

## Sustainability-related disclosures

### **Art. 10 SFDR - Sustainability-related information about financial products that promote environmental or social characteristics**

Earlybird Growth Management GmbH & Co. KG (the “**Manager**”) is the alternative investment fund manager of Earlybird Growth Opportunities Fund V GmbH & Co. KG (the “**Earlybird Growth Opportunities V**”) within the meaning of the German Investment Code (Kapitalanlagegesetzbuch, KAGB) 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 (the “**SFDR**”).

#### **Summary**

This financial product promotes environmental or social characteristics but does not have as its objective a sustainable investment. 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 Art. 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 governing documentation underlying this product (in particular, the Partnership Agreement of the Earlybird Growth Opportunities V) provides for investment restrictions relating to environmental and/or social characteristics, i.e., the Partnership shall not, inter alia, invest in Portfolio Companies which engage in, or that directly or indirectly control another entity which business activity is any one or more of the following: (i) arms industry and arms trading; (ii) gambling industry; (iii) tobacco industry; (iv) human cloning; or (v) GMOs (i.e., genetically modified organisms) trading or research and development relating to GMOs.

## **Investment strategy**

Earlybird Growth Opportunities V is a venture capital fund aiming at investments in growth companies, including Portfolio Companies in which an entity managed or advised by an affiliate of the Manager directly or indirectly holds an investment of any type, addressing a large mainstream market; with proven business models with the potential to disrupt markets with a strong product DNA; with unique or leadership position regarding their product, technology, scalability or market approach; with strong management personalities; with a high degree of defensibility resulting from forward- and backward-looking lock-in effects as well as network effects and marketplace mechanics; if applicable, with foreseeable regulatory environment; where the Partnership can take a meaningful role as the lead or one of the lead investors models.

Such growth companies belong to the industry sector of Digital technology, including, but not limited to, Retail Tech including Food Tech, Fin- & InsurTech and Industrial & Mobility Tech including LogTech and Mobility; Furthermore, the Partnership will pursue overarching cross industry opportunities in the field of Enterprise Productivity and Supply Chain; focus technologies within these industries and functions will be IoT / Connected Devices, AI / Data Analytics, Crypto / Blockchain, Robotics and Virtual Reality, and health.

With respect to investments in Portfolio Companies other than Portfolio Companies in which an entity managed or advised by an affiliate of the Manager directly or indirectly holds an investment of any type, the minimum initial investment is Euro 10 million by the Partnership (which threshold can be reduced with the consent of the Limited Partner Advisory Committee; with respect to any investment by the Partnership, the total maximum investment (initial investment plus follow-on investments) is 20% of the Total Capital Commitments to the Partnership in the aggregate per Portfolio Company (a greater allocation is possible with the consent of the Limited Partner Advisory Committee). The Partnership shall be permitted to make investments representing a minority or majority interest in the equity capital of a Portfolio Company.

The regional focus of the Partnership is on growth companies which have at the time of the Partnership's initial investment their statutory seat or center of business activities in Europe which in the reasonable assessment of the Manager have the potential to develop a significant business exposure to the global/international markets.

Furthermore, the Manager applies the investment restrictions outlined above.

As part of the due diligence and ongoing investment management, the investment team will review whether a potential investee company has good governance practices in place.

### **Proportion of investments**

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

### **Monitoring of environmental or social characteristics**

As part of the due diligence and ongoing investment management, the investment team for Earlybird Growth Opportunities V will initially and continuously monitor whether the investment restrictions are abided by and whether the investment falls within the investment policies. Therefore, the achievement of the promoted ESG aspects – no investment within the excluded sectors – can be tracked in a simple way.

### **Methodologies for environmental or social characteristics**

Earlybird Growth Opportunities V considers ESG aspects in different stages of the investment process.

#### **- Screening**

ESG issues are an integral part of Earlybird Growth Opportunities V's screening process. Earlybird Growth Opportunities V 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 mitigated. Moreover, the questionnaire is used to assess the status regarding ESG & impact of the company and identify focus areas of improvement to be tackled after investment.

#### **- Investment Agreement**

Earlybird Growth Opportunities V includes a sustainability clause in all new investment agreements. The company commits to implement a Climate & 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 Growth Opportunities V 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 Growth Opportunities V also makes use of publicly available data. Data processing is exclusively internal and DSGVO compliant. Estimates of data are not made.

### **Data sources and processing and limitations to methodologies and data**

For the ESG assessment process as described above Earlybird Growth Opportunities V is partly reliant on the information collected for the ESG Questionnaire as part of the due diligence. Moreover, in the post-investment phase, Earlybird Growth Opportunities V is reliant on the company's reported data on ESG performance. In both cases, complete data may not always be available due to the nature of investments. The information is verified only if and to the extent misrepresentations are suspected. As the fund's investment is made for several years, Earlybird Growth Opportunities V considers it a priority to establish and maintain a trustful working relationship with the fund's portfolio companies in order to ensure compliance with the restrictions described in this section.

### **Due Diligence**

For the ESG assessment process as described above, Earlybird Growth Opportunities V 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 Growth Opportunities V 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 Earlybird Growth Opportunities V's investment is made for several years, Earlybird Growth Opportunities V considers it a priority to establish and maintain a trustful working relationship with the fund's portfolio companies in order to ensure compliance with the restrictions described in this section.

Further, Earlybird Growth Opportunities V wants to generate a positive impact beyond fund's portfolio companies and share learnings and scientific insights, cooperating with other VCs as well as public institutions and foundations in order to advance the whole ecosystem. Yet, if Earlybird Growth Opportunities V encounters deviations against the fund's environmental or social investment strategy, including any management procedures applicable to sustainability-related controversies in portfolio companies, the fund management envisages to engage with the respective portfolio company in order to implement a correcting mechanism. As venture capital investor, the influence Earlybird Growth Opportunities V has on the fund's portfolio companies through shareholdings is nonetheless limited; also regarding Earlybird Growth Opportunities V' influence on sustainability matters. Therefore, during the pre- as well as the post-investment phase, information on ESG related issues will be collected and evaluated regularly.

*Last Version: 28/09/2023*