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Article 10 (SFDR)

Website disclosure for an Article 8 fund

NB Alternative Funds SICAV S.A – NB Direct Private Equity Fund 2024

Version	Date of publication	Date of update (if any)	Explanation (if any)
1.0	14/03/2024	N/A	N/A

**Product name: NB Alternative Funds SICAV
S.A – NB Direct Private Equity Fund 2024
(the “Sub-Fund”)**

Legal entity identifier: 54930008MTFAQKTIMZ37

Does this financial product have a sustainable investment objective?

☐ Yes

☐ It will make a minimum of **sustainable investments with an environmental objective: __%**

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective: __%**

☒ No

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it had a proportion of __% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**



A. Summary

No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective a sustainable investment.

Environmental or social characteristics of the financial product

As part of the Sub-Fund's investment process, the Portfolio Managers' investment teams of NBEL and NBAA sourcing private equity investment opportunities for the Sub-Fund (the “**Investment Team(s)**”) consider, to the extent they deem appropriate, a variety of environmental and social characteristics, including:

- Environmental (e.g., GHG emissions, energy consumption);
- Social (e.g., data privacy and security, product safety);
- Workforce (e.g., workforce safety, employee engagement);
- Supply Chain (e.g., material sourcing, supply chain management); or
- Leadership and Governance (e.g., business ethics, exposure to evolving regulation).

Investment strategy

To promote the environmental and social characteristics, the Sub-Fund will:

- Invest with lead sponsors, general partners or managers (each “**Lead Sponsor**”) who have demonstrated evidence of a commitment to ESG integration throughout their investment processes at both the firm and fund-strategy level. Environmental and social characteristics are considered by the NBAA and NBEL Portfolio Managers in respect of each Lead Sponsor by qualitatively and quantitatively assessing ESG integration at the level of the Lead Sponsor and the underlying Lead Sponsor's fund's investment strategy – across policy, oversight, objective, selection, ownership, and measurement – based on industry best practices (the “**Manager ESG Scorecard**”);
- Invest in companies in respect of which the Investment Teams have undertaken a company-level ESG assessment (“**Company ESG Factor Assessment**”), built around the concept of industry-specific material ESG considerations; and

- Avoid investee companies whose activities at the time of investment by the Sub-Fund are inconsistent with the NB Private Markets Avoidance Policy (the “**NB Private Markets Avoidance Policy**”) and the Sub-Fund’s specific avoidance investment guidelines (together with the NB Private Markets Avoidance Policy, the “**Sub-Fund’s Avoidance Investment Guidelines**”).

Proportion of Investments

The minimum planned proportion of investments used to meet the environmental and/or social characteristics promoted by the Sub-Fund described above (#1 Aligned with E/S characteristics) is 80% of its total assets. The Sub-Fund may generally invest up to 20% of its total assets in other investments (#2 Other).

Monitoring of environmental or social characteristics

The Investment Teams will track and report to the Sub-Fund’s investors on the performance of the above sustainability indicators namely: (i) the Manager ESG Scorecard; (ii) the Company ESG Factor Assessment; and (iii) the Sub-Fund’s Avoidance Investment Guidelines.

The Investment Teams use the below sustainability indicators to measure the attainment of the material environmental and social characteristics aligned to ESG factors:

- Percentage of the investments with a weighted average score in the Manager ESG Scorecard above the lowest category (‘Absent’);
- Percentage of the investments in respect of which the Investment Team completed the Company ESG Factor Assessment;
- Percentage of the investments complying with the Sub-Fund’s Avoidance Investment Guidelines.

Investments made by the Sub-Fund will be periodically monitored on an on-going basis for ESG violations and real-time risks by leveraging the Manager’s third party big data capabilities as well as a monitoring questionnaire that is sent to Sponsors at least annually which enquires about ESG matters including, but not limited to, whether there are material changes to such Sponsor’s ESG practices or policies, or if there are ESG risk events that occur at the investee company level.

Methodologies

Each Lead Sponsor is given a weighted average score on a scale of ‘Absent’, ‘Initial’, ‘Developing’, or ‘Integrated’ across the assessed categories that is tracked over time and compared to proprietary peer benchmarks. Where no evidence can be found that the Lead Sponsor shows commitment towards ESG integration, the Lead Sponsor will be graded as ‘Absent’ and hence, will not be aligned with the environmental and social characteristics promoted by the Sub-Fund. Furthermore, alignment with the environmental and social characteristics is assessed by using the Company ESG Factor Assessment which is based on the proprietary Neuberger Berman Materiality Matrix (the “NB Materiality Matrix”). Companies invested in by the Sub-Fund will be periodically monitored on an on-going basis for ESG violations and real-time risks by leveraging the relevant Managers’ third party big data capabilities. If a relevant and material ESG issue is identified at a Lead Sponsor or an investee company as a result of such monitoring, the Portfolio Managers will determine an appropriate course of action, including engagement. The NBAA and NBEL Portfolio Managers apply the NB Private Markets Avoidance Policy and the Sub-Fund’s Avoidance Investment Guidelines to ensure that the Sub-Fund will not knowingly invest in companies involved in any of the activities mentioned thereon.

