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EARLYBIRD DWES FUND VII

Sustainability-related disclosures

SUSTAINABILITY-RELATED DISCLOSURES

ARTICLE 10 SFDR – SUSTAINABILITY-RELATED INFORMATION ABOUT FINANCIAL PRODUCTS THAT PROMOTE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

Earlybird DWES Management GmbH & Co. KG (“**Earlybird DWES**”), LEI: 391200WTLBHSLUAQ7E17, is the alternative investment fund manager of Earlybird DWES Fund VII GmbH & Co. KG (“**Earlybird DWES VII**”), LEI: 391200UEU4BULG9T2S58, within the meaning of the German Investment Code (*Kapitalanlagegesetzbuch*) and the EuVECA-Regulation and as such publishes the following information in light of the consideration of sustainability-related aspects in accordance with Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability disclosure requirements in the financial services sector (“**SFDR**”).

SUMMARY

This financial product promotes environmental or social characteristics but does not have as its objective a sustainable investment within the meaning of Article 2 No. 17 SFDR. The promoted characteristics are investment restrictions. 100% of the investments will be in line with its investment strategy and investment restrictions.

No reference benchmark has been designated to attain the environmental or social characteristics promoted by the financial product.

Zusammenfassung

Dieses Finanzprodukt bewirbt ökologische oder soziale Merkmale, strebt aber keine nachhaltigen Investitionen im Sinne der Definition des Artikel 2 Nr. 17 SFDR an. Bei den beworbenen Merkmalen handelt es sich um Ausschlusskriterien. 100 % der Investitionen werden im Einklang mit der Anlagestrategie und den Anlagebeschränkungen getätigt.

Es wurde kein Referenzwert benannt, um die mit dem Finanzprodukt beworbenen ökologischen oder sozialen Merkmale zu erreichen.

NO SUSTAINABLE INVESTMENT OBJECTIVE

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

ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

The promoted characteristics of this product are investment restrictions.

Earlybird DWES VII will not invest, guarantee, or otherwise provide financial or other support, directly or indirectly, to companies or other entities:

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- whose business activity consists of an illegal economic activity (i.e., any production, trade or other activity, which is illegal under the laws or regulations applicable to Earlybird DWES VII or the relevant company or entity, including without limitation, human cloning for reproduction purposes); or
- which substantially focus on:
 - the production of and trade in tobacco and distilled alcoholic beverages and related products;
 - the financing of the production of and trade in weapons and ammunition of any kind, it being understood that this restriction does not apply to the extent such activities are part of or accessory to explicit European Union policies;
 - casinos and equivalent enterprises;
 - the research, development or technical applications relating to electronic data programs or solutions, which
 - aim specifically at:
 - supporting any activity referred to above;
 - internet gambling and online casinos;
 - pornography, or
 - are intended to enable to illegally:
 - enter into electronic data networks; or
 - download electronic data;
 - fossil fuel-based energy production and related activities; or
 - energy-intensive and/or high CO₂-emitting industries (unless they are taxonomy-compliant)

In addition, when providing support to the financing of the research, development or technical applications relating to (i) human cloning for research or therapeutic purposes or (ii) genetically modified organisms (“**GMOs**”), Earlybird DWES shall ensure the appropriate control of legal, regulatory, and ethical issues linked to such human cloning for research or therapeutic purposes and/or GMOs.

No reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by Earlybird DWES VII.



INVESTMENT STRATEGY

Earlybird DWES VII is a venture capital fund aiming at investments in innovative companies with high growth potential in their expansion stages which develop as main business any activity comprising the renewal and enlargement of a range of products and services and their associated markets; the establishment of new methods of design, production, supply and distribution; the introduction of changes in management, work organization, and working conditions and skills of the workforce; and covering technological, non-technological and organizational innovation.

Earlybird DWES VII shall only invest in Portfolio Companies that, at the time of the initial investment therein by Earlybird DWES VII qualify as SMEs or Mid-Caps.

