

2024 Climate Action Progress Update

Soros Fund Management LLC

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Table of Contents

About SFM and Our Impact Strategy 4

Executing on Our Strategy in 2024..... 5

INTERIM AND LONG-TERM EMISSIONS REDUCTION TARGETS 6

RESTRICTED FOSSIL FUEL EXPOSURE 7

SOLUTION-ORIENTED INVESTMENTS 8

ACTIVE ENGAGEMENT AND STEWARDSHIP 8

2025 STRATEGY UPDATE 9

Appendices 10

APPENDIX A. SUPPLEMENTAL FIGURES10

APPENDIX B. SUMMARY OF SFM’S APPROACH TO FOSSIL FUEL COMPANIES AND PROJECTS13

APPENDIX C. TASKFORCE ON CLIMATE-FINANCE DISCLOSURE (TCFD) ALIGNMENT MAP14

APPENDIX D. SFM OPERATIONS17

About SFM and Our Impact Strategy

Soros Fund Management LLC (SFM) is a global asset manager and family office founded by George Soros in 1970. With \$28 billion in assets under management (AUM), SFM serves as the principal asset manager for the Open Society Foundations, one of the world's largest charitable foundations dedicated to advancing justice, human rights and democracy. SFM's mission is to protect and grow Open Society's resources. The combination of our agile and long-term approach allows us to invest globally in a wide range of strategies and asset classes, including public and private equity and credit, fixed income, foreign exchange and alternative assets.

Our impact strategy ensures that SFM's investment decisions help support support the goal of addressing the world's urgent, common challenges by advancing rights, equity and justice. We aim to avoid investments in designated areas that are in direct conflict with Open Society's priorities. As investors, we recognize that our actions make a difference to economies and ecosystems and our goal is to support a sustainable future for people and the planet.

Climate change is a significant threat to the social and natural systems that Open Society is working to strengthen and build. Limiting warming to 1.5°C will require significant near-and-long-term investments. As managers of capital, we seek to be responsible stewards of this investment, helping ensure that all sectors rapidly decarbonize, and that we prioritize planetary resilience, and people's wellbeing along the way. It is for these reasons that SFM's impact strategy starts with climate action.

Executing on Our Strategy in 2024

We are committed to transforming our investment portfolio to achieve net-zero emissions by 2040. Recent research by Climate Action Tracker indicates that the current global policies and action are projected to result in a warming of ~2.7°C.¹ This highlights a substantial discrepancy between the necessary actions to limit global temperature increases and existing global policies and financial commitments.

Our targets are aligned with an ambitious pathway to 1.5°C, as laid out by the IPCC. Our strategy is designed to be flexible to changing inputs and tools, and in 2025 we have updated our Climate Action Strategy linked [here](#).

Achieving SFM's net-zero emissions portfolio requires a shift in the way we deploy our financial capital. In 2024, we continued to make this shift via the four pillars of our strategy:

1. Interim and long-term emissions reduction targets
2. Restricted fossil fuel exposure
3. Solution-oriented investments
4. Active engagement and investment stewardship

This climate update provides a summary of our progress in 2024. Given our evolution to an enhanced approach in 2025, we will provide more detail in an expanded narrative in our next climate report.