Data sources and processing

ESG data inputs are derived from international financial organizations, external vendors, company direct disclosures, company indirect disclosures, development agencies and specialty ESG research providers. Neuberger Berman’s big data team may work collaboratively with the Investing team to identify innovative and non-traditional data sources which may provide additional insights. A low proportion of data is expected to be estimated, and will depend on the composition, nature, business, and sector of investee companies.

Limitations to methodologies and data

Limitations in both methodology and data include but are not limited to lack of standardization and limited and/or inconsistent reporting by private equity sponsors. As such, the Manager and the Investment Teams encourage the disclosure of certain core ESG data metrics, such as through voluntary efforts like the ESG Data Convergence Initiative. Furthermore, engagement is used as a means to improve the understanding of Lead Sponsors and investee companies on ESG matters. Such limitations are not expected to affect the attainment of environmental or social characteristics of the Sub-Fund, in particular because of the steps taken to mitigate such limitations.

Due diligence

Before making investments, the Investment Team will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. The Investment Team will conduct diligence at the company level with a focus on material ESG factors specific to the target company and industry as well as the lead Sponsor's (as defined below) practices. Based on the initial due diligence, the Investment Team gives each Lead Sponsor a weighted average ESG score that is tracked overtime and compared to proprietary peer benchmarks. After investment, an annual due diligence questionnaire will be issued to each Lead Sponsor that the Sub-Fund invests in to track progress on ESG matters. Additionally, the Investment Team periodically monitors investee companies for ESG violations. The Investment Teams work closely with the ESG Investing Team to ensure that adherence to industry best practices in terms of ESG integration into the due diligence process through regular meetings and periodic teach-ins.

Engagement policies

The Sub-Fund's co-investments will typically be minority investments, alongside a Lead Sponsor who controls or has significant control rights over the investee company. Generally, as a minority investor, the NBAA and NBEL Portfolio Managers and the Sub-Fund will have limited governance rights in respect of the Sub-Fund's investee companies. However, in the vast majority of cases, funds and client accounts managed by such Portfolio Managers or their affiliates (other than the Sub-Fund) are existing investors in the Lead Sponsors' funds that the Sub-Fund is expected to co-invest with. The relevant Portfolio Managers can and intend to engage with Lead Sponsors directly as a result of such relationships to improve the Portfolio Manager's understanding of ESG matters at the Lead Sponsor and its portfolio companies and to encourage improvement in ESG processes at the relevant Lead Sponsor to the extent determined to be appropriate by the Portfolio Managers.

Designated reference benchmark

No, a reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

**B. No sustainable investment objective**

This financial product promotes environmental or social characteristics, but does not have as its objective a sustainable investment.

**C. Environmental or social characteristics of the financial product****What environmental and/or social characteristics are promoted by this financial product?**

As part of the Sub-Fund's investment process, the Portfolio Managers' investment teams of NBEL and NBAA sourcing private equity investment opportunities for the Sub-Fund (the "**Investment Team(s)**") consider, to the extent they deem appropriate, a variety of environmental and social characteristics, including:

- Environmental (e.g., GHG emissions, energy consumption) ;
- Social (e.g., data privacy and security, product safety);
- Workforce (e.g., workforce safety, employee engagement);
- Supply Chain (e.g., material sourcing, supply chain management); or

- Leadership and Governance (e.g., business ethics, exposure to evolving regulation).

To promote the environmental and social characteristics, the Sub-Fund will:

- Invest with lead sponsors, general partners or managers (each "**Lead Sponsor**") who have demonstrated evidence of a commitment to ESG integration throughout their investment processes at both the firm and fund-strategy level. Environmental and social characteristics are considered by the NBAA and NBEL Portfolio Managers in respect of each Lead Sponsor by qualitatively and quantitatively assessing ESG integration at the level of the Lead Sponsor and the underlying Lead Sponsor's fund's investment strategy – across policy, oversight, objective, selection, ownership, and measurement – based on industry best practices (the "**Manager ESG Scorecard**");
- Invest in companies in respect of which the Investment Teams have undertaken a company-level ESG assessment ("**Company ESG Factor Assessment**"), built around the concept of industry-specific material ESG considerations; and
- Avoid investee companies whose activities at the time of investment by the Sub-Fund are inconsistent with the NB Private Markets Avoidance Policy (the "**NB Private Markets Avoidance Policy**") and the Sub-Fund's specific avoidance investment guidelines (together with the NB Private Markets Avoidance Policy, the "**Sub-Fund's Avoidance Investment Guidelines**").

