



BARINGS

Barings Integrated Sustainability Report

FOR CALENDAR YEAR

2025

As of April 2026

This report has been prepared by Barings Asset Management Limited (“BAML” or “we”), a subsidiary of Barings LLC. It reflects BAML’s approach to integrating Environmental, Social and Governance (ESG) considerations into its investment process to support its goal of delivering risk-adjusted returns to its clients. ESG factors are considered alongside other financial and non-financial metrics to support prudent risk management and long-term value creation, in line with its fiduciary responsibility.

Contents

We have structured our report to align with the revised principles of the UK Stewardship Code and adhere to the regulatory requirements of the Task Force for Climate-related Financial Disclosures (TCFD) as applicable to BAML. While BAML formally submits this report, we've included examples from a range of investment teams across various Barings entities to support our disclosure. The information in the report is based on data as of December 31, 2025, unless otherwise stated. We also include a summary of our efforts related to operational sustainability and volunteering.

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Foreword

I am pleased to introduce our Integrated Sustainability Report. Aligned with the core principles of effective stewardship of the UK Stewardship Code 2026 and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), this report explains our activities as active stewards of our clients' capital, partnering with them to deliver value over the long term.

At Barings, we understand that our clients expect us to act responsibly, anticipate emerging challenges and seize opportunities that align with their values and goals, in line with our fiduciary duty and our fundamental goal of competitive risk-adjusted returns. Throughout this report, we highlight how we are integrating environmental, social and governance (ESG) topics; incorporating climate change into our investment activities; engaging with portfolio companies; and partnering with clients, colleagues and communities.



A stylized, handwritten signature in black ink, appearing to be 'SM'.

SARAH MUNDAY

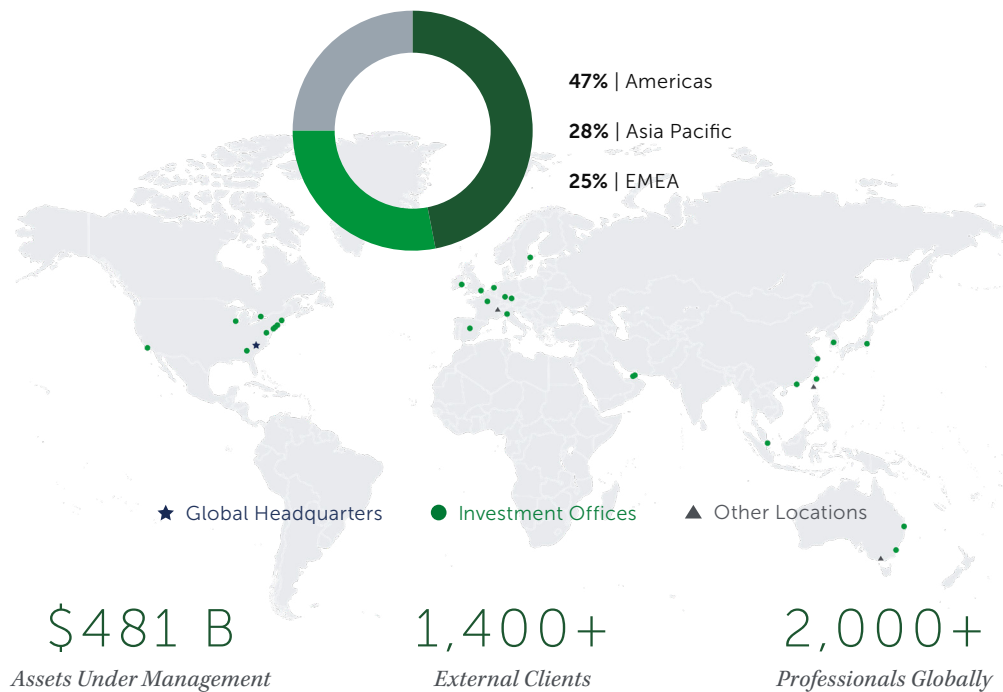
Managing Director, Head of Sustainability & ESG



Barings Overview

Barings is a \$481 billion* global alternative asset manager that partners with institutional, insurance, and wealth clients, and supports leading businesses with flexible financing solutions. The firm, a subsidiary of MassMutual, seeks to deliver excess returns by leveraging its global scale and capabilities across credit, real assets, capital solutions, and emerging markets.

EXTERNAL AUM BY REGION



*Includes third party, external AUM only.
All figures are as of March 31, 2026. Assets shown are denominated in USD.

Policies & Context

DISCLOSURE A

Organization, Investment Beliefs & Stewardship Approach

We remain steadfast in our commitment to delivering the best investment experience for our clients through exceptional service and performance. As stewards of their capital, we recognize our privileged role and the value they expect in return.

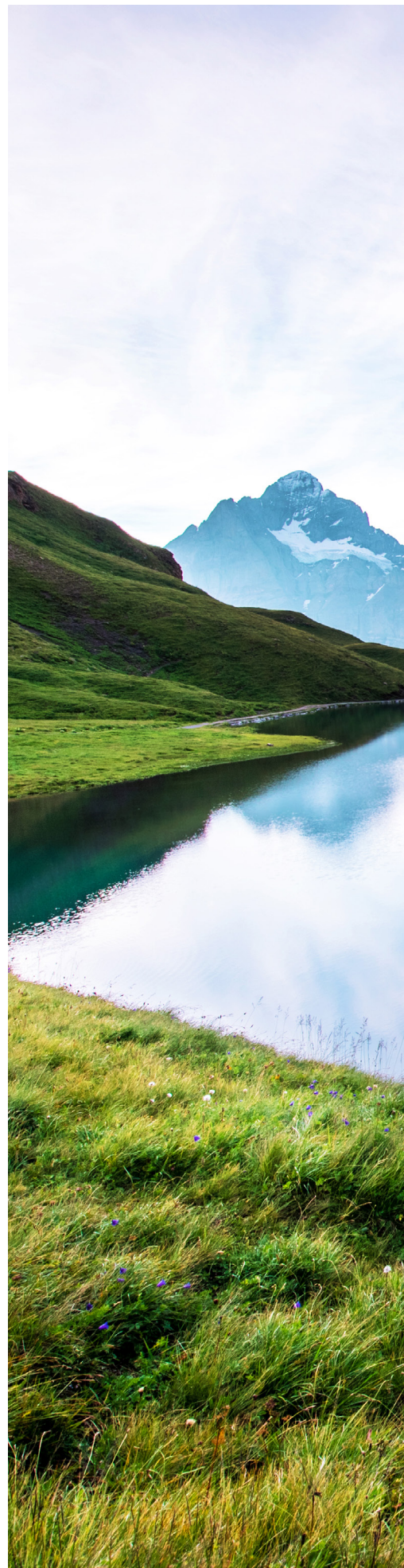
We specialize in markets and asset classes where we see opportunities to generate alpha for our clients through fundamental research, active management, and access to our network of long-standing relationships. Our investment approach is rooted in our shared values and team-based culture, which drive our commitment to integrity, accountability, and client service. We partner with our clients to understand their objectives and incorporate them into our investment strategies. Our global platform allows us to create long-term investment solutions that align with our clients' objectives.

In consideration of our business activities, Barings' Corporate Citizenship function, encompassing both operational sustainability and philanthropic efforts, aims to support positive economic outcomes while minimizing negative environmental impacts in the communities in which we live and work. This includes initiatives to drive operational efficiency, cost savings, employee volunteerism and strategic philanthropic work across the firm, while demonstrating shared values alignment with our clients and investees.

Our teammates are our greatest asset. They are empowered to share ideas, challenge perspectives, and take decisive action, creating an environment that fosters innovation and adaptation in service to our clients.

Barings prioritizes steady, sustainable growth of assets, our client base, and fund offerings while adhering to our core areas of expertise: credit, real assets, capital solutions and emerging markets. Our clients' assets are managed across a broad range of asset classes, geographies, and client types, as outlined below. We draw on our extensive experience across public and private markets to support our clients' evolving investment needs.

We strive to improve every day—to innovate, adapt, and evolve in the ways we serve our clients.



Investment Capabilities

We harness the depth and breadth of our global platform to meet the needs of our clients, delivering solutions that cross asset classes and geographies.

\$481 B¹
TOTAL AUM



\$285 B

CREDIT

Direct Lending
Private Placements
High Yield
CLOs
Investment Grade

\$76 B

REAL ASSETS

Real Estate Debt
Real Estate Equity
Infrastructure Debt

\$79 B

CAPITAL SOLUTIONS

Specialty Finance
Asset-Based Finance
Portfolio Finance
Funds & Co-Investments/
Private Equity

\$35 B

EMERGING MARKETS

Sovereign & Emerging
Markets Debt
Korea Equities
Emerging Markets Equities

Client Type	Total AUM (U.S. Millions)
Charities/Endowments/Foundations	2,031
Corporate Pension	33,311
Sector Pension Fund	1,678
Financial Intermediaries	18,616
Insurance	255,211
Public Funds	41,523
Sovereign Entity	20,821
Structured/Private Funds	26,708
Wealth	81,860
Grand Total	481,759

1. As of March 31, 2026. Excludes AUM in global, small cap and other equities, multi-asset and other, which have \$3.3 B and \$3.2 B in AUM.

CONSIDERING INVESTMENT TIME HORIZONS

Given our mix of clients and asset classes, we cater to a range of risk-return profiles and expectations on time horizons. While typically we aim to provide medium- to long-term outperformance over three to five years, we have clients whose time horizons are longer and others who may select our short-duration strategies. Regarding our ESG integration and stewardship practices, we endeavor to support value creation across different timescales, taking into account the practicalities of addressing short-term risks and opportunities versus driving longer-term outcomes.

SAFEGUARDING LONG-TERM VALUE THROUGH ESG INTEGRATION & STEWARDSHIP

In pursuit of seeking superior risk-adjusted returns for our clients over the long term, we continue to consider climate risks, opportunities and other priority issues identified by our clients. We do this by analyzing and monitoring financially-material ESG factors, including climate change, and engaging with investees on associated risks and opportunities, where deemed appropriate by our investment analysts. Enhanced disclosure and practices by issuers have the potential to reduce financially-material risk and may contribute to environmental and societal outcomes.

Our intentional and considered approach to ESG integration and stewardship is grounded in obtaining relevant data. We continue to pursue enhanced ESG data coverage, both through our proprietary ESG questionnaire for private markets as well as across other asset classes through ESG service providers.

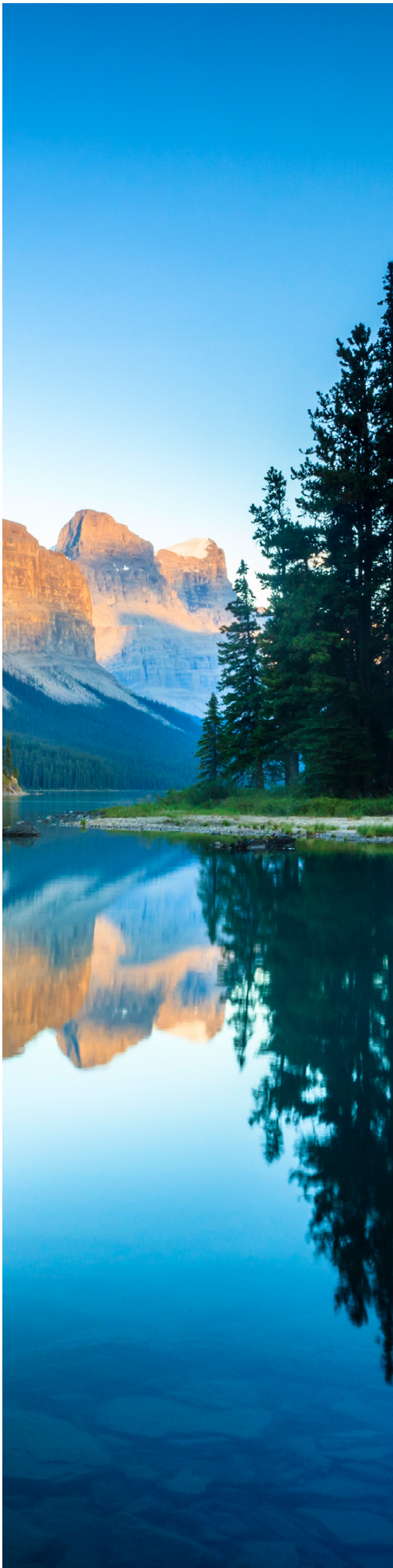
We have further enhanced our approach to understanding and implementing client preferences, particularly through the use of our new technology platforms.

STEWARDSHIP IN PRACTICE

Our fundamental approach to stewardship includes the following mechanisms:

- Our investment process, in which ESG information is integrated into analysis.
- Our ability to influence the activities of our investments, as well as interact with broader stakeholders to support a durable financial system.
- Our partnering with clients on their goals, timelines, and preferences to ensure that our investment strategies align with their values.

Barings investment professionals are ultimately responsible for engaging with portfolio companies, given their detailed knowledge and strong relationships with management and financial sponsors. Our centralized Sustainability & ESG team strengthens these efforts, supporting and enhancing stewardship and engagement practices across the investment teams, through our engagement prioritization framework which enables a consistent and scalable approach across the firm.



OUR APPROACH TO STEWARDSHIP

We typically prefer to engage, rather than exclude, as we partner with entities in which we invest to address the material ESG risks and opportunities identified through our ESG integration approach undertaken by our investment teams. We do this in pursuit of maximising risk-adjusted returns on our investments in the interest of our clients. We recognize that encouraging better sustainability practices to minimize financially-material risks can lead to positive environmental or societal outcomes.

We recognize the PRI's latest definition of engagement² that reflects interactions with investment entities (including private issuers and real assets) as well as service providers or non-issuer stakeholders to improve disclosure, improve practice on an ESG factor, or make progress on a sustainability outcome. We engage with the entities in which we invest with the aim of enhancing the performance of our investment for the benefit of our clients. As stated, our preference is to engage with our investments, rather than exclude, in order to consider a broader investment universe in the best interests of our clients. We will not, however, directly invest in companies or knowingly hold securities issued by companies that are materially involved in the production, stockpiling and use of cluster munitions, anti-personnel mines and chemical and biological weapons at the time of investment³. We understand that local norms and contexts play a crucial role in driving effective change, and we do not attempt to impose an inflexible approach that ignores those considerations. Our approach is based on transparent communication coupled with the expertise and discretion of our experienced investment and sustainability professionals; we partner with our clients to develop solutions that align with their preferences.

2. [PRI Reporting Framework Glossary](#)

3. Barings reserves the right to use its discretion to make investment decisions consistent with our fiduciary duty and applicable regulatory requirements.



