FONDS DE COMPENSATION

NEUBERGER | BERMAN

Article 8 SFDR – Website Disclosure Summary
FDC SICAV Global Bonds – Active 3

Overview

Fonds de Compensation de la Sécurité Sociale, SICAV-FIS has appointed Neuberger Berman Asset Management Ireland Limited (“Neuberger Berman”) as the portfolio manager of its sub-fund FDC SICAV Global Bonds – Active 3 (the “Sub-Fund”). The management of the Sub-Fund has been classified under Article 8 of SFDR[1].

As part of the investment process, Neuberger Berman’s investment team considers a variety of environmental and social characteristics, as detailed below. These environmental and social characteristics are considered using a proprietary Neuberger Berman ESG rating system (the “NB ESG Quotient”). The NB ESG Quotient is built around the concept of sector specific ESG risk and opportunity, and produces an overall ESG rating for issuers by assessing them against certain ESG metrics.

It should be noted that, in implementing its investment strategy and as an overarching binding restriction, Neuberger Berman is required to exclude companies from the Sub-Fund referenced on Fonds de Compensation de la Sécurité Sociale, SICAV-FIS’ proprietary exclusion list. The latter screens out companies based on their involvement in controversial practices against international norms. The core normative framework consists of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights. Equally screened out are companies linked to following controversial weapons: anti-personnel mines, cluster munitions, chemical weapons, biological weapons, depleted uranium, white phosphorus and nuclear weapons. Fonds de Compensation de la Sécurité Sociale, SICAV-FIS’ exclusion list can be viewed at https://fdc.public.lu/en/investissement-responsable/fdc-exclusion-list.html.

No sustainable investment objective

This Sub-Fund promotes environmental or social characteristics, but does not have as its objective sustainable investment.

Environmental or social characteristics

The following environmental and social characteristics are considered, where relevant to the specific industry and issuer, as part of the NB ESG Quotient rating:

- Environmental Characteristics: biodiversity & responsible land usage; carbon footprint reduction; environmental management; greenhouse gas (“GHG”) emissions; opportunities in clean technologies; opportunities in green building; opportunities in renewable energy; responsible raw material sourcing; responsible & transparent underwriting; toxic emissions & waste; waste management and water management.
- Social Characteristics: access to finance; access to medicines; affordability & fair pricing; business ethics & transparency of government relations; chemical safety; community relations; controversial sourcing; corporate behaviour; drug safety & side effects management; ethical marketing & practices; health & nutrition; health & safety; human capital development; labour management; data privacy & security; product safety & quality and litigation & related controversy.

Investment Strategy

The investment objective of the Sub-Fund is to seek to achieve an attractive level of total return (income plus capital appreciation) from global fixed income markets. The Sub-Fund will invest primarily in Investment Grade debt securities issued by governments and agencies from OECD countries, and Investment Grade debt securities issued by corporations, which have their head office or exercise an overriding part of their economic activity in OECD countries.

[1] Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial sector ("SFDR").

Assessment of Good Governance

Governance factors that the investment team tracks may include: (i) senior management experience and sector expertise; (ii) ownership/board experience and alignment of incentives; (iii) corporate strategy and balance sheet strategy; (iv) financial and accounting strategy & disclosure and (v) regulatory/legal track record.

Proportion of Investment

The Sub-Fund aims to directly hold a minimum of 60% investments that are aligned with the environmental or social characteristics promoted by the Sub-Fund. The Sub-Fund does not commit to holding sustainable investments.

Monitoring Environmental or Social Characteristics and Methodologies

The investment team considers a variety of sustainability indicators to measure the environmental and/or social characteristics promoted by the Sub-Fund, including:

- the NB ESG Quotient;
- Climate Value-at-Risk (“CVaR”); and
- NB ESG exclusion policies.

The investment team will track and report on the performance of the above sustainability indicators. These sustainability indicators will be used to measure the attainment of each of the environmental and social characteristics promoted by the Sub-Fund.

Data Sources and Processing

ESG data inputs are derived from multiple datasets including international financial organisations, external vendors, company direct disclosures, company indirect disclosures, development agencies and specialty ESG research providers. ESG data feeds are monitored and reconciled by our data quality assurance team and critical data elements are closely reviewed as part of internal reporting.

Limitations to Methodologies and Data

Limitations in both methodology and data are listed under this heading in the main body of the website disclosure. Neuberger Berman is satisfied that such limitations do not affect the promotion of environmental or social characteristics as explained further under this heading in the main body of the website disclosure.

Due Diligence

Before making investments, Neuberger Berman will conduct reasonable and appropriate due diligence based on the facts and circumstances applicable to each investment.

Engagement Policies

Engagement is an important component of the Sub-Fund’s investment process.

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Overview

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It should be noted that, in implementing its investment strategy and as an overarching binding restriction, Neuberger Berman is required to exclude companies from the Sub-Fund referenced on Fonds de Compensation de la Sécurité Sociale, SICAV-FIS' proprietary exclusion list. The latter screens out companies based on their involvement in controversial practices against international norms. The core normative framework consists of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights. Equally screened out are companies linked to following controversial weapons: anti-personnel mines, cluster munitions, chemical weapons, biological weapons, depleted uranium, white phosphorus and nuclear weapons. Fonds de Compensation de la Sécurité Sociale, SICAV-FIS' exclusion list can be viewed at https://fdc.public.lu/en/investissement-responsable/fdc-exclusion-list.html.

No sustainable investment objective

This financial product promotes an environmental or social characteristic but does not have as its objective a sustainable investment. This financial product will not make any sustainable investments

Environmental or social characteristic of the financial product

As part of the investment process, Neuberger Berman considers a variety of environmental and social characteristics, as detailed below. These environmental and social characteristics are considered using a proprietary Neuberger Berman ESG rating system (the "NB ESG Quotient"). The NB ESG Quotient is built around the concept of sector specific ESG risk and opportunity, and produces an overall ESG rating for issuers by assessing them against certain ESG metrics.

