

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

Date of publication: 6 March 2026

Date	Description of Amendments
March 5th, 2026	Addition of financial products; editorial amendments

I. Sustainability risks

SHS Gesellschaft für Beteiligungsmanagement mbH (LEI: 5299009A9L5BCWVOCF98, "SHS") 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. SHS 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 an ESG questionnaire. The results of such assessment are taken into account when the investment decision is being taken. However, SHS remains free in its decision to refrain from investing or to invest despite sustainability risks, in which case SHS can also apply measures to reduce or mitigate any sustainability risks. At all times, SHS 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

SHS does not consider any adverse impacts of its investment decisions on sustainability factors and, hence, does not use the sustainability indicators listed in Annex I of the Delegated Regulation (EU) 2022/1288 (as amended from time to time, "RTS") to identify and assess potential adverse impacts. Sustainability factors are environmental, social and employee concerns, respect for human rights and the fight against corruption and bribery. Since the SFDR, Regulation (EU) 2020/852 ("EU Taxonomy") and the accompanying RTS have been in force for some time, regulatory guidance and market practice have continued to develop. However, significant legal and practical uncertainties persist regarding their application to private equity as an asset class. This is particularly relevant for SHS, whose investment strategy focuses on companies in the lower middle market (*i.e.* small to mid-cap investments). Such companies typically have limited experience in ESG reporting and often lack the infrastructure to provide comprehensive ESG data. If and to the extent that these legal uncertainties are resolved and practicable market and administrative practices evolve, SHS will re-evaluate whether to consider principal adverse impacts of its investment decisions in Q1 2027.

Notwithstanding the foregoing, SHS already collects its own set of KPIs across its portfolio companies voluntarily. The KPIs used are strongly based on the reporting template provided by Invest Europe (as amended from time to time) and comprise several indicators as set out in Annex I of the RTS as well as self-defined KPIs according to SHS 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") and a manager of a qualifying venture capital fund as defined in Art. 3 (b) of Regulation (EU) No 345/2013 ("EuVECA-Regulation"), SHS does not have and does

not need to have a remuneration guideline or policy in accordance with the requirements of the KAGB or the EuVECA Regulation.

IV. Sustainability-related disclosures

1. SHS VI Healthcare Investments GmbH & Co. KG

Financial product: SHS VI Healthcare Investments GmbH & Co. KG ("**SHS VI**")

LEI: 5299009A9L5BCWVOCF98

Summary

SHS VI 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. SHS VI incorporates inclusion (positive screening) as well as exclusion (negative screening) aspects during the decision-making process. Thereby SHS VI considers several ESG themes to be the key to responsible investing. The actions and decisions described in the following section are each made by SHS for and on behalf of SHS VI.

Zusammenfassung

SHS VI 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. SHS VI bezieht sowohl Inklusions- (positives Screening) als auch Exklusionsaspekte (negatives Screening) in seinen Entscheidungsprozess ein. Dabei betrachtet SHS VI mehrere ESG-Themen als Schlüssel für verantwortungsvolles Investieren. Die in diesem Abschnitt beschriebenen Handlungen und Entscheidungen erfolgen jeweils durch den Manager für den Fonds.

No sustainable investment objective

SHS VI promotes environmental or social characteristics, but does not have as its objective sustainable investment.

Environmental or social characteristics of the financial product

SHS VI promotes environmental and/or social characteristics by implementing certain investment exclusions and by considering certain ESG criteria during the investment decision-making process (see section 'Investment strategy').

Investment strategy

The purpose of SHS VI is to build, hold and manage (including to divest) a portfolio of equity and equity-related investments in portfolio companies in the growth-stage.