The Sub-Fund's co-investments will typically be minority investments, alongside a Lead Sponsor who controls or has significant control rights over the investee company. Generally, as a minority investor, the Portfolio Managers NBEL and NBAA and the Sub-Fund will have limited governance rights in respect of the Sub-Fund's investee companies. However, in the vast majority of cases, funds and client accounts managed by such Portfolio Managers or their affiliates (other than the Sub-Fund) are existing investors in the Lead Sponsors' funds that the Sub-Fund is expected to co-invest with, and in such circumstances the NBEL and NBAA Portfolio Managers can and intends to engage with such Lead Sponsors directly as a result of such relationships to improve such Portfolio Managers' understanding of ESG matters at the Lead Sponsor and its portfolio companies and to encourage improvement in ESG processes at the relevant Lead Sponsor to the extent determined to be appropriate by the Portfolio Managers.

A reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.



D. Investment strategy

What investment strategy does this financial product follow?

Manager ESG Scorecard

Pursuant to the Manager ESG Scorecard, the Investment Team gives each Lead Sponsor a weighted average score on a scale of 'Absent', 'Initial', 'Developing', or 'Integrated' across the assessed categories that is tracked over time and compared to proprietary peer benchmarks.

The Sub-Fund will promote environmental and social characteristics by only investing with Lead Sponsors which the Manager ESG Scorecard shows have demonstrated evidence of a commitment to ESG integration throughout their investment processes at both the firm and fund-strategy level. Such evidence may include formal documentation of ESG philosophy and commitment, named oversight for ESG initiatives, consideration of ESG factors during investment selection and diligence, investment monitoring and/or engagement and

initiatives on ESG topics at the underlying portfolio-level, and/or measurement and reporting of ESG performance.

Consequently, the Sub-Fund will not invest with Lead Sponsors who have a weighted average score in the Manager ESG Scorecard in the lowest category ('Absent') because these Lead Sponsors typically lack evidence of ESG integration at both the firm and fund strategy level. At the firm level, these Lead Sponsors may lack an ESG policy or oversight. At the Lead Sponsor's fund level, there is typically a lack of evidence of ESG considerations within the investment process, and for those reasons the Portfolio Managers NBAA and NBEL have determined that the Sub-Fund should not invest with such Lead Sponsors.

In addition to undertaking the Manager ESG Scorecard analysis prior to each primary fund investment or co-investment (if not already done as a result of a prior investment including in relation to a primary fund commitment made by funds and/or client accounts managed by the Portfolio Managers NBAA and NBEL or their affiliates (other than the Sub-Fund)), such Portfolio Managers will issue annual questionnaires to each Lead Sponsor that the Sub-Fund has invested with to track progress on ESG matters with such Lead Sponsor over the duration of the investment holding period.

Company ESG Factor Assessment and ESG Monitoring

The Sub-Fund will promote environmental and social characteristics by only investing in companies in respect of which the Investment Team has carried out the Company ESG Factor Assessment.

Foundational to the Company ESG Factor Assessment is the proprietary Neuberger Berman Materiality Matrix (the "**NB Materiality Matrix**"), which supports the Investment Teams to identify industry-specific ESG factors that are likely to be financially material for a given company relative to its environmental and social characteristics.

The NB Materiality Matrix defines material ESG issues as those that the NBAA and NBEL Portfolio Managers believe have the ability to either positively or negatively impact (either directly or indirectly) the financial performance of an investment. The Investment Teams consider the following ESG factors along with the below examples of environmental or social characteristics:

- Environmental (e.g., GHG emissions, energy consumption) ;
- Social (e.g., data privacy and security, product safety);
- Workforce (e.g., workforce safety, employee engagement);
- Supply Chain (e.g., material sourcing, supply chain management);or
- Leadership and Governance (e.g., business ethics, exposure to evolving regulation)

The above environmental and social characteristics may be considered, where relevant to the specific industry and company. Historically, these environmental and social characteristics have been more prevalent characteristics assessed in the Company ESG Factor Assessment; however, these characteristics may change over time.

Material ESG incidents or issues (e.g., past litigation) identified by the Company ESG Factor Assessment will be considered by the relevant Portfolio Managers in their appraisal of the relevant investment opportunity.

Companies invested in by the Sub-Fund will be periodically monitored on an on-going basis for ESG violations and real-time risks by leveraging the relevant Managers' third party big data capabilities as well as a monitoring questionnaire that is sent to Lead Sponsors at least annually which enquires about ESG matters including, but not limited to, whether there are material changes to such Lead Sponsor's ESG practices or policies, or if there are ESG risk events that occur at the investee company level. To the extent that the NBAA or NBEL Portfolio Managers identify relevant and material ESG issues at a Lead Sponsor or an investee company as a result of such monitoring, the Portfolio Managers will determine an appropriate course of action, including engagement

with the Lead Sponsor, based on the prevailing facts and circumstances and having regards to its intention to attain the environmental and social characteristics promoted by the Sub-Fund.