Foundational to the NB ESG Quotient is the proprietary Neuberger Berman ("NB") materiality matrix, which focuses on the ESG characteristics that are considered to be the most likely to be the material drivers of ESG risk and opportunity for each sector. The NB materiality matrix enables Neuberger Berman to derive the NB ESG Quotient rating, to compare sectors and issuers relative to their environmental and social characteristics. Neuberger Berman uses the NB ESG Quotient to promote the environmental and social characteristics listed below by prioritising investment in securities issued by issuers with a favourable and/or an improving NB ESG Quotient rating. Pursuant to this, Neuberger Berman will not invest in an issuer with a poor NB ESG Quotient rating unless there is a commitment to engage with the issuer with an expectation that the NB ESG Quotient rating will improve over time. The following environmental and social characteristics are considered, where relevant to the specific industry and issuer, as part of the NB ESG Quotient rating:

- Environmental Characteristics: biodiversity & responsible land usage; carbon footprint reduction; environmental management; greenhouse gas ("GHG") emissions; opportunities in clean technologies; opportunities in green building; opportunities in renewable energy; responsible raw material sourcing; responsible & transparent underwriting; toxic emissions & waste; waste management and water management.

- Social Characteristics: access to finance; access to medicines; affordability & fair pricing; business ethics & transparency of government relations; chemical safety; community relations; controversial sourcing; corporate behaviour; drug safety & side effects management; ethical marketing & practices; health & nutrition; health & safety; human capital development; labour

[2] Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial sector ("SFDR").

management; data privacy & security; product safety & quality and litigation & related controversy.

Performance in relation to these environmental and social characteristics will be measured through the NB ESG Quotient.

The NB materiality matrix will evolve over time and all sector specific ESG characteristics included therein are reviewed annually to ensure that the most pertinent sector specific ESG characteristics are captured through the NB materiality matrix. Accordingly, the environmental and social characteristics considered as part of the NB ESG Quotient are subject to change. For the avoidance of doubt, if the environmental or social characteristics considered as part of the NB ESG Quotient change, this website disclosure will be updated accordingly.

Exclusions are also applied (as further set out below) as part of the construction and ongoing monitoring of the Sub-Fund. These represent additional environmental and social characteristics promoted by the Sub-Fund.

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

Investment Strategy

The investment objective of the Sub-Fund is to seek to achieve an attractive level of total return (income plus capital appreciation) from global fixed income markets. The Sub-Fund will invest primarily in Investment Grade debt securities issued by governments and agencies from OECD countries, and Investment Grade debt securities issued by corporations, which have their head office or exercise an overriding part of their economic activity in OECD countries.

Neuberger Berman considers and evaluates ESG characteristics, as an important component of their credit analysis discipline, when making investment decisions. Neuberger Berman utilises the NB ESG Quotient criteria as part of the Sub-Fund construction and investment management process. As noted above, NB ESG Quotient assigns weightings to environmental, social and governance characteristics for each sector to derive the NB ESG Quotient rating. Issuers with a favourable and/or an improving NB ESG Quotient rating have a higher chance of ending up in the Sub-Fund. Issuers with a poor NB ESG Quotient rating especially where these are not being addressed by that issuer, are more likely to be removed from the investment universe or divested from the Sub-Fund.

The ESG analysis is performed internally, with the support of third-party data, and is not outsourced.

In addition, credit worthiness is complemented by fundamental analysis aimed at assessing the issuer's financial performance such as revenue/earnings before interest, tax, depreciation, and amortisation ("EBITDA") growth, cash flow growth, capital expenditures, leverage trends and liquidity profile.

ESG characteristics are considered at three different levels:

1. Integrating proprietary ESG analysis

   The NB ESG Quotient ratings are generated for issuers in the Sub-Fund. The NB ESG Quotient rating for issuers is utilised to help to better identify risks and opportunities in the overall credit and value assessment.

   The NB ESG Quotient is a key component of the internal credit ratings and can help to identify business risks (including ESG risks), which would cause deterioration in an issuer's credit profile. Internal credit ratings can be notched up or down based on the NB ESG Quotient rating, and this is monitored by Neuberger Berman as an important component of the investment process for the Sub-Fund.

   By integrating the investment team's proprietary ESG analysis (the NB ESG Quotient) into their internal credit ratings, there is a direct link between their analysis of material ESG characteristics and Sub-Fund construction activities across their strategy.

Issuers with a favourable and/or an improving NB ESG Quotient rating have a higher chance of ending up in the Sub-Fund. Issuers with a poor NB ESG Quotient rating especially where these are not being addressed by that issuer, are more likely to be removed from the investment universe or divested from the Sub-Fund.

2. Engagement

   Neuberger Berman engages directly with management teams of issuers through a robust ESG engagement program.

   Neuberger Berman engages with sovereign issuers in developed and emerging market countries. As part of its sovereign engagement, Neuberger Berman's portfolio managers and analysts speak regularly to government officials, policy makers and international financial organisations, such as the International Monetary Fund, World Bank and Asian Development Bank, with onsite visits whenever possible, and utilise such meetings to engage with sovereign issuers on ESG topics, where Neuberger Berman sees scope for improvement for the relevant country.

   The sovereign engagement process tends to focus on the various areas relating to SDGs under the UN Global Compact, and the UNGP. In addition, Neuberger Berman monitors and engages with countries on reducing GHG emissions based on the Climate Watch Net-Zero Tracker managed by World Resources Institute. Sovereign engagement is also carried out with jurisdictions under increased monitoring, who are actively working with the Financial Action Task Force ("FATF") to address strategic deficiencies in counter money laundering, terrorist financing and proliferation financing. Progress on sovereign engagement is tracked centrally in Neuberger Berman's engagement log.

   Neuberger Berman views this direct engagement with issuers, as an important part of its investment process (including the investment selection process). Issuers that are not receptive to engagement are less likely to be held (or to continue to be held) by the Sub-Fund.