DISCLOSURE B

Governance & Resources

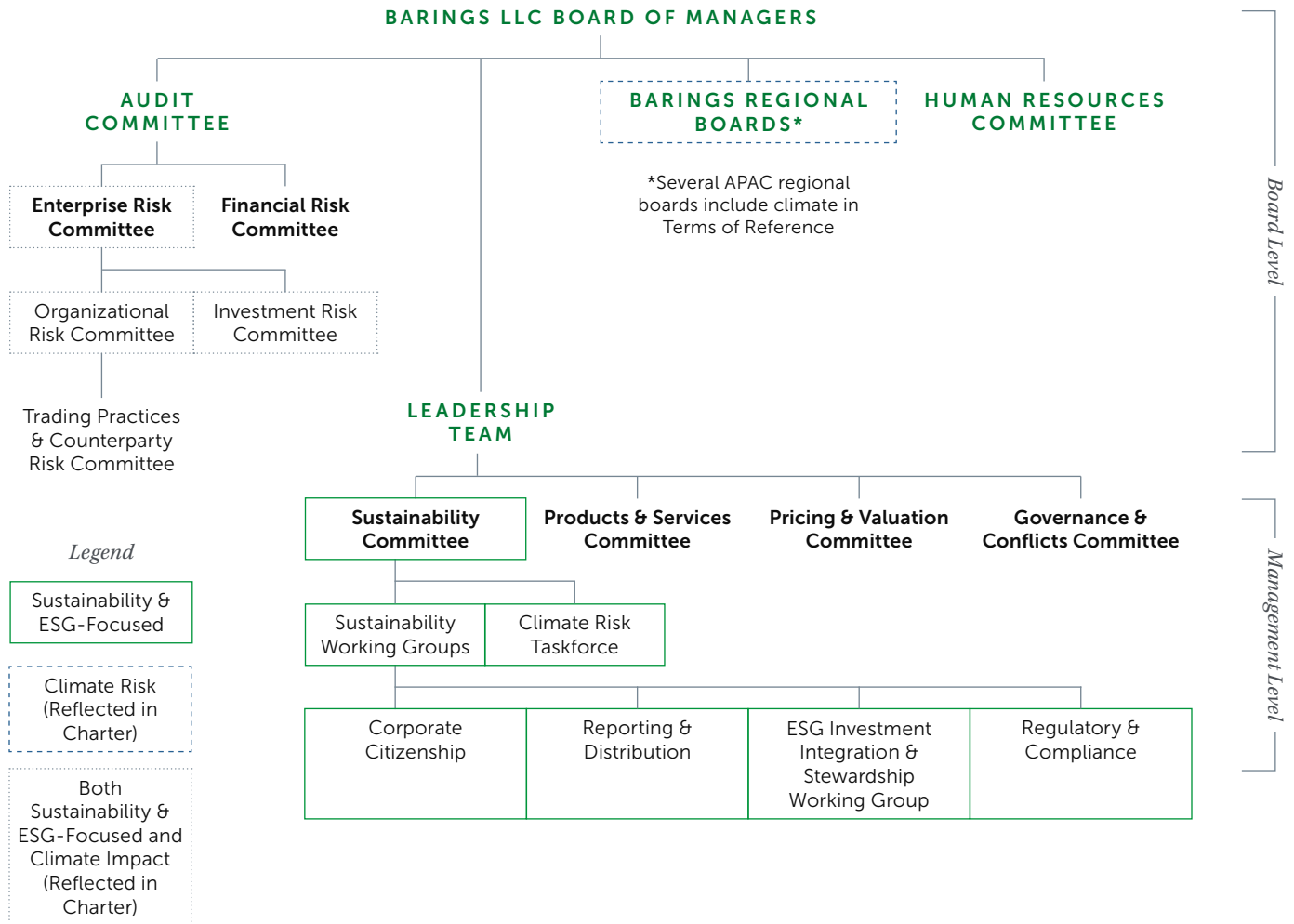
TCFD Governance a: Describe the board's oversight of climate-related risks and opportunities.

TCFD Governance b: Describe management's role in assessing and managing climate-related risks.

Barings LLC and all of its subsidiaries are indirect, wholly owned subsidiaries of MassMutual. As part of the MassMutual finance group, we have financial stability and flexibility to take a long-term approach.

On 17 November 2025, Barings announced its parent company, MassMutual, entered into an agreement with MS&AD Insurance Group Holdings (MS&AD) which will acquire an 18% equity stake in Barings through its subsidiary, Mitsui Sumitomo Insurance Co., Ltd, a leading Japanese insurance company. The transaction will provide Barings access to an additional strategic partner that will help accelerate our firm's growth and deliver benefits for all our stakeholders including, importantly, our valued clients.

Barings, as a majority-owned subsidiary of MassMutual in 2025, has a separate Board of Managers ("Barings LLC Board") that is responsible for managing company affairs, while also being subject to the oversight of MassMutual's Board. Board-level committees that report to the Barings LLC Board include the Audit Committee, Human Resources Committee, and regional boards, including those for our U.K., Ireland, Luxembourg and Asia-Pacific entities. Strategic business decisions, including those pertaining to climate-related risks and opportunities, are recommended by the Chairman & Chief Executive Officer (CEO) of Barings and endorsed, amended, or declined by the Barings LLC Board. Day-to-day management decisions are approved by the Barings leadership team, which reports quarterly to the Barings LLC Board.



LEADERSHIP TEAM

Barings' leadership team is responsible for driving measurable and sustainable results and providing oversight of our stewardship practices. The leadership team meets on an as-needed basis, but no less than quarterly. Members are regularly updated on our ESG-related activities and progress toward our climate and stewardship goals. This ensures that these are key considerations in senior-level decision-making, driving alignment and accountability throughout the organization.

SUSTAINABILITY OVERSIGHT

Barings incorporates climate change-specific analysis as part of our broader ESG and sustainability integration efforts. Our Sustainability Committee, Sustainability Working Groups, and Climate Risk Taskforce are foundational to the oversight of these activities and to our ESG, stewardship, and climate-related governance.



Oversight of climate-related risks and opportunities at the corporate and organizational level, including progress towards Barings’ operational net zero GHG emissions target, is provided by the committee structure shown above.

SUSTAINABILITY COMMITTEE

Barings' Sustainability Committee in its current iteration was formally established and chartered in April 2021. The Sustainability Committee is responsible for providing oversight of the Global Sustainability Policy as well as Barings' ESG integration and stewardship-related strategies. The group meets at least quarterly to discuss key issues and ensure compliance with its sustainability-related memberships and commitments. The Sustainability Committee is composed of senior leaders, including the Co-heads of Global Investments and heads of Enterprise Risk, Compliance, and Distribution, as well as the centralized Sustainability & ESG team. Three members of the Sustainability Committee—the Co-heads of Global Investments and Head of Global Client Group—also sit on the leadership team. To ensure that the committee's oversight is comprehensive and effective, its membership was reconstituted in December 2023 to align with Barings updated organizational structure. The change included consolidation of investment team reporting lines through two senior leaders. We believe this mix of expertise, experience, and seniority enables us to effectively oversee sustainability practices across Barings globally, including stewardship. The Sustainability Committee members are:



SARAH MUNDAY

*Managing Director,
Head of Sustainability & ESG (Chair)*



MARTIN HORNE

*Managing Director,
Co-head of Global Investments*



DAVID MIHALICK

*Managing Director,
Co-head of Global Investments*



JON MILLIN

*Managing Director,
Head of Global Client Group*



JANE KIM

*Senior Director,
PSA ESG Analytics Lead*



MELISSA LAGRANT

*Managing Director,
Chief Compliance Officer*



TREY STENERSEN

*Managing Director,
Head of Enterprise Risk*



BILL DOYLE

*Senior Director,
Associate General Counsel, Legal*

SUSTAINABILITY WORKING GROUPS

Barings maintains four Sustainability Working Groups, with reporting responsibilities to the Sustainability Committee. The aim of the Sustainability Working Groups is to deliver on long-term sustainability-focused projects including, but not limited to, coordinating corporate environmental and social efforts, developing ESG investment integration tools and policies, pursuing external partnerships and memberships, and reporting. The working groups consist of representatives from investment and operational teams across various geographies and markets. This structure enables cross-business collaboration, encourages sharing best practices, and improves communication and consistency among teams.



**ESG INVESTMENT
INTEGRATION &
STEWARDSHIP**



**REPORTING &
DISTRIBUTION**



**CORPORATE
CITIZENSHIP**



**REGULATORY &
COMPLIANCE**

CLIMATE RISK TASKFORCE

Separate from our Sustainability Working Groups, the Climate Risk Taskforce was established in 2023 to facilitate oversight related to climate change. The Taskforce brings together members from the Sustainability & ESG, Risk, and Portfolio Solutions & Analytics (PSA) teams as well as members from various investment teams. The purpose of the taskforce is to identify, assess, and manage ESG and climate-related risks across Barings' operations and within portfolios managed by Barings, and appropriately represent these efforts to regulators, clients, and stakeholders. Updates from the Taskforce are communicated to the Sustainability Committee as appropriate.

SUSTAINABILITY RESOURCES

SUSTAINABILITY & ESG AND PSA ESG TEAMS

Barings has dedicated resources to support the integration of ESG considerations into our investment process, our stewardship activities, and our operations. The Sustainability & ESG team provides annual updates to the Barings LLC Board on sustainability initiatives, including progress toward our stewardship and climate-related activities. Additionally, certain regional boards may receive updates that include climate-related risks and opportunities where relevant.

The Sustainability & ESG team is responsible for maintaining and overseeing our relevant policies, processes and working groups to help drive our firm-level Sustainability & ESG strategy and approach through the following pillars:

- The integration of ESG information into the investment process to understand the material factors that influence the financial sustainability of the investments we make.
- The facilitation of stewardship activities as active managers of our clients' capital.
- Embedding sustainable practices into our own operations, as well as investing in the communities in which we live and work through our Corporate Citizenship efforts.

This is supplemented by the efforts of our PSA ESG team which supports investment teams with ESG integration and engagement activity through data evaluation and support, as well as providing ESG research, analytics, and reporting. The PSA ESG team also provides ESG, sustainability, and climate-related metrics for our investment portfolios where data is available

and works closely with investment teams to support the integration of relevant ESG data into the investment process. TCFD-aligned carbon emissions metrics are included in PSA ESG analytics, as are measures of Implied Temperature Rise (ITR), and Climate Value at Risk (CVaR).

As of December 2025, there are 12 professionals on the combined Sustainability & ESG and PSA ESG teams.

Role	Commentary
Managing Director, Head of Sustainability & ESG	Eleven years at Barings, including nine years focused on ESG integration, stewardship, and corporate responsibility.
Director, Stewardship	Eleven years' experience in ESG covering sustainability consulting for corporates and investors. This time also includes tenure in the Principles for Responsible Investment (PRI) group in the Stewardship and Signatory Relations team.
Senior Associate, Stewardship Analyst	Three years' experience in ESG and stewardship, with six years of total asset management experience.
Senior Director, ESG Investment Integration	Ten years' experience in ESG integration and active ownership in public equities, and five years' investment experience, with 14 years in the investment management industry in total. Holds the CFA Institute Certificate in ESG Investing, CFA U.K. Certificate in Climate and Investing. Fundamentals of Sustainability Accounting Credential Holder and an EFFAS Certified ESG Analyst.
Director, ESG Investment Integration	Twelve years' investment and ESG investment integration experience in the asset management industry.
Associate Director, ESG Investment Integration	Seven years' ESG experience in ESG real estate consulting and asset management.
Director, Head of Corporate Citizenship	Eleven years' social impact experience in the financial and non-profit sector.
Associate, Corporate Citizenship	Two years' experience in the education, non-profit, and social impact space.
Managing Director, Head of Quantitative & ESG Analytics	More than 20 years of quantitative research and analysis experience.
Senior Director, ESG Portfolio Solutions & Analytics	More than 20 years of quantitative research and analysis experience, with four years' experience in ESG analytics, integration, and research.
Senior Associate, ESG Portfolio Solutions & Analytics	Four years' experience in ESG analytics, integration, and research.
Program Analyst, ESG Portfolio Solutions & Analytics	Less than one year ESG and quantitative analysis, with an educational background in engineering.

INVESTMENT TEAMS

Our investment professionals are ultimately responsible for integrating material ESG considerations into fundamental analysis and engagement activities. As part of assessing the various potential risks and opportunities that may impact their investments, portfolios, and the economy, they evaluate ESG information to make informed decisions that align with relevant investment objectives. They do this by using their industry and sector expertise to understand and identify the material ESG opportunities and risks in their investment universes, alongside their broader investment analysis. As part of this, they may meet with industry experts, government officials and corporate management teams, visit operational facilities, and analyze industry competitors. Once invested, teams monitor their investments' performance and progress, including on ESG matters.



To further ESG integration and engagement activities, Barings has more than 25 ESG resources embedded across investment teams. These individuals support their broader teams to understand and identify ESG risks and opportunities.

INVESTMENT TEAM RESOURCES

Our ESG leads within each investment team support the broader investment teams to understand and identify material ESG opportunities and risks.

25+ investment professionals

INVESTMENT GRADE

Managing Director

GLOBAL HIGH YIELD

Managing Director

Director

STRUCTURED CREDIT

Managing Director

ASSET-BASED FINANCE

Managing Director

EMERGING MARKETS DEBT

Managing Director

Managing Director

SOVEREIGN DEBT

Managing Director

Associate Director

PUBLIC EQUITIES

Senior Director

PRIVATE PLACEMENTS

Managing Director

Senior Director

Director

CAPITAL SOLUTIONS

Managing Director

INFRASTRUCTURE DEBT

Managing Director

Managing Director

Associate Director

Senior Associate

DIVERSIFIED ALTERNATIVE EQUITY

Managing Director

Senior Director

GLOBAL PRIVATE FINANCE

Managing Director

Managing Director

Director

Director

Associate Director

Associate Director

REAL ESTATE

Senior Director

Senior Director

Associate Director

Associate Director

EQUIPMENT FINANCE

Managing Director

PORTFOLIO FINANCE

Managing Director

Managing Director

OPERATIONAL TEAMS

Operational, or non-investment, teams at Barings play a crucial role in supporting the review, maintenance, and implementation processes for ESG and stewardship-related policies and practices. They work in tandem with investment teams to ensure the integration of ESG issues into the investment process. Members of operational teams participate in the working groups mentioned above, providing their input as needed.

Designated teammates from our Legal and Compliance teams support the review, maintenance, and implementation of processes for ESG policies and disclosures in line with ESG regulatory requirements across all jurisdictions in which Barings operates. The Barings Risk team, in collaboration with the Sustainability & ESG team, identify qualitative and quantitative measures and tolerance thresholds for defined sustainability-related risks used for ongoing monitoring and reporting through to the appropriate risk committees. Legal, Risk, Compliance and Marketing teams are also responsible for providing input and reviews of ESG and stewardship materials and processes based on their functional knowledge.

Given the recent technology systems transition at Barings, there was a need for a dedicated resource to lead on ESG-related technical projects. This individual works closely with the Sustainability & ESG team and the Global Technology team to ensure a smooth transition of all ESG and stewardship-related data into the new technology systems.

ENCOURAGING RESPONSIBLE GOVERNANCE & SUSTAINABLE INVESTMENT

We design our compensation programs to reward for intangible, as well as tangible, contributions to our success, including corporate integrity and reputation, customer loyalty, risk management, the quality of our professionals and how effectively they collaborate. ESG is an important component of the investment philosophy and process, thus indirectly linked to the compensation of our investment teams.

Our Sustainability & ESG, Portfolio Solutions and Analytics and dedicated ESG resources in investment teams have woven ESG into the goals/objectives upon which individuals are evaluated each year. Investment professionals across several of our investment teams, including Public Equities and Emerging Markets Corporate Debt, have performance development goals that explicitly include those relating directly to ESG integration and engagement. Additionally, each teammate's individual performance is reviewed and measured against Barings Core Values (Value Our People, Take Accountability, Foster Collaboration and Deliver Excellence); sustainability is a component of our Deliver Excellence value.

INCLUSION & TALENT DEVELOPMENT

We are committed to building an inclusive team of talented individuals with diverse backgrounds, experiences, and perspectives. We believe that the best talent emerges from an environment where inclusion and respect are prioritized, and individuals feel valued, heard, and empowered to contribute fully. A diverse and inclusive workforce challenges the status quo, drives innovation, and brings a broader range of solutions to complex problems.

