

Periodic Report

FSG Fund II

Template periodic 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

Product name: FSG Fund II AB

Legal entity identifier: N/A (no LEI)

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

Yes

It made **sustainable investments 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

It made **sustainable investments with a social objective:** ___%

No

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments

with an environmental objective in economic activities that 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 promoted E/S characteristics, but **did not make any sustainable investments**

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.



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

To what extent were the environmental and/or social characteristics promoted by this financial product met?

FSG Fund II AB (the "Fund") promotes environmental and social characteristics within the meaning of Article 8 of SFDR.

The Fund promotes social characteristics by reducing society's unmet medical need by investing in companies that are developing treatments for life threatening diseases or

serious debilitating conditions. When determining the investments for the Fund, consideration is given to the effect on the following United Nations-established Sustainable Development Goals (SDGs);

- Good Health and Well-Being (SDG no. 3);
- Gender Equality (SDG no. 5);
- Responsible Production & Consumption (SDG no. 12); and
- Climate Action (SDG no. 13).

Additionally, the Fund evaluates the quality of corporate governance in relation to the funds investments.

In addition to the above, the Fund promotes general sustainability and environmental characteristics by excluding investments in companies that operate in sectors or business areas that are assessed to present major sustainability challenges. The exclusions include companies that (i) breaches international norms and standards, (ii) operate in controversial sectors and business areas such as tobacco, alcohol, weapons and ammunition, commercial gambling and illegal economic activities, and (iii) have exposure to fossil fuels and other activities with negative climate impact.

The Fund has not previously provided any recurring report in line with SFDR and have due to this not included any historical comparison.

For the period 2023-01-01 to 2023-12-31 all portfolio companies promoted the social characteristics of the Fund.

● ***How did the sustainability indicators perform?***

During the period, the fund portfolio companies capability of promoting social characteristics on an portfolio company level was measured by the following indicators:

- **OssDesign**

- ESG incidents having occurred: No
- Implemented initiatives to reduce carbon footprint aimed at aligning with the Paris Agreement goal: Public transport, cycling incentivization and Encouragement of virtual meetings
- Number of employees
 - Women FTEs: 15
 - Non-binary FTEs: 0
 - Men FTEs: 26
- C-level employees
 - Women at C-level: 1

- Non-binary at C-level: 0
- Men at C-level: 4
- Implemented annual employee survey: Yes
- Composition of board
 - Male Board members: 5
 - Non-binary Board members: 0
 - Women Board members: 1
- Code of conduct in place: Yes

- **Saga Dx**

- ESG incidents having occurred: No
- No initiatives have been implemented to reduce carbon footprints aimed at aligning with the Paris Agreement Goal.
- Number of employees
 - Women FTEs: 15
 - Non-binary FTEs: 0
 - Men FTEs: 15
- C-level employees
 - Women at C-level: 0
 - Non-binary at C-level: 0
 - Men at C-level: 2
- Implemented annual employee survey: No
- Composition of board
 - Male Board members: 6
 - Non-binary Board members: 0
 - Women Board members: 0
- Code of conduct in place: Yes

The Fund will continue to develop and assess appropriate indicators for portfolio companies.

● ***...and compared to previous periods?***

Not applicable, as no reporting has been made for any period prior to 2023-01-01 to 2023-12-31.



What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 2023

Largest investments	Sector	% Assets	Country
OssDsign	Life Science & Tech	61,5%	Sweden
SAGA Dx	Life Science & Tech	38,5%	USA

