ANNEX II

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Bullhound Capital Fund VII SCSp **Legal entity identifier:** N/A

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

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

Fund VII invests in software companies in societally significant sectors such as AI-driven software, robotics, dual-use technologies, quantum computing, health tech, space tech, and digital life. In doing so, the financial product invests in companies that respect society and the planet.

The financial product promotes environmental and social characteristics, but it does not necessarily make any sustainable investments. The financial product's approach is based on the following exclusion-based criteria, which aim to reduce exposure to environmentally and socially harmful activities:

- Normative and Sanctions Screening: the financial product avoids investing in companies considered high-risk based on a normative restriction and sanctions list established to prevent money laundering and terrorism financing.

- Prohibition of Illegal Activities: the financial product prohibits investments in companies involved, directly or indirectly, in illegal economic activities.
- Sector-Based Exclusions/excluding companies involved in the following sectors: private prisons, fossil fuels, tobacco, distilled alcoholic beverages, casinos, weapons and ammunition. Please note: The financial product may invest in companies with dual-use applications. Such investments are not considered in the scope of this exclusion, provided they do not involve the direct manufacturing or sale of conventional weapons, cluster munitions, landmines, or other controversial weapons as defined by international conventions.
- Software Use Restrictions: the financial product prohibits investments in software companies that support any of the excluded activities, internet gambling, or pornography. This also includes software intended to illegally enter electronic data networks or download electronic data.
- Ethical Oversight: the financial product ensures that investments in human cloning for research or therapeutic purposes or genetically modified organisms (GMOs) are subject to appropriate legal, regulatory, and ethical controls.

No index is designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by this financial product.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability approach is largely exclusion-based. Please ee exclusion list above.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The following indicators will be used to measure the attainment of environmental and social characteristics promoted:

- % of investments determined as high risk according to the normative restriction and sanctions list established by GP Bullhound to avoid money laundering and terrorism financing;

- % of investments in companies involved, directly or indirectly in illegal economic activities (i.e. any production, trade or other activity, which is illegal under the laws or regulations applicable to the investee company or the financial product, including without limitation, human cloning for reproduction purposes);

- % of investments in companies deriving more than 5% of revenues from the production of weapons, ammunitions or components thereof;

- % of investments in companies which manufacture nuclear weapons or components thereof;

- % of investments in companies deriving more than 5% of revenues from the production and retail of civil firearms and ammunitions;

- % of investments in companies deriving more than 5% of revenues from the production and/or trade of tobacco or distilled alcoholic beverages and related products;

- % of investments in companies that derive more than 5% of their revenues from casino activities or equivalent enterprises;

- % of investments in companies which own, operate or provide integral services to private Prisons;

- % of investments in companies which have expansion plans for coal extraction;

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- % of investments in companies deriving more than 5% of revenues from thermal coal activity (unless the company has/ plans to have a Science Based Target set or less than

10% capital expenditure related to thermal coal activities or more than 50% of capital expenditure dedicated to contributing activities);

- % of investments in companies which have expansion plans for unconventional oil and gas;

- % of investments in companies deriving more than 5% of revenues from unconventional oil and gas related activities (unless the company has/ plans to have a Science Based Target set or more than 50% of capital expenditure dedicated to contributing activities);

- % of investments in companies deriving more than 5% of revenues from conventional oil and gas related activities (unless the company has/ plans to have a Science Based Target set or less than 15% of capital expenditure is related to oil and gas activities or more than 15% of capital expenditure dedicated to contributing activities);

- % of investments in companies with a carbon intensity greater than 374 gCO2/kWH;

- % of investments in companies providing electronic data programs are involved in the following sectors of activity: weapons and ammunition, tobacco and distilled alcoholic beverages, casinos (on-site and online), internet gambling or equivalent enterprises, private prisons, fossil fuels (thermal coal, conventional and unconventional oil and gas supply, electricity generation) and pornography;

- % of investments in companies providing electronic data programs which are intended to illegally enter electronic data networks or download electronic data.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

N/A.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

N/A.

How have the indicators for adverse impacts on sustainability factors been taken into account?

N/A.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

N/A.

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

☐ Yes

☒ No

sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

What investment strategy does this financial product follow?

Sustainability Factors are integral to our investment strategy and consequently, the financial product's business model. The financial product pursues an investment strategy focused on late-stage venture capital in software-driven companies.

Further information and details on the investment strategy are publicly displayed on the website.

As part of its investment strategy, the financial product will apply and exclude any investee companies in the scope of GP Bullhound's normative restriction and sanctions list. This list has been constituted, among others, to avoid money laundering and terrorism financing and is based on the following elements:

- High risk states and jurisdictions:

• Financial Action Task Force (FATF): high-risk jurisdictions and jurisdictions under supervision,

• European Commission: list of third countries with insufficient anti-money laundering and anti-terrorist financing measures;

• Council of the European Union: European Union list of non-cooperative countries and territories for tax purposes;

- National and international sanctions list:

• European External Action Service (EEAS) Sanctions list;

• International financial Sanctions list issued by the French Treasury (MINEFI);

• Sanctions Programs and Country Information List issued by the Office of Foreign Assets Control (OFAC), which is overseen by the U.S. Treasury Department;

• United Nations Security Council (UNSC) Sanctions List;

• United Kingdom Treasury Sanctions and Assets Freeze List (UK HMT);

• Commission de Surveillance du Secteur Financier (Grand Duchy of Luxembourg) financial sanctions list.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The financial product will not invest or provide any kind of support to companies involved, directly or indirectly, in illegal economic activities (i.e. any production, trade or other activity, which is illegal under the laws or regulations applicable to the investee company or the financial product, including without limitation, human cloning for reproduction purposes).