We are intentional about recruiting top talent from a broad range of backgrounds, mitigating bias across all stages of our talent processes, and fostering a culture of continuous growth. We invest in development opportunities and support systems that help our people thrive, advance, and reach their full potential at every level of the organization. Through this commitment, we aim to build a workplace where everyone has the opportunity to succeed—and by embedding inclusive practices into every stage of the talent lifecycle, we are better positioned to make smarter decisions, deliver innovative solutions, and achieve stronger outcomes for our clients and communities.

Through a voluntary campaign, Barings allows employees to disclose identity metrics, supporting oversight of our workforce makeup across teams and levels of seniority. Further information on our efforts in 2025 to foster an inclusive workplace can be found in our [2025 U.K. Gender Pay Gap Report](#).

SERVICE PROVIDERS

In addition to our in-house ESG integration and stewardship activities—which cover all our investment teams—Barings teams also work with third parties to provide the services listed in the table below. Third-party service providers play a crucial role in the creation, implementation, and success of Barings’ stewardship and ESG activities.

Provider type	Relevance to stewardship activities
Proxy voting	Supporting the Public Equities team (and Fixed Income and Private Asset teams where equity positions are held) to exercise its voting rights based on voting guidelines and recommendations.
Financial and ESG research and data	Supporting investment teams across asset classes with an ESG integration process that in turn informs prioritized engagement activities. In 2025, we onboarded an ESG provider specifically for Collateralized Loan Obligation (CLO) data coverage.
Credit research and rating	Supporting Fixed Income teams with our ESG integration process, in turn informing engagement activities.
Portfolio management software provider	Enabling our technological transformation to help centralize ESG and investment information.
Specialized ESG due diligence; monitoring and certification services	Providing in-depth due diligence for identifying ESG risks and opportunities to inform investment decisions for specific investments across several of our investment teams, including Real Estate and Private Finance. Exploring services related to supporting ESG-linked loans and data collection.
Financial analytics software	Supporting our Public Fixed Income teams with ESG screening.
Legal counsel	Providing external views on the development of industry frameworks (i.e. LMA/LSTA) for best practices in incorporating ESG ratchets into loan documentation for private credit. Providing tracking tools for ESG-related regulation.
Climate scenario analysis	Supporting our climate risk assessment capabilities across various asset classes.
Physical climate risk analysis	Supporting assessment of physical climate risk for Real Estate assets.
AI Research Platform	Supporting analysis of ESG issuer performance and scaling of engagement prioritization on systemic issues such as climate change, biodiversity and human rights.

SYSTEMS & TECHNOLOGY

The enhancement of our technology platforms has centralized the access of ESG data, investment research and portfolio management execution. Through the development and connection of proprietary and third-party platforms, we have enabled the following activities:

- Integration of ESG considerations and engagement activity alongside broader investment research for investment analysts.
- Analysis of how ESG profiles (such as scoring, carbon emissions) may change depending on investment decisions for portfolio managers.
- Monitoring of scoring and engagement activity at firm, platform and portfolio level for both portfolio managers and the Sustainability & ESG team.
- Foundations for strengthened reporting across a range of ESG-related data points where coverage allows.
- Identifying client and prospect ESG-related expectations in our CRM and Client experience platforms.



DISCLOSURE C

Policies, Processes & Review

TCFD Risk Management a: Describe the organization's processes for identifying and assessing climate-related risks.

TCFD Risk Management b: Describe the organization's processes for managing climate-related risks.

TCFD Risk Management c: Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.

Barings' Stewardship approach is outlined in the [Global Sustainability Policy](#) and supporting [Sustainability & ESG framework](#), which outline Barings approach to stewardship and the integration of sustainability-related risks and opportunities into decision making.

This section explains in more detail our processes related to ESG integration, engagement, risk management and internal audit.

While our Global Sustainability & ESG Policy aims to cover 100% of our AUM, in recognition of the complexities associated with acquisitions, reorganizations, and human capital integration, certain investment teams may operate under a distinct policy or approach that may not be fully aligned with this policy for a temporary period of time. During this transition phase, these investment teams are permitted to operate under a distinct policy or approach but are expected to work toward alignment with this policy. The duration of the transition phase and necessary adjustments will be determined on a case-by-case basis in consultation with relevant stakeholders to ensure impact to investment processes is mitigated and meaningful progress towards policy alignment is achieved.

As we invest in multiple asset classes, and degrees of integration may differ, we give our various asset class teams the flexibility to collaborate with our centralized Sustainability & ESG team on how they integrate ESG into their investment process. This is supplemented with general top-down guidance. Asset class ESG policies are available upon request. All of our policies are reviewed on a periodic basis, typically annually or when there is a material change to processes to reflect evolving practices for each asset class. Any proposed updates are reviewed and approved by the Sustainability Committee. The development of our policies was informed by support by external consultants and are currently not subject to external assurance.

INTEGRATING ESG CONSIDERATIONS INTO OUR INVESTMENT PROCESS

At Barings, we are committed to integrating ESG-related analysis into our investment processes across all our asset classes as part of our goal to maximize investment returns for our clients. Our approach is founded on the consideration that minimizing ESG risks and unlocking ESG opportunities may help us achieve the desired risk-adjusted returns for our clients in line with their time horizons. Our investment professionals possess industry and sector expertise that enables them to identify the material ESG risks and opportunities relevant to each of the investments they cover as part of their broader investment analysis. Our professionals have access to training on ESG integration and use third-party ESG data and research to support their work on ESG where appropriate. In our experience, this makes them best placed to undertake ESG integration directly on the issuers they cover. We believe that ESG investment analysis, focusing on financially-material information, enhances our investment process as it helps identify relevant risks and opportunities for our investments. The Sustainability & ESG team provides subject-matter expertise, training, frameworks, policies and procedures, and additional resources to support investment analysis of these material ESG considerations.

Where clients stipulate additional preferences on ESG issues, we integrate client input where possible. Where it is not possible, such as a pre-existing co-mingled offering, we discuss alternatives such as a separately managed account with the aim of delivering on client objectives.

Among other factors, our investment professionals consider a full range of material ESG risks and opportunities as part of their investment analysis. Such topics are informed by external frameworks and commitments, such as SASB, ISSB, UN Global Compact and other reporting frameworks such as the PRI and TCFD. They include:



ENVIRONMENTAL

EMISSIONS/ENVIRONMENTAL
IMPACT & CLIMATE CHANGE

ENERGY

NATURAL CAPITAL

PRODUCT LIFECYCLE/
SUPPLY CHAIN



SOCIAL

LABOR
(EMPLOYEES & SUPPLY CHAIN)

CONSUMER/SOCIETY

COMMUNITIES



GOVERNANCE

BOARD
STRATEGY & APPROACH

TRANSPARENCY

LEGAL

We typically score our investments on ESG issues from one (excellent) to five (unfavorable) using Barings' proprietary ESG rating system across our investment teams. Where possible, this score captures both the current state of ESG performance as well as the ESG outlook for an investment, which rates the momentum of the entity's ESG efforts as Improving, Stable or Deteriorating.

Our Public Equities team has a proprietary standardized ESG assessment framework to evaluate the ESG dynamics of current and potential portfolio companies. This assessment is dynamic and forward looking and has an impact on both the valuation of the investment and the qualitative assessment of the company.

Depending on the asset class and region (as indicated through the examples below), inputs to ESG scoring and analysis may be based on information sourced from third-party data providers, or directly from interactions with the issuer or other stakeholders. Given ESG data challenges pertaining to accuracy, methodology, comparability, and coverage, our own fundamental, qualitative, and quantitative (where appropriate) analysis and research holds more importance in the investment process than third-party input. We believe that long-term knowledge of our investments and sectors, as well as access to issuer management and financial sponsors, provide a superior level of analysis and a more robust methodology than relying on third-party data sources alone.

CONSIDERATIONS ACROSS ASSET CLASSES

As articulated through our investment team case studies in our Activities and Outcomes report, the nature of our ESG integration processes can vary depending on the asset class and/or region of the investment. These considerations include:

- For emerging issuers that are privately or government-owned, third-party ESG data may be limited and they may not be subject to stock exchange listing requirements. In such cases, we pay particular attention to governance and disclosure factors such as board composition, independent directors, auditors, related-party transactions and financial disclosures. We determine the materiality of the specific factors based on the nature and location of operations.
- Our Public Equities and Public Fixed Income teams often have access to senior management and/or financial sponsors through scheduled meetings and presentations. Analysts interact directly with issuers to discuss material company developments, including ESG issues. This is considered an integral part of either the credit risk or cost of equity-analysis process.
- For private assets, ESG integration is most focused on the pre-investment due diligence stage to identify where red flags may result in investment decline, as compared with ESG risks and opportunities that can be managed either through formal agreements or ongoing monitoring.
- For Real Estate Equity, ESG analysis starts at initial pre-screening where ESG risks (particularly climate-related) are identified and mitigation strategies, where required, are assessed. Once assets are acquired, monitoring/managing risks continues with an emphasis on physical and transitional risk. This, together with the identified ESG opportunities and implementation plan, form a strategic ESG asset management plan.
- For Structured Credit (CLO debt and equity tranches), ESG analysis focuses on the underlying CLO manager's approach, as well as an examination of the underlying collateral providing the cash flows to the CLO tranches. For Securitized Credit, ESG risk factors applicable to the originator/servicer, collateral/loan pool and structure/ third parties are assessed.
- For Global Sovereigns, ESG integration involves consideration of public policy developments that are influenced by different government entities. Sovereign ESG analysis is more fundamental in nature, based on policy implementation, development outcomes, and government effectiveness. Rather than taking a standardized approach to integration, analysis is focused on material risks and policy orientation unique to each country's geography, history, and economic reality. Interactions with government officials as well as multilaterals and other third-party entities are key to informing the ESG integration process.

INTEGRATION OF CLIMATE-RELATED RISKS & OPPORTUNITIES

We recognize that climate risks could impact the value of our investments and/or how we conduct our business operations. Our investment teams consider a range of financially-material climate-related risks, including both physical and transition risks. We have also considered how physical risks may affect Barings' office locations and measure our operational emissions as described in Metrics & Targets. We also continue to invest in our ESG resources and engage with service providers to support how we identify and manage climate-related risks.

Integration of climate-related risks and opportunities across asset classes can include:

- For Emerging Market Sovereigns, we assess climate risk through trade balance, GDP and social impacts (including poverty and development), using indicators such as UN Sustainable Development Goals 13 (Climate Action) and 15 (Life on Land), the Yale Environmental Performance Index and the Sendai Framework. Drawing on analysis from the IPCC, World Bank, IMF and other expert bodies, we integrate these assessments into our "E" ESG scores and, where material, reflect them in sovereign positioning.

- As part of Public Equities' analysis, up to two percentage points may be added to the Cost of Equity (CoE) to reflect internalized carbon costs by sector and jurisdiction, in addition to up to two percentage points for adverse ESG dynamics. As the CoE represents the minimum required return for equity investors, these adjustments are used by Barings' Public Equities teams in company valuation.
- Assessing physical risk for Real Estate assets features as part of our analysis (as described in further detail in Principle 2 of our Activities and Outcomes report).

BARINGS ECONOMIC & THEMATIC RESEARCH TEAM

Barings' portfolio managers and investment analysts benefit from the expertise of the BETR team to assess key macroeconomic, financial and geopolitical risks and derive implications for Barings' investment processes and decisions. BETR, a team of economists with experience in the public sector and international public and private financial institutions, has among its missions the identification of relevant short- and longer-term risks for the economic outlook. As well as producing core documents analyzing the global economic drivers of markets, BETR members meet with Barings investment teams to discuss proprietary research, which helps portfolio managers identify and thus manage key risks to their asset class strategy. Sustainability issues and their implications for financial markets are among the key drivers and risks assessed and analyzed by the BETR team.

ENGAGING WITH ISSUERS

Barings' investment professionals continue to be responsible for undertaking engagement with corporate and sovereign issuers. Depending on the investment team, our investment professionals also liaise with investment managers, consultants, sponsors, tenants and servicers as part of the engagement process. Our investment analysts also have access to support from the Sustainability & ESG team on individual engagements where assistance is required.

Where we engage with industry bodies and regulators, this is typically undertaken by representatives from our Sustainability & ESG team.

Our engagement approach with public corporate and sovereign issuers typically involves the following:

- Engagements are initiated at the discretion of investment analysts based on the selection of material ESG topics, typically identified through the ESG integration process and ongoing monitoring.
- We typically gain access to engage with the C-suite level for corporates and senior governmental representatives for sovereign entities.
- Objectives, milestones, likelihood of success, and timelines are established at the start of the engagement; progress against these are recorded in our proprietary system.
- Insights gained through engagements feed back into our fundamental ESG analysis.
- As a signatory to the UN Global Compact, we are guided by its principles, which are incorporated into our engagement activities related to fundamental responsibilities in the areas of human rights, labor, the environment, and anti-corruption.
- As part of our firm-level approach, our investment teams have access to join collaborative engagement groups, when deemed relevant and additive, to consolidate efforts and streamline engagement goals.
- Any concerns identified through ongoing monitoring and engagement interactions may lead to escalation.

Considerations for our engagement approach with issuers from our other investment teams include the following:

- Dialogue with private companies (e.g., from our Global Private Finance (GPF) and Diversified Alternative Equity (DAE) teams) typically involves regular discussion with both the portfolio company and the private equity sponsor on identifying and steering improvements to ESG performance.

- Where equity positions are held in companies or real estate assets outside of the Public Equities team, our stewardship activity can take the form of direct changes to operations or management rather than engaging as a separate entity.
- Through debt positions, including in private companies, real estate, and infrastructure, we leverage the agreement on ESG requirements being incorporated into loan documentation as an opportunity to steer engagement.
- The nature of dialogue can be more focused at the due diligence phase and may involve interacting with other stakeholders such as issuers and servicers of securitized credit, as well as sponsors and consultants for private companies, real estate, and infrastructure.

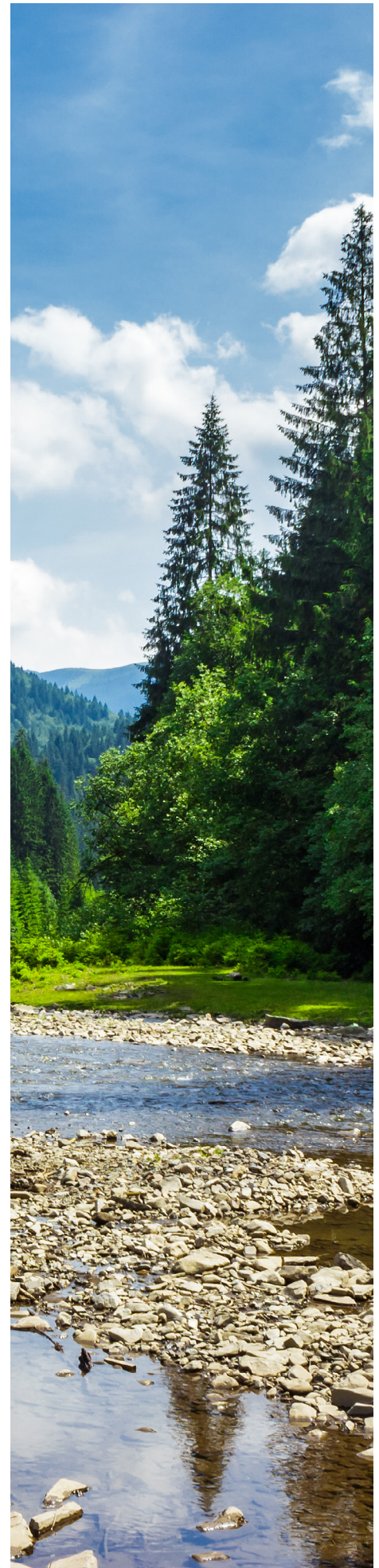
ENGAGEMENT PRIORITIZATION

The established approach to identifying and prioritizing engagements with issuers is identified bottom-up through our investment analyst’s fundamental process. This typically acts as the source of prioritization of engagement topics. The initiation of engagement is typically prioritized by the materiality of the issue on financial performance or creditworthiness of an investment. It may also be influenced by the likelihood of success and the relative size of the investment, among other matters. The nature of engagement objectives often seeks improved disclosure to further strengthen our ESG analysis although analysts may also seek to change behavior where this is seen to materially address risk. Engagement objectives may vary depending on the sector, location and size of the issuer. For example, we have found that when engaging with smaller companies, we may focus on prioritizing the disclosure of key environmental metrics that are currently unavailable and partnering with these issuers in understanding the resources required to help support them in providing this information. Conversely, ongoing engagements with larger companies may focus more on how activities and operations will be planned to fulfill targets disclosed.

