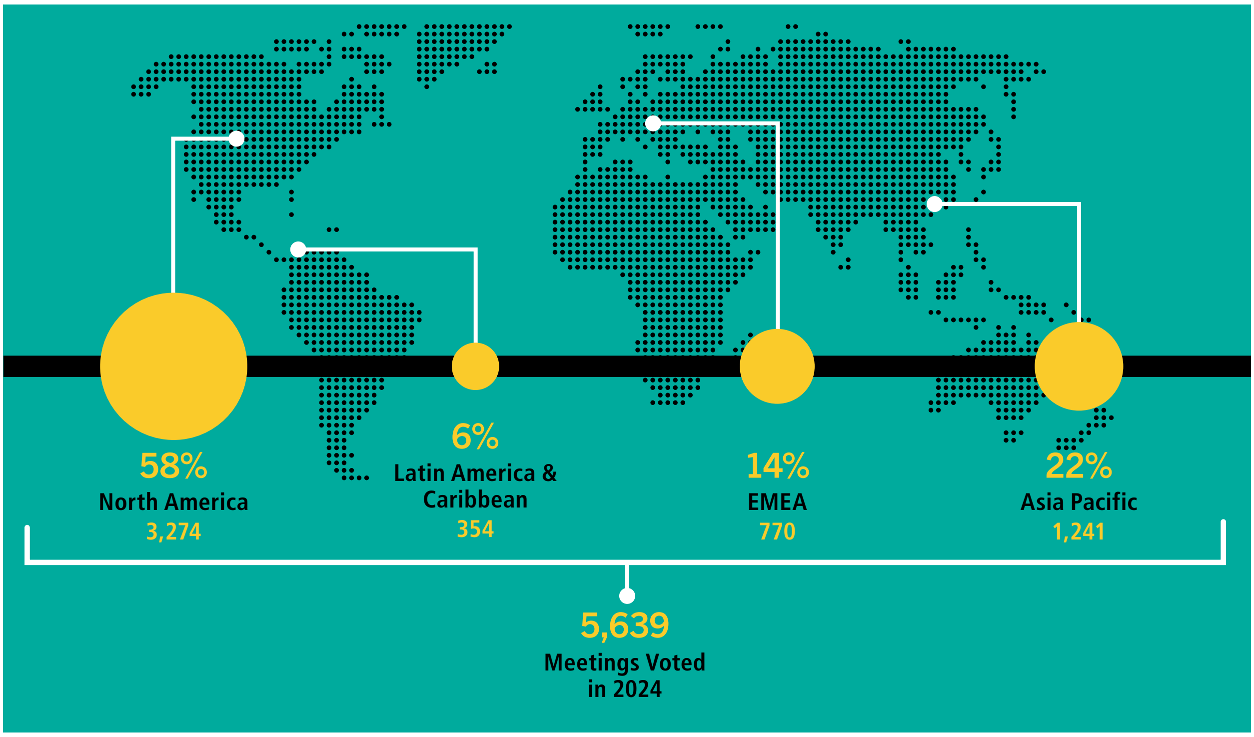
Oversight of Proxy Voting Activities

Neuberger Berman has designated a Proxy Committee with the responsibility for: (1) developing, authorising, implementing and updating our policies and procedures; (2) administering and overseeing governance and proxy voting processes; and (3) engaging and overseeing any third-party vendors as voting delegates to review and monitor proxies and/or apply our Proxy Voting Guidelines. The application of our Proxy Voting Guidelines is audited on a quarterly basis to ensure accuracy. Further, our internal audit team audits our . The application of our Proxy Voting Guidelines is audited on a quarterly basis to ensure accuracy. Further, our internal audit team audits our Proxy Voting Policies and Procedures in an effort to ensure their soundness and identify opportunities for improvement. This is set forth in more detail in Principle 5.

Neuberger Berman has engaged Glass Lewis as its proxy voting service provider to: (1) provide research on proxy matters; (2) in a timely manner, notify us of and provide additional solicitation materials made available reasonably in advance of a vote deadline; (3) vote proxies in accordance with the Proxy Voting Guidelines or as otherwise instructed, and submit such proxies in a timely manner; (4) handle other administrative functions of proxy voting; (5) maintain records of proxy statements and other solicitation materials received in connection with proxy votes, and provide copies of such proxy statements and other solicitation materials promptly upon request; and (6) maintain records of votes cast. While we utilise research from proxy advisors, Glass Lewis and ISS as supplementary data to help inform our analysis, our voting decisions are determined by the Proxy Voting Guidelines and our proprietary research.