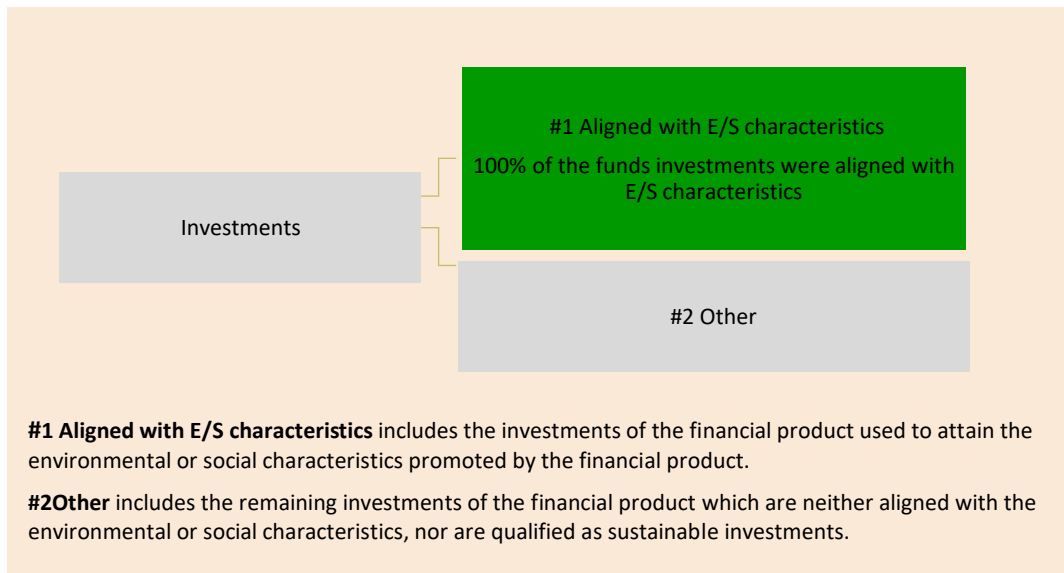


What was the proportion of sustainability-related investments?

The share of investments “Aligned with E/S characteristics” was 100% as set out below.

● **What was the asset allocation?**

Asset allocation describes the share of investments in specific assets.



The EU Taxonomy 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 Union 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.

● **In which economic sectors were the investments made?**

The Fund is invested in the following economical sectors:

- Life Science & Tech 100%



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

Not applicable as the Fund does not commit to making sustainable investments.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?**

Yes:

In fossil gas In nuclear energy

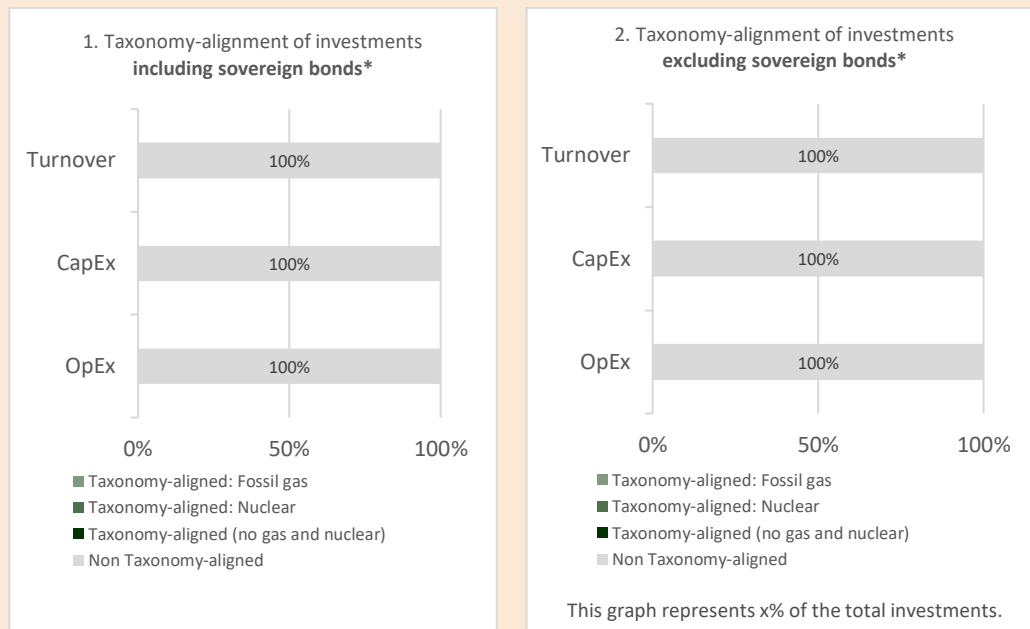
No

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.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (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.

The graphs below show in green the percentage of investments that were 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.

● **What was the share of investments made in transitional and enabling activities?**

0% in transitional and enabling activities.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

N/A



What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

The proportion of investments in the "other" category was 0%.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Fund actively supports and builds capacity of portfolio companies' management teams to proactively drive Sustainability/ESG topics through daily operations, business

planing and strategy. In portfolio companies where the Fund has influence over the company's structure and governance, this role has also been played through the Nomination committee and at the Board of Directors' level.

In practice, FSG Fund II has developed an ESG Action Plan framework that addresses key areas such as Business Integrity, Management Systems, Environment, Labor and Working Conditions, (Occupational) Health and Safety, Communities, and Data Privacy for its portfolio companies. FSG II has outlined relevant deliverables, designated responsible parties, and established timelines with regular follow-up processes, ensuring reviews at least annually, all tailored to each company's specific needs and based on a risk-based approach.