

**Belgian Growth Fund II**  
**SFDR Website Disclosures - Article 8 Fund**



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## Disclaimer

### Important notice

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## Relevant Legal Framework

The present document ("Website Disclosure") is established in accordance with Article 10 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on the publication of sustainability information in the financial services sector ("SFDR") and Articles 23 to 36 of Commission Regulation (EU) 2022/1288 of 6 April 2022 supplementing SFDR with regulatory technical standards ("RTS").

This document also takes into account the various guidelines related to SFDR and its RTS that have been published by European and Belgian competent authorities.

## Summary

### Nederlands:

Belgian Growth Fund II Comm.V. (het "Fonds") verschaft duurzaamheidsgerelateerde informatie op grond van artikel 8 van Verordening (EU) 2019/2088 van het Europees Parlement en de Raad van 27 november 2019 betreffende informatieverschaffing over duurzaamheid in de financiële dienstensector ("SFDR"). Het Fonds is een dakfonds dat belegt in private equity / venture capital fondsen. Het Fonds wordt beheerd door Belgian Growth Fund II Management NV (de "Beheerder").

Het Fonds promoot ecologische en/of sociale kenmerken in de zin van artikel 8 van de SFDR, maar heeft geen duurzame beleggingsdoelstelling in de zin van artikel 9 van de SFDR.

Het Fonds houdt momenteel geen rekening met de belangrijkste ongunstige effecten van zijn beleggingsbeslissingen op duurzaamheidsfactoren.

Het fonds heeft geen index aangewezen als referentiebenchmark om te voldoen aan de milieu- of sociale kenmerken die het voorstaat.

### English:

Belgian Growth Fund II Comm.V. (the "Fund") makes sustainability-related disclosures under article 8 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR"). The Fund is a fund of funds that invests in private equity / venture capital funds. The Fund is managed by Belgian Growth Fund II Management NV (the "Fund Manager").

The Fund promotes environmental and/or social characteristics within the meaning of article 8 of the SFDR, but does not have sustainable investment as its objective within the meaning of article 9 of the SFDR.

The Fund currently does not consider the principal adverse impacts of its investment decisions on sustainability factors.

The Fund has not designated an index as a reference benchmark to meet the environmental or social characteristics promoted by it.

## 1. No sustainable investment objective

The Fund promotes environmental and/or social characteristics, but does not have as its objective sustainable investment within the meaning of article 9 of the SFDR.

## 2. Environmental or social characteristics of the financial product

The Fund is established in order to make investments in venture capital / private equity funds ("Portfolio Funds"), acting as a fund of funds that indirectly enlarges and deepens the access to risk capital for fast growing small and medium-sized companies.

The Fund aims to create value for all shareholders and stakeholders by investing responsibly. Such approach is essential to create superior financial returns. The Fund is committed to actively contributing to the achievement of the Sustainable Development Goals (SDGs are a collection of 17 global goals set by the United Nations). In particular, the Fund aims to contribute to the development goals of decent work and economic growth (SDG 8), innovation (SDG 9) and good health (SDG 3).

The Fund promotes environmental and/or social characteristics within the meaning of article 8 of the SFDR, but does not have sustainable investment as its objective within the meaning of article 9 of the SFDR.

The Fund believes that value creation is tantamount to sustainable growth, innovation, meaningful employment and environmental responsibility. Environmental, social and governance risk assessments are therefore included in our investment process and closely monitored during the holding period.

The Fund's approach to ESG-investing is pragmatic, yet effective, and takes into account the specific characteristics of each of the Fund's Portfolio Funds throughout the investment screening process, the investment process, and the entire life cycle of the investment. In particular, the Fund will invest at least 75% of its commitments in Portfolio Funds that either promote environmental and/or social characteristics within the meaning of article 8 of the SFDR or have sustainable investment as their objective within the meaning of article 9 of the SFDR.

In particular, the Fund will select the funds in which it invests on the basis of multiple ESG criteria, such as the following:

▪ **Environmental:**

- Funds that report on carbon footprint of their portfolios:
  - GHG Emissions Inventory (Scope 1-3)

▪ **Social:**

- Portfolio Funds whose portfolios contribute to products and services beneficial to societal issues (ex: Life Science & Care solutions that benefit society)
- Portfolio Funds whose portfolios contribute to the creation of jobs: How many jobs were created in the portfolio companies during the last year ? (estimation)
- Portfolio Funds who commit themselves to give due consideration to the share of women working for them :
  - Gender balance: % female fund employees and % female fund partners?
- Portfolio Funds who strive for wellbeing: employee turnover rate as % of total employees

▪ **Governance:**

- Portfolio Funds who implement adequate governance policies (such as Anti-corruption & Bribery, Cyber Security & Privacy Policy)
- Portfolio Funds who publish an ESG report

- Portfolio Funds who participate in any ESG, sustainability and/or climate-related collaborative initiatives (e.g., PRI principles)

### 3. Investment Strategy

The Fund is established in order to make investments in venture capital/private equity funds (the Portfolio Funds), acting as a fund of funds, that indirectly enlarges and deepens the access to risk capital for fast growing small and medium-sized companies.

In order to be eligible as an investment, the candidate Portfolio Fund should have (i) a special focus on (any of or multiple of) the following: later stage venture capital, growth financing and acquisition financing, (ii) a minimum of EUR 80 million in hard commitments (for the avoidance of doubt, excluding any commitment taken up by the Fund), and (iii) a commitment (at least on a best effort base, but preferably as a hard commitment) to invest in companies based or significantly active in Belgium for an amount that is at least equal to 1.0 times the amount committed by the Fund.

