

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

Date of publication: March 2021

Date of update: June 2024; Adjustments to new legal requirements; adding Fund II

I. Sustainability risks

Oyster Bay Management GmbH ("Oyster Bay", LEI: 391200N1F3D4Q6QMAP35) 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. Oyster Bay considers sustainability risks as part of its due diligence process prior to any investment. This also includes an assessment of sustainability risks. Such assessment is being conducted by using a checklist. The results of such assessment are taken into account when the investment decision is being taken. However, Oyster Bay remains free in its decision to refrain from investing or to invest despite sustainability risks in which case Oyster Bay can also apply measures to reduce or mitigate any sustainability risks. At all times, Oyster Bay will apply the principle of proportionality taking due account of the strategic relevance of an investment as well as its transactional context.

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

Oyster Bay does not consider adverse impacts of its investment decisions on sustainability factors within the meaning of Art. 4 SFDR and, hence, does not publish the sustainability indicators listed in Annex I of the Regulatory Technical Standards (Delegated Regulation (EU) 2022/1288, "RTS") on its website. Sustainability factors are environmental, social and employee concerns, respect for human rights and the fight against corruption and bribery.

Oyster Bay pursues an active venture capital strategy investing in early-stage (seed, series A), series B rounds, and growth stage venture investments related to healthy food and beverages, food tech, food supplements, agri tech and e-commerce. Oyster Bays portfolio companies are usually at an early stage of their business cycle, so these companies generally leave a smaller environmental footprint that would not (yet) justify the significant effort associated with considering PAIs. Moreover, early-stage companies are comparatively more burdened by the additional data collection and would thus be restricted in their growth opportunities. Furthermore, given that the SFDR, the Regulation (EU) 2020/852 ("EU **Taxonomy**") and the accompanying RTS are relatively new legislative acts, there is little practical experience or practice about applying their respective provisions. Therefore, substantial legal uncertainties would remain when applying those provisions, in particular with regard to Oyster Bay's investment strategy.

If and when a practicable and proportionate approach for Oyster Bay and its portfolio companies will evolve and uncertainties will be resolved, Oyster Bay will re-evaluate its position regarding adverse impacts on sustainability factors in Q1 2025. In the meantime, Oyster Bay remains free in its decision to use part of the sustainable indicators listed in Annex I of the RTS and/or an own set of indicators.

III. Remuneration disclosures

As a registered alternative investment fund manager within the meaning of section 2 (4) of the German Investment Code (*Kapitalanlagegesetzbuch*, "**KAGB**"), Oyster Bay 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

1. Oyster Bay Venture Capital II GmbH & Co. KG

Financial product: Oyster Bay Venture Capital II GmbH & Co. KG (the "**Fund II**" / der "**Fonds II**")

LEI: 391200K9YJA108PG6T74

Summary

The Fund II considers certain environmental and/or social characteristics as part of its investment decisions and monitoring processes by conducting investments in companies across the food value chain from Agriculture to food to waste. Thereby, the Fund II aims to support innovative economic activities that are more resource-efficient and lower in emissions compared to conventional economic activities. However, Fund II does not seek to make sustainable investments as defined in the SFDR (yet). 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 II incorporates inclusion (positive screening) as well as exclusion (negative screening) aspects during the decision-making process. Thereby the Fund II considers several ESG themes to be the key to responsible investing. The actions and decisions described in the following section are each made by Oyster Bay for and on behalf of the Fund II.

