

## **Art. 10 SFDR - Earlybird Vision Lab**

Earlybird VC Management GmbH & Co. KG (the “**Manager**”) is an alternative investment fund manager within the meaning of the German capital investment code (KAGB) of Earlybird Vision Lab GmbH & Co. KG (the “**Earlybird Vision Lab**”) and as such publishes the following information on this website 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 27th of 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.**

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

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

#### I. Purpose of Earlybird Vision Lab

Earlybird Vision Lab will only invest in companies with a founding team consisting of at least one founder with a migrant background in Germany as well as fund entrepreneurs with a migrant background at pre-founding company stage with a right to convert such funding into equity and equity-related investments once a company is founded. In addition to funding, Earlybird Vision Lab shall provide non-monetary support to entrepreneurs with a migrant background in mentoring sessions, expert workshops and networking events (such as non-monetary support, alone or together with the financial support).

#### II. Industry-Specific Investment Restrictions

Earlybird Vision Lab shall not invest in portfolio companies that engage in, or that directly or indirectly control another entity whose 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.

**Does this financial product consider principal adverse impacts on sustainability factors?**

The Manager does not consider principal adverse impacts of investment decisions on sustainability factors.

'Sustainability factors' mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters. The Manager does not use sustainability indicators. Considering the numerous legal uncertainties currently related to the application of the provisions of the SFDR and the Regulatory Technical Standards ("RTS") – in particular with respect to the consideration of adverse impacts – and the administrative burden resulting from such uncertainties, the Manager is not in a position to commit to such standard in light of its fiduciary duty to Earlybird Vision Lab and its investors.

The Manager will constantly monitor and review the evolution around such regulations and standards and intends to change its position on adverse impacts once (i) a best practice has evolved among market participants, (ii) there is clear guidance by the administrations on the application of such regulations and (iii) the consequences of a commitment towards the consideration of principal adverse impacts are reasonably clear to the Manager.

**What investment strategy does this financial product follow?**

The purpose of Earlybird Vision Lab is to build, hold and manage in its own name and for its own account a portfolio of equity and equity-related investments in pre-seed tech companies with a founding team consisting of at least one founder with a migrant background in Germany as well as to fund entrepreneurs with a migrant background at pre-founding company stage with a right to convert such funding into equity and equity-related investments once a company is founded. In addition to funding, Earlybird Vision Lab shall provide non-monetary support to entrepreneurs with a migrant background in mentoring sessions, expert workshops and networking events (such as non-monetary support, alone or together with the financial support).

Furthermore, the Manager applies the investment restrictions outlined above.

***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?***

The investment strategy is described in § 3 of the Limited Partnership Agreement of Earlybird Vision Lab (LPA). Further binding elements of the investment strategy can be found in § 4 and § 18 of the LPA. The investment restrictions are set out in § 18 (III) of the LPA.

***How is that strategy implemented in the investment process on a continuous basis?***

No investments are made in the area of exclusions and all investments will be aligned with the purpose of Earlybird Vision Lab. That strategy is implemented during the due diligence process, where all investments that do not meet the requirements of the purpose of the Earlybird Vision Lab or are subject to a restriction are ruled out.

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

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.

***What is the asset allocation planned for this financial product?***

Earlybird Vision Lab will only make investments aligned with the promoted environmental or social characteristics. Earlybird Vision Lab does not seek to make “sustainable investments” within the meaning of Article 2 para. 17 SFDR.

**Methodologies**

Earlybird Vision Lab considers the ESG aspects set out above when choosing the participating founders of the Vision Lab incubator program. Due to the limited scope of the Vision Lab incubator program and the fund, the decision for participating founders is based on their pitch decks and interviews with the founders. There is no structured due diligence process as known from customary blind-pool venture capital funds.

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

Earlybird Vision Lab is partly reliant on the information provided by the participating founder teams (and, if applicable, by the incubated company) during the due diligence process. Moreover, in the post-investment phase, Earlybird Vision Lab is reliant on the company’s reported data. 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 Vision Lab considers it a priority to establish and maintain a trustful working relationship with the fund’s portfolio companies to ensure compliance with the restrictions described in this section.

**Due Diligence**

Due to the limited scope of the Vision Lab incubator program and the fund, the decision for participating founders is based on their pitch decks and interviews with the founders. There is no structured due diligence process as known from customary blind-pool venture capital funds.

## **Engagement policies**

As the active involvement of Earlybird Vision Lab ends after the Vision Lab incubator program, there are no engagement policies for the remaining time the fund is invested in a company set up by the founding teams.

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