To enhance the existing approach, the Sustainability & ESG team developed a framework to support analysts with their ESG integration and stewardship activities that they carry out to ensure the most financially-material risks and opportunities are considered across the business, on issues such as climate change, human rights, and biodiversity. The prioritization framework is informed by factors such as:

- Identification of controversies
- Investment size
- Issuer sector exposure to systemic risks such as climate change, biodiversity and human rights
- Client-specific ESG-related requirements.

Entities that are identified through this process may receive supplementary support from the Sustainability and ESG team.



ESCALATION

In pursuit of engagement objectives, our objective is delivering risk-adjusted returns to our clients. Because of our investment professionals' relationships with, and understanding of, our investments, we believe that engaging in dialogue should be the initial approach for pursuing engagement objectives. We recognize the value in partnering with the entities in which we invest to work toward common goals. However, we also recognize that, depending on the asset class and the nature of our investments, stewardship tools are available to help us to escalate engagements where objectives are not being met.

Across our Public Equities and Public Fixed Income platforms, escalation can occur when the analyst who launched an engagement deems the issuer to be making insufficient progress toward the initial objective. Within our proprietary ESG scoring and engagement tool, this can be based on the analyst's assessment of the likelihood of success in relation to the target end date of the engagement and the nature of the last interaction recorded. Engagement initiation and subsequent escalation can also occur from ongoing monitoring of and dialogue with, issuers for any unexpected events and/or controversies. Given our bottom-up approach to the selection of engagements and their topics, the consideration of where to escalate is typically prioritized by the analyst's perception of material risk to the investment and the timescale in which action should take place to address this risk. The process of escalation further depends on local market practice and regulatory options.

Part of the escalation process will usually involve articulating our ESG concerns primarily through private meetings with management teams, as we believe that change is usually facilitated by positive working relationships and respectful exchanges of opinion and information. Escalation is typically led by the analyst with oversight from the relevant investment team head and may involve the Investment Committee, for applicable teams, dependent on the options being considered.

Possible forms of escalation include:

- Flagging the issue to the Sustainability & ESG team, which may join engagement efforts or consider broader escalation options available.
- Reviewing the thesis with portfolio management and potentially adjusting a portfolio weighting.
- Voting against management or the board on material issues.
- Pursuing collaborative engagement.
- Removing the issuer from the approved buy list.
- Reducing our financial position or divestment.

Across our asset classes, some other considerations may include:

- As a debt investor, we can be limited by our lack of ownership to raise ESG issues, however, we typically gain access to issuers' senior management to communicate our concerns where engagements are not on track.
- We also look to collaborate across fixed income and public equity teams to identify where investment activity can be leveraged, including pursuing collaborative engagement opportunities where appropriate.
- For our illiquid investments the due diligence stage plays a crucial role in identifying and escalating any ESG-related concerns before proceeding.
- In private finance, our relationship with private equity sponsors can be leveraged to pursue the progression of engagement objectives.
- Escalation with sovereign governments can be hindered by an investor's position as one of many stakeholders and the consideration of respect for sovereignty; we believe, however, that ongoing dialogue is key to communicating and pursuing engagement objectives.

PROXY VOTING

Our approach to proxy voting is defined in the [Barings' Global Proxy Voting Policy](#). An annual check is carried out on all equity positions to be captured within our proxy voting activity. This policy applies to all our applicable funds and, as such, we have no fund-specific voting policies. However, there are instances where we can apply client policies to segregated mandates instead of our own policy.

We generally vote all client proxies for which we have proxy voting discretion in accordance with the recommendations or guidelines (in absence of a recommendation) of our third-party proxy voting research provider, integrating ESG research. In circumstances where the research provider has not provided a recommendation nor has contemplated an issue within its guidelines, the proxy will be analyzed on a case-by-case basis. To monitor shares and voting rights, Barings employs a third party responsible for receiving ballots from our custodians and notifying us of any meetings. Barings also reconciles these ballots with our holding positions, which are also sent to our provider. In addition, we conduct service reviews with our proxy service provider.

There may be times when it is in the best interests of clients to vote proxies against the research provider's recommendations or, in instances where the research provider has not given a recommendation, to vote against the guidelines. Barings can vote, in whole or in part, against the research provider's recommendations or guidelines as it deems appropriate.

While clients are not currently able to directly vote in pooled accounts, clients can elect to do their own voting and/or override Barings' views on specific votes for segregated accounts.

Procedures are designed to ensure that votes against the research provider's recommendations or guidelines are made in the best interests of clients and are not the result of any material conflict of interest. There may also be situations in which Barings will not vote proxies, including, but not limited to, instances where we have outstanding sell orders, where we no longer hold shares at the time of the meeting, or where the cost of voting foreign shares outweighs the potential benefits to the client. It should be noted that none of Barings' investment companies undertake stock lending.

RISK MANAGEMENT

Barings' Enterprise Risk Management Framework supports the effective identification and management of risks, potential events and trends that may significantly impact the firm's ability to achieve its strategic goals, manage client assets or maintain operations. This includes any identified climate-related risks from both an operational and investment management perspective. Barings' key risks are reviewed and overseen at the quarterly risk committees and can be described as falling under three categories—'strategic and business', 'financial' and 'operational'.

Any material climate-related risks that are identified are escalated as relevant, for example, by the ESG Investment Integration & Stewardship Working Group or the Climate Risk Taskforce. This may include escalation through our enterprise-wide risk framework and committee structure. We have used scenario analyses for climate-related risks with the intention of considering these more holistically in our risk management and/or investment process. Alongside this, investment teams can identify bottom-up climate risks through a range of ESG data and analysis tools developed by and in conjunction with the PSA ESG team.

CONTEXT

The Board is accountable for risk and oversight of the risk management process at Barings. Non-executive oversight of the risk management process with respect to standards of integrity, risk management and internal control is exercised through the Audit Committee of the Board.



The Chief Executive Officer and the leadership team, as the principal executive committee, have responsibility for regularly reviewing the firm's key risks. This includes ensuring that their respective business areas in all legal entities are monitoring and reporting relevant risks and controls. The executive committee is also responsible for monitoring individual behaviors, ensuring that they mirror the culture and core values of Barings.

The Chief Administrative Officer has responsibility for the risk and control framework at Barings. Independent oversight, monitoring and reporting of risks and controls is conducted by the Global Head of Enterprise Risk Management supported by the Risk Management function.

GOVERNANCE

Formal governance is provided through a framework of committees focused on the firm's core investment, trading, regulatory/compliance, and operational activities. The risk and governance committees are chaired by investment and business leaders and are supported by risk monitoring and oversight provided by risk teams.

Individual committee members include various associates from across the firm to provide a multi-functional viewpoint to risk oversight and management.

STRUCTURE

Barings operates under a three lines of defense model. It is the responsibility of all employees to uphold the control culture of Barings.

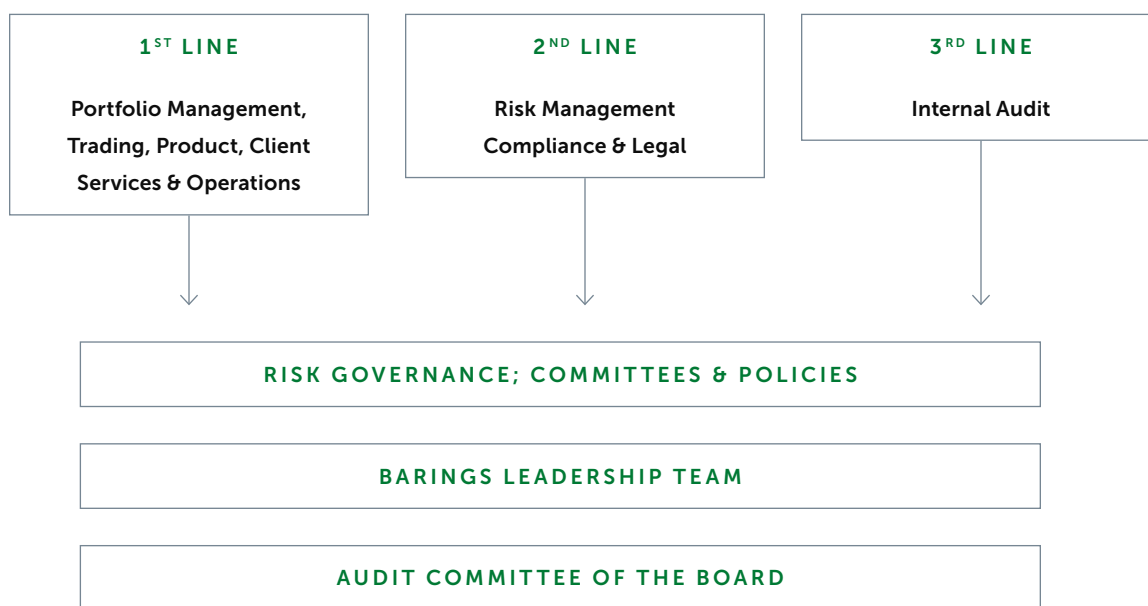
The first line of defense against undesirable outcomes is the business functions themselves and the line managers across investment teams and operations. Heads of each business area take the lead role with respect to identifying potential risks in their area and implementing and maintaining appropriate controls to mitigate the risks.

Line management is supplemented by the control and oversight functions, including Risk Management, Compliance, and Legal, which constitute the second line of defense. The compliance monitoring program reviews the effective operation of relevant key processes against regulatory and client-mandated requirements.

Internal Audit provides retrospective, independent assurance over the operation of controls and forms the third line of defense. The internal audit program includes reviews of risk management processes and recommendations to improve the control environment, supplemented by external assurance from external auditors.

MANDATE

Risk Management is an independent function of Barings with experienced teams with strong interactive relationships responsible for investment risk, counterparty risk, model risk, operational risk, and business resiliency. The Risk Management function has a global presence with risk professionals located in Charlotte, London, Boston, Dublin, and Singapore.



MANAGING INVESTMENT RISK

The Investment Risk function is housed within the second line Enterprise Risk Management team within Barings. This team complements the first line risk functions performed by Barings' investment teams through review and oversight of Barings portfolios across public and private markets including reviews of performance, portfolio positioning, and portfolio stress testing. The investment risk team also oversees several risk policies including the liquidity management policy, and internal risk limit monitoring policy amongst others. The investment risk team partners with other teams within the firm to ensure adequate coverage of key risk monitoring disciplines including the PSA team and others.

The second line investment risk team also aggregates direct and indirect exposures during times of market crisis (macro events, natural disasters, market specific incidents) and communicates potential firm exposures to senior management and investment teams to facilitate any necessary remediation plans.

The Head of Investment Risk chairs the quarterly firmwide Investment Risk Committee (IRC) where issues and escalations are discussed related to the elements monitored by the investment risk team as well as current market events. The IRC is attended by senior investment team management and includes proactive discussions regarding emerging risks as well as discussing lessons learned related to portfolio activity, market events, and thematic reviews.

RISK IDENTIFICATION

Barings' first line of defense is responsible for identifying risks. Generally, when risks are identified across the organization, the risk owners work in collaboration with the Risk team to define and document these risks. Within the Organization, Investment Beliefs and Stewardship Approach of our Policies and Context disclosure, we describe our ESG integration and engagement approach relevant to identifying and managing climate-related risks at the issuer level; as well as considering the use of

top-down scenario analysis to identify climate-related risks at a country and sector level. Any key findings from the scenario analysis are shared internally, including with the BETR team.

Investment teams identify and evaluate material ESG risks for investment portfolios during their due diligence and investment research processes. Once identified and evaluated as financially material for an individual investment portfolio, sustainability risks and mitigations are directly integrated in the related investment and risk analysis. Investment teams will also utilize stress testing through with an aim of identifying extreme events that could trigger very significant losses to portfolios.

BROADER RISK MANAGEMENT

Barings' risk management program includes a risk appetite framework covering the key risks faced by our organization. The Climate Risk Taskforce has considered key climate-related risks within this framework, including physical and transition risks from operational and investment risk perspectives.

The Barings Risk Team, in collaboration with risk owners, identifies quantitative measures and tolerance thresholds for defined risks to be used for monitoring on an ongoing basis. When metrics approach the predefined threshold levels, the risks are flagged for possible intervention from the business units and risk teams, and steps are taken to identify reasons for a metric approaching a threshold and the measures needed to address and mitigate the risks.

These risk appetite statements are refreshed periodically, and the measures used for this ongoing monitoring are reviewed and assessed on a quarterly basis. The Sustainability & ESG team monitor metrics related to ESG scoring, engagement activity, external reporting performance and operational greenhouse gas emissions.

Investment teams identify and evaluate potential ESG risks at the asset class/portfolio level. Then, risk mitigation efforts, including but not limited to engagement/active ownership, may be integrated in the related asset allocation and risk analysis for an individual investment portfolio, where applicable or appropriate.

Additionally, Barings' Legal and Compliance teams monitor climate-related regulatory developments across the jurisdictions in which we operate. We track any new climate-related legislation that could be enacted, or new interpretations, rulings or regulations that could be adopted, including those governing the types of investments we are permitted to make.

IDENTIFICATION & MANAGEMENT OF OPERATIONAL RISKS

The Operational Risk function maintains Barings' enterprise risk taxonomy, risk appetite framework, and Risk Dashboard and facilitates standardized assessment of inherent and residual risks, effectiveness of controls, and risk appetite levels across the firm's key risks. These risk assessments are conducted using qualitative and quantitative factors—including, but not limited to, operational risk events, KPIs and other metrics, as well as collaborating with other control functions—and associated risk and appetite levels are reviewed, challenged, and approved by the relevant Risk Committee on at least a quarterly basis.

In terms of governance and oversight, the Operational Risk Committee, chaired by the Global Head of Operational Risk, is the primary forum responsible for oversight of the framework and for the discussion and escalation of operational risks. Barings' Operational Risk team also participates in other risk and non-risk forums throughout the firm, at both the global and local levels, to ensure transparency and connectivity across operational risk activities and associated risks.



BUSINESS RESILIENCY

The primary objective of Barings Business Resiliency program is to ensure the safety of all associates in the event of a disruptive or unforeseen incident. Once met, the secondary objective is to support the business objectives by ensuring the firm can anticipate, prepare for, respond, and adapt to incremental change and sudden disruption. The firm's Recovery Time Objective following a significant disruptive incident is 24 hours.

Barings Business Resiliency program is aligned to the Business Continuity Institute "Best Practice Guidelines." Barings Head of Business Resiliency is a certified member of the Business Continuity Institute and member of the Investment Association Operational Resilience Committee.