Zusammenfassung

Der Fonds II berücksichtigt bestimmte ökologische und/oder soziale Merkmale im Rahmen seiner Investitionsentscheidungen und Monitoring-Prozesse, indem er in Unternehmen der gesamten Lebensmittelwertschöpfungskette - von der Landwirtschaft über Lebensmittel bis hin zu Abfällen - investiert. Dabei beabsichtigt der Fonds II, innovative Wirtschaftstätigkeiten zu unterstützen, die im Vergleich zu herkömmlichen Wirtschaftstätigkeiten ressourceneffizienter und emissionsärmer sind. Der Fonds II strebt bisher jedoch 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 sowohl Inklusions- (positives Screening) als auch Exklusionsaspekte (negatives Screening) in seinen Entscheidungsprozess ein. Dabei betrachtet der Fonds mehrere ESG-Themen als Schlüssel für verantwortungsvolles Investieren. Die in diesem Abschnitt beschriebenen Handlungen und Entscheidungen erfolgen jeweils durch Oyster Bay für den Fonds.

No sustainable investment objective

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

Environmental or social characteristics of the financial product

The Fund II promotes environmental and/or social characteristics by implementing certain investment exclusions (see section 'Investment strategy') during the decision-making process.

Furthermore, whilst identifying suitable investment opportunities, the Fund II takes into consideration the following ESG factors:

1. Impact Scoreboard

Oyster Bay has created an Impact Scoreboard with a total of 13 ESG factors in the form of questions that are classified into five categories (Business Model, Greenhouse Gas Emissions, Environment, Social & Governance & Impact). As part of the initial due diligence process, each potential portfolio company completes the Impact Scoreboard. Each ESG factor/question must be scored from 1 to 3, where 1 is positive and 3 is negative. An overall score is determined using a methodology defined in the Impact Scoreboard. In this process, individual ESG factors are weighted more strongly than others. The answers to the individual questions and the overall score provide an indication of how "sustainable" the company already is at present and how ambitious the company is with regard to ESG. If the overall score falls below a certain level, an investment in the company is excluded.

The Impact Scoreboard results in the following "official" sustainability indicators within the meaning of Annex I of the RTS currently being used to measure the attainment of the ESG factors requested from the portfolio companies as described above:

1. Share of renewable energies (Table 1, No. 5)
2. Emissions to water (Table 1, No. 8)
3. Violations of UN Global Compact principles (Table 1, No. 10)
4. Board gender diversity (Table 1, No. 13)

2. Due Diligence Checklist

Furthermore, the Fund created an extensive Due Diligence Checklist to query numerous ESG indicators at company level before each investment and annually during the holding period. This is intended to identify red flags in the area of ESG in particular, so that the Fund can influence the portfolio companies accordingly. In doing so, the Fund considers a trusting relationship to be very important. As the investments are made for several years, Oyster Bay considers it a priority to establish and maintain trust within a good working relationship with the portfolio companies. The Fund encourages the portfolio companies to flag potential ESG issues early and engage with the Fund to prevent, resolve or mitigate such issues.

In the Due Diligence Checklist, the following sustainability indicators within the meaning of Annex I of the RTS are requested by the Fund prior to an investment decision and annually during the holding period:

Annex I, Table 1:

1. GHG emissions
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector

7. Activities negatively affecting biodiversity-sensitive areas
8. Emissions to water
9. Hazardous waste and radioactive waste ratio
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

15. Table 3, no. 5: Lack of grievance/complaints handling mechanism related to employee matters

16. Table 2, no. 7: Investments in companies without water management policies

In the long term, the Funds intends to commit to a minimum share of sustainable investments within the meaning of SFDR and/or EU taxonomy. At this stage, however, there is very little or no practical experience with regard to the requirements for sustainable investments within the meaning of SFDR. In addition, it is disproportionately more difficult for very young companies to develop a detailed methodology to define sustainable investments within the meaning of SFDR, as the business model is often not yet clearly defined and the corresponding data is time-consuming to collect.

Investment strategy

The purpose of the Fund II 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 companies in the agricultural and food sector, i.e., agricultural companies from tech to sustainable fertilizers; companies creating alternative ingredients, for example biotechnology-based or synthetic ingredients, innovative food products and related services, companies replacing animal-based products across the food value chain and companies innovating on waste management, emissions management, and circularity with regards to the food value chain.