   This program is focused on in-person meetings and conference calls to understand ESG risks, opportunities, and assess good corporate governance practices of issuers. As part of the direct engagement process, Neuberger Berman may set objectives for the issuers to attain. These objectives as well as the issuers' progress with respect to same are monitored and tracked by Neuberger Berman through an internal NB engagement tracker.

   Neuberger Berman firmly believes this consistent engagement with issuers can help reduce credit risk and promote positive sustainable corporate change. It is an important tool to identify and better understand an issuer's risk factors and performance. Neuberger Berman also uses it to promote change, when necessary, which it believes will result in positive outcomes for creditors and broader stakeholders. Direct engagement when paired with other inputs, creates a feedback loop that allows analysts in Neuberger Berman's investment team to evolve their ESG scoring process and prioritise risks that are most relevant to a sector.

3. ESG sectoral exclusion policies

   To ensure that the environmental and social characteristics promoted by the Sub-Fund can be attained, the Sub-Fund will apply the ESG exclusion policies explained in more detail in the "Methodologies for environmental or social characteristics" section.

Policy to assess good governance practices of the investee companies

Governance factors that Neuberger Berman tracks may include: (i) senior management experience and sector expertise; (ii) ownership/board experience and alignment of incentives; (iii) corporate strategy and balance sheet strategy; (iv) financial and accounting strategy & disclosure and (v) regulatory/legal track record.

Engagement with management is an important component of the Sub-Fund's investment process, and Neuberger Berman engages directly with management teams of issuers through a robust ESG engagement program. This program is focused on in-person meetings and conference calls to understand risks, opportunities and assess good corporate governance practices of investee issuers.

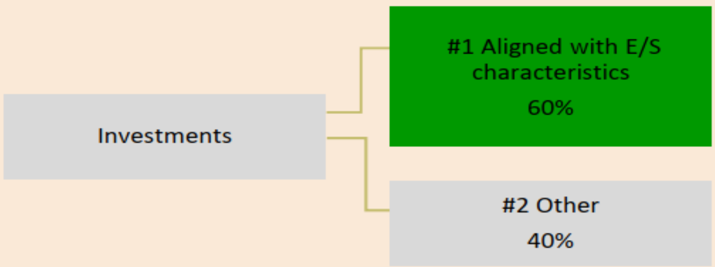
Neuberger Berman views this direct engagement with issuers, as an important part of its investment process.

While the prioritisation assessment is ongoing, the timing of the engagement may be reactionary in certain cases, opportunistic in cases of industry events or pre-planned meetings, or proactive where time allows and without undue restrictions such as during quiet periods or merger and acquisition events that may prevent outreach actions. Ultimately, Neuberger Berman aims to prioritise engagement that is expected, based on Neuberger Berman's subjective analysis, to have a high impact on the protection of and improvement to the value of the Sub-Fund, be it through the advancement of actionable disclosure, understanding of risks and risk management at an issuer, or through influence and action to mitigate risks (including sustainability risks) and take advantage of investment opportunities.

Proportion of investments

The Sub-Fund aims to hold a minimum of 60% investments that are aligned with the environmental or social characteristics promoted by the Sub-Fund. The Sub-Fund does not commit to holding sustainable investments. The Sub-Fund aims to hold a maximum of 40% investments that are not aligned with the environmental or social characteristics promoted by the Sub-Fund and are not sustainable investments, and which fall into the "Other" section of the Sub-Fund.

Please note that while Neuberger Berman aims to achieve the asset allocation targets outlined above, these figures may fluctuate during the investment period and ultimately, as with any investment target, may not be attained.



#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.

Neuberger Berman has calculated the proportion of environmentally and/or socially aligned investments in the Sub-Fund by reference to the proportion of issuers in the Sub-Fund: i) that hold an NB ESG Quotient rating or a third party equivalent ESG rating that is used as part of the Sub-Fund construction and investment management process of the Sub-Fund; and/or ii) with whom Neuberger Berman has engaged directly. The calculation is based on a mark-to-market assessment of the Sub-Fund. This calculation may rely on incomplete or inaccurate issuer or third party data.

While the Sub-Fund may use derivatives for efficient portfolio management, investment purposes and/or hedging, it will not use derivatives to promote environmental or social characteristics.

"Other" includes the remaining investments of the financial product (including but not limited to any derivatives) which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The "Other" section in the Sub-Fund is held for a number of reasons that Neuberger Berman feels will be beneficial to the Sub-Fund, such as, but not limited to, achieving risk management, and/or to ensure adequate liquidity, hedging and collateral cover.

The Sub-Fund will be invested in compliance with ESG exclusion policies, on a continuous basis. This ensures that investments made by the Sub-Fund seek to align with international environmental and social safeguards such as the United Nations Global Compact Principles ("**UNGC Principles**"), United Nations Guiding Principles on Business and Human Rights ("**UNGPs**"), OECD Guidelines for Multinational Enterprises ("**OECD Guidelines**") and International Labour Organization Standards Conventions ("**ILO Standards**"), captured through the NB Global Standards Policy.

Neuberger Berman believes that these policies prevent investment in issuers that most egregiously violate environmental and/or social minimum standards and ensures that the Sub-Fund can successfully promote its environmental and social characteristics.

The above steps ensure that robust environmental and social safeguards are in place.

Monitoring of environmental or social characteristics

Following investment, Neuberger Berman monitors issuers on an ongoing basis to track their performance with respect to environmental and social characteristics. In particular, Neuberger Berman will track and report on the performance of (i) the NB ESG Quotient; (ii) the Climate Value at Risk ("CVaR") and (iii) the adherence to the ESG exclusion lists applied to the Sub-Fund. These sustainability indicators will be used to measure the attainment of each of the environmental and social characteristics promoted by the Sub-Fund.