OUR APPROACH TO VOTING IN PRACTICE

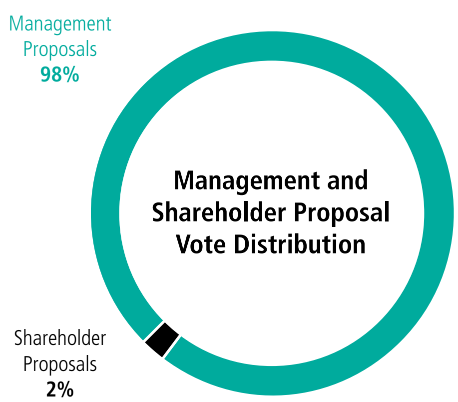
REGIONAL REPRESENTATION OF MEETINGS VOTED IN 2024

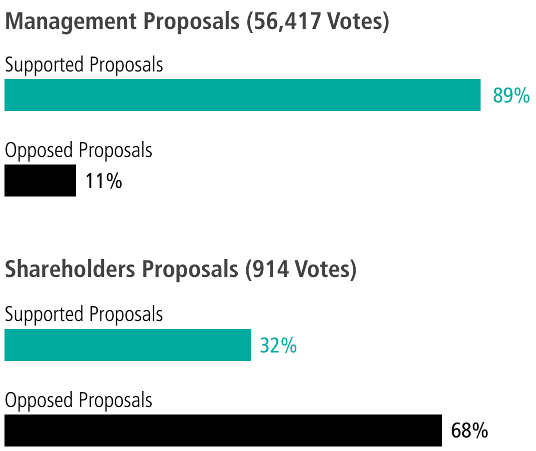


Voting Statistics

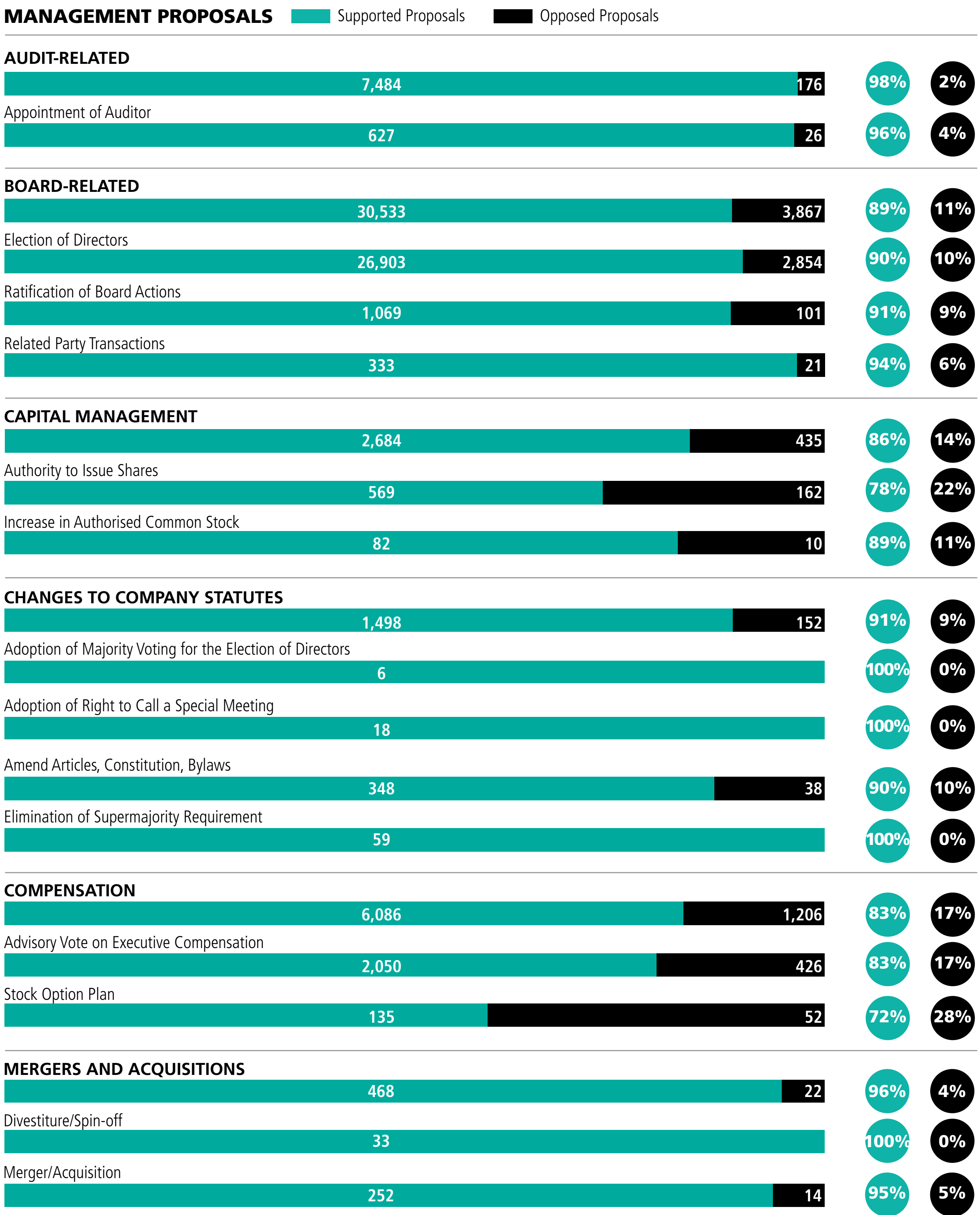
In our consideration of voting decisions, we always look to balance the expectation that we set a high bar for board effectiveness while acknowledging the information asymmetry between shareholders and company management. This means that we must, at times, begin with the assumption that management and the board are carrying out their duties faithfully; however, it does not mean that we are shy about voicing our concerns through engagement and voting. We feel it is important to reiterate that our public voting policy, and not deference to management, is always our default position.