SHS VI is bound by the investment restrictions and limitations set out in the SHS VI's limited partnership agreement and shall procure that such requirements, restrictions and limitations are complied with at all times. In particular, SHS VI will screen each investment opportunity against the following investment exclusions and no investments will be made in the area of such exclusions: SHS VI shall not invest, guarantee or otherwise provide financial or other support, directly or indirectly, to companies, including portfolio companies, or other entities:

- 1) whose business activity consists of an illegal economic activity (*i.e.* any production, trade or other activity, which is illegal under the laws or regulations applicable to SHS VI or the relevant company or entity, including without limitation, human cloning for reproduction purposes; or
- 2) which substantially focus on:
 - a) the production of and trade in tobacco and distilled alcoholic beverages and related products;
 - b) the financing of the production of, and trade in, weapons and ammunition of any kind;
 - c) casinos and equivalent enterprises;
 - d) the research, development or technical applications relating to electronic data programs or solutions, which
 - i) aim specifically at: supporting any activity referred to under section 2)(a) – (c) above, or internet gambling and online casinos, or pornography, or
 - ii) are intended to enable to illegally: enter into electronic data networks, or download electronic data.
 - e) 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;
 - f) Energy-intensive and/or high CO₂-emitting industries, as follows:
 - i) Manufacture of organic and inorganic basic chemicals;
 - ii) Manufacture of other organic basic chemicals;
 - iii) Manufacture of fertilizers and nitrogen compounds;

- iv) Manufacture of plastics in primary forms;
- v) Manufacture of cement;
- vi) Manufacture of basic iron and steel and of ferro-alloys;
- vii) Manufacture of steel tubes, pipes, hollow profiles and related fittings;
- viii) Manufacture of other products of first processing of steel;
- ix) Aluminium production;
- x) Manufacture of conventionally-fuelled aircraft and related machinery;
- xi) Conventionally-fuelled air transport, airports and service activities incidental to conventionally-fuelled air transportation.

Notwithstanding the above, investments in sectors mentioned in section f) items i) – xi) included, shall be allowed if SHS confirms that the specific final recipient transaction either (i) qualifies as environmentally sustainable investments as defined in Regulation (EU) 2020/852 ("**EU Taxonomy**") as supplemented by the technical criteria established under the EU Taxonomy Delegated Acts, or (ii) is eligible under EIF's Climate Action & Environmental Sustainability (CA&ES) objectives in accordance with the criteria as published in EIF's website.

In addition, when providing support to the financing of the research, development or technical applications relating to (i) human cloning for research or therapeutic purposes or (ii) genetically modified organisms (GMOs), we shall ensure the appropriate control of legal, regulatory and ethical issues linked to such human cloning for research or therapeutic purposes and/or GMOs.

Furthermore, entities are deemed ineligible for investment that, in the last year prior to making the investment, generated more than 5 % of its aggregate turnover, alternatively or cumulatively, in one or several of the following business areas or with respect to which the Manager so expects for the future:

- manufacturing of products that violate human dignity by disparaging and degrading presentation of individuals;
- manufacturing of products that are produced supporting or tolerating inhumane working conditions and child labour;
- activities in the field of abortion or diagnostics for the indication of abortions;
- activities in the field of prenatal selection;
- production of genetically modified seeds; or
- work with embryonic stem cells.

Moreover, ESG factors are identified in the initial stage of investment evaluation, mostly from a risk but also from an opportunity perspective on a case-by-case basis. Each investment opportunity will be reviewed with this risk and opportunity perspective as part of the due diligence process in light of SHS VI's investment

strategy, in particular with regard to the investment exclusions as well as the ESG criteria. After an investment, *i.e.*, during the holding period, SHS VI will regularly monitor its portfolio companies and support them when and where deemed relevant.

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

Proportion of investments

SHS VI will invest fully in line with its investment strategy and investment restrictions, *i.e.*, will only make investments aligned with its environmental and/or social characteristics. SHS VI 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 the EU Taxonomy; hence, no portion of its investments will be aligned with the EU Taxonomy.

Monitoring of environmental or social characteristics

SHS VI has an increased awareness on the impact of environmental or social characteristics on risk management and thus on the value potential of investments. Accordingly, SHS VI undertakes to monitor (compliance with) its environmental and/or social characteristics on an ongoing basis. Prior to making an investment, SHS VI assesses the attainment of its environmental and/or social characteristics with respect to every (potential) portfolio company. During the holding period, SHS VI uses sustainability indicators and collects respective data at portfolio company level to monitor the ongoing compliance with its environmental and/or social characteristics. SHS VI will request portfolio companies to report any potential issues with SHS VI's ESG approach during the holding period and conduct further checks on a case-by-case basis. External monitoring mechanisms are not in place.