The Fund intends to make its initial investments in the early stage, i.e., Seed, Series A and Series B rounds (including, for the avoidance of doubt, late seed rounds). Up to 10 % of the total capital commitments may be invested into Portfolio Companies undertaking pre-seed rounds.

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 and the ESG factors displayed in the Impact Scoreboard, as part of the due diligence prior to any investment made by the Fund.

The Fund II is bound by the investment restrictions and limitations set out in the Fund II's limited partnership agreement and shall procure that such requirements, restrictions and limitations are complied with at all times. In particular, the Fund II will screen each investment opportunity against its investment exclusions and no investments will be made in the area of such exclusions.

Fund II shall not invest, guarantee or otherwise provide financial or other support, directly or indirectly, to companies, including portfolio companies, or other entities whose business activity consists of:

- (a) Performing research and innovation activities considered as illegal according to the applicable legislation in the country of the portfolio company;
- (b) Any illegal economic activity (i.e., any production, trade or other activity, which is illegal under the laws or regulations applicable to the Fund or the relevant portfolio company, including without limitation, human cloning for reproduction purposes);
- (c) The production of, and trade in, tobacco, distilled alcoholic beverages, other non-alcoholic recreational drugs and related products;
- (d) The financing and production of, and trade in, weapons and ammunition of any kind;
- (e) Gambling;
- (f) Oil and gas or metals and mining exploration, extraction or operations;
- (g) Retail banking;
- (h) Pornography;
- (i) The research, development or technical applications relating to electronic data programs or solutions, which are intended to enable to illegally (i) enter into electronic data networks; or (ii) download electronic data;
- (j) Fossil fuel-based energy production and related activities, as follows:
 - (i) Coal mining, processing, transport and storage;
 - (ii) Oil exploration and production, refining, transport, distribution and storage;
 - (iii) Natural gas exploration and production, liquefaction, re-gasification, transport, distribution and storage;
 - (iv) Electric power generation exceeding the Emissions Performance Standard (i.e., 250 grams of CO₂e per kWh of electricity), applicable to fossil fuel-fired power and co-generation plants, geothermal and hydropower plants with large reservoirs;
- (k) Energy-intensive and/or high CO₂-emitting industries, as follows:

- (i) Manufacture of organic and inorganic basic chemicals;
- (ii) Manufacture of fertilizers and nitrogen compounds;
- (iii) Manufacture of plastics in primary forms;
- (iv) Manufacture of cement;
- (v) Manufacture of basic iron and steel and of ferro-alloys;
- (vi) Manufacture of steel tubes, pipes, hollow profiles and related fittings;
- (vii) Manufacture of other products of first processing of steel;
- (viii) Aluminium production;
- (ix) Manufacture of aircraft and related machinery;
- (x) Air transport, airports and service activities incidental to air transportation.

Notwithstanding the above, the aforementioned investments shall be allowed if the business activity of the respective portfolio company either (i) qualifies as environmentally sustainable investment as defined in the Taxonomy, as amended from time to time, as supplemented by the technical criteria established under the associated delegated acts, or (ii) is eligible under EIF's Climate Action & Environmental Sustainability (CA&ES) criteria for green financing.

In addition, when providing support to the financing of the research, development or technical applications relating to human cloning for research or therapeutic purposes, the Fund shall ensure the appropriate control of legal, regulatory and ethical issues linked to such human cloning for research or therapeutic purposes.

In addition, the ESG factors requested via the Impact Scoreboard and the Due Diligence Checklist as described above are included in the investment decision making process.

Good governance practices are assessed through a checklist 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 II will invest fully in line with its investment strategy and investment restrictions, *i.e.*, will only make investments which are aligned with its environmental or social characteristics (*i.e.*, its investment exclusions and ESG factors). The Fund II 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 Taxonomy; hence, no portion of its investments will be aligned with the Taxonomy.