MANAGEMENT AND SHAREHOLDER PROPOSAL VOTE DISTRIBUTION FOR 2024





In 2024, our investment teams voted at over 5,000 meetings globally. At meetings voted, proposals put forth by management comprised the vast majority at 98% of proposals with shareholder proposals comprising the remaining 2%. We find ourselves opposing many proposals that are either unclear in their alignment with shareholder interests or at odds with our judgement of the best course for the company. This is reflected in both the 11% of management proposals and the 68% of shareholder proposals we opposed. We opposed management on at least one ballot item at 47% of meetings in 2024. Some of the main areas of opposition for management proposals involved concerns with the structure of executive compensation plans, the adoption of director and officer liability or indemnification clauses, or the capital management practices of a company. Main drivers for opposing management recommendations on shareholder proposals were related to the election of dissident nominees, the separation of chair and CEO, improved governance practices, and disclosure of financially material political spending or lobbying practices. In this section, we provide our voting record on common proposal categories, and highlight a selection of votes that we deemed notable from 2024.



Source: Neuberger Berman. Data for the calendar year 2024.

The table above profiles broad categories and select examples of our voting activity on management proposals in 2024. Each case is unique, but the high-level picture reflects our views on issues such as director elections, share issuances and executive remuneration, and how often those proposals met our expectations. The particular positions that led to our opposition on these issues are articulated in our Proxy Voting Guidelines, but are most commonly a reflection of concerns on the clarity of disclosure, board composition, the structure of executive compensation plan, the adoption of director and officer liability or indemnification clauses, or capital management practices of a company.

Key Management Proposal Votes in 2024

Below we provide examples of key management proposals to illustrate the factors considered and rationales that underpinned our vote decisions.

NORFOLK SOUTHERN CORPORATION

MEETING DATE: May 2, 2024
PROPOSAL: Elect Dissident Nominees

OUR VOTE: FOR
VOTE RESULT:

OUR RATIONALE: Norfolk Southern Corporation's recent relative operating ratio underperformance and derailments heightened concerns regarding operational efficiency, strategy, and safety and service. Given limited research and development or the introduction of new products in the rail industry, we believe a strong management team that is capable of driving consistent operational performance is that much more critical to both customer satisfaction and stock performance success. For these reasons, we supported the election of dissident nominees Betsy Atkins, James Barber, Jr., William Clyburn, Jr., Sameh Fahmy, John Kasich, Gilbert Lamphere, and Allison Landry.