Investment Restrictions

The Sub-Fund has also adopted the NB Private Markets Avoidance Policy pursuant to which the Sub-Fund will not knowingly invest in companies (i) in violation of the United Nations Global Compact (UNGC) Principles in regards to human rights, labor, the environment and anti-corruption, whether through child labor, human trafficking, forced labor or otherwise, and the Portfolio Managers will monitor violations of the UNGC Principles as a part of its ESG monitoring activities in respect of the Sub-Fund's portfolio, (ii) which have economic sanctions issued by the U.S. through the Office of Foreign Assets Control (OFAC), European Union, United Nations Security Council or His Majesty's Treasury (U.K.) applied to or in respect of them ("**Sanctions-Related**"), (iii) that are involved in the manufacture of controversial weapons (namely, Biological and Chemical Weapons, Anti-Personnel Mines, Cluster Munitions and Depleted Uranium Weapons), either being responsible for end manufacture and assembly of controversial weapons, or being responsible for the manufacture of intended use components for controversial weapons, or dual-use component manufacturers or delivery platform manufacturers or (iv) that are either expanding new thermal coal power generation or which derive more than 25% of their revenue from thermal coal mining. The NB Private Markets Avoidance Policy is made available to investors. Further, the NBAA and NBEL Portfolio Managers shall apply the following enhanced avoidance areas or thresholds pursuant to the Sub-Fund's Avoidance Investment Guidelines, whereby the Sub-Fund will not knowingly directly invest in companies:

- (i) whose principal purpose is to produce or actively distribute weapons with the intended objective of inflicting physical damage or harm, where production means being responsible for end manufacture;
- (ii) whose principal purpose is to produce tobacco products;
- (iii) whose principal purpose is to produce alcohol for the purposes of human consumption;
- (iv) whose principal purpose is to produce or extract oil, tar sands or shale gas;
- (v) which derive more than 30% of their revenue from the production of energy derived from fossil fuels (other than Thermal Coal, Oil and Gas, as described above);
- (vi) whose principal purpose is the design, construction, finance or maintenance of nuclear power plants unless such company has received an ESG-risk rating "Low" or "Negligible" or a comparable rating from a reasonably reputable rating agency;
- (vii) whose principal purpose is the production or direct offering of lotteries, online gambling, casinos, betting shops, bookmakers, or bingo halls and gambling machines (coin operated or not) with profits being paid out in the form of cash; and
- (viii) whose principal purpose is to produce or actively distribute pornographic material.

As noted above, the Sub-Fund will also not invest with Lead Sponsors who score 'Absent' in their Manager ESG Scorecard. The Sub-Fund commits to seeking to avoid investee companies whose activities are inconsistent with the Sub-Fund's Avoidance Investment Guidelines. With respect to Sub-Fund's direct investments in companies, the NBAA and NBEL Portfolio Managers will assess during the due diligence analysis whether the proposed portfolio company complies with the Sub-Fund's Avoidance Investment Guidelines and to decline to invest in such opportunities that would not be in conformity with those Guidelines. Such Portfolio Managers intend to use commercially reasonable efforts to monitor the conformity of the Sub-Fund's direct investments in companies with the Sub-Fund's Avoidance Investment Guidelines through regular updates and communication with the portfolio companies and lead sponsors for ongoing compliance. Investments in companies who supply,

service or otherwise deal with companies not in conformity with the Sub-Fund's Avoidance Investment Guidelines shall not themselves be prohibited pursuant to the Sub-Fund's Avoidance Investment Guidelines.

Engagement

The Sub-Fund's co-investments will typically be minority investments, alongside a Lead Sponsor who controls or has significant control rights over the investee company. Generally, as a minority investor, the NBAA and NBEL Portfolio Managers and the Sub-Fund will have limited governance rights in respect of the Sub-Fund's investee companies. However, in the vast majority of cases, funds and client accounts managed by such Portfolio Managers or their affiliates (other than the Sub-Fund) are existing investors in the Lead Sponsors' funds that the Sub-Fund is expected to co-invest with. The relevant Portfolio Managers can and intend to engage with Lead Sponsors directly as a result of such relationships to improve the Portfolio Manager's understanding of ESG matters at the Lead Sponsor and its portfolio companies and to encourage improvement in ESG processes at the relevant Lead Sponsor to the extent determined to be appropriate by the Portfolio Managers.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental and/or social characteristics promoted by this financial product?

The binding elements of the investment strategy used to select the investments to achieve the E/S characteristics promoted by the Sub-Fund are the following:

- The Sub-Fund will only invest with Lead Sponsors with a weighted average score in the Manager ESG Scorecard above the lowest category ('Absent');
- The Sub-Fund will only invest in companies in respect of which the Investment Team has completed the Company ESG Factor Assessment;
- The Sub-Fund will only have investments complying with the Sub-Fund's Avoidance Investment Guidelines;
- The Sub-Fund will engage with Lead Sponsors to encourage improvement in ESG processes.

