NB Renaissance

RESPONSIBLE INVESTMENT POLICY

NOVEMBER 2023

NB | RENAISSANCE

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NB Renaissance Partners ("Renaissance"), a business division of an affiliate of Neuberger Berman Group LLC ("NB"), is an Italian mid-market private equity investment firm focused on companies with high growth potential.

Renaissance is a strategic investor and partner to its portfolio companies, with a track record of generating attractive returns by investing in mid-market companies that are primarily headquartered in Italy and which provide a strong platform for international expansion, sector consolidation and active growth strategies.

INTRODUCTION

As part of NB, Renaissance has implemented NB's Environmental, Social and Governance (ESG) Policy since inception. NB's ESG Policy provides a broad framework for NB's approach to ESG integration across different asset classes, including private equity. NB's ESG Policy is a guideline for formalizing and focusing on responsible investment efforts, with the recognition that material ESG characteristics can be an important driver of long-term investment returns.

Today, Renaissance continues to build upon this legacy, driven by our belief that ESG factors, like any other factor, should be incorporated in a consistent manner within the specific characteristics and style of its investment strategy. For Renaissance, responsible investment means systematically integrating ESG considerations across all stages of the investment lifecycle of our private equity funds. As a result, Renaissance believes it has the opportunity and responsibility to support a proprietary responsible investment approach and to foster ESG best practices across the business community.

This Responsible Investment Policy ("RI Policy") describes Renaissance's responsible investment approach in terms of commitment to ESG integration within portfolio management and describes the processes put in place to address material ESG aspects throughout the lifecycle of our funds. Also, as we recognize the impact of climate change and the urgent need to accelerate the sustainable transition toward global net-zero emissions, climate action has been defined as one of the priorities of our RI Policy.

The RI Policy is designed to maximize stakeholder value by identifying key processes and responsibilities that are put in place regarding management of ESG issues within the different investment stages and key resources needed to manage any risks or capitalise on potential opportunities for ESG integration.

This RI Policy was drafted in accordance with the six Principles of Responsible Investment (PRI) and intends to consider the ten principles of United Nations Global Compact (UNGC) during the entire investment lifecycle.

SCOPE

This RI Policy applies to private equity investments (portfolio companies) made by Renaissance funds after the implementation date of this policy. Where Renaissance funds make non-controlling stake investments, where other circumstances impact Renaissance's ability to assess, set, or monitor ESG-related performance goals, or where Renaissance identifies material ESG issues that cannot reasonably be addressed, we may not necessarily be able to fully implement this RI Policy. In such cases, Renaissance will make reasonable efforts to encourage consideration of relevant ESG-related principles by the portfolio company.

OVERSIGHT

The Renaissance ESG Committee, composed of the ESG Practice Leader, Head of Investor Relations, ESG Manager and Senior Partners of Renaissance, is accountable for the oversight of the RI Policy, ensuring its adequate implementation. The Renaissance ESG Committee is chaired by the ESG Practice Leader, and its broader responsibilities are: supporting efforts to define ESG priorities for Renaissance regarding key stakeholders' expectations and sector trends, approving Renaissance ESG-related policies, procedures, plan and targets, and overseeing ESG-related reporting and external communication activities.

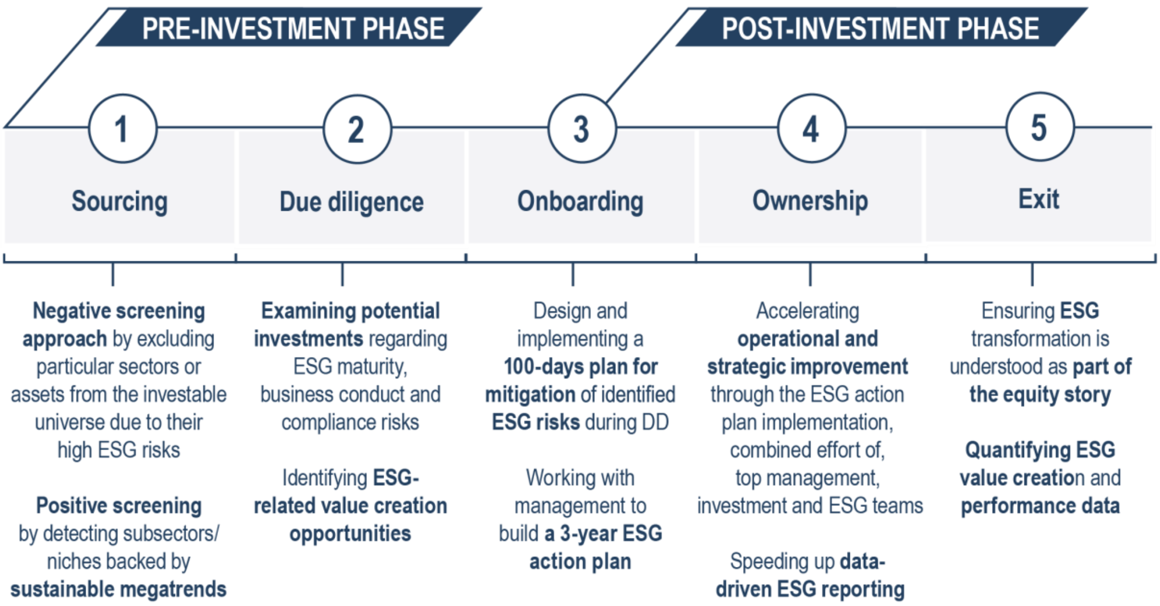
The Renaissance investment team, supported by the ESG team, is responsible for the implementation of the RI Policy within the pre- and post-investment activities and for periodically reporting to the Renaissance ESG Committee the compliance to the RI Policy. The Renaissance ESG team will support the investment team in systemic ESG integration in investment activities, including coordination of ESG analyses and specific ESG-related initiatives.