Barings maintains a collection of business resiliency plans that encompass all significant operational areas of the firm. The plans detail the resources, locations, and technology required to maintain critical operations. To validate the effectiveness of Barings Business Resiliency program, a series of testing and validation exercises are undertaken annually.

Barings recognizes that disruptive events will occur from time to time and plan and test for a range of events and scenarios. To mitigate the impact, the following resilience strategies are utilized.

- Alternate Working: Remote working is the firm's primary alternate working strategy and has been scaled and deployed to the global workforce.
- Resilient IT Infrastructure: Barings IT infrastructure and technologies have been designed in a resilient configuration to avoid single points of failure.
- Transfer of Work: The global spread of the workforce allows for a transfer of activities and associates to an alternate location in the event of any single location disruption.

INTERNAL AUDIT

Internal audit at Barings is an independent, objective assurance, advisory insightful and foresighted activity designed to assist the enterprise in strengthening its ability to create, protect and sustain value and achieve its objectives. Internal audit activities help an organization accomplish its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Barings' Internal Audit function acts independently, and it performs reviews across Barings globally. All functions, including centralized sustainability processes and investment and operational team ESG activities, are subject to Internal Audit oversight. Issues identified across all internal audits are tagged to the Risk Appetite framework.



DISCLOSURE D

Conflicts of Interest

We continue to operate a comprehensive framework to identify, prevent, manage and disclose conflicts of interest. This framework includes five core pillars:

- 1. Governance:** Each Barings entity has a corporate governance structure in place (i.e., committees, a board of directors or similar body) which assists in the oversight of its investment management and business activities, including potential conflicts of interest.
- 2. Policies:** A suite of regional and global policies has been designed to prevent and detect conflicts of interest. Our primary policy is made available to clients and disclosed on our website. We also have a Code of Ethics that addresses personal conflicts, such as personal trading and outside business interests, and a Proxy Voting Policy for voting matters.
- 3. Compliance Systems:** We use systems to automate and monitor employees' personal trading and outside business interests. The same application is used to manage employees' confirmation of their understanding of internal policies.
- 4. Annual Review of Conflicts:** The Compliance team conducts an annual review of conflicts to ensure that the record of potential and actual conflicts is comprehensive and reflects current business activities.
- 5. Processes and Controls:** We maintain a register that is the source for all risks and controls related to conflicts of interest. We also maintain a separate log for gifts and entertainment, and one for additional employment or outside interests.

We continue to provide training on conflicts of interest and conduct testing and monitoring of controls. Overall, we are committed to managing conflicts of interest in a transparent and effective manner to protect the interests of our clients and maintain their trust in us as a steward of their assets.

MONITORING POTENTIAL CONFLICT

We continue to monitor conflicts of interest in four main areas:

1

VOTING BEHAVIOR REPLICATING PROXY-ADVISOR RECOMMENDATIONS

Relevant investment teams have discretion to deviate from recommendations where they deem such action to be in clients' best interests.

2

PERSONAL INTERESTS OVERRIDING CLIENTS' INTEREST

A senior member of the Compliance team is a participant of the Proxy Voting Working Group and is responsible for checking and, where necessary, challenging instances of voting intentions by employees who may hold a personal interest in an issuer.

3

HOLDING MULTIPLE SEGMENTS OF CAPITAL STRUCTURE

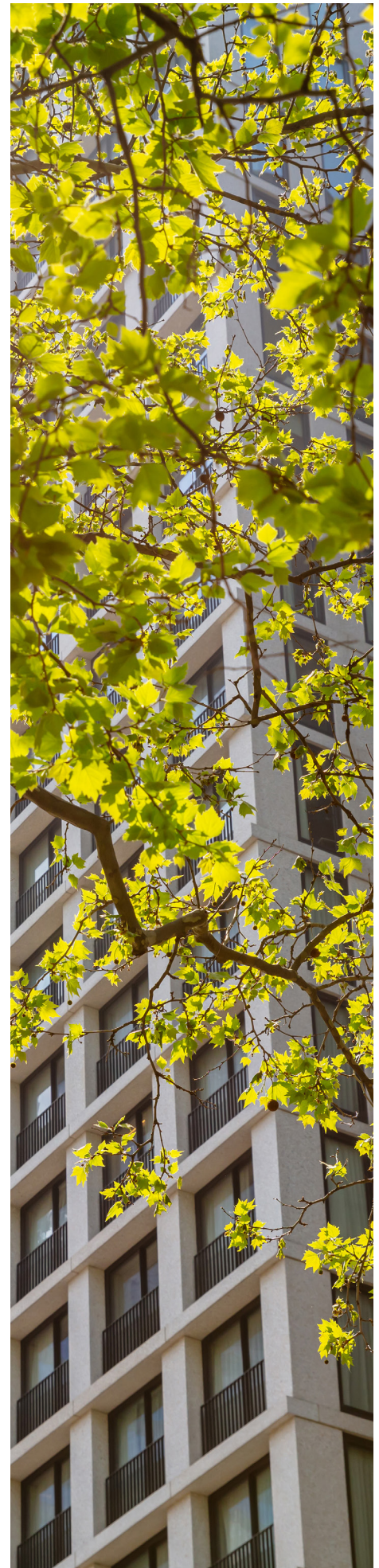
Barings has adopted policies, procedures, and information barriers between investment teams for dealing with conflicts which may arise because our portfolios are holding different segments of the same issuer's capital structure.

4

UNDUE INFLUENCE IN BOARD MEMBERSHIP

We continue to take a conflict prevention policy, where we prefer that individuals do not become members of the board of a company that is undergoing restructure. Barings will instead act as a board observer, allowing the firm to continue to be aware of board discussions without being able to influence them unduly. Policies and procedures are in place to ensure any material non-public information is either avoided or handled appropriately.

Barings is owned by MassMutual, a non-listed insurance company and none of the firm's subsidiaries that perform regulated activities are publicly listed. This, in our view-reduced the scope of conflicts often associated with listing arrangements.



Dialogue with Clients and/or Beneficiaries

MANAGING ASSETS IN LINE WITH CLIENT REQUIREMENTS

We are active in understanding and responding to our clients' range of preferences, including ESG, where they are stipulated.

We manage assets⁴ in line with clients' ESG-related requirements by:

- Working to incorporate ESG and stewardship requirements along investment objectives and related legal documents, as well as communicating them through our own stewardship policies and activities. These requirements may include exclusions of specific industries and investments, a tailored engagement approach, and adherence to their own policies;
- Monitoring portfolios to ensure alignment with client investment objectives; and
- Collaborating with clients to create funds that are tailored to their objectives and policies.

We also offer segregated mandates, which have client-directed exclusion lists; custom ESG targets, such as a targeted absolute portfolio carbon footprint; and custom engagement requirements based on specific criteria. Where custom exclusion lists are applied to mandates, the Barings' Guideline Monitoring team can incorporate them into their oversight and uses a third-party database to support screening where available. We also work with clients to explain differences in methodology or data between service providers to help them in their selection of exclusions or targets.

Ongoing oversight of client preferences is generally undertaken through regular meetings between Barings Global Client Group and the Sustainability & ESG teams. Alongside this, the Sustainability & ESG team is alerted to client meetings undertaken by Barings Global Client Group where ESG considerations have been a key topic. These items are discussed as necessary via automated reports from our client experience management platform. Any overarching trends on client preferences are discussed during Sustainability Committee meetings.

Our RFP team also presents to the Reporting & Distribution Working Group on a regular basis to summarize any trends identified through tracking client questions received.

The Sustainability & ESG team regularly meet with clients to discuss our stewardship practices in line with their preferences. Alongside this, the Reporting and Distribution Working Group has enhanced tracking our clients' ESG-related expectations and our alignment with those. This helps inform the strategic direction of our ESG approach with our Sustainability Committee to navigate regional variations.

Key themes from understanding client preferences include:

- Engagement focus on priority systemic topics including climate change, biodiversity, and human rights. This has informed the development of our engagement prioritization framework.
- Interest in the development of segregated products with a focus on decarbonization.
- More granular expectations on data provided in client reporting.

To better capture and respond to client preferences, we have implemented monitoring within our internal systems to identify prospects and clients with specific ESG requirements. This enables us to ensure their stated ESG preferences are appropriately accommodated and measure ESG-related flows.

Examples of incorporating our clients' preferences are provided in Principle 1 of our Activities and Outcomes report.

4. Client AUM breakdown provided on page six.

Activities & Outcomes

PRINCIPLE 1

Integrating Stewardship & Investment

Our approach to ESG integration and stewardship, including the topics considered and considerations across asset classes and geographies are outlined in Section C of our Policies and Context disclosure. Below we provide examples demonstrating how this approach is applied from a bottom-up perspective in the assessment of idiosyncratic risks, as well as how we partner with our clients to integrate their ESG-related requirements as part of our stewardship and investment approach. Our consideration of, and activities related to, systemic risks are captured within relevant examples across Principles 1, 2 and 3.

PERSPECTIVE FROM PUBLIC FIXED INCOME

An opportunity to invest in a leading manager and operator of a large, integrated industrial park facilities in Europe was presented to the Barings European High Yield Investment Committee. As part of Barings' bottom-up ESG integration, the issuer's environmental, social and governance profile was assessed alongside financial considerations. Following this review, the issuer was assigned a Current State ESG Score of 5 (Unfavorable), reflecting the presence of multiple material ESG risks.

From an environmental perspective, the company's continued operation of coal-fired boilers, accounting for approximately 7% of FY2024 revenue, was assessed as a material climate transition risk, despite stated plans to reduce coal exposure over time. This risk was compounded by a history of environmental incidents, including hazardous chemical contamination of a major river system and the historical use of PFAS-based fire-fighting foam.

The ESG assessment also identified significant social and governance risks, driven by an ongoing legal case related to a fatal industrial explosion at one of the company's facilities. The incident resulted in multiple fatalities and injuries, with active proceedings alleging negligence and severe breaches of duty of care. While certain mitigation measures have been disclosed, these were assessed as insufficient to offset the severity and immediacy of the outstanding legal, reputational and transition risks.

On this basis, the Investment Committee decided not to proceed with the investment. The issuer will continue to be monitored, with any future reassessment contingent on the resolution of legal proceedings and demonstrable reductions in environmental and safety-related risks.

PERSPECTIVE FROM INFRASTRUCTURE DEBT

An opportunity to invest in a battery storage asset was presented to the Infrastructure Debt Investment Committee through the standard investment review process.

The project provides long term energy storage services to a major industrial facility under a 20 year contract with a high investment grade offtaker. It utilizes Tier 1 battery technology and achieved commercial operations in October 2025.

Development and construction were led by an established renewable energy developer and operator with a strong track record across energy and storage assets. Construction risk was mitigated through robust contractual protections and contingency planning.

The asset supports renewable energy objectives and enhances grid resilience by delivering critical energy storage capacity for power intensive industrial operations. Revenues are underpinned by long term, contracted cash flows with a high investment grade counterparty, providing predictable and stable income. Additionally, ongoing asset management is supported by an experienced sponsor with deep expertise in renewable energy and storage operations, enabling effective operational oversight and optimization of revenue opportunities across relevant markets.

Based on these considerations, alongside a comprehensive financial assessment, the Investment Committee approved the investment.

INCORPORATING OUR CLIENTS' PREFERENCES

As described in Section E of our Policies and Context disclosure, understanding and incorporating our clients' ESG-related preferences is a key part of our stewardship approach. Primarily steered by our Reporting & Distribution Working Group (as explained in Section E), the following enhancements were made in 2025 to support monitoring of our client preferences:

- Roll out of client categorization capability in our client experience platform to assess alignment of expectations related to ESG.
- Increased internal-reporting capability to map AUM flows related to ESG, including the involvement of the Sustainability & ESG team in key ESG-related opportunities.
- Exploration of more granular mapping of portfolio AUM and ESG requirements.

We are supporting several clients on target setting, monitoring and implementation of decarbonization within portfolios. Please see examples below.

SUPPORTING OUR PARENT COMPANY

In 2023, MassMutual disclosed interim targets for commercial mortgage loans and public corporate power and energy portfolios. Barings helped MassMutual in its effort to establish intensity metrics in relation to these portfolios to support their target setting and monitoring. In 2025, we continued to monitor MassMutual portfolios against their objectives, taking deeper analytical dives into the data and sharing the resulting insights.

CO-CREATING A DECARBONIZATION SOLUTION FOR A EUROPEAN CLIENT IN OUR PUBLIC CORPORATE FIXED INCOME PLATFORM

In Q4 2024 and into 2025, Barings worked closely with a client to develop a decarbonization approach to sit alongside their financial guidelines. As a first step, we worked with the client to select TCFD-aligned metrics to help establish a baseline and determine what carbon-reduction goals may be feasible, as well as being able to measure ongoing progress towards this. The client requested a feasibility analysis on a baseline of 2019 for 50% carbon reduction by 2030, which we were able to provide. We also agreed on a prioritized stewardship approach to identify and engage on the largest carbon emissions within a portfolio and demonstrate how these issuers progress over time in achieving associated decarbonization engagement objectives. Progress on our efforts is reported to the client quarterly.

EXPLORING IMPACT-RELATED OPPORTUNITIES

In 2025, the Sustainability & ESG team conducted a mapping exercise of existing Global Private Finance assets against the Global Impact Investors Network's (GIIN) IRIS+ framework. This work provided greater visibility into how the core business activities of our existing borrowers align with positive environmental and social outcomes and served as an important first step in shaping an impact approach for the asset class. Insights from the exercise were shared internally and with select clients to explore standardized impact-aligned reporting solutions and to better understand demand for impact-oriented portfolio strategies.



PRINCIPLE 2

Promoting Well-Functioning Markets

TCFD Sa: Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.

TCFD Sb: Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.

TCFD Sc: Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Alongside our approach to ESG integration and stewardship to address idiosyncratic risks captured in Section C of our Policies and Context disclosure and through examples provided in Principle 1, below we highlight the activities undertaken in our efforts to identify and address systemic risks, as well as our participation in industry initiatives to support best practice. We also disclose our approach to integrating climate-related risks and opportunities in Section C, with relevant activities undertaken in 2025 to support our efforts captured below.

SYSTEMIC RISKS

In line with external frameworks such as the PRI and UK Stewardship Code, we recognize that financially-material topics can be systemic in nature, with potential impacts on entities within the broader investment universe. Alongside Barings' investment teams' approach to considering financially-material risks and opportunities from a bottom-up fundamentals perspective, the Sustainability & ESG team has formalized an issuer prioritization approach, which was outlined in the outlined in Disclosure A of our Policies and Context disclosure. This approach was further enhanced in 2025.

PRIORITIZING OUR EFFORTS ON SYSTEMIC RISKS

To further focus stewardship activities, the Sustainability & ESG team created an issuer prioritization dashboard, which, amongst other considerations, flags issuers that we have determined as having potential contribution and/or exposure to systemic risks such as climate change, human rights, and biodiversity. This determination is based on the Sustainability Accounting Standards Board's (SASB) materiality map per sector and, for climate specifically, the results of our top-down climate scenario analysis as well.

Once issuers are identified in the dashboard as exhibiting potentially elevated risks related to systemic issues, the Sustainability & ESG team undertakes further in-depth analysis. To support this process, the team developed standardized guidance covering the three systemic risks referenced above. In June 2025, the team onboarded a pilot third-party AI tool to support the application of this guidance and identify areas for potential engagement with issuers. As part of this, the Sustainability & ESG team will then prepare a suggested engagement plan and work with relevant investment analysts to implement the engagement plan and record any interaction with the issuer in question within our proprietary research system.

CLIMATE CHANGE

SCENARIO ANALYSIS

Our ESG integration and stewardship activities consider both physical and transition-related risks and opportunities associated with climate change where deemed financially material to our investments.