What is the policy to assess good governance practices of the investee companies?

As part of its good governance assessment, and pursuant to the Sub-Fund's Avoidance Investment Guidelines, the Sub-Fund will not make investments in companies that have been identified as being in violation of the UNGC Principles.

The NBAA and NBEL Portfolio Managers expect to assess governance practices of the investee companies. The Investment Teams assess governance during pre-investment diligence and then monitor governance on a periodic basis, in each case pursuant to a proprietary "Good Governance Assessment".

Governance factors relating to investee companies that the Investment Teams track in the Good Governance Assessment include:

- Sound Management Practices ;
- Regulatory and Tax Compliance ; and
- Employee Relations including Remuneration of Staff.

The Sub-Fund's co-investments will typically be minority investments, alongside a lead Sponsor who controls or has significant control rights over the investee company. Generally, as a minority investor, the relevant Portfolio Managers and the Sub-Fund will have limited governance rights in respect of the Sub-Fund's investee companies. However, in the

vast majority of cases, funds and client accounts managed by such Portfolio Managers or their affiliates (other than the Sub-Fund) are existing investors in the Lead Sponsors' funds that the Sub-Fund is expected to co-invest with. In such circumstances the NBAA and NBEL Portfolio Managers can and intend to engage with such Lead Sponsors directly as a result of such relationships to improve the portfolio Managers' understanding of such Lead Sponsors' approaches to governance at its portfolio companies and to encourage improvement in a Lead Sponsor's approach to governance to the extent such Portfolio Managers determine to be appropriate based on the prevailing facts and circumstances and having regard to its intention to attain the environmental and social characteristics promoted by the Sub-Fund.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

N/A

Does this financial product consider principal adverse impacts on sustainability factors?

☐ Yes

☒ No, although the Portfolio Managers NBAA and NBEL consider sustainability factors as part of their investment processes, there is currently limited and inconsistent reporting of the indicators for principal adverse impacts (as outlined in SFDR) by private equity sponsors. Accordingly, while such Portfolio Managers and their Investment Teams encourage the disclosure of certain core ESG data metrics, such as through voluntary efforts like the ESG Data Convergence Initiative, and monitor material ESG risk incidents in the Sub-Fund's investments, principal adverse impacts are not formally considered or reported at this time given the data challenges in the industry. The Portfolio Managers NBAA and NBEL will keep their position on principal adverse impacts under review on an annual basis.



E. Proportion of investments

What is the asset allocation planned for this financial product?

The NBAA and NBEL Portfolio Managers will attain the environmental or social characteristics promoted by the Sub-Fund by applying the binding elements of the Sub-Fund's investment strategy to the Sub-Fund's core investments.

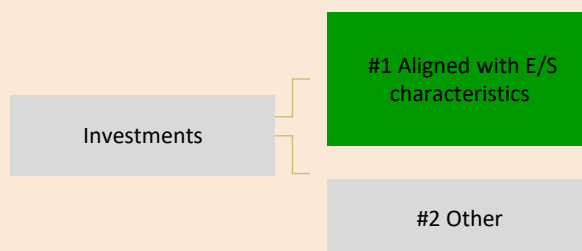
Accordingly, investments will, for the purposes of the chart below, qualify as either **"#1 Aligned with E/S characteristics"** investments or, in the case of cash, cash-equivalents and hedging tools, **"#2 Other"** investments.

The minimum planned proportion of investments used to meet the environmental and/or social characteristics promoted by the Sub-Fund described above (#1 Aligned with E/S characteristics) is 80% of its total assets.

The Sub-Fund may generally invest up to 20% of its total assets in other investments (#2 Other).

Notwithstanding the foregoing, given the Sub-Fund's structure as a closed-ended vehicle which has a "ramp-up period" (which begins on the date of authorisation of the Sub-Fund and will end on the second anniversary of the final closing of the Sub-Fund (unless extended as per the legal terms of the Sub-Fund)), the actual percentage of "#2 Other" investments (in form of cash) might exceed the above stated value during the ramp-up

period. From time to time in the ordinary course, the Sub-Fund will hold cash and cash-equivalents and may use financial derivatives as hedging tools.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

N/A

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Sub-Fund does not commit to making a minimum portion of sustainable investments with an environmental objective aligned with the EU Taxonomy.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU Criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does the financial product invest in fossil gas and/ or nuclear energy related activities that comply with the EU Taxonomy¹?