Methodologies for environmental or social characteristics

As part of the investment process, Neuberger Berman considers a variety of sustainability indicators to measure the environmental and/or social characteristics promoted by the Sub-Fund. These are listed below:

1. <u>The NB ESG Quotient</u>

   The NB ESG Quotient (as explained in the section headed "Environmental or social characteristics of the financial product") is used to measure the environmental and social characteristics promoted by the Sub-Fund. Foundational to the NB ESG Quotient is the proprietary NB materiality matrix, which focuses on the ESG characteristics that are considered to be the most likely to be the material drivers of ESG risk for each sector. Each sector criteria is constructed using third party and internally derived ESG data and supplemented with internal qualitative analysis, leveraging Neuberger Berman's analyst team's significant sector expertise.

   The NB ESG Quotient assigns weightings to environmental, social and governance characteristics for each sector to derive the NB ESG Quotient rating. Issuers with a favourable and/or an improving NB ESG Quotient rating have a higher chance of being included in the Sub-Fund. Issuers with a poor NB ESG Quotient rating, especially where a poor NB ESG Quotient rating is not being addressed by an issuer, are more likely to be removed from the investment universe or divested from the Sub-Fund.

2. <u>CVaR</u>

   CVaR measures the exposure to transition and physical climate risks. CVaR is a scenario analysis tool evaluating economic risks under various degree scenarios (i.e., the amount of warming targeted) and potential regulatory environments in varying countries. On a holistic basis the results are evaluated by Neuberger Berman's portfolio managers and analysts. CVaR provides a framework for identifying climate-risk over the long-term to assist in understanding how issuers can shift their operations and risk practices over time. The scenario analysis can serve as a starting point for further bottom up analysis and identifying potential climate-related risks to address through issuer engagement. Due to data limitations, CVaR is not applied across all issuers held by the Sub-Fund and is instead limited to the issuers for which Neuberger Berman has sufficient and reliable data. The analysis from CVaR is reviewed at least once a year.

3. <u>ESG exclusion policies</u>

   To ensure that the environmental or social characteristics promoted by the Sub-Fund can be attained, the Sub-Fund will not invest in securities issued by issuers whose activities breach the

Neuberger Berman Controversial Weapons Policy and the Neuberger Berman Thermal Coal Involvement Policy. In addition to the application of the Neuberger Berman Thermal Coal Involvement Policy, Neuberger Berman will prohibit the initiation of new investment positions in securities issued by issuers that (i) derive more than 25% of their revenue from thermal coal mining; or (ii) are expanding new thermal coal power generation. Furthermore, investments held by the Sub-Fund will not invest in securities issued by issuers whose activities have been identified as breaching the Neuberger Berman Global Standards Policy which excludes violators of (i) the UNGC Principles, (ii) the OECD Guidelines, (iii) the UNGPs and (iv) the ILO Standards. The Sub-Fund also excludes emerging market corporate debt issuers that are involved in the tobacco industry and child labour.

Data sources and processing

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.

ESG data is a key domain and part of our internal data governance with an assigned ESG Data Steward and a dedicated ESG Technology team. The ESG Data Steward has periodic engagements with ESG data vendors to discuss issues such as data coverage and will evaluate options to help resolve data gaps. Subscription to multiple data vendors enables us to evaluate company coverage and quality of data between vendors. In addition, Neuberger Berman's investment teams continue to explore new data products and vendors to evaluate potential enhancements to our existing data coverage.

ESG data feeds are monitored and reconciled by our data quality assurance team and critical data elements are closely reviewed as part of internal reporting. ESG Data is integrated throughout Neuberger Berman's operating management system, compliance and risk management systems, providing all stakeholders transparency into Sub-Fund ESG metrics in real time.

In addition, Neuberger Berman's internally derived data team work collaboratively with its ESG Investing team to identify innovative and non-traditional data sources which may provide additional insights. Neuberger Berman continuously seek to identify additional data and research, which may enhance its analysis.

Neuberger Berman believes that the most effective way to integrate ESG into an investment process over the long term is for investment teams themselves to research ESG factors and consider them alongside other inputs into the investment process. For this reason, ESG research is included in the work of Neuberger Berman's research analysts rather than employing a separate ESG research team. Neuberger Berman embeds such research in the work of its security research analysts.

Neuberger Berman's investment teams can then choose how best to apply all the tools of active management, whether that is to engage or ultimately to sell a security when it no longer offers an attractive risk-adjusted potential return.

Neuberger Berman expects 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. Neuberger Berman expects that data availability and quality will improve as the market and methods for obtaining and reporting data mature.

Limitations to methodologies and data

Limitations in both methodology and data include but are not limited to:

- Lack of standardization;
- Gaps in company coverage especially in private companies and companies that reside in emerging markets;
- Limitations in application for both public and private debt markets versus public equity;

- Some data sets such as carbon emissions are reported at a significant time-lag; and
- Some of the available third-party data is calculated based on data estimates.

As such, investment teams are not dependent on raw data. Neuberger Berman has developed a firm-wide proprietary ratings system, called the Neuberger Berman ESG Quotient, which is under continual testing to enhance methodology and data coverage.

In addition, Neuberger Berman continues to advocate for greater standardized disclosures; for example, Neuberger Berman is a member of the International Financial Reporting Standards (the "IFRS") Sustainability Alliance, which aims to develop a more coherent and comprehensive system for corporate disclosure.

Neuberger Berman is also a formal supporter of the recommendations of the Taskforce on Climate Related Financial Disclosure ("TCFD") because Neuberger Berman believes that climate change is a material driver of investment risk and return across industries and asset classes. The TCFD will help develop voluntary, consistent climate related financial risk disclosures.

Neuberger Berman is satisfied that such limitations do not affect the attainment of environmental or social characteristics, in particular because of the steps taken to mitigate such limitations:

- As noted above, Neuberger Berman periodically engages with data vendors on data quality, and the third party sources relied upon are the same as those relied upon by the broader market and so are likely to be refined as the market for products with environmental or social characteristics matures;
- Neuberger Berman engages directly with management teams of corporate issuers through a robust ESG engagement program; and
- 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).