In addition to the activities we mentioned in the preceding section related to systemic risks, there were additional climate-related technology enhancements we undertook to further incorporate climate risks within our process.

In 2025, we incorporated the results of the top-down climate transition risk scenario analysis we outlined in our 2024 Integrated Sustainability Report within our proprietary ESG scorecard. This allows investment analysts investing in public and private corporate issuers to determine whether the issuers they cover operate in one of the sectors flagged by the climate transition scenario analysis. This guides their assessment of the ESG risks and opportunities of the issuer as well as their engagement activities.

In addition, access to MSCI's issuer-specific climate scenario analysis for both physical and transition risks were also made available through our ESG scorecard for more direct access.

We have also broadened the provision of climate related data at portfolio level.

RISK MANAGEMENT

Our Climate Risk Taskforce oversees a number of activities for a range of Barings teams in order to mitigate climate-related risks in support of our goal to seek competitive risk-adjusted returns for our clients. In 2025, the Risk and Sustainability & ESG teams reviewed and updated a climate risk register in 2025. Aligning both physical and transition-related risks to Barings risk categories covering Strategy & Business, Finance and Operations, individual risks have been identified, including the following types:

- Investment performance; (e.g. portfolios not meeting stated investment objectives).
- Business resilience; (e.g. inability to maintain critical operations).
- Client preferences; (e.g. misaligned expectations leading to outflows).
- Data & analytics; (e.g. inability to access and report on meaningful and accurate climate-related data).

As per our broader Risk Management framework outlined in Section C of our Policies and Context disclosure, ongoing activities include identifying risk owners within the business to assess the potential inherent and residual impacts, based on mitigating actions available.



MONITORING & REPORTING

To support the climate-related information available to our portfolio managers, we have recently enhanced our data offering to include an SBTi alignment percentage where the data is available. Also as described in Principle 6, to primarily increase climate-related data coverage for High Yield loan issuers (which to date has been a significant challenge), we have onboarded a provider which significantly increases emissions-related data to support both our integration and reporting related capabilities for this asset class.

INTEGRATION & ENGAGEMENT EXAMPLES

Below are two examples of activities undertaken in 2025 that have been developed further from our 2024 Integrated Sustainability Report related to addressing climate-related risks through physical risk assessments for real estate assets and the implementation of our engagement prioritization framework for public corporate fixed income.

INTEGRATING PHYSICAL RISK ASSESSMENTS WITHIN REAL ESTATE

In 2024, Barings real estate equity began integrating physical risk more formally in our investment focus in two ways. First, while we have long conducted environmental studies in our due diligence, we began embedding an additional analysis looking at acute and chronic climate risks across a variety of perils. The analysis drives conversations around mitigation and resilience measures that may harden the asset in question. Second, as part of portfolio management, we have begun conducting fund-level peril exposure analysis. This enables us to understand a fund's exposure, measured in the dollar amount of gross asset value exposed to perils including heat, cold, precipitation stress, wildfires and coastal or riverine flooding. We continue to actively leverage the tool to build out our workflows around acquisitions, resilience and portfolio management. At the end of 2024, we made the strategic decision to extend the use of the tool to the debt real estate portfolio. This work is in progress. The tool will not only enable us to make decisions concerning the hardening of assets but also facilitate governance oversight and reporting.

In 2025, we continued to make progress on how we evaluate physical risk in our investment process. Leveraging two market leading tools, we continue to put these processes into practice during the acquisition and due diligence process of an asset, as well as during year-end fund level reviews. By the end of 2025, we had conducted fund level reviews for our funds in our U.S. Equity platform and our global Debt commercial mortgage loan book giving us visibility into climate risk exposure of approximately \$25B in combined AUM.

During this time, tools are expanding in sophistication. Tools are beginning to roll out features by which an investor can evaluate the financial impact of resilience measures. We are committed to continuing this work to move our understanding from risk exposure to vulnerability. In the interim, in due diligence, we have begun to underwrite climate adjusted downside scenarios, taking into account the cost of an insurance deductible or a resiliency measure. With each property we evaluate, we build our knowledge around how to maximize risk-adjusted returns through physical risk evaluations and also rely on world-class insurance to protect against unforeseen risks.



CASE STUDY

Prioritized Engagement with Airline Sector

U.S. HIGH YIELD



Background

In Q3 2025, Barings initiated a focused engagement with three airline companies held within U.S. High Yield portfolios to better understand progress against their stated emissions reduction targets. The objective of this engagement was to assess each issuer's position on its decarbonization pathway, with particular attention to the role of Sustainable Aviation Fuel (SAF), which is widely viewed as critical to achieving near- and medium-term emissions reductions in the aviation sector. Given the sector's reliance on SAF and the well-documented challenges related to its affordability, scalability, and distribution, the engagement sought to explore how airlines are approaching SAF adoption, investment, and integration into their broader climate strategies, alongside other levers such as fleet modernization and longer-term propulsion technologies, to mitigate commercial and regulatory risk that may impair their investment risk profile.

What We Did

In Q4 2025, representatives from the U.S. High Yield investment team and the Barings Sustainability & ESG team held a detailed engagement with one airline company to review progress toward its climate targets. The discussion involved the company's Chief Sustainability Officer, Investor Relations, and Corporate Secretary teams.

The company has set two emissions reduction targets: a 50% reduction in carbon intensity by 2035 and a net-zero ambition by 2050. Management acknowledged that absolute emissions increased in 2024 due to business growth and limited SAF availability, with SAF accounting for approximately 0.3% of total fuel use during the year.

The company outlined that its near-term emissions reduction efforts are focused on its fleet modernization strategy, which involves replacing older aircraft with more fuel-efficient models and is expected to deliver approximately a 20% reduction in emissions. Alongside this, management emphasized the central

role SAF is expected to play in its longer-term decarbonization pathway, while also highlighting ongoing challenges related to cost, supply, and infrastructure.

The company described three key pillars underpinning its SAF strategy:

- Collaboration with corporate and cargo customers through initiatives such as the Eco-Skies Alliance;
- Investment in early-stage SAF technologies via the Airlines Ventures Sustainable Flight Fund, including support for power-to-liquid technologies; and
- Policy advocacy and industry collaboration through participation in SAF coalitions.

The company also highlighted progress on SAF logistics, noting the use of existing fuel infrastructure, including the Colonial Pipeline, to transport SAF, which can help reduce distribution costs. Looking further ahead, management expects alternative propulsion technologies such as electric, hybrid, and hydrogen aircraft to play a limited but growing role, primarily for regional routes. Partnerships with aircraft developers and engagement with airports on electrification of ground operations were discussed, although infrastructure constraints remain a key barrier.

Outcome & Next Steps

Barings remains comfortable with the company's progress toward its interim emissions reduction targets, particularly in relation to fleet modernization and its strategic approach to SAF adoption. The engagement provided greater clarity on how the company is balancing near-term operational actions with longer-term technology investments in a hard-to-abate sector.

As next steps, Barings will review the company's 2025 sustainability report once published to assess any further progress and disclosures and intends to continue the dialogue with the issuer in the second half of 2026 as part of ongoing stewardship and monitoring activities.

BIODIVERSITY

We recognize that financially-material risks and opportunities related to biodiversity and deforestation are typically location-specific in nature and can be present in supply chains for a range of sectors. As part of the Sustainability & ESG team's prioritization framework, issuers are flagged for heightened biodiversity-related risks based on SASB. To support analysts with any engagements and/or ESG scoring assessment initiated through this process, our engagement guides related to biodiversity and deforestation have been incorporated into our third-party AI platform to identify action and improvement areas in relation to other relevant issuers. These have been developed by frameworks including: World Benchmarking Alliance Nature and Biodiversity Benchmark, The PRI, The IFC and the GRI.



CASE STUDY

Prioritized Engagement with Short Break Operator

U.K. HIGH YIELD

Background

Identified by our engagement prioritization framework, Barings investment analysts engaged with a leading UK-based short break resort operator to promote enhanced environmental transparency. The company manages extensive woodland areas and has implemented internal forest management plans that outline biodiversity action strategies.

What We Did

Our objective was to encourage the company to publicly disclose these plans, thereby improving transparency around their biodiversity practices and aligning with investor expectations for nature related reporting.

Outcome & Next Steps

The company outlined there would be increased disclosure in their forthcoming sustainability report, however at this stage they will not be publishing their forest management plans. We reiterated our expectation that, in future reporting cycles, the company should consider including the forest management plans or a summary thereof to demonstrate accountability and progress on biodiversity outcomes. While full transparency was not achieved in this instance, the company's willingness to enhance biodiversity reporting represents a positive step and the engagement remains in-progress.

HUMAN RIGHTS

Barings recognizes that human rights-related risks, including modern slavery, are present across a range of sectors, including within supply chains. Similarly for biodiversity, our prioritization framework also flags issuers exposed to heightened human-rights risks based on SASB. Our engagement guide for human rights practices has also been incorporated into our third-party AI platform to support any engagements/ESG scoring assessment initiated by analysts as part of this process. The guide is informed by frameworks including UN Guiding Principles on Business and Human Rights.

PARTICIPATION IN INDUSTRY INITIATIVES

We believe that active and meaningful industry participation is one of the most effective ways of identifying and implementing best practice related to market-wide challenges and opportunities. Examples of our involvement are provided below.

Initiatives	Commentary
European Leveraged Finance Association (ELFA)	Our Head of ESG Investment Integration for Public Assets is a co-Chair of the European Leveraged Finance Association (ELFA)'s ESG Committee. As part of this, he has contributed to the updated version of ELFA's ESG factsheets, which are detailed, sector-specific questionnaires used by the leveraged finance industry to gather ESG data on borrowers. He has also collaborated with ELFA's CLO Committee on reviewing their CLO Manager questionnaire to align it with the borrower questionnaires. "Industry Best Practice" is one of the three pillars, "Effective Adoption" and "Advocacy", which he and his other two co-Chairs have set as a mission statement for ELFA's ESG Committee.
PRI Sustainable Systems Investment Managers Reference Group (SSIMRG)	SSIMRG provides a unique opportunity for investment managers to share developments, questions, concerns and feedback with the PRI Executive related to: <ul style="list-style-type: none"> • Innovative solutions to barriers to responsible investment and a sustainable financial system. • The role of investment managers on system level issues. • PRI's sustainable systems change plan. <p>Additionally, our Head of ESG Investment Integration for Public Assets is a member of the SSIMRG's Steering Committee and also chairs the Real World Outcomes workstream, which is exploring how investment managers can more comprehensively assess how issuers contribute to systemwide issues over a multi-decade time horizon. We believe there is a gap in both methodology and data disclosures by companies to enable such assessment, whilst this assessment is key to enabling investment managers to make more sustainable investment decisions over the long term.</p>
PRI's Guidance on Stewardship in Private Debt	Barings ESG Investment Integration Associate Director, who developed our proprietary Private Debt ESG questionnaire, also contributed to the PRI's Guidance on Stewardship in Private Debt. This aims to clarify stewardship in private debt and offers practical tools and insights for investors to engage borrowers, lenders and sponsors.
SFDR	Barings provided feedback on proposed changes to the SFDR. The main theme of this was to emphasize the importance of defined engagement practices to be key in enabling a transition and to drive sustainability performance of companies and revisions to the current disclosure categories. We also raised potential concerns of exclusionary approaches undermining the ability of certain sectors to transition to a lower carbon and "Just Transition" economy.
PRI's Progression Pathway Framework	We provided feedback to the PRI on its proposed Progression Pathway Framework underpinning the updated reporting framework. While we supported the framework as a helpful guide for ESG integration and stewardship, we raised concerns about the requirement for managers to select a single pathway, which risked disadvantaging firms like Barings with diverse client ESG preferences. We welcome the PRI's decision to remove this requirement while retaining the framework as a voluntary tool to support good practice and capability-building.

Engagement

As outlined in Section C of our Policies and Context disclosure, Barings' investment professionals continue to be responsible for undertaking engagement with corporate and sovereign issuers. Engagement is a core component of our stewardship approach and is used to promote sustainable value creation and manage material risks and opportunities. We engage with investee companies and relevant stakeholders in a purposeful, outcomes-focused manner, using dialogue and escalation where appropriate to influence behavior and improve long-term outcomes for clients and beneficiaries.

ENGAGEMENT ACTIVITY

Below is a summary of Barings' engagement activity recorded in our proprietary platform at firm level for 2025.

In 2025, Barings undertook 408 engagements with 325 issuers, where we identified risk that could impair the profile of an underlying investment, of these engagements, 84 were related to environmental topics (of which 58 were related to climate change and energy management), 45 related to social topics and 279 related to governance.

ENGAGEMENTS INITIATED OR UPDATED: STATUS



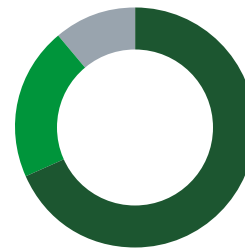
51.96% | Ongoing
24.26% | Closed Successful
23.77% | Closed—Unsuccessful

ENGAGEMENTS INITIATED OR UPDATED: OBJECTIVE TYPE



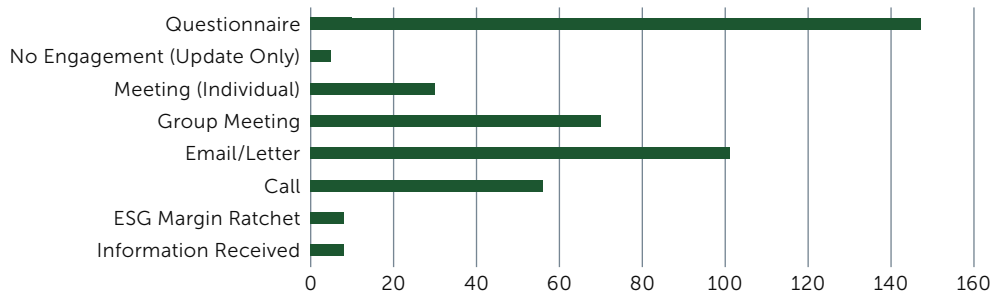
61.03% | Improved Disclosure
18.14% | Changed Behavior
14.22% | Drive Sustainability Outcome
6.62% | Investigation

ENGAGEMENTS INITIATED OR UPDATED: CATEGORY



68.40% | Governance
20.60% | Environmental
11.00% | Social

ENGAGEMENT INTERACTION: FORMS OF ENGAGEMENT



ENGAGEMENTS INITIATED OR UPDATED: TOPIC BREAKDOWN



This compares to 311 engagements initiated or updated with 198 issuers in 2024. We note that a key part of our engagement activity in 2025 was related to driving disclosure across our Global Private Finance platform. As part of our ongoing efforts to address the ESG data gap in private markets, the Global Private Finance team developed an ESG questionnaire based on industry standards and similar templates from the PRI (Integrated Disclosure Project) and the ESG Data Convergence Initiative (EDCI) to be issued to borrowers annually. The rollout of the questionnaire across our Global Private Finance platform has been successful thus far, we have achieved a ~50% return rate from European borrowers and a 28% return rate from North American borrowers as of 31 December 2025.

COLLABORATIVE ENGAGEMENT

We continue to recognize that participating in collaborative engagement can help to consolidate engagement efforts and streamline investor dialogue, to reduce financially-material risks to our clients. However, we recognize the importance of this activity being appropriate and those involved should ensure that their contributions are active and meaningful. We believe collaborative initiatives should be focused on financially-material ESG topics and constructive insofar as those initiatives relate to supporting companies in better disclosure or outcomes related to these material topics. We will only participate in collaborative engagements that remain aligned with this philosophy.