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

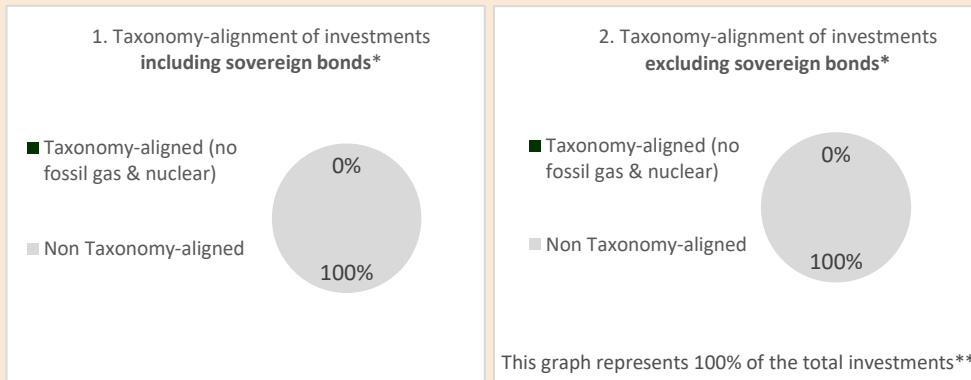
☐ Yes:

☐ In fossil gas

☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

**As the Sub-Fund does not commit to making sustainable investments aligned with the EU Taxonomy, the proportion of sovereign bonds in the Sub-Fund's portfolio will not impact the proportion of sustainable

What is the minimum share of investments in transitional and enabling activities?

As the Sub-Fund does not commit to invest any sustainable investment within the meaning of the EU Taxonomy, the minimum share of investments in transitional and enabling activities within the meaning of the EU Taxonomy is therefore also set at 0%.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Sub-Fund promotes environmental and social characteristics but does not commit to making any sustainable investments. As a consequence, the Sub-Fund does not commit to a minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Sub-Fund's investments in investee companies will be aligned with the environmental and social characteristics that the Sub-Fund is promoting.

Investments under “#2 Other” include cash and cash-equivalents and may also include hedging tools. They do not include environmental or social safeguards.



F. Monitoring of environmental or social characteristics

What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?

The Investment Teams will track and report to the Sub-Fund's investors on the performance of the above sustainability indicators namely: (i) the Manager ESG Scorecard; (ii) the Company ESG Factor Assessment; and (iii) the Sub-Fund's Avoidance Investment Guidelines.

The Investment Teams use the below sustainability indicators to measure the attainment of the material environmental and social characteristics aligned to ESG factors:

- Percentage of the investments with a weighted average score in the Manager ESG Scorecard above the lowest category ('Absent');
- Percentage of the investments in respect of which the Investment Team completed the Company ESG Factor Assessment;
- Percentage of the investments complying with the Sub-Fund's Avoidance Investment Guidelines.

These sustainability indicators will be used to measure the attainment of each of the environmental and social characteristics promoted by the Sub-Fund and will be reported to the Sub-Fund's investors annually and included in the Sub-Fund's periodic report (as per the requirements of Article 11 of SFDR).

How are the environmental or social characteristics and the sustainability indicators monitored throughout the lifecycle of the financial product?

Investments by the Fund will be periodically monitored on an on-going basis for ESG violations and real-time risks by leveraging the Manager's third party big data capabilities as well as a monitoring questionnaire that is sent to Sponsors at least annually which enquires about ESG matters including, but not limited to, whether there are material changes to such Sponsor's ESG practices or policies, or if there are ESG risk events that occur at the investee company level. The Manager can and intends to engage with lead Sponsors directly (as a result of the Manager's existing relationships with such Sponsors) to improve the Manager's understanding of ESG matters at the Sponsor and its portfolio companies and to encourage improvement in ESG processes at the relevant Sponsor to the extent determined to be appropriate by the Manager. To the extent that the Manager identifies relevant and material ESG issues at a Sponsor or an investee company as a result of such monitoring, the Manager will determine an appropriate course of action, including engagement with the Sponsor, based on the prevailing facts and circumstances and having regards to its intention to attain the environmental and social characteristics promoted by the Fund.



G. Methodologies

What are the methodologies used to measure the attainment of the environmental or social characteristics promoted by the financial product?

Manager ESG Scorecard

Pursuant to the Manager ESG Scorecard, the Investment Team gives each Lead Sponsor a weighted average score on a scale of 'Absent', 'Initial', 'Developing', or 'Integrated' across the assessed categories that is tracked over time and compared to proprietary peer benchmarks.

The Manager ESG Scorecard assesses the Lead Sponsors' commitments towards ESG integration through analysing evidence such as formal documentation of ESG philosophy and commitment, named oversight for ESG initiatives, consideration of ESG factors during investment selection and diligence, investment monitoring and/or engagement and initiatives on ESG topics at the underlying portfolio-level, and/or measurement and reporting of ESG performance. If the lowest category of the Manager ESG Scorecard ('Absent') is reached, the Lead Sponsor will be considered as not being aligned with the promoted characteristics.