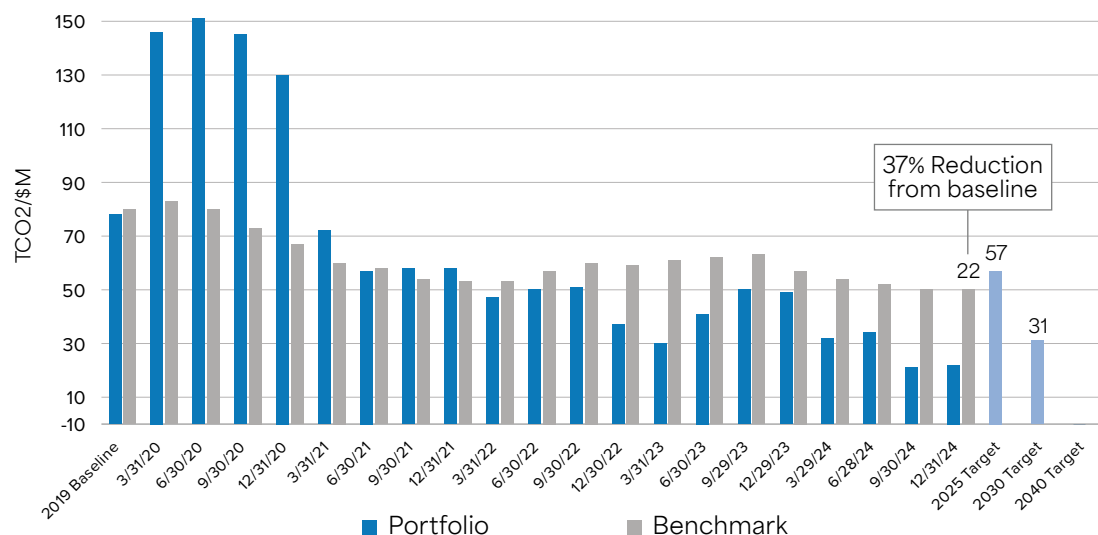
¹ <https://climateactiontracker.org/publications/the-climate-crisis-worsens-the-warming-outlook-stagnates/>

INTERIM AND LONG-TERM EMISSIONS REDUCTION TARGETS

In 2024, SFM continued to make progress toward our emissions reduction targets, exceeding our 2025 target of 25% intensity reduction from our 2019 baseline. By 2040, we are committed to achieving net-zero portfolio emissions across all scope 1, 2 and 3 emissions and all greenhouse gases, not just carbon dioxide.² See our [2023 Climate Action Report](#) for an overview of the emissions covered in our analysis and further explanation on emissions scopes.

SFM has tracked portfolio emissions intensity since we launched our [Climate Action Strategy](#) in 2020. Our emissions intensity calculation reflects the relative economic weight of equity versus debt financing. See the full calculation methodology in our [2023 Climate Action Report](#).

Figure 1:
SFM Portfolio Carbon Intensity Scope 1 & 2



Notes:

- [1] 2019 Baseline is the monthly average carbon intensity for 2019.
- [2] Quarterly intensity is calculated using a rolling 3 month average.
- [3] Portfolio calculation covers public equity and credit and private equity and credit that is held internally.
- [4] The benchmark is a 60/40 blend of the MSCI ACWI and the BofA global corporate index.

Our quarterly portfolio intensity through 2024 was well below the reduction glide path established by our strategy and interim targets and represents a 71% reduction from baseline as of year-end. While we have consistently outperformed our carbon targets over the last several years, we have decided not to make adjustments to our 2030 target at this time. We believe it is important to maintain the flexibility to invest in carbon intensive industries that play a key role in the transition to a low carbon economy.

² The Greenhouse Gas Protocol classifies a company's GHG emissions into three 'scopes.' Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

RESTRICTED FOSSIL FUEL EXPOSURE

With the implementation of our full fossil fuel investment restrictions effective January 1, 2025, we worked over the course of 2024 to establish the boundaries of the restrictions. We guided our work with a series of considerations:

1. Is the company's Global Industry Classification Standard (GICS) sector 'Energy'?
2. Where does the company sit in the fossil fuel value chain? (explorer/producer, transporter, refiner, service/equipment provider)
3. What is the company's relative exposure, by revenue, to the segment of concern?
4. Does the company's business model have a clear role in decarbonizing the economy?
Could the company exist in approximately its current form in a world with no fossil fuels?

We seek to take a nuanced and pragmatic approach to our decision-making on fossil fuel restrictions. When companies demonstrate credible, ambitious plans for rapid decarbonization, we may consider an exception. In such cases, we will carefully analyze the company's operating and regulatory environment as well as its goals, actions and investments. We also assess the capacity for engagement with a company. When these factors demonstrate meaningful potential for transition, we may determine the restriction on that company can be lifted.

Most restrictions were straightforward, but there were some key issues to resolve.