Monitoring of environmental or social characteristics

The Fund II has an increased awareness on the impact of environmental or social characteristics on risk management and thus on the value potential of investments. In order to monitor the environmental or social characteristics promoted by the Fund II (*i.e.*, its investment exclusions and ESG factors), the Fund II consults with the portfolio companies in regular intervals and will carry out further checks in order to identify potential issues with such characteristics. Moreover, the Fund II obtains further information from its portfolio companies at least annually via the Due Diligence Checklist. Therefore, the Fund II monitors compliance with its environmental or social characteristics (*i.e.*, its investment exclusions and ESG factors) on an ongoing basis. External monitoring mechanisms are not in place.

Methodologies for environmental or social characteristics

The Fund II applies qualitative and quantitative assessments with regard to its environmental or social characteristics (*i.e.*, its investment exclusions and ESG factors).

The Fund II conducts an initial assessment of the promoted environmental or social characteristics in the course of its due diligence. At the same time, the individual ESG factors are identified and evaluated through the Impact Scoreboard and the Due Diligence Checklist. Based on the results of such assessment the Fund II identifies pre-investment whether the environmental or social characteristics promoted by the Fund II are met. During the holding period, the so conducted assessment forms the basis to measure and monitor if the characteristics are continuously being met.

Data sources and processing

In order to attain each of the environmental or social characteristics promoted by the Fund II (*i.e.*, its investment exclusions and ESG factors), the Due Diligence checklist and the Impact Scoreboard are completed by the (potential) portfolio companies in the course of the due diligence conducted prior to each investment. Moreover, during the holding period, the portfolio companies are requested to provide an updated Due Diligence Checklist at least annually for monitoring purposes. Therefore, data is obtained (only) from the (potential) portfolio companies. An internal or external review or verification of the information obtained will be carried out if misrepresentations are suspected.

Limitations to methodologies and data

The information collected from the (potential) portfolio companies *via* the Due Diligence checklist and the Impact Scoreboard as part of the due diligence 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 the Fund II's investments are made for several years, the Fund II considers it a priority to establish and maintain a trustful working relationship with its portfolio companies in order to ensure compliance with the environmental or social characteristics promoted by the Fund II (*i.e.*, its investment exclusions and ESG factors).

Further limitations, in particular with regard to the accuracy of the data and reliability of the data sources used, are not apparent at this time.

Due diligence

An initial assessment of how an investment relates to the environmental or social characteristics promoted by the Fund II (*i.e.*, its investment exclusions and ESG factors) is carried out as part of the due diligence process

using a checklist and the Impact Scoreboard (as described above) and, where required based on the inherent ESG risk of the portfolio company, through an enhanced analysis. As a rule, purely qualitative statements of an environmental or social nature or relating to corporate governance are requested from the portfolio companies and then taken into account in the investment decision-making process. An internal or external review or verification of the information obtained will only be carried out if misrepresentations are suspected.

Engagement policies

Should Oyster Bay on behalf of Fund II determine any potential issues relating the environmental or social characteristics, it will engage the portfolio company's manager in discussions with a view to resolving, reducing or mitigating such effects, provided that such efforts will always remain within a scope considered by Oyster Bay in its absolute discretion to be proportionate in light of the size and strategic importance of the respective investment in the portfolio companies and shall take into account the respective bargaining positions and transactional context.

2. Oyster Bay Venture Capital GmbH & Co. KG

Financial product: Oyster Bay Venture Capital GmbH & Co. KG (the "**Fund**" / der "**Fonds**")

LEI: 39120001CA3LBK576309

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. 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 Oyster Bay 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. Dabei betrachtet der Fonds mehrere ESG-Themen als Schlüssel für verantwortungsvolles Investieren. Die in diesem Abschnitt beschriebenen Handlungen und Entscheidungen erfolgen jeweils durch Oyster Bay 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 (see section 'Investment strategy') during the decision-making process.