Methodologies for environmental or social characteristics

SHS VI applies qualitative and quantitative assessments with respect to its environmental and/or social characteristics. SHS VI conducts an initial assessment of such characteristics in the course of its due diligence process prior to any investment by providing its (potential) portfolio companies with a questionnaire. Through this questionnaire, the investment exclusions, good governance practices as well as the ESG criteria are identified and evaluated. Based on the results of this assessment, SHS VI identifies whether the environmental and/or social characteristics promoted by SHS VI are met 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', SHS VI assesses and ensures the portfolio companies' ongoing compliance with its investment exclusions. Moreover, SHS VI identifies and evaluates the data collected in respect of ESG factors. Hence, SHS VI 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 SHS VI, a questionnaire is completed by the (potential) portfolio companies in the course of the due diligence process conducted prior to each investment. Moreover, during the holding period, the portfolio companies provide SHS VI with annual reports regarding the sustainability indicators. Hence, data is obtained exclusively from the (potential) portfolio companies. Further, mostly qualitative statements of an environmental or social nature or relating to corporate governance are requested from the (potential) portfolio companies and then considered in the investment decision-making and monitoring processes. An internal or external review or verification of the data obtained will be conducted 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. Further, any data estimated might – by the very nature of estimations – not reflect the actual data situation at portfolio company level. Further limitations, in particular regarding the accuracy of the data and reliability of the data sources used, are currently not foreseeable. As SHS VI's investments are made for several years, SHS VI considers it a priority to establish and maintain a trustful working relationship with its portfolio companies to ensure data quality and compliance with the environmental and/or social characteristics promoted by SHS VI.

Due diligence

In order to attain the aforementioned environmental and/or social characteristics, SHS VI carefully selects its portfolio companies during the investment decision-making process. SHS VI conducts a due diligence on every (potential) portfolio company. As part of this due diligence, SHS VI carefully reviews how a (potential) investment relates to the environmental and/or social characteristics promoted by SHS VI. SHS VI incorporates inclusion (positive screening with respect to its ESG criteria) and exclusion (negative screening with respect to its investment exclusions) as well as good governance aspects during the decision-making process. This assessment is conducted by using a questionnaire 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 conducted if misrepresentations are suspected.

Engagement policies

Engagement forms part of the environmental or social investment strategy of SHS VI. SHS VI engages in managing ESG across its portfolio companies. SHS VI discusses ESG topics with each portfolio company on a regular basis, enabling it to track management's performance with regards to ESG topics over time. In the event that management of a portfolio company is not devoting sufficient resources to address critical ESG issues, this will be detected and highlighted by the SHS team. As SHS acts as the majority shareholder for most of its investments, it can address ESG topics, as needed, during board meetings.

SHS VI uses, as part of its environmental and social investment strategy, the following measures to engage with its portfolio companies – while taking into account the individual circumstances of each company – in order to attain its environmental and/or social characteristics:

- Engaging in a constructive dialogue when serious violations of ethical standards are identified;

- Exercise of shareholder rights in portfolio companies.

SHS VI regularly reviews and, as necessary, adjusts its engagement policy. Further, SHS VI responds 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 SHS VI.

2. SHS VII Healthcare Investments GmbH & Co. KG

Financial product: SHS VII Healthcare Investments GmbH & Co. KG ("**SHS VII**")

LEI: to be issued

Summary

SHS VII 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. SHS VII incorporates inclusion (positive screening) as well as exclusion (negative screening) aspects during the decision-making process. Thereby SHS VII considers several ESG themes to be the key to responsible investing. The actions and decisions described in the following section are each made by SHS for and on behalf of SHS VII.

Zusammenfassung

SHS VII 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. SHS VII bezieht sowohl Inklusions- (positives Screening) als auch Exklusionsaspekte (negatives Screening) in seinen Entscheidungsprozess ein. Dabei betrachtet SHS VII mehrere ESG-Themen als Schlüssel für verantwortungsvolles Investieren. Die in diesem Abschnitt beschriebenen Handlungen und Entscheidungen erfolgen jeweils durch den Manager für den Fonds.