To that purpose, the Fund follows a well-structured investment and governance process:

- Investment process: the Fund adheres to a systematic investment procedure, incorporating an initial screening of prospective Portfolio Fund candidates followed by a comprehensive due diligence process that culminates in a due diligence report.
- Governance process: investments are decided upon by the Fund's investment committee. A regular reporting of the Fund's investments is provided to the Fund's investors and the Limited Partner's Advisory Committee (LPAC).

The Fund follows the following strategies in order to promote the environmental and/or social and/or governance characteristics:

- (1) Inclusion of certain investments in Portfolio Funds that the Fund Manager believes promote the environmental, social and governance characteristics of the Fund
- (2) The use of an exclusion list ("Restricted Investments")

This is further explained as follows:

(1) In seeking to identify funds that promote the environmental and/or social and/or governance characteristics outlined above, the Fund Manager commits to identifying and assessing several proprietary business matters as part of the selection of the funds; by way of example this includes analysis of greenhouse gas emission reduction initiatives. The selection criteria mentioned under section 2 shall be assessed via an automated ESG questionnaire (Invest Europe template for funds) and evaluated by the investment committees of the Fund Manager as part of the investment decision process. This questionnaire needs to be updated on an annual basis.

Informal discussions with the fund management team of the Portfolio Funds are also carried out during on-site visits to further assess the degree of recognition of the abovementioned ESG criteria.

(2) In addition, while the Fund is sector agnostic, it can only make investments in Portfolio Funds that undertake to refrain from investing in "Restricted Investments".. "Restricted Investments" means any investment in any of the companies (or equivalent vehicles) listed

in Schedule 3.2.5 to the Limited Partnership Agreement (“LPA”) of the Fund. The extensive list is based on guidance provided by EIF, Invest Europe and the limited partners of the Fund and includes amongst others the adult industry, unsustainable production of food sources and activities related to tobacco. From time to time, activities, industries and behaviors contrary to the Fund’s values or those of its key stakeholders will be reviewed and analyzed, and emerging controversial issues may be added to the list of exclusions

The portfolio is not aligned with EU Taxonomy and identified no eligible investments.

## 4. Proportion of investments

The Fund does not commit to making sustainable investments. The Fund's approach to ESG-investing is pragmatic, yet effective, and takes into account the specific characteristics of each of the Portfolio Funds throughout the investment screening process, the investment process, and the entire life cycle of the investment. In particular, the Fund will invest at least 75% of its commitments in Portfolio Funds that either promote environmental and/or social characteristics within the meaning of article 8 of the SFDR or have sustainable investment as their objective within the meaning of article 9 of the SFDR.

## 5. Monitoring of environmental or social characteristics

Through our annual ESG questionnaire, the investment teams closely monitor any ESG risks that may arise. When a Portfolio Fund is presenting an ESG risk, a discussion is automatically engaged with the fund manager / lead investor / management team.

## 6. Methodologies for environmental or social characteristics

### i. Data Collection

Review of publicly available documents and any internal ESG documents previously shared by the Portfolio Funds.

### ii. Portfolio investment response to ESG matters

- Requirement for potential Portfolio Funds to fill out the ESG questionnaire which will (i) identify material ESG issues, including sustainability risks, that should affect a decision on a potential new investment and (ii) identify ESG opportunities a Portfolio Fund can venture on.
- There will be in person pre-investment discussions with the management and/or the sponsor(s) based on the data collection and the responses to the ESG questionnaire. The aim is to better understand the attitude of the management and/or the sponsors towards ESG matters and obtain further input to identify ESG risks and opportunities and their respective materiality.
- Annual ESG discussion with the management and/or the sponsor(s) to discuss progress on ESG opportunities and status of ESG risks.

### **iii. Quality Check**

Review of the consistency of the collected data by the ESG responsible before finalizing the annual ESG assessment.

If this internal control is not enough and/or if potential red flags are identified, the Fund Manager may request an external sustainability due diligence.

In addition, national and supranational regulations and policies that relate to ESG characteristics will be monitored to detect and include significant changes that might affect the performance of a Portfolio Fund.

## **7. Data sources and processing**

The Fund relies mainly on its own inquiries and on information it receives from the Portfolio Funds. Review of the consistency of the collected data is performed by the ESG responsible before finalizing the annual ESG assessment.

## **8. Limitations to methodologies and data**

The majority of ESG-related information is gathered from investments, through the ESG questionnaire, or subsequent reporting on identified parameters, not automatically being subject to independent auditing. This means that the veracity of information cannot be completely guaranteed.

## **9. Due diligence & monitoring**

In the pre-due diligence phase, material sustainability risks are identified. To do so, the level of materiality is checked with a standard list of questions. This list is completed for all investment opportunities before starting the ESG assessment via the automated ESG questionnaire, taking into consideration the abovementioned ESG factors.

During the annual ESG review, the investment team assesses the progress on the defined focus ESG KPI's. The investment team makes sure that all investments are aligned during the ownership period with the environmental and/or social characteristics that the Fund promotes. In case objectives are not met, this will be raised directly and the investment team will decide on the way forward.

## **10. Engagement policies**

There is currently no formal engagement policy, but the engagement is part of data collection and dialogue with the investment, as described in the previous sections above.

## **11. Designated reference benchmark**

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

Last updated on February 2025