Earlybird DWES VII has a regional focus on companies which have at the time of Earlybird DWES VII's initial investment their statutory seat or center of business activities in Western Europe. An amount equal to at least two-thirds of the amounts drawn down from Investor Partners for the purpose of investments shall be invested in Portfolio Companies based or active in the territory of the Member States of the European Union or in candidate and potential candidate countries (recognized as such by the European Union).

Furthermore, Earlybird DWES applies the investment restrictions outlined above. As part of the due diligence and ongoing investment management, the investment team will review whether a potential portfolio company has good governance practices in place.

PROPORTION OF INVESTMENTS

Earlybird DWES VII will only make investments aligned with the promoted environmental or social characteristics. Earlybird DWES VII will not invest a portion of its capital in any other asset class.

MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

The investment team for Earlybird DWES VII will initially and continuously monitor whether the investment restrictions are abided by and whether the investment falls within the investment policies. Earlybird DWES VII will not make any investment in the excluded sectors unless previously approved by the advisory committee. Therefore, the achievement of the promoted environmental, social and governance (“**ESG**”) aspects – no investment within the excluded sectors – can be tracked in a simple way.

METHODOLOGIES FOR ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

Earlybird DWES VII considers ESG aspects in different stages of the investment process.

- Screening

ESG issues are an integral part of Earlybird DWES VII's screening process. Earlybird DWES VII raises awareness amongst the investment team to keep ESG issues in mind and raise red flags early in the investment process.

- Investment Criteria: ESG Questionnaire

During the Due Diligence process, the investment team members fill out the ESG Questionnaire. The goal of the questionnaire is to confirm that either there are no ESG risk issues, or that they can be sufficiently mitigated. Moreover, the questionnaire is used to assess the status regarding ESG and impact of the company and identify focus areas of improvement to be tackled after investment.

- Investment Agreement

Earlybird DWES VII includes a sustainability clause in all new investment agreements. The company commits to implement a climate and ESG policy within three months of closing and a diversity strategy within six months of closing. The policy entails appropriate measures and actions to implement and track the progress of the ESG policy which will be reviewed and monitored by the board of directors on a regular basis.

- Active Ownership

The board of directors is ultimately responsible for developing the portfolio company's sustainability strategy and linking evidence of improved ESG performance to the company's value.

DATA SOURCES AND PROCESSING

Earlybird DWES VII receives data provided by the portfolio companies as part of the due diligence process and at regular intervals after the investment. Where necessary or beneficial, Earlybird DWES VII also makes use of publicly available data. Data processing is exclusively internal and DSGVO compliant. Estimates of data are not made.

LIMITATIONS TO METHODOLOGIES AND DATA

Earlybird DWES VII is partly reliant on the information provided by the potential portfolio companies during the due diligence process. Moreover, in the post-investment phase, Earlybird DWES VII is reliant on the company's reported data. In both cases, complete data may not always be available due to the nature of investments. Information is verified only where misrepresentations are suspected.

DUE DILIGENCE

For the ESG assessment process as described above, Earlybird DWES VII is partly reliant on the information collected via the ESG Questionnaires as part of the due diligence and thereby follows industry standard procedures to complete the ESG Questionnaires. Where necessary, Earlybird DWES VII will engage with external (data-) providers to develop a coherent ESG due diligence in case further information is necessary to validate the investment. The due diligence process is not externally monitored.

ENGAGEMENT POLICIES

As the investments of Earlybird DWES VII are made for several years, Earlybird DWES considers it a priority to establish and maintain a trustful relationship with its portfolio companies. Earlybird



DWES VII wants to generate a positive impact beyond its portfolio companies and share learnings and scientific insights, cooperating with other venture capital firms as well as public institutions and foundations to advance the whole ecosystem. Yet, if Earlybird DWES VII identifies deviations from its environmental or social investment strategy, including breaches of sustainability-related management procedures in portfolio companies, Earlybird DWES envisages engaging with the respective portfolio company in order to implement mitigation measures. As a venture capital investor, the influence Earlybird DWES VII has on its portfolio companies through its shareholdings, however, is limited but dialogue is sought with all stakeholders on a continuous basis.

Updated 30 January 2025 to reflect updated internal policies.