OUTLOOK AND OUTCOMES: Three of the seven dissident nominees were elected to the board.

NEWMONT CORPORATION

MEETING DATE: April 24, 2024
PROPOSAL: Elect Thomas Palmer

OUR VOTE: AGAINST
VOTE RESULT: 98.8%

OUR RATIONALE: We have concerns with CEO Tom Palmer's leadership at the company given strategic missteps that we believe have resulted in cost overruns, production shortfalls, and poor stock performance relative to peers. We believe Tom Palmer's leadership as CEO has fallen short in several areas, including failure to meet operational targets related to its production guidance, leading to downward adjustments and raising concerns about the company's operational efficiency and reliability.

OUTLOOK AND OUTCOMES: While CEO Thomas Palmer was reelected to the board, we continue to engage the company, including traveling to the company's headquarters, to share our perspectives.

WASTE CONNECTIONS, INC.

MEETING DATE: May 17, 2024
PROPOSAL: Election of Directors

OUR VOTE: FOR
VOTE RESULT: 97.9%

OUR RATIONALE: We believe the management team at Waste Connections has admirably and sufficiently implemented worker safety management plans that have resulted in multi-year low safety incidents and reduced employee turnover trends, which we view as a leading indicator of risk particularly in the environmental solid waste space given the high-risk nature of the business. Further, the total annual turnover, both voluntary and involuntary, has decreased from around 35% in 2022-2023 to 27% in 4Q23 which has contributed to improved financial benefits at the company, such as lower insurance costs. Given the materiality and direct impact of employee turnover on the company's financial and P&L performance, we were pleased to learn that WCN aims to further reduce employee turnover to the low 20s percentage range.

OUTLOOK AND OUTCOMES: All directors were reelected to the board.

3M COMPANY

MEETING DATE: May 14, 2024
PROPOSAL: Advisory Vote on Executive Compensation

OUR VOTE: AGAINST
VOTE RESULT: 45.0%

OUR RATIONALE: We have concerns with the design of the long-term incentive plan and the company's adjustment of financial performance results to exclude the impact of its recent legal settlements which ultimately resulted in near-target payouts under the short-term incentive plan. While we acknowledge that the issues concerning these settlements predate the current management team, who we note have taken significant steps to seek resolution of these claims, we encouraged the company to use the discretion delegated to the Compensation Committee to ensure appropriate alignment of executive's compensation to the shareholder experience moving forward. This would ideally ensure sufficient management oversight of product quality and safety, litigation risk, and ultimately shareholder value. We also have concerns with the structure and lack of performance elements tied to the one-time awards granted to Mr. Bryan Hanson prior to the spin-off of Solventum, and believe his make-whole awards should more closely reflect not only the quantum, but also the structure of his forfeited awards.

OUTLOOK AND OUTCOMES: This proposal did not pass and we continue to engage the company on this topic and encourage improvements.