In addition, the financial product will apply an exclusion list based on sector-specific restrictions. Prospective and investee companies exposed to exclusionary rules and thresholds (as set out in the binding elements section below) will be excluded from the financial product's investments.

During the investment screening process, the financial product will carry out controls and exclude all companies deemed incompatible with the exclusions set out above. These controls will be carried out at least every two years. Documented audit trail of these assessments will be made available to auditors, regulators and prospective investors (subject to GP Bullhound agreement).

In addition, if the financial product invests in the research, development or technical applications relating to human cloning for research and therapeutic purposes or GMOs, the financial product will make sure that such activities are subject to appropriate control of legal, regulatory and ethical issues.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

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 following elements of the financial product's responsible investment strategy are binding:

- Adherence to the exclusion policy and excluded activities list;
- Incorporation of ESG issues into investment analysis and decision-making processes;
- Active ownership, including the integration of ESG issues into our ownership policies and practices.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This financial product does not commit to a minimum rate to reduce the scope of the investments considered prior to the application of this investment strategy.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue

Asset allocation describes the share of investments in specific assets.

(CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

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

The financial product is dedicated to promoting good governance practices among its investees. It employs a systematic approach to engage portfolio companies on key governance issues, including:

- Respect for sound management structures
- Employee relations
- Remuneration of staff
- Tax compliance

These practices are crucial for maintaining a company's integrity and resilience, shielding investments from operational, legal, and reputational risks.

While the financial product has not yet established an official policy for the assessment of governance practices of the companies it invests in, it does have thorough processes in place designed to monitor and ensure good governance practices.

What is the asset allocation planned for this financial product?

The minimum proportion of the financial product's investment allocated to achieve E/S characteristics promotion is coherent with the binding elements of the strategy. The minimum proportion of investment set to achieve the E/S characteristics is 60%.

The financial product employs the following strategy to effectively allocate the minimum proportion of investments towards these E/S characteristics: sustainability risks are incorporated through ESG integration in portfolio management and due diligence, as well as exclusion of harmful sectors. This approach ensures at least 60% of investments meet the promoted environmental and social characteristics.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product*?**

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The financial product does not use derivatives to attain the environmental or social characteristics promoted.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

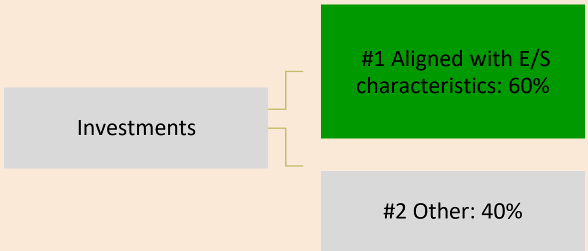
The financial product promotes environmental and social characteristics but does not currently commit to invest in any sustainable investments within the meaning of the SFDR. The minimum share of sustainable investments aligned with the EU Taxonomy is 0%.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

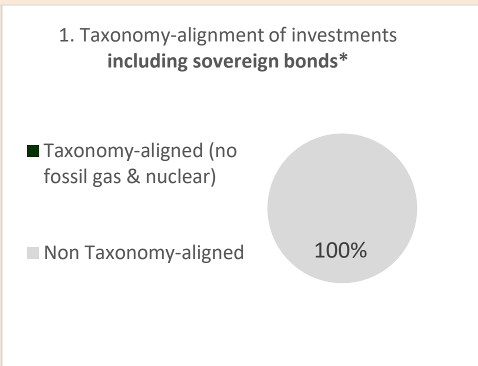
☒ No

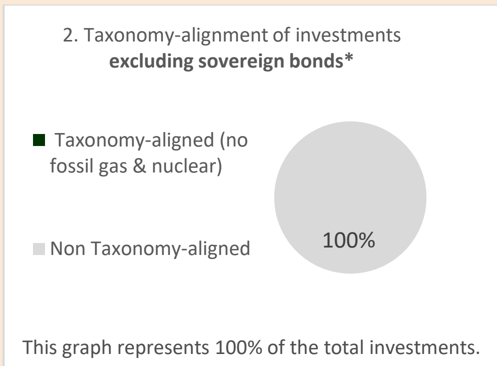


#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

are sustainable investments with an environmental objective that **do not take into account the criteria for** environmentaly sustainable economic activities under the EU Taxonomy.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

- ***What is the minimum share of investments in transitional and enabling activities?***

The financial product promotes environmental and social characteristics but does not commit to making any sustainable investments. Accordingly, the minimum share of investments in transaction and enable activities is 0%.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

As the financial product does not commit to making any sustainable investments, the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is equal to 0%.

What is the minimum share of socially sustainable investments?

N/A.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The financial product will invest in a maximum of 40% of its assets in "#2 Other" investments. This category may include cash and cash equivalents for liquidity purposes. It may also include any investments where the data to measure the environmental and social characteristis is not available, is not used to meet the environmental and social characteristics or does not meet the environmental or social characteristis promoted by the financial product. These investments do not have any minimum environmental or social safeguards.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No index is designated as a reference benchmark for the purpose of attaining the environmental and/or social characteristics promoted by this financial product.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

N/A

- ***How does the designated index differ from a relevant broad market index?***

N/A

Where can the methodology used for the calculation of the designated index be found?

N/A

Where can I find more product specific information online?

More product-specific information can be found on the website:
https://www.gpbullhound.com/responsibility/#investment-strategy