No sustainable investment objective

SHS VII promotes environmental or social characteristics, but does not have as its objective sustainable investment.

Environmental or social characteristics of the financial product

SHS VII promotes environmental and/or social characteristics by implementing certain investment exclusions and by considering certain ESG criteria during the investment decision-making process (see section 'Investment strategy').

Investment strategy

The purpose of SHS VII is to build, hold and manage (including to divest) a portfolio of equity and equity-related investments in portfolio companies. SHS VII invests in lower mid-market companies operating in the healthcare sector and in healthcare-related assets and businesses, with a primary focus on Medical Technology & Supplier, Pharma & Supplier, Diagnostics & Tools, and Health Technology.

SHS VII is bound by the investment restrictions and limitations set out in the SHS VII's limited partnership agreement and shall procure that such requirements, restrictions and limitations are complied with at all times. In particular, SHS VII will screen each investment opportunity against the following investment exclusions and no investments will be made in the area of such exclusions: SHS VII shall not invest, guarantee or otherwise provide financial or other support, directly or indirectly, to companies, including portfolio companies, or other entities:

- 1) whose business activity consists of an illegal economic activity (*i.e.* any production, trade or other activity, which is illegal under the laws or regulations applicable to SHS VII or the relevant company or entity, including without limitation, human cloning for reproduction purposes; or
- 2) which substantially focus on:
 - a) the production of and trade in tobacco and distilled alcoholic beverages and related products;
 - b) the financing of the production of, and trade in, weapons and ammunition of any kind;
 - c) casinos and equivalent enterprises;
 - d) the research, development or technical applications relating to electronic data programs or solutions, which
 - i) aim specifically at: supporting any activity referred to under section 2)(a) – (c) above, or internet gambling and online casinos, or pornography, or
 - ii) are intended to enable to illegally: enter into electronic data networks, or download electronic data.
 - e) 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;
- f) Energy-intensive and/or high CO₂-emitting industries, as follows:
 - i) Manufacture of organic and inorganic basic chemicals;
 - ii) Manufacture of other organic basic chemicals;
 - iii) Manufacture of fertilizers and nitrogen compounds;
 - iv) Manufacture of plastics in primary forms;
 - v) Manufacture of cement;
 - vi) Manufacture of basic iron and steel and of ferro-alloys;
 - vii) Manufacture of steel tubes, pipes, hollow profiles and related fittings;
 - viii) Manufacture of other products of first processing of steel;
 - ix) Aluminium production;
 - x) Manufacture of conventionally-fuelled aircraft and related machinery;
 - xi) Conventionally-fuelled air transport, airports and service activities incidental to conventionally-fuelled air transportation.

In addition, when providing support to the financing of the research, development or technical applications relating to (i) human cloning for research or therapeutic purposes or (ii) genetically modified organisms (GMOs), we shall ensure the appropriate control of legal, regulatory and ethical issues linked to such human cloning for research or therapeutic purposes and/or GMOs.

Furthermore, entities are deemed ineligible for investment that, in the last year prior to making the investment, generated more than 5 % of its aggregate turnover, alternatively or cumulatively, in one or several of the following business areas or with respect to which the Manager so expects for the future:

- manufacturing of products that violate human dignity by disparaging and degrading presentation of individuals;
- manufacturing of products that are produced supporting or tolerating inhumane working conditions and child labour;
- activities in the field of abortion or diagnostics for the indication of abortions;
- activities in the field of prenatal selection;

- production of genetically modified seeds; or
- work with embryonic stem cells.

Moreover, as SHS VII invests primarily in Medical Technology, ESG factors are identified in the initial stage of investment evaluation, mostly from a risk but also from an opportunity perspective on a case-by-case basis. Each investment opportunity will be reviewed with this risk and opportunity perspective as part of the due diligence process in light of SHS VII's investment strategy, in particular with regard to the investment exclusions as well as the ESG criteria. After an investment, *i.e.*, during the holding period, SHS VII will regularly monitor its portfolio companies and support them when and where deemed relevant.

