

Sustainability-related disclosures pursuant to Regulation (EU) 2019/2088 ("SFDR")

Date of publication: January 2024

I. Sustainability risks

BPI Management GmbH ("**BPI**", LEI: 391200MEVCTUHVRTFX96) considers sustainability risks as part of its investment decision-making process. Sustainability risks are environmental, social or governance events or conditions, the occurrence of which could have an actual or potential material adverse effect on the value of the investment. BPI considers and assesses sustainability risks as part of its due diligence process prior to any investment. Such assessment is being conducted through an analysis of key ESG areas and general openness of the founders to progress on ESG topics. The results of such assessments will be considered on a non-binding basis prior to taking any investment decision, provided that the principle of proportionality shall at all times be respected in dealing with sustainability risks taking due account of the strategic relevance of an investment as well as its transactional context.

BPI remains free in its decision to refrain from investing or to invest despite sustainability risks, in which case BPI can also apply measures to reduce or mitigate any sustainability risks.

II. No consideration of adverse impacts of investment decisions on sustainability factors

BPI does currently not consider adverse impacts of its investment decisions on sustainability factors and, hence, does not publish data on the sustainability indicators listed in Annex I of Delegated Regulation (EU) 2022/1288 (as amended from time to time, "**RTS**"). Sustainability factors are environmental, social and employee concerns, respect for human rights and the fight against corruption and bribery.

Given that the SFDR, the Regulation (EU) 2020/852 ("**EU Taxonomy**") and the accompanying RTS are relatively new legislative acts and only apply since the beginning of 2023, there is very little practical experience or practice with regard to the application of their respective provisions. Therefore, substantial legal uncertainties would remain when applying those provisions to the strategies pursued by BPI. BPI pursues a venture capital growth strategy therefore focusing on younger companies and business models engaged in digital platforms and technology. The fund(s) managed by BPI will in general only hold minority interests in their portfolio companies. In light of the difficulty obtaining data from early stage companies with minority interests BPI for now decided not to officially collect and publish data for all sustainability indicators listed in Annex I of the RTS. However, BPI intends to officially consider principal adverse impacts of its investment decisions as soon as practically feasible.

For this purpose, BPI will review the availability and quality of the data from portfolio companies in regular intervals and re-evaluate its decision to officially consider principal adverse impacts of its investment decisions on sustainability factors. Until then, BPI will collect a set of self-defined KPIs across all portfolio companies on a voluntary basis and will endeavor to set individual annual milestones together with each portfolio company to improve such KPIs. The KPI set comprises both several indicators as set out in Annex I of the RTS as well as self-defined KPIs according to BPI standards.

III. Remuneration disclosure

As a registered alternative investment fund manager within the meaning of section 2 (4) of the German Investment Code (*Kapitalanlagegesetzbuch*, "KAGB"), BPI does not have and does not need to have a remuneration guideline or policy in accordance with the requirements of the KAGB.

IV. Sustainability-related disclosures

Financial product: **BPI Later Growth Fund GmbH & Co. KG** (the "Fund" / der "Fonds")

LEI: 391200MEVCTUHVRTFX96

Summary

The Fund considers certain environmental and/or social characteristics as part of its investment decisions and monitoring processes but does not seek to make sustainable investments as defined in the SFDR. The consideration of environmental and/or social characteristics is carried out both before and after an investment. For this purpose, information is initially and regularly obtained from the portfolio companies by means of qualitative queries. The Fund incorporates exclusion (negative screening) aspects during the decision-making process. Further, during the holding period the Fund annually collects a set of self-defined KPIs from all portfolio companies on a voluntary basis. BPI will assess the KPIs and set individual annual milestones with each portfolio company based on the collected KPIs. The KPIs set comprises both several indicators as set out in Annex I of the RTS as well as self-defined KPIs according to BPI standards. Thereby the Fund considers several ESG themes to be the key to responsible investing. The actions and decisions described in the following section are each made by BPI for and on behalf of the Fund.