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 intends to focus its investments on entities active in the following sectors: healthy food and beverages (*e.g.*, organic, vegan, gluten-free, functional); food tech, food supplements, agri tech and e-commerce. It is envisaged that the Fund makes its initial investments in the early stage, *i.e.*, Seed and Series A rounds, as well as, on a smaller scale, in Series B rounds and the growth stage. The Fund is entitled to invest in secondaries transactions.

The Fund is bound by the 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. In particular, the Fund will screen each investment opportunity against its investment exclusions and no investments will be made in the area of such exclusions.

The Fund shall not invest, guarantee or otherwise provide financial or other support, directly or indirectly, to companies, including portfolio companies, or other entities whose business activities consists of:

- Tobacco
- Weapons and ammunition
- Gaming
- Pornography
- Human cloning (limited)
- Genetic engineering (limited)

Good governance practices are assessed through a checklist 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 environmental or social characteristics (*i.e.*, its investment exclusions). 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 Taxonomy; hence, no portion of its investments will be aligned with the Taxonomy.

Monitoring of environmental or social characteristics

As the Fund's investments are made for several years, Oyster Bay considers it a priority to establish and maintain trust within a good working relationship with the portfolio companies. Within such relationships Oyster Bay monitors for the Fund ESG compliance at the level of the portfolio companies through an as-needed ad hoc approach. Oyster Bay encourages the portfolio companies to flag potential ESG issues early and engage with Oyster Bay to prevent, resolve or mitigate such issues. Furthermore, Oyster Bay will apply best efforts when negotiating an investment into a portfolio company to reach a side letter agreement requiring the portfolio company to notify Oyster Bay in writing on an ad hoc basis of any apparent ESG issues. Additionally, Oyster Bay may initiate such collaborative and cooperative discussions in case Oyster Bay becomes aware of any potential or existing ESG issues. Based on the actual circumstances Oyster Bay determines in its sole discretion whether and when any actions need to be taken to address any potential or existing ESG issues.

Methodologies for environmental or social characteristics

The Fund applies qualitative assessments with regard to its environmental or social characteristics (*i.e.*, its investment exclusions).

The Fund conducts an initial assessment of the promoted environmental or social characteristics in the course of its due diligence. Based on the results of such assessment the Fund identifies pre-investment whether the environmental or social characteristics promoted by the Fund are met. During the holding period, the so conducted assessment forms the basis to measure and monitor if the characteristics are continuously being met.

Data sources and processing

In order to attain each of the environmental or social characteristics promoted by the Fund (*i.e.*, its investment exclusions), a questionnaire is completed by the (potential) portfolio companies in the course of the due diligence conducted prior to each investment. Moreover, during the holding period the Fund obtains information from the portfolio companies in regular intervals. An internal or external review or verification of the information obtained will be carried out if misrepresentations are suspected.

Limitations to methodologies and data

The information collected from the (potential) portfolio companies *via* the questionnaire as part of the due diligence 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 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 compliance with the environmental or social characteristics promoted by the Fund (*i.e.*, its investment exclusions). Further limitations, in particular with regard to the accuracy of the data and reliability of the data sources used, are not apparent at this time.

Due diligence

An initial assessment of how an investment relates to the environmental or social characteristics promoted by the Fund (*i.e.*, its investment exclusions) is carried out as part of the due diligence process using a questionnaire and, where required based on the inherent ESG risk of the portfolio company, through an enhanced analysis. As a rule, purely qualitative statements of an environmental or social nature or relating to corporate governance are requested from the portfolio companies and then taken into account in the

investment decision-making process. An internal or external review or verification of the information obtained will only be carried out if misrepresentations are suspected.

Engagement policies

Should Oyster Bay on behalf of the Fund determine any potential issues relating the environmental or social characteristics, it will engage the portfolio company's manager in discussions with a view to resolving, reducing or mitigating such effects, provided that such efforts will always remain within a scope considered by Oyster Bay in its absolute discretion to be proportionate in light of the size and strategic importance of the respective investment in the portfolio companies and shall take into account the respective bargaining positions and transactional context.