Due diligence

Before making investments, Neuberger Berman's 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 assess the investment's compliance with the environmental and social characteristics promoted by the product using (as appropriate) internal analyses, screens, tools and data sources, and may also evaluate other important and complex environmental, social and governance issues related to the investment. The investment team may select investments on the basis of information and data filed by the issuers of such securities with various regulatory bodies or made directly available to Neuberger Berman by the issuers of the securities and other instruments or through sources other than the issuers.

The Sub-Fund will not invest in securities issued by issuers whose activities breach the Neuberger Berman Controversial Weapons Policy and the Neuberger Berman Thermal Coal Involvement Policy. Furthermore, the Sub-Fund does not invest in securities issued by issuers whose activities breach the Neuberger Berman Global Standards Policy. Please see above for a full list of the ESG exclusion policies applied by the Sub-Fund.

The Neuberger Berman Controversial Weapons Policy, Neuberger Berman Thermal Coal Involvement Policy and the Global Standards Policy are subject to internal review by the Neuberger Berman ESG Committee. The implementation of the Global Standards Policy is managed by the Neuberger Berman Asset Management Guideline Oversight Team in collaboration with legal and compliance.

The investment professionals responsible for Sub-Fund management are the first step in maintaining compliance with the Sub-Fund's investment guidelines and ESG exclusions. While Neuberger Berman looks to the investment professionals as the first step in the compliance process, Neuberger Berman recognizes the need for additional, independent oversight. To this end, a rigorous risk management framework is established that features dedicated investment and operational risk teams inclusive of independent guidelines oversight such as ESG exclusions who work to protect client assets and our reputation. Neuberger Berman's risk professionals act as an independent complement to each investment team’s Sub-Fund construction process, driving investment and operational risk reviews in collaboration with other control units of the firm, such as information technology, operations, legal and compliance, asset management guideline oversight and internal audit.

Engagement policies

Neuberger Berman engages directly with management teams of issuers through a robust ESG engagement program.

Neuberger Berman engages with sovereign issuers in developed and emerging market countries. As part of its sovereign engagement, Neuberger Berman’s portfolio managers and analysts speak regularly to government officials, policy makers and international financial organisations, such as the International Monetary Fund, World Bank and Asian Development Bank, with onsite visits whenever possible, and utilise such meetings to engage with sovereign issuers on ESG topics, where Neuberger Berman sees scope for improvement for the relevant country.

The sovereign engagement process tends to focus on the various areas relating to SDGs under the UN Global Compact, and the UNGP. In addition Neuberger Berman monitors and engages with countries on reducing GHG emissions based on the Climate Watch Net-Zero Tracker managed by World Resources Institute. Sovereign engagement is also carried out with jurisdictions under increased monitoring, who are actively working with the Financial Action Task Force ("FATF") to address strategic deficiencies in counter money laundering, terrorist financing and proliferation financing. Progress on sovereign engagement is tracked centrally in Neuberger Berman’s engagement log.

Neuberger Berman views this direct engagement with issuers, as an important part of its investment process (including the investment selection process). Issuers that are not receptive to engagement are less likely to be held (or to continue to be held) by the Sub-Fund.

This program is focused on in-person meetings and conference calls to understand ESG risks, opportunities, and assess good corporate governance practices of issuers. As part of the direct engagement process, Neuberger Berman may set objectives for the issuers to attain. These objectives as well as the issuers' progress with respect to same are monitored and tracked by Neuberger Berman through an internal NB engagement tracker.

Neuberger Berman firmly believes this consistent engagement with issuers can help reduce credit risk and promote positive sustainable corporate change. It is an important tool to identify and better understand an issuer's risk factors and performance. Neuberger Berman also uses it to promote change, when necessary, which it believes will result in positive outcomes for creditors and broader stakeholders. Direct engagement when paired with other inputs, creates a feedback loop that allows analysts in Neuberger Berman’s investment team to evolve their ESG scoring process and prioritise risks that are most relevant to a sector.

Designated reference benchmark

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

Fonds de Compensation de la Sécurité Sociale, SICAV-FIS (the "Fund")

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: FDC SICAV Global Bonds – Active 3 (the "Sub-Fund")
Fund manager: Neuberger Berman (the "Fund Manager")

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

As part of the investment process,the Fund Manager considers a variety of environmental and social characteristics, as detailed below. These environmental and social characteristics are considered using a proprietary Neuberger Berman ESG rating system (the "**NB ESG Quotient**"). The NB ESG Quotient is built around the concept of sector specific ESG risk and opportunity, and produces an overall ESG rating for issuers by assessing them against certain ESG metrics.

Foundational to the NB ESG Quotient is the proprietary Neuberger Berman ("**NB**") materiality matrix, which focuses on the ESG characteristics that are considered to be the most likely to be the material drivers of ESG risk and opportunity for each sector. The NB materiality matrix enables the Fund Manager to derive the NB ESG Quotient rating, to compare sectors and issuers relative to their environmental and social characteristics.

The Fund Manager uses the NB ESG Quotient to promote the environmental and social characteristics listed below by prioritising investment in securities issued by issuers with a favourable and/or an improving NB ESG Quotient rating. Pursuant to this, the Fund Manager will not invest in an issuer with a poor NB ESG Quotient rating unless there is a commitment to engage with the issuer with an expectation that the NB ESG Quotient rating will improve over time.

The following environmental and social characteristics are considered, where relevant to the specific industry and issuer, as part of the NB ESG Quotient rating:

- **Environmental Characteristics**: biodiversity & responsible land usage; carbon footprint reduction; environmental management; greenhouse gas ("**GHG**") emissions; opportunities in clean technologies; opportunities in green building; opportunities in renewable energy; responsible raw material sourcing; responsible & transparent underwriting; toxic emissions & waste; waste management and water management.
- **Social Characteristics**: access to finance; access to medicines; affordability & fair pricing; business ethics & transparency of government relations; chemical safety; community relations; controversial sourcing; corporate behaviour; drug safety & side effects management; ethical marketing & practices; health & nutrition; health & safety; human capital development; labour management; data privacy & security; product safety & quality and litigation & related controversy.