TRANSDIGM INCORPORATED

MEETING DATE: March 7, 2024
PROPOSAL: Elect Robert J. Small

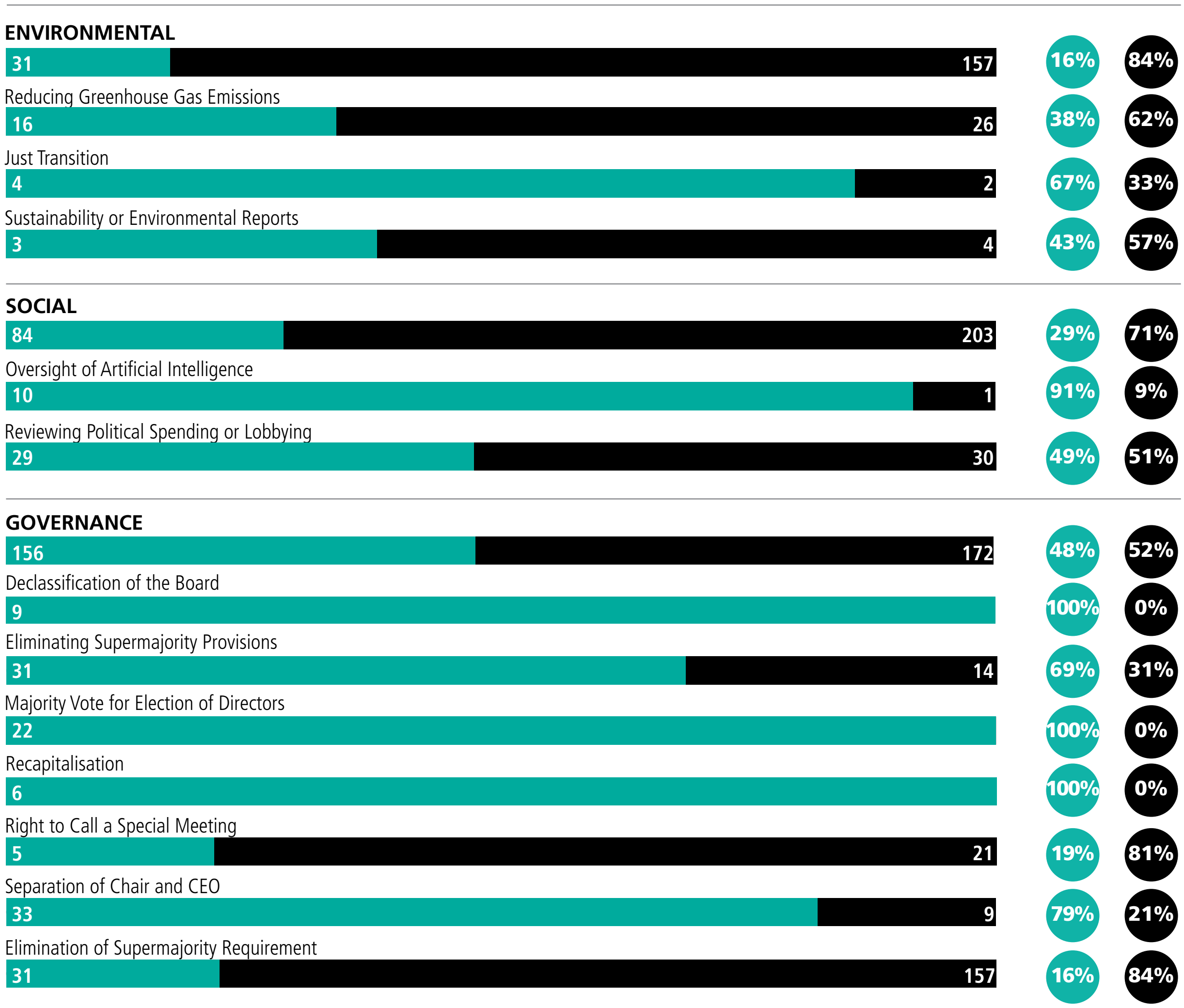
OUR VOTE: FOR
VOTE RESULT: 88.13%

OUR RATIONALE: For several years, we have encouraged the board to appoint a lead independent director and have historically withheld support from members of the Nominating and Corporate Governance Committee because the chair of the board was not independent, and a lead independent director had not been appointed. In late 2023, the independent directors named Robert J. Small as the company's first lead independent director.

OUTLOOK AND OUTCOMES: We are pleased with the company's responsiveness to our feedback.

SHAREHOLDER PROPOSALS

Supported Proposals Opposed Proposals



Source: Neuberger Berman. Data for the calendar year 2024.

The number of shareholder proposals we voted on remained relatively flat in 2024, while our average level of support decreased by 2 percentage points to 32%. This is due to both a higher number of proposals on topics we deemed immaterial and improved company disclosures and progress in line with our expectations. We continued to support resolutions that focused on financially material topics for the relevant company where we determined company practices or disclosures warranted improvement. This included emerging topics such as AI governance where best practices and disclosure expectations continue to develop. Additionally, given the potential reputational impact of the use of company funds in relation to trade associations and political processes, we continued to closely evaluate resolutions pertaining to political spending or lobbying activities. Below we provide examples of key shareholder proposals to illustrate the factors considered and rationales that underpinned our vote decisions.