In 2025, we remained an active participant in the following collaborative engagement initiatives with two case studies provided below:

Initiative Name	Role(s)	Company Sectors
Farm Animal Investment Risk and Return (FAIRR)	Collaborating Investor	Agricultural
Emerging Markets Investors Alliance (EMIA)	Lead and Collaborating Investor	Financial Agricultural & Consumer Telecommunications Sovereign



CASE STUDY

Sovereign Group Engagement on Infrastructure Spending Transparency, Sustainable Bond Issuance & Beneficial Ownership Reforms



Background

Barings' Emerging Market Sovereign team has invested in the bonds of a Latin American sovereign for over two years, following the election of a reform-oriented administration focused on governance and accountability. The country faces severe structural challenges, including entrenched corruption, widespread poverty (54.8% of the population), high child malnutrition (44%), climate vulnerability—particularly to El Niño—related droughts—and persistent rural and social exclusion, especially among indigenous communities. These risks continue to constrain growth and remain a focus of ongoing monitoring.

The current administration has begun to shift the outlook through expanded public investment and social spending, structural reforms including the country's first antitrust law, and development strategies targeting food security, rural development, and climate resilience. Against this backdrop, the EM investor community has supported the issuance of sustainability-oriented bonds to channel capital directly toward these priorities.

What We Did

In February 2023, Barings' EM Sovereign analyst met with the Ministry of Finance to encourage the issuance of sustainability-linked debt as a means of aligning financing with development objectives and potentially reducing funding costs. Momentum continued through Barings' participation in a focused working group under the Emerging Markets Investors Alliance (EMIA) in Q3 2025. The group engaged the Vice Minister of Finance, encouraging greater transparency through detailed infrastructure reporting to strengthen accountability and reduce corruption risks.

This dialogue culminated in a roundtable with the Ministry of Finance and the Open Government Partnership, where the Minister confirmed that semi-annual reporting on infrastructure spending and sustainable bond proceeds would be introduced. The government also highlighted early progress on governance reforms, improvements in international transparency and freedom indices, largescale school renovations (36,000 buildings), and advances in open budgeting and public fiscal engagement. Follow-up discussions addressed tax transparency and beneficial ownership reforms, and the government indicated it is considering a further ESG bond issuance, potentially in 2026, with investors providing feedback on the suitability of sustainability-linked structures.

Outcome & Next Steps

Through sustained engagement and collaborative investor dialogue, Barings observed improved transparency commitments (semi-annual reports on infrastructure spending and on the proceeds of the Sustainable Bond issued in 2024), strengthened accountability mechanisms, and clearer alignment between sovereign financing and development outcomes, while supporting the government's efforts to translate capital markets access into tangible social and institutional progress.



CASE STUDY

Engagement with an Energy Company on Methane Emissions

EMERGING MARKETS CORPORATE DEBT

Background

In September 2025, we participated in an investor call organized by an industry initiative to receive an update from a large energy company on its methane emissions abatement strategy. This engagement was framed within the context of a national commitment to materially reduce methane emissions by 2030. Given methane's significantly higher global warming potential relative to carbon dioxide, abatement efforts in this area are viewed as a critical lever for accelerating near-term decarbonization.

Limited progress on methane abatement and continued uncertainty around targets and financing could expose the company to regulatory, operational, and transition risks, with potential implications for costs, asset integrity, and long-term credit quality.

What We Did

The company outlined that methane abatement is a stated priority within its sustainability framework and forms part of its broader set of sustainability focus areas. It confirmed that it is working with an international financial institution to develop and structure its abatement programme. By 2030, the company is targeting the elimination of routine flaring across its operations and a material reduction in methane emissions relative to a defined baseline year.

During the discussion, the company emphasized its current focus on improving the accuracy and reliability of methane measurement tools, alongside efforts to identify potential leak points across its asset base. However, some uncertainty remains regarding how abatement initiatives will be financed, including whether funding will be sourced through standard capital expenditure processes or through a dedicated allocation linked to net-zero objectives.

Outcome & Next Steps

The company committed to providing interim targets by the end of the year, noting that a detailed roadmap and interim milestones have not yet been disclosed. An investor-facing report on methane abatement is expected in the near term.

Following the call, participating investors issued a joint letter to the company, setting out shared expectations for next steps. These included improved transparency around targets and timelines, clarity on funding mechanisms, and greater disclosure of methane measurement and monitoring methodologies.



CASE STUDY

Engagement with a Utility Company on Affordability & Climate Transition

INVESTMENT GRADE

Background

Following unsuccessful attempts to engage with a large, regulated utility company, in August 2025, Barings undertook a targeted engagement facilitated by a financial institution's sustainable finance advisory team.

The aim of the engagement was to understand the regulatory risk, as regulatory scrutiny of affordability, protection of vulnerable customers, and delivery of climate commitments has potential implications for rate approvals, capital recovery, and long-term financial performance. We wished to understand the company's rate-setting methodology and affordability safeguards, assess its approach to supporting vulnerable communities, and evaluate progress toward climate commitments and the integration of ESG considerations into strategic planning.

What We Did

During the call, the company outlined its rate planning process, emphasizing its program which offers discounted rates and energy-efficient upgrades to qualifying customers. A major concern raised was the underutilization of these programs due to lack of awareness. The company has committed to improving outreach and education efforts. The company also described its internal training and community engagement initiatives aimed at ensuring equitable access to energy and resilience planning. Additionally, the company shared updates on its climate roadmap, including decarbonization targets and infrastructure upgrades. Barings requested further clarity on interim milestones and how affordability is factored into climate-related capital planning, which the company noted would be included in its annual sustainability report that was to be published the following week. The company's annual sustainability report was released the following week.

Outcome & Next Steps

Barings revisited the ESG scoring and commentary post-publication and noted positively the above-target YoY reduction in GHG emissions (-26% vs. 2015 baseline) and above target enrolment (1,371,555 enrolled vs. target of 1,336,00) in the discounted rates and upgrades program.

The engagement was marked as "Closed: Successful" in our system following review of the company's updated disclosures. Barings will continue to monitor affordability as a key risk and potentially re-engage, where needed.

Exercising Rights & Responsibilities

We understand that exercising our rights and responsibilities is an integral part of our investment management responsibilities to pursue competitive risk-adjusted returns. As an investment manager whose assets are largely fixed income or private markets in nature, we recognize this situation as an opportunity to further integrate ESG considerations across public and private asset classes, in pursuit of risk-adjusted returns for our clients. Below we explain and provide examples on how we leverage our rights and responsibilities through voting for public equities and incentivising issuers in private markets.



CASE STUDY

Voting on a Global Sporting Goods Company's Donation of Shares to Foundation

PUBLIC EQUITIES

In July 2024, a global sportswear company announced its intention to create a foundation that aimed to provide grants to organizations that support young people, individuals with disabilities, women, and others facing social or economic hardships. The company also indicated its intention to donate treasury shares to the foundation, subject to shareholder approval at the 2025 Annual General Meeting.

Barings met with the CEO at our offices in September 2024 to discuss the proposed foundation, its objectives, governance, and the planned donation of treasury shares. Management outlined the strategic rationale for the foundation, its expected social impact, and the safeguards around the non-voting nature of the donated shares. Following conversation with management, Barings supported the proposal at the 2025 Annual General Meeting as a result of the current financial performance of the company, the positive impact the development could have on brand value, as well as the minimal risk the treasury shares would pose as a potential takeover defence. Subsequently, the company sent Barings additional details on the proxy vote, which were discussed with all holders of the shares.



Examples of our voting decisions over the past 12 months are provided below, including those related to climate change.

Meeting Date	Company Name	Proposal	Mgmt Rec	Provider Rec	Vote	Outcome	Barings Rationale
28 May 2025	Meta Platforms, Inc	Report on Data Collection and Advertising Practices	Against	For	For	Rejected—89.14% Against	A vote FOR this proposal is warranted. Meta has improved its disclosures regarding user control of data collection and targeted advertising and these disclosures appear to address certain of the concerns raised by the proponent. However, certain aspects of the proponent's request may be beneficial to shareholders considering potential oversight and internal control concerns as evidenced by recent significant penalties and an ongoing lawsuit with investors.
30 October 2025	Woolworths Group Limited	Approve Farmed Seafood Reporting	Against	For	For	Withdrawn	A vote FOR this resolution is warranted. Although the company has improved its disclosure in the 2025 Sustainability Report, the company does not appear to provide sufficient information about current risks and impacts of its farmed seafood, including on impacted species.
5 December 2025	Microsoft Corporation	Human Rights Risk Assessment	Against	For	For	Rejected—73.65% Against	A vote FOR this resolution is warranted. The recent controversy related to the misuse of the company's Azure technology—which Microsoft identified only after external reporting and public scrutiny—raises questions about the effectiveness of its HRDD processes and exposes the company to legal, reputational, operational and financial risks. The company and its shareholders would benefit from a report assessing the effectiveness of Microsoft's human rights due diligence processes in preventing, identifying, and addressing customer misuse of its artificial intelligence and cloud products or services.



CASE STUDY

Implementation of an ESG-Aligned Loan

GLOBAL PRIVATE FINANCE

The company is a Germany-based independent wealth manager (“IWM”) providing financial advice, investment management and private equity services to >2,200 private clients with €5.3bn total AUM (84% of total assets) and €1.1bn of Assets Under Administration (“AUA”; 16% of total assets). The Company targets ultra-high net wealth individuals (“UHNWI”) and high net worth individuals (“HNWI”) with an average client size of >€3m. The Company, as an IWM, does not face the constraint of having to offer their own products to clients, like banks do, but instead can offer an unrestricted advisory/management approach. What sets the Company apart from other IWMs is the fact that it offers a comprehensive suite of services (discretionary investment, advisory, investment management, PE, family office). The latter is particularly relevant and valuable for the Company’s UHNWI/HNWI focus, as these clients typically have more complex needs.

Barings supported the sponsor in the buyout of the Company. The deal closed in Sep-25 and as the Sponsor was keen to set up an ESG-aligned loan, ESG KPIs were already agreed and implemented as part of the legal documentation (as opposed to after transaction close).

The agreed KPIs include: (i) establish clean energy supply in all office locations and measure carbon footprint annually; (ii) monitor employee engagement and ensure strong survey participation rates; (iii) define, approve and train all employees on ethics and training data; and (iv) monitor and improve the Board of Cyber security score annually. These KPIs aim to embed sustainability across the company’s operations, environmental footprint and workforce culture and were fully aligned with Barings’ expectations for ESG-linked loan mechanisms (aligned with the Sustainability Linked Loan Principles LMA guidelines). The agreed margin ratchet reduction is as follows: 5bps if KPI (i) and (ii) are met, 5bps if KPI (iii) is met and 5bps if KPI (iv) is met.

ESG DATA IN PRIVATE MARKETS

In 2025, representatives from Barings participated in the Private Placements Investors Association's (PPIA) ESG working group, with the aim of developing an ESG questionnaire for the private placements market. Through sustained engagement in this working group, Barings contributed perspectives to help shape a practical, useful questionnaire that supports more consistent ESG dialogue between private placement investors and borrowers.

Barings professionals, including members of the Private Placements investment team and the Sustainability & ESG team, contributed to working group discussions, draft reviews, and iterative revisions of the questionnaire. The aim of this process was to ensure that the questionnaire captures decision relevant ESG risks and opportunities for long term credit investors, while supporting alignment with regulatory and industry expectations, without over-burdening borrowers.

Through this engagement, the working group aimed to help position the questionnaire as an industry led, collaborative tool, rather than a proprietary or duplicative data request. The outcome is a structured questionnaire designed to gather baseline ESG information while allowing flexibility for borrowers at different stages of ESG maturity.

Barings' Private Placements investment team has incorporated the PPIA ESG questionnaire into its broader approach to ESG integration. For new private placement transactions, the questionnaire is shared with borrowers as part of the investment process. Borrower participation is voluntary and positioned as a starting point for dialogue rather than a pass-fail assessment.

Responses received are used to:

- Inform pre-investment ESG risk assessment alongside other qualitative and quantitative inputs.
- Identify areas for ongoing engagement with issuers post investment.
- Support internal ESG monitoring and investor reporting.

Barings has also worked internally to ensure questionnaire responses can be captured and stored systematically, supporting consistent use of data across teams.

Through continued participation in the PPIA ESG working group, Barings expects to remain engaged in future reviews of the questionnaire, including consideration of question relevance, format, and emerging ESG themes.

PRINCIPLE 5

Selection & Oversight of Managers

The majority of our AUM is managed internally; however, a portion of our AUM is overseen by our structured credit team, who invest in external managers for CLOs. External managers are also used by our Multi-Asset investment team which has an AUM of \$1.4bn.

ENGAGING WITH EXTERNAL MANAGERS

In the case of indirect investments, such as Structured Credit, our stewardship efforts focus on engagement with CLO managers. Through regular dialogue, we encourage managers to incorporate ESG analysis as part of their underwriting process and subsequently provide associated ESG reporting. As stated in the team's policy, the team uses the Loan Syndications and Trading Associations (LSTA)'s "ESG Due Diligence Questionnaire—Investment Manager" questionnaire supplemented with additional questions specifically addressing social and climate related topics.



CASE STUDY

Engagement with CLO Manager on Modern Slavery Policies

STRUCTURED CREDIT

Background

In Q3 2025, Barings conducted targeted engagements with CLO managers identified as having below-average disclosure or practices on modern slavery.

What We Did

We initiated an engagement with a CLO manager, seeking disclosure of information on policies and practices related to the assessment of modern slavery risk within its investment process. The engagement also followed recent governance concerns arising from a regulatory investigation. As part of our engagement, we requested disclosure of any changes made to internal governance policies following a related regulatory settlement.

Outcome & Next Steps

In its response, the manager stated that it does not currently maintain a standalone modern slavery or human rights policy. However, certain European structured finance vehicles managed by the firm include human rights exclusion criteria aligned with international standards such as the UN Global Compact and OECD guidelines. The manager confirmed that modern slavery risks are considered during investment due diligence and that, if identified post-investment, such risks are escalated to an internal ESG Committee for review.

In addition, the manager disclosed that following the regulatory investigation, it updated its policy on managing material non-public information in mid-2024. This update introduced a new sub-policy governing the trading of third-party managed vehicles in the secondary market, including enhanced pre-clearance procedures and strengthened protocols for identifying and reporting inside information.

We decided to close this engagement as "Closed: Successful" given the manager practices in-line with industry standard practices on modern slavery, confirmation that policy updates and corrective measures were taken. We continue to have contact with the manager and have the ability to further discuss policies and practices as necessary.



Monitoring Service Providers

Identifying relevant providers and working with them on their services is key to deliver our clients' expectations. All our third-party vendors are governed by our Global Vendor Management policy, which covers risk management and monitoring of vendors from onboarding through service delivery to offboarding. As part of the monitoring process, Global Vendor Management leverages a vendor monitoring solution that assists with the proactive oversight of our critical vendors.

AI ENGAGEMENT PLATFORM

In Q2 2025, we trialed an AI platform, Orbit, to help scale engagement prioritization on systemic issues, such as climate change, biodiversity and human rights. Through our alignment to TCFD recommendations and development of our climate risk framework, we have developed a heatmap through this, to assess selected issuers on net zero target setting, interim targets, climate-related projects, management incentives and offset usage. Where issuers score poorly, engagements may be launched. Issuers will be selected by Barings' prioritization framework, which is a top-down perspective on where there may be exposure to sectors that are at heightened transition-related risk which were identified using Oxford Economics modelling completed in 2024 and 2025.