Performance in relation to these environmental and social characteristics will be measured through the NB ESG Quotient.

The NB materiality matrix will evolve over time and all sector specific ESG characteristics included there in are reviewed annually to ensure that the most pertinent sector specific ESG characteristics are captured through the NB materiality matrix. Accordingly, the environmental and social characteristics considered as part of the NB ESG Quotient are subject to change. For the avoidance of doubt, if the environmental or social characteristics considered as part of the NB ESG Quotient change, this pre-contractual disclosure document will be updated accordingly.

Exclusions are also applied (as further set out below) as part of the construction and ongoing monitoring of the Sub-Fund's portfolio. These represent additional environmental and social characteristics promoted by the Sub-Fund. In this context, it should be noted that, in implementing its investment strategy and as an overarching binding restriction, the Fund Manager is required to exclude companies from the Sub-Fund's portfolio referenced on the Fund's proprietary exclusion list. The latter screens out companies based on their involvement in controversial practices against international norms. The core normative framework consists of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights. Equally screened out are companies linked to following controversial weapons: anti-personnel mines, cluster munitions, chemical weapons, biological weapons, depleted uranium, white phosphorus and nuclear weapons. The Fund's exclusion list can be viewed at https://fdc.public.lu/en/investissement-responsable/fdc-exclusion-list.html.

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

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

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

As part of the investment process, the Fund Manager considers a variety of sustainability indicators to measure the environmental and/or social characteristics promoted by the Sub-Fund. These are listed below:

1. The NB ESG Quotient:

The NB ESG Quotient (as explained above) is used to measure the environmental and social characteristics promoted by the Sub-Fund. Foundational to the NB ESG Quotient is the proprietary NB materiality matrix (as explained above), which focuses on the ESG characteristics that are considered to be the most likely to be the material drivers of ESG risk for each sector. Each sector criteria is constructed using third party and internally derived ESG data and supplemented with internal qualitative analysis, leveraging the Fund Manager's analyst team's significant sector expertise.

The NB ESG Quotient assigns weightings to environmental, social and governance characteristics for each sector to derive the NB ESG Quotient rating. Issuers with a favourable and/or an improving NB ESG Quotient rating have a higher chance of being included in the Sub-Fund's portfolio. Issuers with a poor NB ESG Quotient rating, especially where a poor NB ESG Quotient rating is not being addressed by an issuer, are more likely to be removed from the investment universe or divested from the Sub-Fund's portfolio. In addition, constructive engagements are undertaken with issuers that have a poor NB ESG Quotient rating, in order to assess whether concerns are being addressed adequately.

2. Climate Value-at-Risk:

ClimateValue-at-Risk ("**CVaR**") measures the exposure to transition and physical climate risks. CVaR is a scenario analysis tool evaluating economic risks under various degree scenarios (i.e., the amount of warming targeted) and potential regulatory environments in varying countries. On a holistic basis the results are evaluated by the Fund Manager's portfolio managers and analysts. CVaR provides a framework for identifying climate-risk over the long-term to assist in understanding how issuers can shift their operations and risk practices over time. The scenario analysis can serve as a starting point for further bottom-up analysis and identifying potential climate-related risks to address through issuer engagement. Due to data limitations, CVaR is not applied across all issuers held by the Sub-Fund and is instead limited to the issuers for which the Fund Manager has sufficient and reliable data. The analysis from CVaR is reviewed at least once a year.

3. ESG exclusion policies:

   To ensure that the environmental or social characteristics promoted by the Sub-Fund can be attained, the Sub-Fund will not invest in securities issued by issuers whose activities breach the Neuberger Berman Controversial Weapons Policy and the Neuberger Berman Thermal Coal Involvement Policy. In addition to the application of the Neuberger Berman Thermal Coal Involvement Policy, the Fund Manager will prohibit the initiation of new investment positions in securities issued by issuers that (i) derive more than 25% of their revenue from thermal coal mining; or (ii) are expanding new thermal coal power generation. Furthermore, investments held by the Sub-Fund will not invest in securities issued by issuers whose activities have been identified as breaching the Neuberger Berman Global Standards Policy which excludes violators of (i) the United Nations Global Compact Principles ("**UNGC Principles**"), (ii) the OECD Guidelines for Multinational Enterprises ("**OECD Guidelines**"), (iii) the United Nations Guiding Principles on Business and Human Rights ("**UNGPs**") and (iv) the International Labour Standards ("**ILO Standards**"). The Sub-Fund also excludes emerging market corporate debt issuers that are involved in the tobacco industry and child labour. Further details on these ESG exclusion policies are set out in the Fund's Issue Document.

The Fund Manager will track and report on the performance of the above sustainability indicators namely, (i) the NB ESG Quotient; (ii) the CVaR; and (iii) the adherence to the ESG exclusion lists applied to the Sub-Fund. These sustainability indicators will be used to measure the attainment of each of the environmental and social characteristics promoted by the Sub-Fund.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The Sub-Fund does not commit to holding sustainable investments.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

Not applicable.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Not applicable.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

The Sub-Fund does not commit to holding sustainable investments, however the Fund Manager will not invest in issuers whose activities have been identified as breaching the OECD Guidelines, UN GC Principles, ILO Standards and UNGPs, captured through the Neuberger Berman Global Standards Policy as detailed above.

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 this financial product consider principal adverse impacts on sustainability factors?

Yes. The Fund Manager will consider the following principal adverse impacts, namely: GHG intensity and investee countries subject to social violations (the "**Sovereign PAIs**") for the sovereign issuers; and GHG emissions, carbon footprint, GHG intensity, fossil fuel exposure, board gender diversity, UN GC & OECD violations and controversial weapons for the corporate issuers (together the "**Product Level PAIs**").