Key Shareholder Proposal Votes in 2024

WINGSTOP INC.

MEETING DATE: May 23, 2024
PROPOSAL: Shareholder Proposal regarding Reporting and Reducing GHG Emissions

OUR VOTE: FOR
VOTE RESULT: 51.68%

OUR RATIONALE: We understand that company is mindful of its environmental footprint and that it engages in various initiatives to continuously improve its sustainability practices and minimize the environmental impact of its operations. We were also pleased to see that in 2023, the company began implementing a utilities management solution to gain visibility into its emissions data at its corporate headquarters and company-owned restaurants. However, we supported a shareholder proposal requesting the disclosure of emissions data given the financially material risk that climate change poses to the company, and the company's lack of disclosed emissions data at the time. As provided in the company's 10-K filing, these risks include threats to agricultural supply chains, ingredient prices and restaurant operations.

OUTLOOK AND OUTCOMES: The proposal was supported by a majority of shareholders, and we continue to engage with the company on this matter.

NEXTERA ENERGY, INC.

MEETING DATE: May 23, 2024
PROPOSAL: Shareholder Proposal regarding Disclosure of a Board Diversity and Skills Matrix

OUR VOTE: AGAINST
VOTE RESULT: 40.3%

OUR RATIONALE: In 2023, we engaged and encouraged the company to disclose an individualized director skills matrix. While its existing board diversity disclosure provided met our governance expectations for operating companies, we believed there was opportunity to enhance board composition disclosures. For this reason, we were pleased to see that since then the company has enhanced existing disclosures through the inclusion of an individualized director skills matrix. Given the company's response to shareholder feedback, we voted against the shareholder proposal.

OUTLOOK AND OUTCOMES: This proposal did not receive majority support of shareholders.

ALPHABET INC.

MEETING DATE: June 7, 2024
PROPOSAL: Shareholder Proposal regarding Human Rights Impact Assessment of AI-Driven Targeted Advertising

OUR VOTE: FOR
VOTE RESULT: 18.5%

OUR RATIONALE: While we recognise the company's efforts and due diligence to manage related risks, and do not view it as a laggard, we believe that enhanced disclosure would indicate the high priority the company puts on this matter and would give shareholders comfort that the responsible use of AI is of paramount importance to the Alphabet Board. More broadly, given the nascency and dynamic nature of AI, coupled with the rapidly evolving regulatory landscape, we believe shareholders would benefit from additional disclosure regarding the steps taken to mitigate risks and key metrics used to measure the effectiveness of the company's efforts to address AI-related risks.

OUTLOOK AND OUTCOMES: While this proposal did not pass, we continue to engage the company on this topic and encourage improvements.

KINDEN CORPORATION

MEETING DATE: June 7, 2024
PROPOSAL: Shareholder Proposal regarding Appropriation of Surplus

OUR VOTE: FOR
VOTE RESULT: 26.8%

OUR RATIONALE: We find Kinden's excessive cash position and extensive cross-shareholdings to be an inappropriate use of shareholders' capital and believe they should be allocated to future growth investments or returned to shareholders if deemed surplus. While we acknowledge that the company has made progress in addressing capital inefficiency by enhancing the shareholder return policy in its latest mid-term plan announced in January 2024, we believe there is opportunity to further improve its balance sheet efficiency and enhance transparency regarding financial discipline measures, such as a minimum cash level. We believe adopting the proposal would serve the interests of minority shareholders by enhancing the company's capital efficiency and financial metrics such as higher EPS and ROE.

OUTLOOK AND OUTCOMES: While this proposal did not pass, we continue to engage the company on this topic and encourage improvements.

KEISEI ELECTRIC RAILWAY

MEETING DATE: June 27, 2024
PROPOSAL: Shareholder Proposal Regarding Management of Investment Securities

OUR VOTE: FOR
VOTE RESULT: 30.0%

OUR RATIONALE: Due to the Company's lack of transparency regarding its plans to further reduce its ownership in The Oriental Land Company ("OLC") and to use those proceeds to grow corporate value, we believed support for the shareholder proposal was warranted as its implementation would both increase transparency of the Company's capital management strategy and improve the Company's capital efficiency and sustainable growth as these proceeds can be used to either reinvest for growth opportunities or be redistributed to shareholders.

