

# Neuberger Berman Stewardship and Engagement Policy

UPDATED AS OF MARCH 2025

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 U.S. Sustainable Equity team in 1989, 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 these financially material factors in an investment process may help generate enhanced returns or mitigate risk within a portfolio.

As an active manager, stewardship of our clients' assets is a critical part of our investment processes. Individual research analysts and portfolio managers are responsible for conducting stewardship activities such as engagement in their portfolios and investment research. We believe that this bottom-up approach encourages strategy-specific implementation while allowing each portfolio management team to learn from best practices across the investment platform. Our Stewardship and Sustainable Investing Group enhances this process with top-down expertise and support.

## SCOPE

This Stewardship & Engagement Policy sets out how Neuberger Berman engages with companies that it invests in on behalf of clients. In compliance with the requirements of the Shareholder Rights Directive II (EU/2017/828) ("SRD II") and various market-specific stewardship codes, we have put in place this Policy which describes how Neuberger Berman integrates engagement into its investment processes. Additionally, we disclose information on the implementation of this Policy on an annual basis in our UK Stewardship Code Report.

## APPROACH TO ENGAGEMENT

Our approach to engagement has always been rooted in the fundamental analysis of companies by our analysts and portfolio managers focused on creating economic value while reducing risk for our clients.

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 topics can improve their performance and reduce their risk profile. We also consider sustainability risks<sup>1</sup> to identify financially material risk. Sustainability risks can impact the value of an investment or issuer in a number of ways depending on the nature of individual investments, for example, through physical damage to assets, policy or technological changes impacting the economics of the investment or through changes in consumer preferences. Therefore, we aim to identify the sustainability risks most relevant to individual sectors and issuers. This allows us to engage on key sustainability risks to promote responsible and proper management of the sustainability risks.

<sup>1</sup> As defined in the Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector (the "SFDR") - Sustainability Risks are defined as environmental, social and governance events or conditions whose occurrence could have an actual or potential material negative impact on the value of an investment (and hence on the net asset value of the fund and on its returns). Typical examples of Sustainability Risks include but not limited to, risks stemming from climate change (notably physical and transition risks), natural resource depletion, environmental degradation, human rights abuses, bribery, corruption, poor governance and social and employee matters.

While much of our engagement with issuers arises organically from the investment diligence process, we are also increasingly focused on ensuring that the same attention and intensity are sustained throughout our stewardship of the asset.

### OUR DEFINITION OF ENGAGEMENT

We classify our engagement activity using the following definition.

<b>Engagement</b>
We believe engagement is a two-way dialogue between Neuberger Berman and an issuer on financially material topics to the entity and its investors 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.
<b>Types of engagement:</b> <ul style="list-style-type: none"><li>• <i>1:1 in-person meetings or conference calls</i></li><li>• <i>1:1 meetings at conferences</i></li><li>• <i>Small group meetings where we had meaningful dialogue with the company</i></li><li>• <i>Site visits/due diligence meetings that involve in-depth risk and opportunity assessments or interviews</i></li></ul>

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.

### PRIORITIZATION OF ENGAGEMENT

Neuberger Berman has identified nine key governance and engagement principles focused on positively influencing corporate behaviors 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.

<b>STRATEGY</b> Adopt, formulate and communicate value-enhancing strategies	<b>INCENTIVES</b> Align management and board incentives with long-term shareholder goals	<b>BOARD INDEPENDENCE</b> Effective board of directors must be truly independent
<b>SHAREHOLDER REPRESENTATION</b> Strive to maximize shareholder representation	<b>CAPITAL DEPLOYMENT</b> Allocate capital to maximize long-term risk-adjusted shareholder value	<b>TRANSPARENCY &amp; COMMUNICATIONS</b> Provide transparency in communication and reporting
<b>RISK MANAGEMENT</b> Boards of directors should actively engage with management to evaluate and control enterprise risk	<b>ENVIRONMENTAL ISSUES</b> Consider financially material environmental risks and opportunities to their business and operations	<b>SOCIAL ISSUES</b> Actively assess financially material risks and opportunities pertaining to human capital management, customers, local communities and society to their business and operations

Our engagement prioritization is a function of the following considerations: severity of a concern as assessed by our proprietary ESG Ratings, potential economic exposure to the risk, relative level of expected influence on a situation (be it through engagement or a voting decision), type of entity (e.g., company or government), and the existence of an emergent risk as identified through our internal assessment or broader engagement efforts.