- ▶ Using the Energy GICS sector as a filter
 - ♦ We have made exceptions for companies focused on uranium and biofuels that normally fall in the 'Energy' sector
- ▶ Revenue thresholds
 - ♦ We set a range of revenue thresholds for companies depending on their exposure to the fossil fuel value chain. Most stringent is our threshold of 5% of revenues for fossil fuel exploration and production.
- ▶ Gas Distribution
 - ♦ Many utilities have gas service and distribution components, which we classify as fossil fuel exposure. At the same time, we also believe that the electricity and transmission/distribution components of utilities are critical for the energy transition. In our approach, we evaluate utilities holistically, considering both their business mix and the strength of their transition plans in guiding our decisions.
- ▶ Chemicals
 - ♦ Our restrictions are intended to capture primary processors/refiners, particularly where the end product is fuel. Our restrictions do not extend to broader chemical manufacturers.

See [Appendix B](#) for a summary table of our fossil fuel restrictions.

SOLUTION-ORIENTED INVESTMENTS

Figure 2: Total SFM Solution-oriented Investments	
Category	Market Value (\$M)
Private ¹	373
Public ²	292
Total	665

Notes:
[1] Market Value as of 12/30/24. Includes companies where SFM made a private investment prior to their initial public offering.
[2] Average market value from 12/1/24-12/31/24.

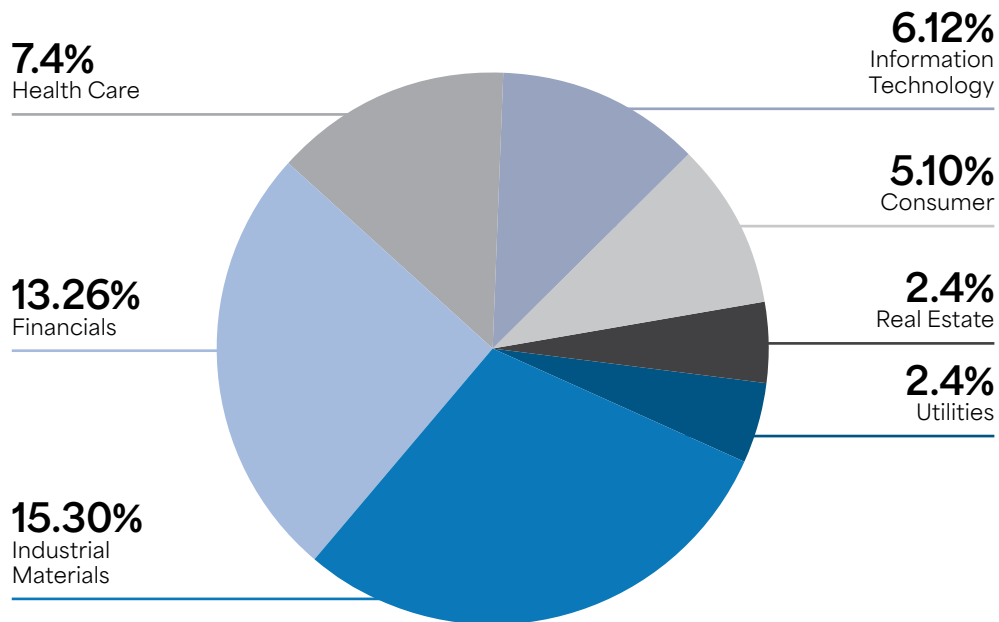
ACTIVE ENGAGEMENT AND STEWARDSHIP

In 2024, we continued to engage companies on emissions disclosures and credible climate transition plans with decarbonization targets. Nearly all companies with whom we engaged are disclosing scope 1 and 2 emissions, and only slightly fewer disclose at least partial scope 3 emissions. However, in the current environment, target setting is where companies are less likely to meet our expectations. The most common feedback from companies is that they have just recently started collecting emissions data and are working to set a clear baseline before setting targets. We understand this consideration and will watch for meaningful progress as baselines are set.

We conducted 50 engagement meetings in 2024, up from 44 in 2023. Notably, only 19 of these engagements were follow-up engagements from the prior year, which is largely driven by portfolio turnover. Engagements skewed towards industrials/materials and financials (Figure 3), though this is dominantly influenced by investment selection and which companies respond to engagement inquiries each year.

Our primary goal is to maintain productive dialogue with companies we are invested in, though occasionally we vote against the re-election of some or all directors when our proxy voting expectations are not met and dialogue proves unproductive. We voted against one or more directors at 8 companies in 2024.