As part of NB, the Renaissance RI Policy is ultimately subject to approval by the NB ESG Committee. Also, the annual review of E.U. Sustainable Finance Disclosure Regulation (SFDR)[1] related claims and the review of ESG-integrated products regarding Renaissance funds continues to be the final responsibility of NB's ESG Product Committee and ESG Product Oversight Committee.

Moreover, the control functions of the Neuberger Berman AIFM S.à r.l. (i.e. Risk Management, Compliance and Portfolio Management Oversight) are responsible for making sure that the Policy is adequately and effectively implemented. Each of the control functions performs its oversight responsibilities within the framework of its regular duties and periodical controls. In this regard, members of the control functions will be invited to attend to the Renaissance ESG Committee as non-voting members to report the results of their controls and provide recommendations.

RESPONSIBLE INVESTMENT APPROACH

Renaissance's responsible investment approach is detailed throughout the two main phases of the investment cycle: (i) **the pre-investment phase**, where sourcing, due diligence and execution of the investment decision gets done and (ii) **the post-investment phase**, after the transaction is closed, where the onboarding, ownership and exit stages take place. The responsible investment approach explains how ESG factors are integrated within each key phase of the investment cycle, as described in the figure below:



PRE-INVESTMENT PHASE

1. Sourcing

When considering an investment opportunity, Renaissance follows a highly disciplined and thorough investment process, focused on evaluating the various key aspects of a particular transaction, which generally involves performing a thorough analysis of the industry, competition, target company's business, historical financial information and business plan, as well as a detailed review of the proposed transaction terms, including valuation,

[1] Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019, on sustainability-related disclosures in the financial services sector (as amended and/or restated, the "SFDR") seeks to establish a pan-European framework to facilitate Sustainable Investment, by providing for a harmonized approach in respect of sustainability-related disclosures to investors within the European Union's financial services sector

capital structure, legal, governance, and other aspects of the transaction. The investment opportunity is specially focused in the European territory but with a global and sector agnostic approach. In order to source a potential investment opportunity, Renaissance considers ESG aspects within the target's preliminary evaluation from both a negative ESG screening and positive sourcing approach:

Negative screening approach

Renaissance excludes companies from the investable universe whose principal purpose is (A) the manufacturing or sale of gambling machines or implements, or the production or direct offering of lotteries, online gambling, casinos, betting shops, bookmakers or bingo halls (B) the production or sale of pornography whether via cinema, television, publishing, radio, internet or otherwise, (C) the manufacturing, production, packaging, marketing or sale of tobacco, (D) manufacturing of controversial weapons[2], being responsible for end manufacture and assembly of controversial weapons, or being responsible for the manufacture of intended use components for controversial weapons. Businesses which violate the United Nations Global Compact (UNGC) Principles whether through child labour, human trafficking, corruption, forced labour or otherwise shall also be excluded. Investments in companies who supply, service or otherwise deal with companies not in conformity with the "Negative screening approach" shall not themselves be excluded.

There is the potential for additional exclusions regarding ESG considerations driven by the investment team, client mandates, third-party ESG label requirements or regulations.

Positive sourcing approach

Renaissance is committed to prioritize in the deal sourcing activity companies with business models that have ESG topics as part of their mission and/or vision. Specifically, this means seeking potential deals of companies with products or services where, for example, health and safety enhancement, the circular economy approach, low-carbon solutions, diversity and inclusion principles, welfare and wellbeing promotion, etc. are part of their business management and solutions.