While the prioritization 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.

Ultimately, we aim to prioritize 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.

## 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 utilize multiple methods of engagement. 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 a similar number of 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 fail in their efforts to communicate informally with company management teams, 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.

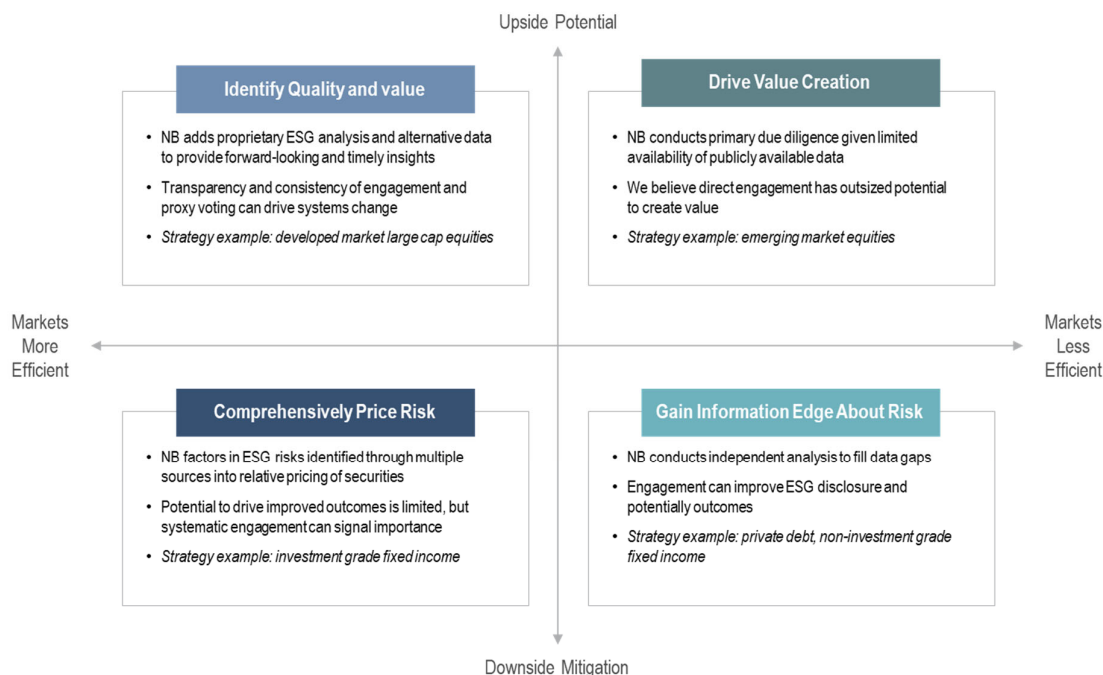
**Shareholder Proposals and Proxy Contests:** Portfolio management teams may seek governance change through shareholder proposals, proxy contests, and other measures of shareholder activism, if a company's responsiveness is deemed inadequate.

**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 fulfill our fiduciary responsibility and as an important component of our approach to creating shareholder value.

**Industry Collaborations:** We collaborate with several organizations, especially where we feel our leadership can make a significant contribution.