OUTLOOK AND OUTCOMES: While this proposal did not pass, we continue to engage the company on this topic and encourage improvements.

Bringing Transparency and Accountability to Proxy Voting: NB Votes

NB Votes has three main goals:

- Encourage companies in which we invest for our clients to improve their governance practices, thereby enhancing long-term value for our clients
- Improve the transparency of our voting process
- Demonstrate how our long-term, active-management approach drives our voting decisions

In 2020, we launched NB Votes, a proxy vote disclosure initiative in which our firm announces our voting intentions in advance of the annual general meetings (AGMs) of a select group of companies in which we invest on behalf of clients. Now in its fourth year, this program seeks to share our opinions and provide insight to our analysis by preannouncing our proxy-voting intentions on an array of voting topics that, we believe, have material economic consequences for our clients. The program underscores our commitment to bringing more transparency into the proxy voting decision-making process.

In 2024, we disclosed our voting intentions and rationales for proposals at 39 meetings and opposed the company's recommendation in 49% of them. Our initiative also spans the regions where we invest our clients' capital, with 23% of our votes at meetings of non-US companies. In this latest proxy season, we focused on proposals addressing a host of issues—from board independence and entrenchment tools to incentive schemes and capital allocation—that we believe ultimately shape companies' long-term financial performance. At Neuberger Berman, we believe sound corporate governance policies and transparent reporting are essential for navigating the cross-currents of this challenging economy. That is why we will continue to urge companies and their boards to embrace what we see as best practices through our NB Votes program, while also assessing our own ability to identify the most salient issues and use our voice effectively. Pre-announcement of proxy voting intentions may still not be common practice. Yet as an active manager with voting responsibility on behalf of our clients, we believe we are well positioned to continue serving our clients by being transparent in encouraging companies to raise their governance standards and enhance their financial performance. For a full list of the votes disclosed as part of our NB Votes initiative in 2024, please see our NB Votes website.

Exercising Rights and Responsibilities Beyond Listed Equities

Fixed Income

The thorough review of credit documentation is an important component of Neuberger Berman's credit process. We examine structural elements embedded within the issuers' credit agreements and indentures. While financial maintenance covenants are part of this analysis, we also look to ensure there are limitations on the incurrence of senior, pari passu and junior debt, the ability of an issuer to pay dividends, restrictions around the use of asset sale proceeds, affirmative covenants related to reporting requirements and restrictions on broader payment and value transfers outside of the restricted group. Additionally, we thoroughly examine the security package, seeking to confirm that we have a pledge on the most valuable assets of the company. In respect of the amendment process, we evaluate the impact of an amendment on an issuer's credit profile as well as the compensation received from approving the amendment.

Neuberger Berman engages with capital markets participants in respect to new issue documentation and pushes back on weaknesses identified in the documentation, when possible. We believe engagement with management teams is also critical in identifying material factors as credit documentation generally provides a range of flexibility to an issuer in respect to capital allocation and business strategy. Engagement with respect to capital allocation provides an opportunity to better appreciate an issuer's financial and operating strategy, as well as points of potential risks which could be material to the credit profile of the issuer.

For example, a few years ago, we identified an issuer in which credit documentation flexibility, coupled with governance concerns at the issuer's parent, led to weakness in the issuer's trading levels due to market concern that the equity owners would extract value from the issuer. Based upon our ongoing engagement with the management team and their commitment to conservative capital allocation policies and a strong ratings profile, we encouraged the issuer to proactively strengthen the credit documentation in its indentures to alleviate market concerns. The issuer ultimately enhanced structural bondholder protections and its governance framework, which was a positive development for the issuer's credit profile.

The volume of sustainability-linked bond issuances has increased significantly over the last several years. With limited standardisation for sustainability-linked issuances, we believe engagement with management teams prior to such issuance can be a powerful tool to encourage them to align their capital markets activity with best-in-class standards. We believe it is important for companies to have strong track records, clearly identify the use of proceeds, adhere to strong reporting standards, and set KPIs that are material and ambitious where appropriate.