Figure 3:
2024 Corporate Engagements by Sector (Count, % of total)



2025 STRATEGY UPDATE

Building on our efforts, in 2025 we:

- ▶ Reviewed and updated our [Climate Action Strategy](#) in 2025 to consider the global state of decarbonization and redouble our focus on real world impact
- ▶ Seek new ways to use SFM's voice to advocate for change, especially in carbon intensive sectors
- ▶ Streamline our engagement universe and focus on the highest impact opportunities, including a focus on decarbonization of the electric grid
- ▶ Improved our data access
- ▶ Continue to evaluate the interplay between clean energy technology and the issue of forced labor in the supply chain

Appendices

For supplemental information on our methodology for carbon emissions intensity accounting, please see our [2023 Climate Action Report](#).

APPENDIX A. SUPPLEMENTAL FIGURES

Our emissions intensity calculation and portfolio reduction targets are based on company level GHG emissions data that is reported in CO2 equivalents. The scientific community continues to debate the time horizon assumption for the Global Warming Potential (GWP) calculation used to convert other

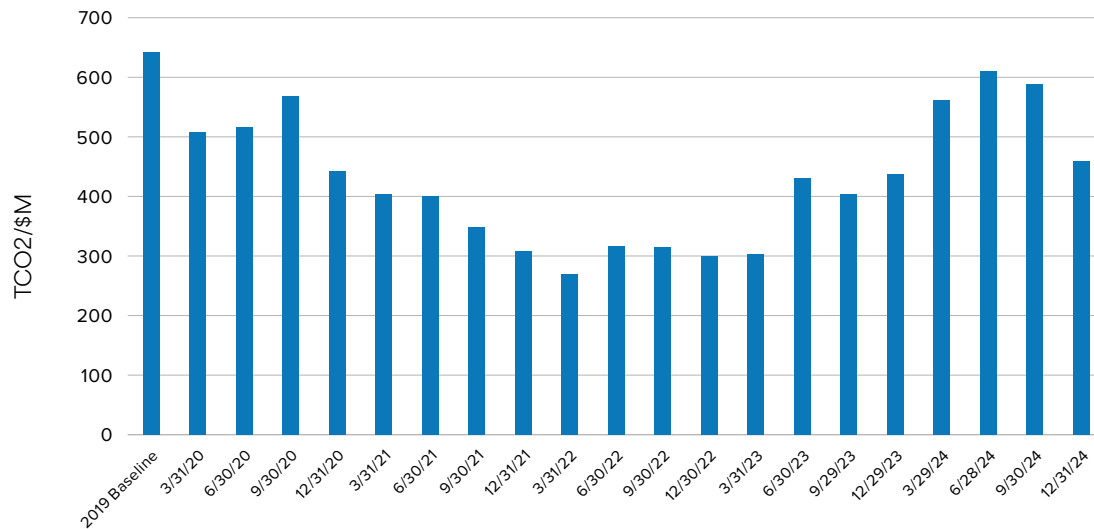
Appendix A.1 Adjusted Carbon Intensity (T CO2/\$M)		
	Intensity	Share of Total Exposure
Base Intensity	25.29	100.00%
Right Path Program	(1.27)	-0.34%
Public Climate Solutions Adjustment	(0.41)	-4.88%
Final Adjusted Intensity	23.61	94.78%

Notes:

[1] As of 12/31/24

[2] Calculation covers scope 1 & 2 emissions intensity for public equity and credit and private equity and credit that is held internally.

Appendix A.2: SFM Portfolio Carbon Intensity Scope 3



Notes:

[1] 2019 Baseline is the monthly average carbon intensity for 2019.