**Asset Class and Market Considerations:** Our chosen engagement approach and method is informed by the relevant market and asset class:



#### Asset class engagement example: Fixed Income

Within fixed income, ongoing dialogue with management is an important tool in tracking our investment thesis and reducing the overall risk profile of our portfolios over time. For Developed Market Corporate Credit, we view our engagement activities as critical to our investment process. We establish issuer-specific engagement goals covering a financially material topic, track its progress over time and incorporate a measure of responsiveness and actions into our opinions of the issuer's credit profile and valuation of its debt securities.

#### Asset class engagement example: 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 informed 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, serves 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.

For further information on our asset class-specific philosophies, see our [Stewardship and Sustainable Investing Policy](#).

### ESCALATION

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 are 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. 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
- submitting a shareholder proposal
- making our concerns public
- nominating new director candidates to the board
- 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 of the case in question. Importantly, escalation methods are not exclusive and when an escalation method is utilized, we continue to seek to drive change through private one-on-one engagements.

### PROPRIETARY ANALYSIS AND RATINGS

In keeping with our belief that the integration of environmental, social and governance factors must be based on the principle of financial materiality specific to the given investment strategy, our teams do not simply rely on analysis from a third-party research provider. Instead, portfolio managers and research analysts have access to a wide range of data sources and research providers, including our Neuberger Berman Industry Materiality Matrix, as well as the advanced analytics capabilities of our Data Science team and the insights we glean from engaging directly with investee company management teams.

The Neuberger Berman Industry Materiality 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.

The result of this work is used to create asset-class specific NB ESG Quotients, 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.

### ENGAGING DATA AND SERVICE PROVIDERS

We use a wide range of data and service providers and select them for their expertise on specific topics. Rather than merely relying on top-level ratings from a data provider, we leverage the underlying data. We firmly believe that a proprietary approach to security analysis is the best way to seek enhanced alpha generation because it combines data and judgment with a focus on factors we believe are financially material for the specific company, industry and asset class. We regularly engage with data and service providers to share our views on the quality of service received and suggestions for future improvements.

### INDUSTRY COLLABORATION

We recognize that we have a vested interest to improve the functioning of capital markets as a whole. We believe by supporting best practices through stewardship and encouragement of sustainable business practices 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 corporate governance and sustainability-related topics, and supporting the creation and use of industry-standard and decision useful disclosure practices.

While we support many highly impactful groups and initiatives, each year we seek to focus our efforts where we feel our leadership can make a significant difference. Please see our [UK Stewardship Code Report](#) for a full list of our efforts.

### APPROACH TO PUBLIC POLICY ENGAGEMENT

We recognize that policymakers play an important role in maintaining and enhancing the resiliency and stability of financial markets. We proactively engage regulators and policymakers through formal letters, responses to policy consultations, and

participation in industry working groups, on topics ranging from corporate disclosure of ESG metrics to the protection of small shareholders.

Most recently, Neuberger Berman has engaged on:

- 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 U.K. 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 certain industry groups to debate and share our practitioner views on emerging policy issues. For example, 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 Stewardship and Sustainable Investing Committee reviews the membership organizations we belong to ensure our memberships do not conflict with our Stewardship and Sustainable Investing Policy.

**Neuberger Berman's Corporate Approach to Political Activities:** Neuberger Berman is a nonpartisan global firm. Our partners' political views vary across the spectrum. The firm does not make political contributions and does not have an employee Political Action Committees (PAC). Neuberger Berman employees can, however, make political contributions in their personal capacity. The firm has a Political Activity Policy that is designed to ensure compliance with applicable laws, rules and regulations, including, SEC Rule 206(4)-5 (the "Pay-to-Play Rule") as well as state-and-local political contribution and pay-to-play laws, and to avoid any actual or apparent conflicts of interest. The Political Activity Policy requires all employees of Neuberger Berman that are either U.S. citizens or green card holders to pre-clear all political activities in the firm's proprietary database, including those of their spouse, domestic partner, their dependent children, and others that they materially support. Political activities include, but are not limited to: (i) contributions made directly to candidates and their campaigns, (ii) contributions to PACs and to political parties at the national (e.g., the Democratic and Republican National Committees) and state and local levels, and (iii) "in-kind" contributions related to political activities, such as volunteering or fundraising for a political campaign.