The Fund Manager utilises third party data and proxy data along with internal research to consider the above Product Level PAIs.

Additionally, the Fund Manager has conducted a letter campaign where they have written to select corporate issuers asking for direct disclosure on the PAIs in order to offer high-quality disclosures to investors.

The Fund Manager will continue to work with issuers to encourage disclosure and to gather wider and more granular data coverage on the PAIs.

The Product Level PAIs that are taken into consideration are subject to there being adequate, reliable and verifiable data coverage for such indicators, and may evolve with improving data quality and availability. Where such data is not available the relevant Product Level PAI will not be considered until such time as the data becomes available. The Fund Manager will keep the list of Product Level PAIs they consider under active review, as and when data availability and quality improves.

Consideration of the Product Level PAIs by the Fund Manager will be through a combination of:

- Monitoring the Sub-Fund's portfolio, in particular where it falls below the quantitative and qualitative tolerance thresholds set for each Product Level PAI by the Fund Manager.
- Stewardship and/or setting engagement objectives where theSub-Fund's portfolio falls below the quantitative and qualitative tolerance thresholds set for a Product Level PAI.
- Application of the ESG exclusion policies referenced above.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The investment objective of the Sub-Fund is to seek to achieve an attractive level of total return (income plus capital appreciation) from global fixed income markets. The Sub-Fund will invest primarily in investment grade debt securities issued by governments and agencies from OECD countries, and investment grade debt securities issued by corporations, which have their head office or exercise an overriding part of their economic activity in OECD countries.

The Fund Manager considers and evaluates ESG characteristics, as an important component of their credit analysis discipline, when making investment decisions. The Fund Manager utilises the NB ESG Quotient criteria as part of the Sub-Fund's portfolio construction and investment management process. As noted above, NB ESG Quotient assigns weightings to environmental, social and governance characteristics for each sector to derive the NB ESG Quotient rating. Issuers with a favourable and/or an improving NB ESG Quotient rating have a higher chance of ending up in the Sub-Fund's portfolio. Issuers with a poor NB ESG Quotient rating especially where these are not being addressed by that issuer, are more likely to be removed from the investment universe or divested from the Sub-Fund's portfolio.

The ESG analysis is performed internally, with the support of third-party data, and is not outsourced.

In addition, credit worthiness is complemented by fundamental analysis aimed at assessing the issuer’s financial performance such as revenue/earnings before interest, tax, depreciation, and amortisation ("**EBITDA**") growth, cash flow growth, capital expenditures, leverage trends and liquidity profile.

The Sub-Fund's general investment approach is described in the Fund's Issue Document.

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

ESG characteristics are considered at three different levels:

1. Integrating proprietary ESG analysis:

   The NB ESG Quotient ratings are generated for issuers in the Sub-Fund's portfolio.The NB ESG Quotient rating for issuers is utilised to help to better identify risks and opportunities in the overall credit and value assessment.

   The NB ESG Quotient is a key component of the internal credit ratings and can help to identify business risks (including ESG risks), which would cause deterioration in an issuer's credit profile. Internal credit ratings can be notched up or down based on the NB ESG Quotient rating, and this is monitored by the Fund Manager as an important component of the investment process for the Sub-Fund.

   By integrating the investment team's proprietary ESG analysis (the NB ESG Quotient) into their internal credit ratings, there is a direct link between their analysis of material ESG characteristics and portfolio construction activities across their strategy.

   Issuers with a favourable and/or an improving NB ESG Quotient rating have a higher chance of ending up in the Sub-Fund's portfolio. Issuers with a poor NB ESG Quotient rating especially where these are not being addressed by that issuer, are more likely to be removed from the investment universe or divested from the Sub-Fund.

2. Engagement:

   The Fund Manager engages directly with management teams of issuers through a robust ESG engagement program.

   The Fund Manager engages with sovereign issuers in developed and emerging market countries. As part of its sovereign engagement, the Fund Manager's portfolio managers and analysts speak regularly to government officials, policy makers and international financial organisations, such as the International Monetary Fund, World Bank and Asian Development Bank, with on site visits whenever possible, and utilises such meetings to engage with sovereign issuers on ESG topics, where the Fund Manager sees scope for improvement for the relevant country.

   The sovereign engagement process tends to focus on the various areas relating to Sustainable Development Goals ("**SDGs**") under the UN Global Compact, and the UNGP. In addition, the Fund Manager monitors and engages with countries on reducing GHG emissions based on the Climate Watch Net-Zero Tracker managed by World Resources Institute. Sovereign engagement is also carried out with jurisdictions under increased monitoring, who are actively working with the Financial Action Task Force ("**FATF**") to address strategic deficiencies in counter money laundering, terrorist financing and proliferation financing. Progress on sovereign engagement is tracked centrally in the Fund Manager's engagement log.

The Fund Manager views this direct engagement with issuers, as an important part of its investment process (including the investment selection process). Issuers that are not receptive to engagement are less likely to be held (or to continue to be held) by the Sub-Fund.

This program is focused on in-person meetings and conference calls to understand ESG risks, opportunities, and assess good corporate governance practices of issuers. As part of the direct engagement process, the Fund Manager may set objectives for the issuers to attain. These objectives as well as the issuers' progress with respect to same are monitored and tracked by the Fund Manager through an internal NB engagement tracker.

In addition, constructive engagements are undertaken with issuers which have high impact controversies, or which have a poor NB ESG Quotient rating, in order to assess whether those ESG controversies or what the Fund Manager deems as weak ESG efforts, are being addressed adequately.

The Fund Manager firmly believes this consistent engagement with issuers can help reduce credit risk and promote positive sustainable corporate change. It is an important tool to identify and better understand an issuer's risk factors and performance. The Fund Manager also uses it to promote change, when necessary, which they believe will result in positive outcomes for creditors and broader stakeholders. Direct engagement when paired with other inputs, creates a feedback loop that allows analysts in the investment team to evolve their ESG scoring process and prioritise risks that are most relevant to a sector.