Similar to climate change, we have worked with the AI engagement platform, to generate a heatmap which can assess selected issuers against predetermined criteria aligned with human rights and biodiversity and deforestation frameworks. Barings is planning to use its firm-level prioritization framework to identify higher-risk issuers in sectors flagged by the SASB framework.

ESG DATA PROVIDERS

To support our ESG integration process as an active manager, our investment teams use relevant ESG data where available as part of their assessment.

MSCI

In 2025, the Sustainability & ESG team participated in a consultation by one of our third-party ESG data providers, MSCI. As part of this consultation, we have provided feedback on the planned updates to MSCI's ESG ratings model. We believe engaging with third-party ESG data services enables them to make their models more robust, more transparent and better aligned with the needs of investors.

DATA IN LOAN MARKETS

At Barings we are continually looking at ways to enhance our ESG practices and increase transparency to investors. One challenge that faces managers lending in the broadly syndicated loan space is the ability to systematically report on ESG data for this part of the market. We have identified a solution to this challenge and have worked to onboard a new ESG data provider in 2025, ESGx by Octus, which supplies this data. The provider also increased our ESG data coverage for High Yield bonds.

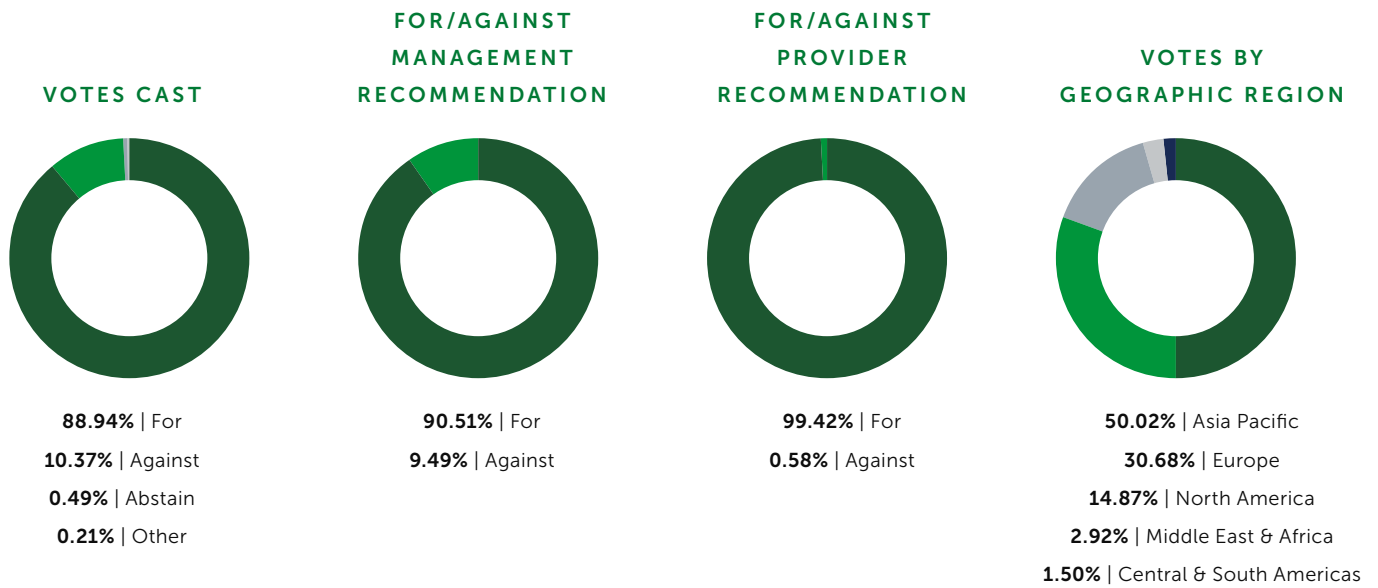
ESG DATA CONVERGENCE INITIATIVE

The ESG Data Convergence Initiative is a global effort led by major GPs and LPs, supported by Institutional Limited Partners Association (ILPA) and Boston Consulting Group (BCG), to standardize reporting in private markets. Originally focused on private equity, it has expanded to include infrastructure and private credit. Barings joined EDCl as an Analytics Member in 2025. Barings uses EDCl data to benchmark private companies and portfolios where ESG data is traditionally limited. This supports ESG scoring and engagement targeting by comparing portfolio companies to peers.

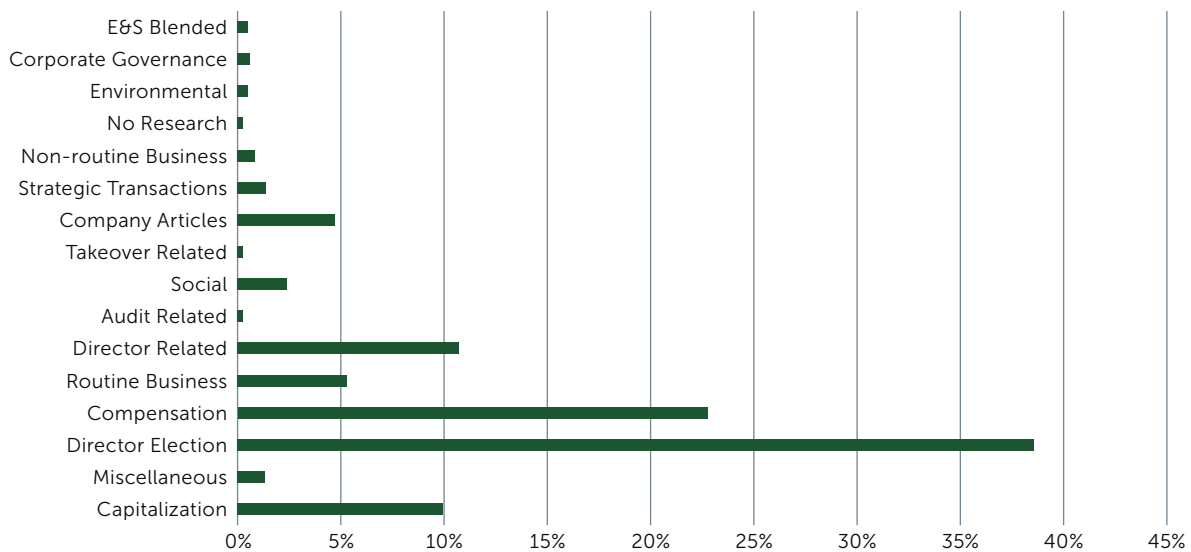
PROXY PROVIDER

Barings understands our rights and responsibilities to be an integral part of our investment management responsibilities. Semi-annual service reviews are conducted using questions provided by procurement & vendor management. The service reviews include discussion points on control procedures, changes in leadership, data storage, and any upcoming changes or solutions that may be relevant. To monitor the accuracy of our proxy service, our teams run several daily checks to ensure all proxy votes are received, submitted and accepted. Along with our checks, our provider also has comprehensive controls that include a dedicated Internal Control and Audit team. It also partners with departments to help ensure that appropriate levels of control are in place and to assess risk within the business units. During our discussions in 2025 we focused on ensuring our proxy providers' offerings continue to meet evolving market and client expectations.

Below is a summary of our proxy activity in 2025. Our full proxy voting records are available on our website.



VOTES AGAINST MANAGEMENT BY CATEGORY



Metrics & Targets

TCFD MTa. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

TCFD MTb. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

TCFD MTc. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

Financed Emissions & Scenario Analysis Reporting

We are currently tracking our financed emissions where reliable data is available. At present, we have metrics available on financed emissions as shown below.

Asset Class	Scope 1 & 2		Scope 3	
	Financed Emissions (Tons CO ₂ e)	% Coverage	Financed Emissions (Tons CO ₂ e) ¹⁷	% Coverage
Global Public Equities	593,122.0	97.6%	3,114,143.9	97.7%
Public Corporate Fixed Income	10,114,648.1	82.0%	44,138,756.7	82.3%

Coverage for carbon emissions has remained relatively stable from 2024 for both Global Public Equities and Public Corporate Fixed Income. AUM considered for carbon emissions has grown by \$8.3 billion in total for both asset classes over the year.

CLIMATE SCENARIO ANALYSIS METRICS

At present, Barings primarily utilizes MSCI CvaR for bottom-up climate scenario analysis. Coverage for each asset class is as follows:

GLOBAL PUBLIC EQUITIES

96.3%

PUBLIC CORPORATE FIXED INCOME

74.9%

WEIGHTED AVERAGE CARBON INTENSITY (WACI)

Asset Class	Scope 1 & 2		Scope 3	
	Weighted Average Carbon Intensity (tons CO ₂ e/\$M sales)	% Coverage	Weighted Average Carbon Intensity (tons CO ₂ e/\$M sales)	% Coverage
Global Public Equities	129.4	97.6%	729.8	98.5%
Public Corporate Fixed Income	294.9	84.4%	849.7	85.1%

Barings continues to engage data providers to enhance coverage. In 2025, we onboarded an aforementioned data provider for High Yield loans and in 2026, we are working to onboard new data from the provider for CLOs. Barings will look to increase reporting coverage of carbon data resulting from the full implementation of the new provider in 2026 reporting.

INCREASING COVERAGE IN PRIVATE MARKETS

We are actively working to improve data availability across Global Private Finance. At present, we use MSCI estimated data for private issuers and are supplementing this with emissions information gathered through our proprietary ESG questionnaire upon request.

Operational Carbon Footprint Emissions

Barings has committed to achieving net zero GHG in its operations by 2030. To this end, Barings set both short-term and long-term operational GHG emission reduction targets in July 2021. Progress toward our GHG reduction targets is tracked and communicated through annual public reporting, informed by global reporting standards in coordination with our parent company MassMutual. MassMutual has its own 2030 and 2050 net zero commitments covering its operations and general investment account, respectively. Barings is actively supporting MassMutual in working toward its climate commitments.

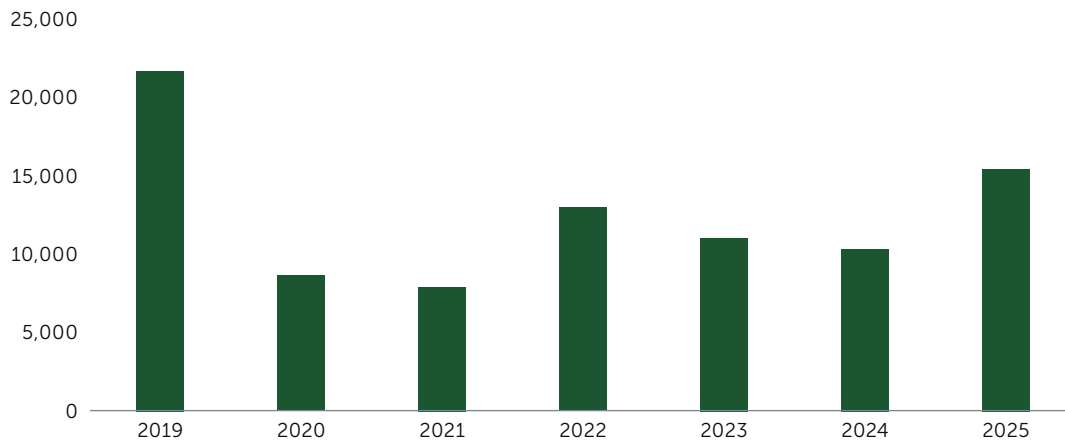
Since 2019, we have engaged a third-party carbon services company to collect data and calculate our operational carbon footprint, in line with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. In 2025, Barings' business operations generated a total of 15,433 tons CO₂e, a 29% decrease since the 2019 base year and a 49% increase from 2024. This includes Barings' Scope 1, 2 and material operational Scope 3 categories. In our calculations, we measured the following Scope 3 emissions:

- Purchased goods and services
- Fuel and energy related activities
- Waste generated in operations
- Business travel
- Employee commuting
- Downstream leased assets

A few key factors contributed to our increase from 2024 emissions: acquisition of Artemis Real Estate partners, inclusion of global data centers, and increased business travel due to business expansion across additional regions. We are aware of the causes for the YoY increase and are working internally to address the sources. It is worth noting the following:

- When assessing the change per capita, there was only a 20% increase in overall emissions.
- Our baselines year (2019) does not include the Artemis acquisition. We plan to reassess and include Artemis in the baseline for our 2026 calculations.

TOTAL OPERATIONAL GHG EMISSIONS



2025 EMISSIONS BREAKDOWN

Emissions Sources	Emissions (Tons CO ₂)	Share (%)
Scope 1	153.3	1.0%
Scope 2	206.8	1.2%
Scope 3	15,072.9	97.8%

REDUCING OUR ENVIRONMENTAL FOOTPRINT

Barings is committed to continuously improving our environmental performance and to integrating recognized environmental management best practices into our business operations. We seek to employ circular economy principles in our offices globally, where feasible, in our efforts to reduce the emissions and waste that contribute to climate change and work closely with our corporate properties and building management team to implement measures in place to try to mitigate our impact on the environment. A few examples include:

- In our London office, two vertical farm units were installed, which grow an assortment of herbs and salad produce using a recycled water system. The produce is used in the restaurant and when there is excess, it is either composted via the bio processor in the basement or donated to food charities in London.
- Partnering with organizations in London and Charlotte to recycle, refurbish and redistribute laptops into the local community.

We review our office GHG footprint during normal financial planning and assess the efficiency of our office locations. To date, we are proud of the below target accomplishments:

- In 2025, Barings reached 99% renewable energy for our total energy consumption. This was able to be achieved through the procurement of renewable energy in our office spaces (where applicable) and through the purchase of Renewable Energy Credits (RECs).
- 50% of Barings' footprint (when measured by headcount) is ISO 14001 certified with our two largest offices achieving ISO 14001 certification in 2025.



Volunteering Activity

Barings is committed to supporting positive economic outcomes and reducing our operational impact, in the communities in which we live and work. In 2025, we accomplished the following:



\$3.2+ million

DONATED

to charities



7,500+ hours

OF VOLUNTEER SERVICE

provided



55%

OF EMPLOYEES

donated or volunteered

Continuing To Develop Our Practices

Our focus in 2026 continues to be on leveraging data to drive informed decision-making, enhancing transparency and delivering measurable progress on sustainability objectives, including enhancement of our engagement prioritization framework utilizing AI and improving data availability for private markets. We will look to embed monitoring of stewardship and integration activities, not only within the centralized sustainability team, but across investment analysts and portfolio managers.

We will continue to enhance our stewardship approach by utilizing our engagement prioritization framework not only to engage issuers on systemic issues such as climate change, biodiversity and human rights, but to ensure we are engaging proactively with issuers across portfolios to improve transparency and promote sustainable practices.

Following the impact-alignment analysis of existing assets within our GPF platform and initial discussions with interested clients, we plan to explore understanding impact-aligned exposure within our broader private debt asset classes and further develop a framework to support clients with impact-aligned reporting or impact-generating investment solutions.

We aim to build on our Corporate Citizenship achievements to date, leveraging strategic community partnerships and Barings' global employee base to build opportunities and pathways for operational sustainability in our regional office locations and economic mobility in our local communities. As a firm with global operations, we strive to integrate recognized environmental standards across additional office locations and will look to achieve ISO 14001 certification where feasible.

With our teams' ESG-related expertise and practices that have been developed over time, combined with insights from our clients, we aim to continue to co-create solutions that best fit client needs while incorporating considerations that remain integral to long-term value creation.

Barings is a \$481 billion global alternative asset manager that partners with institutional, insurance, and wealth clients, and supports leading businesses with flexible financing solutions. The firm, a subsidiary of MassMutual, seeks to deliver excess returns by leveraging its global scale and capabilities across credit, real assets and capital solutions.*

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**As of March 31, 2026*

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