### APPROACH TO PROXY VOTING

We believe that proxy voting is an integral aspect of investment management. Accordingly, 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 lay out our voting positions, focusing on the potential financial impact on a company from corporate governance, and other strategic issues. These Guidelines are reviewed at least on an annual basis and updated as deemed appropriate. Additionally, our [Proxy Voting Policies and Procedures](#) 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.

### CLIENT-DIRECTED VOTING

As part of these procedures, if a client provides vote instructions on a specific voting matter well in advance of a vote deadline, which in most instances requires at least two business days but may be longer, we will endeavor to submit vote instructions for the client shares as directed by the client, whether or not such client directions differ from NB's custom Proxy Voting Guidelines, consistent with operational and other limitations related to wrap accounts and specific resolution voting restrictions.

### SPLIT VOTING

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 NB's 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.

### VOTE DISCLOSURE

Recognizing the importance of transparency of our voting activities, in addition to providing our Guidelines and Procedures via our website, we publicly disclose all voting records of our registered, co-mingled funds ([Undertakings for Collective Investment in Transferable Securities \[UCITS\]](#) and U.S. registered [funds](#)) on a monthly basis. Neuberger Berman cannot publicly disclose vote level records for separate accounts without express permission of the client. However, we publicly disclose aggregate reporting on at least an annual basis for votes cast across co-mingled and separate accounts.

### ADVANCE VOTE DISCLOSURE: NB VOTES

We launched the [NB Votes](#) advance proxy vote disclosure initiative to publicly disclose and explain the firm's voting rationale and intentions at select shareholder meetings. We believe we were the first large asset management firm<sup>2</sup> to provide such broad advance proxy vote disclosure when we first launched the initiative in 2020.

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. NB Votes addresses a broad range of topics across our nine key governance and engagement principles with a balance of votes in support of and against management recommendations; enabling us to share our broad analysis and insights.

Through the initiative, we are seeking change at company, industry and market levels, monitoring four key objectives to assess our effectiveness:

- Positive actions taken by NB Votes target companies
- Positive actions taken by companies in same sector as NB Votes targets
- Large asset manager peers begin preannouncing proxy votes systematically and openly
- Elevation of nuanced judgement in proxy voting decision-making across market as a whole

### SECURITIES LENDING PROGRAM

Some Neuberger Berman products or client accounts where Neuberger Berman has authority and responsibility to vote the proxies may participate in a securities lending program administered by Neuberger Berman. Where a security is currently on loan and eligible to be voted at a shareholder meeting, Neuberger Berman will 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. Neuberger Berman maintains the list of securities restricted from lending and receives daily updates on upcoming proxy events from the custodian.

### OVERSIGHT OF STEWARDSHIP ACTIVITIES

Neuberger Berman has designated a Governance & Proxy Committee ("Proxy Committee") with the responsibility for: (i) developing, authorizing, implementing and updating NB's policies and procedures; (ii) administering and overseeing the governance and proxy voting processes; and (iii) engaging and overseeing any third-party vendors as voting delegates to review, monitor proxies and/or apply our custom Guidelines. The application of our custom Guidelines is audited on a quarterly basis to ensure accuracy. Further, our internal audit team audits our proxy voting policies and procedures on an annual basis in an effort to ensure their soundness and identify opportunities for improvement.

Neuberger Berman subscribes to and leverages research from multiple third-party providers, including Glass Lewis and ISS, as additional inputs to our evaluation of ballot items. While we utilize research from proxy advisors as supplementary data to

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<sup>2</sup> Greater than \$100 billion of assets under management.



help inform our analysis, our voting decisions are ultimately determined by our custom Voting Guidelines and proprietary research.