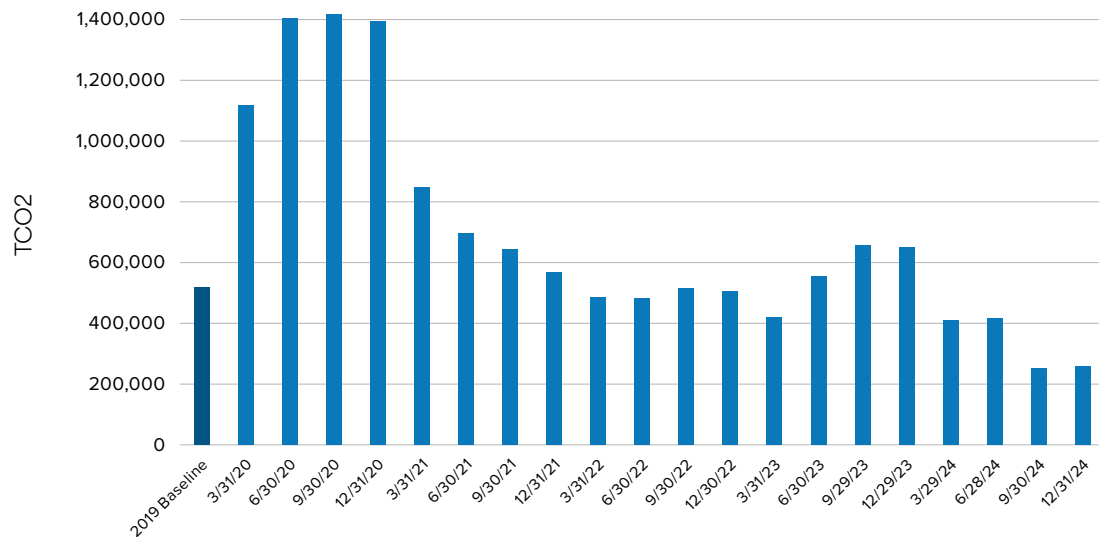
[2] Quarterly intensity is calculated using a rolling 3 month average.

[3] Calculation covers public equity and credit and private equity and credit that is held internally.

[3] Calculation covers public equity and credit and private equity and credit that is held internally.

Scope 3 emissions data is still inherently unreliable both when comparing emissions across companies and industries but also when looking through time. In line with our 2023 report, we use scope 3 emissions from financial year 2021 for our historic portfolio (2019-2023) rather than the data that was available at that time. This is because our data provider made major methodological changes over that period, moving from modeling emissions at the sector level to a more granular sub-industry level. We continue to explore our options to improve the scope 3 data ecosystem.

Appendix A.3: SFM Portfolio Financed Emissions Scope 1 & 2



Notes:

- [1] 2019 Baseline is the monthly average financed emissions in 2019.
- [2] Quarterly financed emissions are calculated using a rolling 3 month average.
- [3] Calculation covers public equity and credit and private equity and credit that is held internally.
- [4] Due to data constraints, not all asset classes are covered for the full historical time series. As a result, financed emissions have grown relative to 2019 baseline, while portfolio intensity has decreased.

APPENDIX B. SUMMARY OF SFM'S APPROACH TO FOSSIL FUEL COMPANIES AND PROJECTS

Business	Commitment	Effective Date	Measure
Fossil Fuel Supply			
All Fossil Fuel	<ul style="list-style-type: none"> Restrict public and private investments in fossil fuel companies, with consideration for exploration & production, transportation, refining and services 	<ul style="list-style-type: none"> January 2025 	<ul style="list-style-type: none"> Industry classification Segment exposure by revenue
Fossil Fuel Demand			
Coal-Fired Power Plants	<ul style="list-style-type: none"> No investments in companies or projects with plans to build, expand or acquire coal-fired electricity generating capacity 	<ul style="list-style-type: none"> August 2020 	<ul style="list-style-type: none"> Global Energy Monitor data on planned expansion Company disclosure documents
	<ul style="list-style-type: none"> No investments in companies or projects with coal share of power production >20% in OECD countries or China 	<ul style="list-style-type: none"> August 2020 	<ul style="list-style-type: none"> Electricity generating capacity from coal >20% after consideration of retirement plans ahead of 2030 Share of revenue from power generation >5% Global Energy Monitor and other public data on retirement plans

APPENDIX C. TASKFORCE ON CLIMATE-FINANCE DISCLOSURE (TCFD) ALIGNMENT MAP

SFM supports the IFRS Foundation's Task Force on Climate-related Financial Disclosures (TCFD) recommendations. The following table summarizes our progress in aligning our Climate Transition Plan with the TCFD recommendations.