For each Lead Sponsors in which the Sub-Fund invests in, it will issue annual questionnaires to track progress on ESG matters with such Lead Sponsor over the duration of the investment holding period.

Company ESG Factor Assessment and ESG Monitoring

The Company ESG Factor Assessment is based on the proprietary NB Materiality Matrix which defines material ESG issues as those that the NBAA and NBEL Portfolio Managers believe have the ability to either positively or negatively impact (either directly or indirectly) the financial performance of an investment.

Companies invested in by the Sub-Fund will be periodically monitored on an on-going basis for ESG violations and real-time risks by leveraging the relevant Managers' third party big data capabilities as well as a monitoring questionnaire that is sent to Lead Sponsors at least annually which enquires about ESG matters. To the extent that the NBAA or NBEL Portfolio Managers identify relevant and material ESG issues at a Lead Sponsor or an investee company as a result of such monitoring, the Portfolio Managers will determine an appropriate course of action, including engagement with the Lead Sponsor, based on the prevailing facts and circumstances and having regards to its intention to attain the environmental and social characteristics promoted by the Sub-Fund.

Investment Restrictions

The Sub-Fund has also adopted the NB Private Markets Avoidance Policy pursuant to which the Sub-Fund will not knowingly invest in companies as further described under section (d) Investment Strategy. Further, the NBAA and NBEL Portfolio Managers shall apply enhanced avoidance areas or thresholds pursuant to the Sub-Fund's Avoidance Investment Guidelines as also further described under section (d) Investment Strategy. In addition, the Sub-Fund will not invest with Lead Sponsors who score 'Absent' in their Manager ESG Scorecard.

With respect to Sub-Fund's direct investments in companies, the NBAA and NBEL Portfolio Managers will assess during the due diligence analysis whether the proposed portfolio company complies with the Sub-Fund's Avoidance Investment Guidelines and to decline to invest in such opportunities that would not be in conformity with those Guidelines. Such Portfolio Managers intend to use commercially reasonable efforts to monitor the conformity of the Sub-Fund's direct investments in companies with the Sub-Fund's Avoidance Investment Guidelines through regular updates and communication with the portfolio companies and Lead Sponsors for ongoing compliance. Investments in companies who supply, service or otherwise deal with companies not in conformity with the Sub-Fund's Avoidance Investment Guidelines shall not themselves be prohibited pursuant to the Sub-Fund's Avoidance Investment Guidelines.

**H. Data sources and processing**

What are the data sources used to attain each of the environmental or social characteristics?

ESG data inputs are derived from multiple datasets including international financial organizations, external vendors, company direct disclosures (e.g., sustainability reports, annual reports, regulatory filings, and company websites), company indirect disclosures (e.g., government agency published data; industry and trade association data; and third-party financial data providers), development agencies and specialty ESG research providers.

The Investment Teams are able to leverage the firm's broader ESG capabilities and resources, including: the ESG Policy, and ESG data and analytics. Additionally, Neuberger Berman's big data team works collaboratively with the Investing team to identify innovative and non-traditional data sources which may provide additional insights. We continue to identify additional data and research, which may enhance our analysis.

There are currently no additional measures performed by the Investment Teams to ensure data quality as the data is mainly provided from the Lead Sponsors (at both, General Partner and underlying company levels) relying on the Lead Sponsors' knowledge and expertise to provide accurate and reliable data. Upon the receipt of data from the Lead Sponsors, the deal teams and the ESG Investing Team process the data internally before proceeding with the assessment that is usually qualitative based on the type of data received.

We expect that a low proportion of data will be estimated. The proportion of data that is estimated will depend on the composition of investee companies – the nature of their business and sectors in which they operate. We expect that data availability and quality will improve as the market and methods for obtaining and reporting data mature.



I. Limitations to methodologies and data

What are the limitations to the methodologies and data sources?

Limitations in both methodology and data include but are not limited to lack of standardization and limited and inconsistent reporting by private equity sponsors.

As such, the Manager and the Investment Teams encourage the disclosure of certain core ESG data metrics, such as through voluntary efforts like the ESG Data Convergence Initiative and monitor material ESG risk incidents in the Sub-Fund's investments, in order to improve standardization and consistent reporting overtime.

Furthermore, the Manager can and intends to engage with Lead Sponsors directly (as a result of the Manager's existing relationships with such Sponsors) to improve the understanding of ESG matters at the Sponsor and its portfolio companies and to encourage improvement in ESG processes. To the extent that the Manager identifies relevant and material ESG issues at a Sponsor or an investee company as a result of such monitoring, the Manager will determine an appropriate course of action, including engagement with the Sponsor, based on the prevailing facts and circumstances and having regards to its intention to attain the environmental and social characteristics promoted by the Fund.

Neuberger Berman is satisfied that such limitations do not affect the attainment of environmental or social characteristics. Each investment opportunity's environmental and social characteristics are evaluated in detail, in accordance with our internal frameworks and using a variety of data sources, having regard to these limitations as well (where appropriate).