In addition to subscribing to research on proxy matters from Glass Lewis, Neuberger Berman has also engaged Glass Lewis as its proxy service provider to: (i) in a timely manner, notify NB of and provide additional solicitation materials made available reasonably in advance of a vote deadline; (ii) vote proxies in accordance with NB's Voting Guidelines or as otherwise instructed and submit such proxies in a timely manner; (iii) handle other administrative filing functions of proxy voting; (iv) maintain records of proxy statements and additional solicitation materials received in connection with proxy votes and provide copies of such proxy statements promptly upon request; and (v) maintain records of votes cast.

### MANAGING CONFLICTS OF INTEREST IN STEWARDSHIP ACTIVITIES

Neuberger Berman is ultimately owned by Neuberger Berman Group LLC, which is a private, independent, employee-controlled investment manager. Whilst Neuberger Berman manages a complete range of different asset classes, investment management is its only business. In the normal course of business, as in any large financial institution, situations resulting in potential or actual conflicts of interest may arise. Neuberger Berman is committed to managing these conflicts of interest to prevent abuse and protect clients, employees and counterparties.

Integrity, fairness, impartiality and primacy of clients' interests occupy a leading place in our ethical rules and values. Neuberger Berman has established policies and internal controls that are designed to identify and mitigate potential conflicts.

While conflicts of interest may arise in different areas of the business, there is a specific manner of handling conflicts of interest in proxy voting activities. Neuberger Berman will cause proxies to be voted in accordance with Neuberger Berman's custom Voting Guidelines or, in instances where a material conflict has been determined to exist, Neuberger Berman 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. Neuberger Berman 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 when it is determining whether to deviate from Neuberger Berman's Voting Guidelines include, among others: a material client relationship with the corporate issuer being considered; personal or business relationships between the portfolio managers and an executive officer; director, or director nominee of the issuer; joint business ventures; or a direct transactional relationship between the issuer and senior executives of Neuberger Berman. Further information on our approach to conflicts of interest can be found in our [UK Stewardship Code Report](#).

### CONCLUSION

At Neuberger Berman, stewardship efforts are core to our investment process. We undertake the activities outlined in this policy in order to fulfill our fiduciary responsibility and to protect our clients' financial best interests and as an important component of our approach to creating shareholder value. For further information on our stewardship activities, please see our Stewardship & Sustainability Report, [UK Stewardship Code Report](#), and visit our [Engagement](#) and [Proxy Voting](#) websites.



All information is as of December 31, 2024 unless otherwise indicated. Firm data, including employee and assets under management figures, reflect collective data for the various affiliated investment advisers that are subsidiaries of Neuberger Berman Group LLC (the “firm”). Firm history and timelines include the history and business expansions of all firm subsidiaries, including predecessor entities and acquisition entities. Investment professionals referenced include portfolio managers, research analysts/associates, traders, and product specialists and team-dedicated economists/strategists.

This material is provided for informational purposes only and nothing herein constitutes investment, legal, accounting or tax advice, or a recommendation to buy, sell or hold a security. This material is general in nature and is not directed to any category of investors and should not be regarded as individualized, a recommendation, investment advice or a suggestion to engage in or refrain from any investment-related course of action. Investment decisions and the appropriateness of this material should be made based on an investor’s individual objectives and circumstances and in consultation with his or her advisors. Information is obtained from sources deemed reliable, but there is no representation or warranty as to its accuracy, completeness or reliability. All information is current as of the date of this material and is subject to change without notice. Any views or opinions expressed may not reflect those of the firm as a whole. Neuberger Berman products and services may not be available in all jurisdictions or to all client types.

Investing entails risks, including possible loss of principal. Diversification does not guarantee profit or protect against loss in declining markets. Investments in hedge funds and private equity are speculative and involve a higher degree of risk than more traditional investments. Investments in hedge funds and private equity are intended for sophisticated investors only. Indexes are unmanaged and are not available for direct investment. **Past performance is no guarantee of future results.**

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