Zusammenfassung

Der Fonds berücksichtigt bestimmte ökologische und/oder soziale Merkmale im Rahmen seiner Investitionsentscheidungen und Monitoring-Prozesse, strebt aber keine nachhaltigen Investitionen im Sinne der SFDR an. Die Berücksichtigung von Umwelt- und/oder Sozialmerkmalen erfolgt sowohl vor als auch nach einer Investition. Zu diesem Zweck werden zunächst und regelmäßig Informationen von den Portfoliounternehmen durch qualitative Abfragen eingeholt. Der Fonds bezieht Exklusionsaspekte (negatives Screening) in seinen Entscheidungsprozess ein. Darüber hinaus erhebt der Fonds während der Haltedauer jährlich auf freiwilliger Basis eine Reihe von selbst definierten KPIs von allen Portfoliounternehmen. BPI wird die KPIs bewerten und mit jedem Portfoliounternehmen individuelle jährliche Meilensteine auf der Grundlage der gesammelten KPIs festlegen. Die festgelegten KPIs umfassen sowohl verschiedene Indikatoren gemäß Anhang I der RTS als auch selbst definierte KPIs gemäß den BPI-Standards. Dabei betrachtet der Fonds mehrere ESG-Themen als Schlüssel für verantwortungsvolles Investieren. Die in diesem Abschnitt beschriebenen Handlungen und Entscheidungen erfolgen jeweils durch BPI für den Fonds.

No sustainable investment objective

The Fund promotes environmental or social characteristics but does not have as its objective sustainable investment.

Environmental or social characteristics of the financial product

The Fund promotes environmental and/or social characteristics by implementing certain investment exclusions and by considering certain ESG KPIs during the holding period (please see section 'Investment strategy').

Investment strategy

The purpose of the Fund is to build, hold and manage (including to divest) a portfolio of equity and equity-related investments in portfolio companies. The Fund will conduct investments in portfolio companies engaged in digital platform and technology businesses. As such, investments are expected to be spread across a wide range of economic activities. The Fund intends to make its initial investments in the mid to later stage with an average size of the first ticket ranging between EUR 10 to 30 million and an ownership range in the relevant Portfolio Company between 5 % and 15 %. The Fund will invest globally with an intended focus on Europe, the United States of America and South-East Asia.

The Fund's investment strategy is implemented in the investment process on a continuous basis: Every investment opportunity will be tested against the Fund's investment strategy, in particular its investment exclusions, as part of the due diligence prior to any investment made by the Fund. As part of the Funds overall ESG-strategy, the Fund does not invest, guarantee or otherwise provide financial or other support, directly or indirectly, to companies, including portfolio companies, or other entities:

- (a) which are involved in the production of, or trade in, or financing of, any product or activity deemed illegal under applicable local or national laws or regulations;
- (b) which are named on any sanction list or domiciled in countries subject to applicable embargoes imposed by the United Nations, the European Union, the United Kingdom or the United States of America;
- (c) which are engaged in the financing and production of, or trade in, weapons or ammunition of any kind;
- (d) which are engaged in the production of, or trade in, non-alcoholic recreational drugs and related products; or
- (e) whose business activity includes pornography.

The Fund is bound by these investment restrictions and limitations set out in the Fund's limited partnership agreement and shall procure that such requirements, restrictions and limitations are complied with at all times.

After an investment, *i.e.*, during the holding period, the Fund will monitor its portfolio companies on a regular basis and support them when and where deemed relevant. For this purpose, BPI will collect a set of self-defined KPIs across all portfolio companies of the Fund on a voluntary basis. BPI will assess the KPIs, provide support if and where considered relevant and set individual annual milestones with each portfolio company based on the collected KPIs. The KPIs set comprises both several indicators as set out in Annex I of the RTS as well as self-defined KPIs according to BPI standards.

Good governance practices are assessed as part of every due diligence process prior to any investment made by the Fund. Such practices include, in particular, sound management structures, employee relations, remuneration of staff and tax compliance within the portfolio companies. Moreover, the Fund will conduct regular monitoring of the good governance practices in its portfolio companies during the holding period. If the Fund becomes aware of severe governance issues, it will investigate them and work with all parties involved to find an appropriate solution.

Proportion of investments

The Fund will invest fully in line with its investment strategy and investment restrictions, *i.e.*, will only make investments which are aligned with its investment restrictions. The Fund does not make and does not intend

to make sustainable investments within the meaning of Art. 2 no. 17 SFDR or environmentally sustainable investments within the meaning of Art. 3 of Regulation (EU) 2020/852 ("**EU Taxonomy**"); hence, no portion of its investments will be aligned with the EU Taxonomy.