TCFD THEME	APPROACH	REFERENCES
STRATEGY	<p>As an investment firm, our financed emissions represent our most significant climate impact. We are committed to aligning our investment portfolio with an aggressive pathway to achieve net-zero carbon emissions no later than 2040. SFM's climate action plan embeds consideration of climate-related risks and opportunities across the firm's investment strategies and operations. We will achieve a net-zero emissions portfolio by:</p> <ul style="list-style-type: none"> • Setting ambitious near-term reduction targets. We intend to reduce the carbon intensity of our portfolio by 25% by 2025 and 60% by 2030. We will continue to establish and disclose aggressive 5-year reduction targets until we achieve a net-zero portfolio thereafter. • Limiting all investments in fossil fuels as of 2025 (including oil and gas services, distribution and refining) unless companies are clearly demonstrating rapid progress on decarbonization and minimizing methane emissions. • Taking an active role engaging companies and sectors to accelerate their climate transition business models. SFM has, and will continue to, vote against the re-election of directors of public companies that do not disclose their scope 1 and 2 GHG emissions with a credible climate transition plan. We also ask companies to, at a minimum, assess the materiality of scope 3 emission categories to facilitate future disclosure. For certain carbon intensive sectors, we support disclosure of both decarbonization-related capex as well as an analysis of the alignment between their transition plans, their lobbying efforts and the lobbying efforts of affiliated trade groups. Our intention is to be a persistent driver of more accurate and timely data and disclosure across asset classes for public and private assets. 	<p>Executing on Our Strategy in 2024 P.5-9</p> <p>Emissions Reduction Targets P.6</p> <p>Restricted Fossil Fuel Exposure P.7</p> <p>Active Engagement and Stewardship P.8-9</p>

TCFD THEME	APPROACH	
	<ul style="list-style-type: none"> Investing in climate solutions. SFM is actively investing to support the climate transition, in areas such as electric vehicles, battery technology, sustainable infrastructure financing and renewable energy. Implementing and strengthening low-carbon practices across our operations. While our scope 1 and 2 emissions are minimal, we are committed to reducing our climate impact where possible. 	Solution-Oriented Investments P.8 SFM Operations P.17
GOVERNANCE	<p>SFM uses a team-based approach to drive our Climate Action Strategy. Oversight and direction from our Board (internally called our Investment Committee) and our Leadership Team ensures that we leverage the firm's full capabilities and allocate the necessary resources to our impact strategy. We are committed to transparency, via a public website, on our process and progress with a minimum of annual updates. We will disclose our portfolio's carbon footprint across available scopes, including our data sources and methodology.</p> <ul style="list-style-type: none"> Board Role in Oversight: <ul style="list-style-type: none"> » Chief Sustainability Officer (CSO)/Head of Impact Strategy presents on climate mitigation initiatives and emissions reduction progress ~2x a year to the Board/Committees » Investment Committee considers climate related risk and opportunities when guiding SFM strategies and policies, as well as monitoring performance against the firm's Climate Action Strategy 	

TCFD THEME	APPROACH	REFERENCES
	<ul style="list-style-type: none"> • Management Role in Oversight: <ul style="list-style-type: none"> » Implementation and management of SFM's Climate Action Strategy is led by our Leadership Team - includes our Chief Executive Officer/ Chief Investment Officer, Chief Risk Officer, Chief Operating Officer, General Counsel, CSO/Head of Impact Strategy, among others » Portfolio managers meet regularly with impact strategy team to review progress and glide path toward their individual carbon reduction targets » Carbon reduction targets linked to reviews and compensation » Where practical, trading system restrictions have been implemented to support our climate goals 	
RISK MANAGEMENT	<p>As a large family office with an in-house investment team, we have flexibility to invest across asset classes, geographies and investment strategies.</p> <p>Our Climate Action Strategy is designed to ensure that we have the tools and knowledge to identify, assess and manage climate-related risks within our investment portfolio.</p> <p>However, climate change presents broader market risk and SFM aims to be part of the solution, not just to avoid being part of the problem. Many carbon intensive industries such as utilities and construction play a crucial role in the climate transition. We believe it is important to take an active role engaging companies and sectors to accelerate their transition their business models. Steps we are taking to manage these risks include:</p>	Executing on Our Strategy in 2024 P.5-9