In particular, Renaissance plans to invest in the future in line with its ESG objective which is that of making investments in businesses with a current or planned focus on products, services and operations that contribute to an environmental or social factor, provided that such investments do not significantly damage any of the environmental or social objectives set out in the SFDR and that, the businesses which are target of such investments, comply with good governance practices. It is expected that future funds, subject to appropriate approvals by the relevant committees, may choose to consider Principles of Adverse Impact (PAIs) when managing investments and eventually report them to LPs, or choose to make some proportion of "Sustainable Investments" as defined by SFDR which will require the consideration of all mandatory PAIs in light of the application of the Do No Significant Harm (DNSH) test.

2. Due diligence

In addition, when evaluating an investment opportunity, Renaissance follows a focused, disciplined, inclusive and multi-staged investment due diligence and decision-making process. In particular, Renaissance performs a detailed due diligence ("DD") to probe the critical assumptions of the investment thesis and financial projections, assess exit alternatives, and investigate the capabilities of the management team to carry out the proposed investment strategy. The DD activity on possible new investments covers financials, commercial, legal, tax, ESG, and other key aspects, and is generally conducted using experienced third-party consultants.

[2] Controversial weapons are defined as: biological and chemical weapons (weapons outlawed by the Biological and Toxin Weapons Convention of 1972 and the Chemical Weapons Convention of 1993), anti-personnel mines (weapons that signatories agreed to prohibit the use, stockpiling, production or transfer of under the 1997 Anti-personnel Landmines Convention), cluster munitions (weapons that signatories agreed to restrict the manufacture, use and stockpiling of, as well as components of these weapons, under the 2008 Convention on Cluster Munitions), and/or depleted uranium weapons (depleted uranium weapons, ammunition and armour)

ESG factor analysis helps understand which are the possible financially material ESG risks and related opportunities of a potential new portfolio company, in order to present them to the Investment Committee ("IC") for an adequate investment decision process.

When performing DD, a preliminary assessment of industry specific ESG factors that are likely to be financially material, based on the sector in which the company operates, is performed using the Sustainability Accounting Standards Board ("SASB") framework of the IFRS Foundation's International Sustainability Standards Board (ISSB). Afterwards, a detailed DD of the Target's compliance with internationally recognized standards and best-practices[3] takes place, which includes a review of the Target's ESG maturity in terms of policies, procedures, certifications and programs implemented to manage current and future ESG issues.

Potential ESG topics included in due diligence based on SASB materiality framework

ESG Topic	ESG Subtopic	SASB category
Environment	• GHG emissions • Air quality • Energy management • Water & wastewater management • Waste & hazardous materials management • Ecological impacts	• Environment
Social	• Labour practices • Employee health & safety • Employee engagement, diversity & inclusion • Human rights & community relations • Customer privacy and welfare • Selling practices & Product labelling	• Human capital • Social Capital
Governance	• Business model resilience, sound management structures, business ethics and conduct • Management of legal and compliance issues including employee relations, remuneration of staff and tax compliance • Data privacy & security • Policy & Risk management (including climate risk) • Product/service characteristics, quality & safety • Supply chain management	• Leadership & Governance • Business Model & Innovation • Social Capital

An example of how the financial materiality assessment is implemented can be found in the table below. The ESG topics are highlighted for different industries/sectors, when considered material for their business in the SASB methodology.

	ENVIRONMENTAL			SOCIAL			GOVERNANCE		
INDUSTRY - SECTOR	GHG Emissions	Water & wastewater management	Energy management	Labour practices	Employee health & Safety	Selling practices & product labelling	Policy & Risk management	Data Privacy & Security	Supply chain management
Food & Beverage - Agricultural products									
Health Care - Drug retailers									
Services - Professional & commercial services									

Represents a subset of factors for illustrative and discussion purposes only.

The ESG DD results will be presented to the IC as part of the "Final Investment Documentation". The IC has ultimate responsibility to define if it either approves or declines the investment considering, among all other key aspects, ESG DD results.

[3] Some examples of internationally recognized standards and best practices linked to ESG are: the principles of the United Nations Global Compact (UNGC), the OECD Guidelines on Multinational Enterprises, the International Labour Organization's (ILO's) declaration on Fundamental Rights and Principles at Work and the United Nations Guiding Principles on Business and Human Rights.

POST-INVESTMENT PHASE

3. Onboarding

In the case IC approves the investment, the outcomes of the ESG DD process will provide Renaissance investment team with an overall insight of the asset's ESG maturity and help identify gaps and improvement areas which will be addressed during the post-investment stage.

When the DD process identifies certain risks or key areas of improvement that require short-term action, an ESG risk mitigation plan is designed to manage them (generally integrated in the overall 100-days-plan designed by Renaissance investment team).

Within the onboarding phase, the preliminary guidelines of a 3-year ESG plan will be initially discussed with each new portfolio company's top management, defined as a 3-year ESG action plan ("ESG Action Plan"). This ESG Action Plan consists of detailed ESG objectives and targets to be implemented over the years, combined with related actions, timeline and budget/capex. NB Renaissance is supportive of the 2030 Agenda for Sustainable Development and, where possible, will seek to align the portfolio company ESG Action Plan with incremental company actions which may help support the achievement of the UN Sustainable Development Goals (SDGs).