3. ESG sectoral exclusion policies:

   To ensure that the environmental and social characteristics promoted by the Sub-Fund can be attained, the Sub-Fund will apply the ESG exclusion policies referenced above.

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

The Sub-Fund does not commit to reduce the scope of the investments by a minimum rate prior to the application of the investment strategy.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

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

Governance factors that the Fund Manager tracks may include: (i) senior management experience and sector expertise; (ii) ownership/board experience and alignment of incentives; (iii) corporate strategy and balance sheet strategy; (iv) financial and accounting strategy & disclosure; and (v) regulatory/legal track record.

Engagement with management is an important component of the Sub-Fund’s investment process, and the Fund Manager engages directly with management teams of issuers through a robust ESG engagement program. This program is focused on in-person meetings and conference calls to understand risks, opportunities and assess good corporate governance practices of investee issuers. The Fund Manager views this direct engagement with issuers, as an important part of its investment process.

While the prioritisation assessment is ongoing, the timing of the engagement may be reactionary in certain cases, opportunistic in cases of industry events or pre-planned meetings, or proactive where time allows and without undue restrictions such as during quiet periods or merger and acquisition events that may prevent outreach actions. Ultimately, the Fund Manager aims to prioritise engagement that is expected, based on the Fund Manager's subjective analysis, to have a high impact on the protection of and improvement to the value of the Sub-Fund's portfolio, be it through the advancement of actionable disclosure, understanding of risks and risk management at an issuer, or through influence and action to mitigate risks (including sustainability risks) and take advantage of investment opportunities.

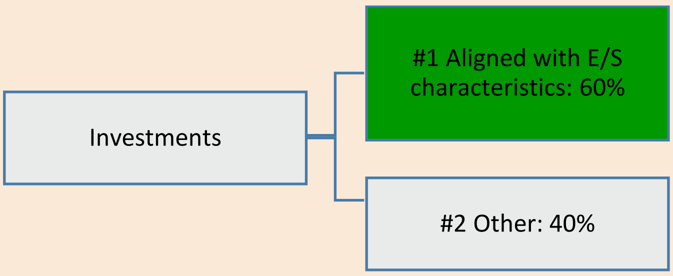
Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

The Sub-Fund aims to hold a minimum of 60% investments that are aligned with the environmental or social characteristics promoted by the Sub-Fund. The Sub-Fund does not commit to holdings ustainable investments. The Sub-Fund aims to hold a maximum of 40% investments that are notaligned with the environmental or social characteristics promoted by the Sub-Fund and are not sustainable investments, and which fall into the “Other” section of the Sub-Fund's portfolio. The “Other”section in the Sub-Fund's portfolio is held for a number of reasons that the Fund Manager feels will be beneficial to the Sub-Fund, such as, but not limited to, achieving risk management, and/or to ensure adequate liquidity, hedging and collateral cover. The "Other" section may also include investments or asset classes for which the Fund Manager does not have sufficient data to confirm that they are aligned with the environmental or social characteristics promoted by the Sub-Fund. Further details on the "Other" section are set out below.

Please note that while the Fund Manager aims to achieve the asset allocation targets outlined above, these figures may fluctuate during the investment period and ultimately, as with any investment target, may not be attained.

The Manager has calculated the proportion of environmentally and/or socially aligned investments in the Sub-Fund's portfolio by reference to the proportion of issuers in the portfolio: i) that hold an NB ESG Quotient rating or a third party equivalent ESG rating that is used as part of the portfolio construction and investment management process of the portfolio; and/or ii) with whom the Manager has engaged directly. The calculation is based on a mark-to-market assessment of the Sub-Fund's portfolio.This calculation may rely on incomplete or inaccurate issuer or third party data.



#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.

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

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

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

The Fund Manager does not use derivatives to attain the environmental or social characteristics of the Sub-Fund.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy? Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

The analysis and disclosure requirements introduced by the Taxonomy Regulation are very detailed and compliance with them requires the availability of multiple, specific data points in respect of each investment which the Sub-Fund makes. The Manager is not committing that the Sub-Fund will invest in investments that qualify as environmentally sustainable for the purposes of the Taxonomy Regulation and in investments in fossil gas and/or nuclear energy related activities that comply with the Taxonomy Regulation. It cannot be excluded that some of the Sub-Fund's portfolio's holdings qualify as Taxonomy-aligned investments.

Disclosures and reporting on Taxonomy alignment will develop as the EU framework evolves and data is made available by issuers.

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

The Sub-Fund does not commit to a minimum share in transitional and enabling activities.

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

The Fund Manager does not commit to a minimum share of environmentally sustainable investments that are not aligned with the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Sub-Fund does not commit to a minimum share of socially sustainable investments.

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

Under "#2 Other" the Sub-Fund may hold cash, cash equivalents and financial derivative instruments for the purposes of efficient portfolio management

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[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. Fossil gas criteria include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. Nuclear energy criteria include comprehensive safety and waste management rules. The full criteria are laid down in Commission Delegated Regulation (EU) 2022/1214.

and/or risk hedging. For those investments no environmental or social safeguards are applied.

As noted above, the Sub-Fund will be invested in compliance with ESG exclusion policies, on a continuous basis. This ensures that investments made by the Sub-Fund seek to align with international environmental and social safeguards such as the UN GC Principles, UNGPs, OECD Guidelines and ILO Standards.

The Manager believes that these policies prevent investment in issuers that most egregiously violate environmental and/or social minimum standards and ensures that the Sub-Fund can successfully promote its environmental and social characteristics.

The above steps ensure that robust environmental and social safeguards are in place.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark has been designated for the purpose of attaining the characteristics promoted by the Sub-Fund.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

  Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

  Not applicable.

Where can I find more specific information online?

More product-specific information can be found on website https://www.fdc.lu.

More information about the Fund Manager can be found on websites https://www.nb.com and https://www.nb.com/en/global/esg/reporting-policies-and-disclosures.