

Sustainability-related disclosures for FSG Management AB

FSG Management AB (the “**Manager**”) is a sub-threshold alternative investment fund manager registered in accordance with the Swedish act on alternative investment fund managers (*Sw. lag om förvaltare av alternativa investeringsfonder*) (“**LAIF**”). The Manager manages the alternative investment fund, FSG Fund II AB (the “**Fund**”).

This information is published pursuant to the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the “**SFDR**”) and Commission delegated regulation (EU) 2022/1288 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of ‘do no significant harm’, specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre- contractual documents, on websites and in periodic reports (the “**RTS**”).

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Sustainability risks

The Manager 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. The Manager 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 through an informal process as appropriate in light of the circumstances of the individual case. The results of such assessment are taken into account when the investment decision is being taken. However, the Manager remains free in its decision to refrain from investing or to invest despite sustainability risks, in which case the Manager can also apply measures to reduce or mitigate any sustainability risks. At all times, the Manager will apply the principle of proportionality taking due account of the strategic relevance of an investment as well as its transactional context.

Remuneration disclosures

As a registered alternative investment fund manager, the Manager are not required to have a remuneration guideline or policy in accordance with the requirements of LAIF.

No consideration of adverse impacts of investment decisions on sustainability factors

Adverse impacts on sustainability factors refers to negative impacts on environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Currently, the Manager does not consider the principal adverse impacts of investment decisions on sustainability factors. The Manager has decided not to consider principle adverse impacts of such purposes because:

- the Manager is a registered sub-threshold alternative investment fund manager that has recently been granted its registration and has a small organization. Given the small size of the organization, such measurements, reporting and other actions to meet the optional disclosure requirement would currently not be proportional; and
- the data and tools to measure principal adverse impacts in non-listed life science and technology companies have not yet been developed in a reliable and qualitative manner. Thus the data, which are required to full fill the regulatory requirements pursuant to the SFDR and the RTS, can not be obtain in a satisfactory manner.

The decision not to make the periodic comparison or publish information on the planned actions or target setting relating to the next reference period in relation to the principal adverse impacts under SFDR articles 4 and the SFDR Delegated Regulation may be reviewed when the market practice relating to the SFDR and the data and the tools for measuring and comparing the adverse impacts on sustainability indicators under SFDR Delegated Regulation Annex I have been more developed and become more efficient, and the organization of the Manager as a regulated entity has matured.

Moreover, the Fund will only hold smaller interests in its portfolio companies amounting to 15-20 %. Such minority interests are, however, generally not sufficient to encourage the Fund's portfolio companies to collect and provide the relevant data. If and to the extent that the legal uncertainties will be resolved and a practicable market and administrative practice will evolve in this regard, the Manager will re-evaluate considering principal adverse impacts of its investment decisions in due course.