J. Due diligence

What is the due diligence carried out on the underlying assets?

The Manager believes the most effective way to integrate ESG factors into an investment process is for investment teams to consider ESG factors as part of due diligence and ongoing portfolio management. As such, the investment teams are responsible for researching and integrating ESG issues into the investment decision-making process. Investment teams are responsible for conducting the ESG analysis and the Investment Committee is responsible for considering ESG factors as a part of their overall investment evaluation.

Before making investments, the Investment Team will conduct due diligence at Lead Sponsor level, that the Investment Team deems reasonable and appropriate, based on the facts and circumstances applicable to each investment. Based on the initial due diligence and as part of the Manager ESG Scorecard, the Investment Team gives each Lead Sponsor a weighted average score that is tracked overtime and compared to proprietary peer benchmarks. Lead Sponsors that attain a weighted average score of 'Absent' are not eligible for investment.

The Investment Team will carry out a Company ESG Factor Assessment on investee companies to identify industry specific ESG factors that are likely to be financially material for a given company relative to the environmental and social characteristics promoted by the Sub-Fund using (as appropriate) internal analyses, screens, tools and data sources.

The Sub-Fund commits to seeking to avoid investee companies whose activities are inconsistent with the Sub-Fund's Avoidance Investment Guidelines.

The Investment Teams will also assess governance practices of the investee companies during due diligence and then monitor governance on a periodic basis, in each case pursuant to a proprietary "Good Governance Assessment". As part of its governance assessment, and pursuant to the Sub-Fund's Avoidance Investment Guidelines, the Sub-Fund will not make investments in companies that have been identified as being in violation of the UNGC Principles.

After investment, an annual monitoring questionnaire will be issued to the Lead Sponsors that the Sub-Fund has invested in to track progress on ESG matters over the duration of the investment holding period. Additionally, and as part of the due diligence, the Investment Team periodically monitors investee companies on an on-going basis for ESG violations.

Neuberger Berman's ESG Investing Team provides expert guidance, resources, and training to investment professionals during the investment process and works to continuously improve the firm's ESG practices. In partnership with the firm's ESG Investing team, the Investment Teams are trained on ESG due diligence best practices and guidance at least once a year but often more frequently. Investment professionals with deep expertise in ESG and impact investing regularly engage with fund managers and deal teams to further enhance ESG due diligence capabilities and to disseminate knowledge in practice.

The Investment Teams work closely with the ESG Investing Team to ensure adherence to industry best practices in terms of ESG integration into the due diligence process. Investment Teams conduct regular meetings with the ESG Investing Team with the goal of continuously improving ESG awareness and diligence. Specifically, the ESG Investing Team has held a number of teach-ins with Investment Teams to educate on further improvement of implementation of the proprietary private equity ESG framework. The ESG Investing Team will continuously meet with the private equity investment team in order to encourage that industry best practices are adopted in our private equity investment processes.

All of the above encompasses the internal controls put in place as part of the due diligence and ongoing monitoring process.



K. Engagement policies

Is engagement part of the environmental or social investment strategy?

☒ Yes

☐ No

What are the engagement policies?

The Sub-Fund's co-investments will typically be minority investments, alongside a Lead Sponsor who controls or has significant control rights over the investee company. Generally, as a minority investor, the NBAA and NBEL Portfolio Managers and the Sub-Fund will have limited governance rights in respect of the Sub-Fund's investee companies. However, in the vast majority of cases, funds and client accounts managed by such Portfolio Managers or their affiliates (other than the Sub-Fund) are existing investors in the Lead Sponsors' funds that the Sub-Fund is expected to co-invest with. The relevant Portfolio Managers can and intend to engage with Lead Sponsors directly as a result of such relationships to improve the Portfolio Manager's understanding of ESG matters at the Lead Sponsor and its portfolio companies and to encourage improvement in ESG processes at the relevant Lead Sponsor to the extent determined to be appropriate by the Portfolio Managers.

Investments by the Sub-Fund will also be periodically monitored on an on-going basis for ESG violations and real-time risks, including with regards to sustainability-related controversies in investee companies. To the extent that the NBAA or NBEL Portfolio Managers identify relevant and material ESG issues at a Lead Sponsor or an investee company as a result of such monitoring, the Portfolio Managers will determine an appropriate course of action, including engagement with the Lead Sponsor, based on the prevailing facts and circumstances and having regards to its intention to attain the environmental and social characteristics promoted by the Sub-Fund.



L. Reference benchmark

Has a specific index designated as a reference benchmark to meet the environmental or social characteristics promoted by the financial product?

☐ Yes

☒ No, a reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

Where can more product-specific information be found?

More product-specific information and periodic reports can be found on the website:

<https://www.nb.com/en/gb/products/private-markets-funds/eltif>