For example, we identified an opportunity to engage with an issuer to establish a social bond framework that reinforced the company's commitment to responsibly servicing its communities and underserved customer population. We engaged on the importance of transparency in oversight, reporting and performance tracking. The company later released a social bond framework that aligned with the International Capital Market Association's Social Bond Principles for 2020, received a third-party alignment opinion from Standard & Poor's, and is intended to align with UN Sustainable Development Goals 1.4, 8.10 and 10.2.

Further, sustainable bond issuances have become more common in the sovereign space, with various developed and emerging markets issuing green, social and sustainable bonds. We have been in contact with various sovereign issuers from Latin America, sub-Saharan Africa and Central and Eastern Europe, as they developed their sustainable bond frameworks.

Private Markets: Pre-IPO Governance Considerations
In certain strategies where we may invest in a company prior to its IPO, we may have the opportunity to vote on a variety of matters, including those pertaining to governance structures, compensation and new share issuances. When engaging with private companies and evaluating the opportunity to participate in a new issuance, including an IPO, we may seek improvements in investor rights or governance features before agreeing to participate.

Looking Ahead

We believe our structures and processes detailed throughout this report have enabled and fostered effective stewardship practices in 2024. We are pleased with the progress of our stewardship efforts across various asset classes and geographies. Looking ahead to 2025, we will continue to work in close partnership with our clients to better support their objectives and strive to further strengthen our stewardship activities and outcomes.

DEFINITIONS OF KEY TERMS

AMGO: the Asset Management Guideline Oversight team

BBH: Brown Brothers Harriman & Co, the administrator and depositary to the UCITS fund, Neuberger Berman Investment Funds plc

CVaR: Climate Value-at-Risk

DDQ: a due diligence questionnaire sent from a client looking to monitor their investment mandate and the investment managers' operations

EMEA: the UK, Europe, the Middle East and Africa

ERM: the enterprise risk management process as described in Principle 4

ESG: environmental, social and governance

Stewardship and Sustainable Investing Committee: a committee of Neuberger Berman which is responsible for the firm's global Stewardship and Sustainable Investing strategy

Stewardship and Sustainable Investing Group: Neuberger Berman's dedicated stewardship and sustainable investing group which is responsible for the firm's global stewardship and sustainable investing strategy in collaboration with the Stewardship and Sustainable Investing Committee

ESG Product Committee: the sub-committee of the Stewardship and Sustainable Investing Committee established to ensure the integrity of any sustainability-related claims made by our strategies through our shared labelling system

GHG: greenhouse gas emissions

Governance & Proxy Committee: a committee of Neuberger Berman that administers and oversees proxy voting processes

LatAm: Latin America

NBEL: Neuberger Berman Europe Limited

Stewardship and Sustainable Investing Advisory Council: an advisory council set up to provide guidance on the future of impact investing and sustainability topics

NB Materiality Matrix: Neuberger Berman's view on which environmental, social and governance factors are financially material in each industry

NBSH: NBSH Acquisition LLC

NB Votes: the initiative where Neuberger Berman publishes in advance its vote intentions and supporting rationale at select meetings

Neuberger Berman: Neuberger Berman Group and operating subsidiaries

Neuberger Berman Voting Guidelines: these serve as a guide to our voting approach and represent our general views on voting matters

Operating Committee: composed of members of Neuberger Berman's senior management representing each major operating unit of the firm

PRI: the Principles for Responsible Investment

Proxy Voting Policies and Procedures: Neuberger Berman's proxy voting policies and procedures detail the governance of our voting process that is 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

QIAIF: A Qualifying Investor Alternative Investment Fund (QIAIF) is an Irish 'alternative investment fund' (AIF) as defined in the Alternative Investment Fund Manager's Directive (Directive 2011/61/EU) which may be marketed to Qualifying Investors within the meaning of Annex II of Markets in Financial Instruments Directive (2014/65/EU).

RFP: a request for proposal questionnaire sent by a prospective client to select an investment manager for a specific investment mandate. Neuberger Berman answers questions in a proposal format which helps the client gather information and select the right partner

SDGs: the Sustainable Development Goals

SFDR: the EU Sustainable Finance Disclosure Regulation 2019/2088

Third Parties: NBEL's outsource providers and vendors as described in Principle 8

UCITS: an undertaking for collective investment in transferable securities within the meaning of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. 352 of 2011), as amended and as may be further amended, consolidated or substituted from time to time.

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