Monitoring of environmental or social characteristics

The Fund has an increased awareness on the impact of environmental or social characteristics on risk management and thus on the value of potential of investments. During the holding period, the Fund uses the sustainability indicator 'No investments in the area of investment exclusions' as well as the set of self defined KPIs and collects respective data at portfolio company level in order to monitor the ongoing compliance with its environmental and/or social characteristics. The Fund collects the KPIs in annual reports from its portfolio companies and internally for its own fund activities. Moreover, the Fund consults with the portfolio companies in regular intervals and will continue to help the portfolio companies to improve their own ESG approach. For the time being, external monitoring mechanisms are not in place.

Methodologies for environmental or social characteristics

The Fund applies qualitative and quantitative assessments with respect to its environmental and/or social characteristics. The Fund conducts an initial assessment of the environmental and/or social characteristics promoted in the course of its due diligence process by using a using a guided list of focus topics. Through this, the investment exclusions and good governance practices as well as the overall approach and openness of the founders regarding ESG criteria are identified and evaluated, and the results of such analysis are recorded in the investment memo. Based on the results of this assessment, the Fund identifies whether the environmental and/or social characteristics promoted by the Fund are adequate before making an investment.

During the holding period, the so conducted assessment forms the basis to measure and monitor if the characteristics are continuously being met. By using the sustainability indicator 'No investments in the area of exclusions', the Fund assesses and ensures the portfolio companies' ongoing compliance with its investment exclusions. Further, the Fund uses the self defined ESG KPIs in order to assess the companies overall ESG commitment and collects the relevant data from its portfolio companies on a regular basis. The Fund will assess the KPIs, provide support if and where considered relevant and set individual annual milestones with each portfolio company based on the collected KPIs. Hence, the Fund measures and evaluates the attainment of its environmental and/or social characteristics on an ongoing basis.

Data sources and processing

In order to attain each of the environmental and/or social characteristics promoted by the Fund, analysis is completed on the (potential) portfolio companies in the course of the due diligence process conducted prior to each investment. Moreover, during the holding period, the Fund collects a set of self-defined KPIs from all portfolio companies of the Fund. Hence, data is obtained exclusively from the (potential) portfolio companies. Further, qualitative statements of an environmental or social nature or relating to corporate governance are requested from the (potential) portfolio companies and then taken into account in the investment decision-making and monitoring processes. An internal or external review or verification of the data obtained will be carried out if misrepresentations are suspected.

Limitations to methodologies and data

The data collected from the (potential) portfolio companies is internally or externally verified only if and to the extent misrepresentations are suspected. Thus, it cannot be ruled out completely that false information may

remain undetected in certain cases as most of the data comes directly from portfolio companies. Further, if data is estimated it might – by the very nature of estimations – not reflect the actual data situation. For some of the self-defined KPIs, there is not yet much experience with the calculation methods. Further limitations, in particular with regard to the accuracy of the data and reliability of the data sources used, are currently not foreseeable. As the Fund's investments are made for several years, the Fund considers it a priority to establish and maintain a trustful working relationship with its portfolio companies in order to ensure data quality and compliance with the environmental and/or social characteristics promoted by the Fund.

Due diligence

In order to attain the aforementioned environmental and/or social characteristics, the Fund carefully selects its portfolio companies during the investment decision-making process. The Fund conducts a due diligence on every (potential) portfolio company. As part of this due diligence, the Fund carefully reviews how a (potential) investment relates to the environmental and/or social characteristics promoted by the Fund. The Fund incorporates exclusion (negative screening with respect to its investment exclusions) as well as assessment of good governance aspects during the decision-making process. This assessment is conducted by using a guided list of focus topics and, where required based on the inherent ESG risk of the portfolio company, through an enhanced analysis. An internal or external review or verification of the information obtained will only be carried out if misrepresentations are suspected.

Engagement policies

Engagement forms part of the environmental or social investment strategy of the Fund. The Fund intends to engage in managing ESG across its portfolio companies by providing an ESG scorecard & report to run through key ESG reporting metrics, share learning experiences and best practices across the portfolio and set goals for improvements. The pre-investment due diligence includes assessing the company's and the founders "ESG maturity". During the holding period, the Fund will assess the annually collected KPIs, provide support if and where considered relevant and set individual annual ESG milestones with each portfolio company based on the collected KPIs.

Further, the Fund will respond with individual measures when becoming aware of ESG-related incidents or controversies at portfolio company level.

Designated reference benchmark

No index has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the Fund.