TCFD THEME	APPROACH
	<ul style="list-style-type: none"> • Limiting fossil fuel exposure by 2025 (completed) • Ensuring our investment professionals have a solid understanding of relevant policy environment/ regulatory barriers and opportunities • Prioritizing engagement with companies and in the broader market • Driving enhancement of climate data to better meet current and future needs and striving to use best available data <ul style="list-style-type: none"> » Including urging portfolio companies to report emissions in alignment with credible standards like the Greenhouse Gas Protocol • Monitoring progress in carbon markets and negative emissions technologies
METRICS AND TARGETS	<p>This report reflects our progress against the metrics and targets used to assess our Climate Action Strategy. Some of the key metrics we track are:</p> <p>Executing on Our Strategy in 2024 P.5-9</p> <ul style="list-style-type: none"> • Carbon intensity (2019 baseline + 3 month rolling average) - scope 1 & 2 at investment level • Solution-oriented investment exposure • Engagement and stewardship (number and type of engagements, AGMs voted) • Third-party manager engagement (meetings held) • SFM Operational footprint

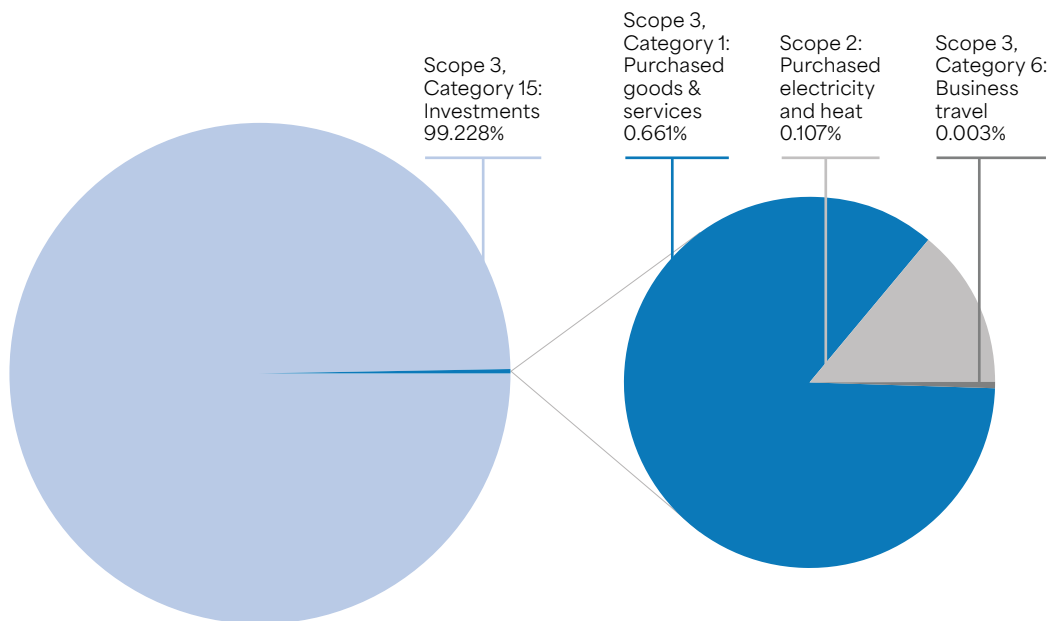
APPENDIX D. SFM OPERATIONS

SFM has approximately 200 employees and is headquartered in New York with offices in London and Dublin. Our operations remain a small contributor to our carbon footprint. In 2022, we conducted a carbon footprint analysis to better understand the magnitude and breakdown of our emissions by scopes 1, 2 and 3. This exercise confirmed to us that our scope 3 emissions, specifically our financed emissions from our investments, are the core contributor to our overall inventory.

The results of our 2022 analysis of our 2021 data are shown in [Figure G.1]. While our operations will continue to change over time, we do not believe that there has been a meaningful shift in the relative breakdowns by category. Though we intend to revisit this analysis as necessary in the future, we remain focused on our financed emissions for the purposes of year-over-year measurements.

Despite the lower materiality, we remain committed to finding more efficient ways for SFM to operate. In recent years we have upgraded a range of our hardware infrastructure, including phones, workstations and printers to use more energy-efficient technology. In 2024, we continued to right-size our data center and office footprints, completing the closure of one heritage data center and reducing our floor space in our New York office.

Figure G.1:
SFM Portfolio Carbon Intensity Scope 1 & 2



Note:
SFM's scope 1 represent less than 0.0001% of total emissions and are not displayed on the chart.