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

Proportion of investments

SHS VII will invest fully in line with its investment strategy and investment restrictions, *i.e.*, will only make investments aligned with its environmental and/or social characteristics. SHS VII 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

SHS VII has an increased awareness on the impact of environmental or social characteristics on risk management and thus on the value potential of investments. Accordingly, SHS VII undertakes to monitor (compliance with) its environmental and/or social characteristics on an ongoing basis. Prior to making an investment, SHS VII assesses the attainment of its environmental and/or social characteristics with respect to every (potential) portfolio company. During the holding period, SHS VII uses sustainability indicators and collects respective data at portfolio company level to monitor the ongoing compliance with its environmental and/or social characteristics. SHS VII will request portfolio companies to report any potential issues with SHS VII's ESG approach during the holding period and conduct further checks on a case-by-case basis. External monitoring mechanisms are not in place.

Methodologies for environmental or social characteristics

SHS VII applies qualitative and quantitative assessments with respect to its environmental and/or social characteristics. SHS VII conducts an initial assessment of such characteristics in the course of its due diligence process prior to any investment by providing its (potential) portfolio companies with a questionnaire. Through this questionnaire, the investment exclusions, good governance practices as well as the ESG criteria are identified and evaluated. Based on the results of this assessment, SHS VII identifies whether the environmental and/or social characteristics promoted by SHS VII are met 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', SHS VII assesses and ensures the portfolio companies' ongoing compliance with its investment exclusions. Moreover, SHS VII identifies and evaluates the data collected in respect of ESG factors. Hence, SHS VII 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 SHS VII, a questionnaire is completed by the (potential) portfolio companies in the course of the due diligence process conducted prior to each investment. Moreover, during the holding period, the portfolio companies provide SHS VII with annual reports regarding the sustainability indicators. Hence, data is obtained exclusively from the (potential) portfolio companies. Further, mostly qualitative statements of an environmental or social nature or relating to corporate governance are requested from the (potential) portfolio companies and then considered in the investment decision-making and monitoring processes. An internal or external review or verification of the data obtained will be conducted 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. Further, any data estimated might – by the very nature of estimations – not reflect the actual data situation at portfolio company level. Further limitations, in particular regarding the accuracy of the data and reliability of the data sources used, are currently not foreseeable. As SHS VII's investments are made for several years, SHS VII considers it a priority to establish and maintain a trustful working relationship with its portfolio companies to ensure data quality and compliance with the environmental and/or social characteristics promoted by SHS VII.

Due diligence

In order to attain the aforementioned environmental and/or social characteristics, SHS VII carefully selects its portfolio companies during the investment decision-making process. SHS VII conducts a due diligence on every (potential) portfolio company. As part of this due diligence, SHS VII carefully reviews how a (potential) investment relates to the environmental and/or social characteristics promoted by SHS VII. SHS VII incorporates inclusion (positive screening with respect to its ESG criteria) and exclusion (negative screening with respect to its investment exclusions) as well as good governance aspects during the decision-making process. This assessment is conducted by using a questionnaire 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 conducted if misrepresentations are suspected.

Engagement policies

Engagement forms part of the environmental or social investment strategy of SHS VII. SHS VII engages in managing ESG across its portfolio companies. SHS VII discusses ESG topics with each portfolio company on a regular basis, enabling it to track management's performance with regards to ESG topics over time. In the event that management of a portfolio company is not devoting sufficient resources to address critical ESG issues, this will be detected and highlighted by the SHS team. As SHS acts as the majority shareholder for most of its investments, it can address ESG topics, as needed, during board meetings.

SHS VII uses, as part of its environmental and social investment strategy, the following measures to engage with its portfolio companies – while taking into account the individual circumstances of each company – in order to attain its environmental and/or social characteristics:

- Contractual target agreements with its portfolio companies: Following a positive investment decision, the ESG due diligence findings are analyzed, and an action plan is developed. An agreement is then concluded in the investment contracts that obliges the portfolio company to consider ESG aspects in its further development and to improve its ESG performance over time through targeted measures.
- Development of a transparent ESG strategy/roadmap and definition of suitable ESG key performance indicators; as well as
- Exercise of shareholder rights in portfolio companies.

SHS VII regularly reviews and, as necessary, adjusts its engagement policy. Further, SHS VII responds 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 SHS VII.