4. Ownership

During the ownership period, the Renaissance investment team is in charge of continuously monitoring the investments with a value creation goal. The Renaissance ESG team supports the investment team in the acceleration of operational and strategic positioning in terms of ESG value creation through the implementation and monitoring of the ESG Action Plan. The periodic update of the plan during the ownership period is key to align on stakeholder requirements, regulatory developments and market changes, tailored to the portfolio company's characteristics and needs.

Within the ESG Action Plan, climate action is addressed through specific objectives and targets as a key priority of Renaissance's responsible investment approach. The Renaissance ESG team will work with investment team and each portfolio company's top management team to prioritize annual GHG foot printing (direct and indirect emissions), when not present, and to identify a possible decarbonization plan for the business. In developing these decarbonization plans and setting short- and medium-term targets, the Renaissance ESG team will take into consideration recommendations and methodologies from groups like the Science Based Targets Initiative (SBTi) for emissions reduction pathways.

Renaissance actively engages with portfolio companies' management to ensure responsibility and accountability in implementing the ESG Action Plan. Each portfolio company is required to identify an ESG representative and/or manager with whom Renaissance investment and ESG team collaborate on an ongoing basis for the ESG Action Plan implementation.

On an annual basis, each portfolio company will conduct ESG reporting. The Global Reporting Initiative (GRI) [4] standard is the main reporting framework used to monitor and disclose overall ESG performance of each portfolio company together with the EDCI (ESG Data Convergence Initiative)[5] framework, an open partnership of private equity stakeholders aimed to improve understanding of ESG data across GPs. Also, taking into consideration future funds containing sustainable investments, portfolio companies will report on PAIs, aligning to SFDR requirements. To this end, Renaissance has developed a list of cross-portfolio KPIs that are reported on by portfolio companies on an annual basis. The list of cross portfolio KPIs is updated within the annual Renaissance ESG report.

Moreover, on a recurring basis, our portfolio companies will be encouraged to perform third-party ESG assessments that include the obtainment of an ESG rating. These results will help Renaissance understand the maturity of each portfolio company in terms of ESG performance through the lens of an external advisor.

[4] The Global Reporting Initiative (GRI) offers a complete set of sustainability reporting standards. They can be accessed through this link.
[5] More information regarding EDCI can be found in this link

Renaissance is committed to monitoring the status and progress of the KPIs, the ESG Action Plans and possible ESG risks and incidents across portfolio companies, presenting them to Renaissance ESG Committee when needed or at least once per year. Renaissance funds' ESG progress and results are expected to be included in periodic reporting with investors, when particularly requested, and in Renaissance annual ESG report, which is published in line with GRI standards. The last version of the report can be found in our website.

ESG integration elements overseen by Renaissance during the ownership phase

Key elements	Description
Corporate governance & strategy	• Portfolio companies to perform materiality assessment with active participation of stakeholders • Portfolio companies to define ESG governance structure (ESG-dedicated roles, decision-making structure, policies, procedures, etc.) • Portfolio companies to define clear ESG strategy, plan and targets
Monitoring & Reporting	• Portfolio companies to monitor annually ESG data metrics and report as part of company's annual sustainability report • Portfolio companies to monitor and report progress on ESG objectives and targets together with ESG risks and incidents
Active engagement	• Investment team to engage with portfolio company's top management team and ESG-related roles for ESG Action Plan implementation

5. Exit

When the Renaissance investment team begins considering exit timing, the Renaissance ESG team will support the investment team to carry out a gap analysis between the level of ESG performance of the portfolio company at the time of divestment versus at the time of acquisition, highlighting the added ESG value generated through the ownership phase. This gap analysis is formalized at exit, at our best effort, in an ESG due diligence vendor report built by third-party consultants and/or in the results of an external third party ESG Rating.

COLLABORATIONS

As part of NB, Renaissance collaborates with clients and others in the investment industry to support the broader acceptance and implementation of responsible investing. Activities may include collaborative engagement with a company on a given topic, joint research projects on an ESG topic or support of industry standard ESG disclosure. NB works with a number of like-minded institutions, including Principles of Responsible Investment (PRI), the Value Reporting Foundation (VRF), UN Global Compact (UNGC), ESG Data Convergence Initiative (EDCI), the Institutional Investors on Climate Change (IICG) and Ceres. A full list of partnerships and collaborations can be found at www.nb.com/esg

REVIEW

This RI Policy reflects Renaissance current ESG integration approach. It will be reviewed at least annually and revised as appropriate, with or without notice. The Renaissance ESG Committee will be responsible for the annual review and update.