

Sustainability-related disclosure under the SFDR – Systematic Management AB

1. Introduction

Under Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (“**SFDR**”), Systematic Management AB, Reg. No. 559220-0496, (in the following, “we” or “**Systematic**”) is required to make the following disclosures in accordance with Articles 3(1), 4(1), and 5(1) of the SFDR.

2. Integration of sustainability risks in Systematic’s investment decision-making process

Systematic is the manager of certain financial products (each an “**Investment Company**” and together the “**Investment Companies**”) established for the purpose of making, managing and subsequently realising investments in non-listed companies. The Investment Companies’ strategy is to pursue a micro buy and build strategy through the establishment of platforms headquartered in the Nordics.

Systematic’s thematic approach entails using recognised megatrends to identify target markets and niches which are supported by strong growth characteristics. Systematic focuses on the following four key mega themes identified by Systematic as long-term drivers of sustainable growth:

- Shifting Demographics;
- Climate Change;
- Technological Advancement; and
- Changing Social Values and Behaviour.

During the sourcing and due diligence phase, potential investments are evaluated based on the abovementioned themes and any investment should have multiple drivers in at least two themes. In addition, Systematic examines potential risks (including Sustainability Risks (as defined below)) to which the target company may be exposed to.



Riddargatan 7A
114 35 Stockholm Sweden

Phone +46 763 48 52 71

www.Systematic-growth.com
mia@sygrowth.com

Where necessary, Systematic will also engage with relevant experts, either from its own network or third-party consultants, to assist with identifying Sustainability Risks.

A “**Sustainability Risk**” is an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of an investment, and hence the net asset value of the Investment Company. Sustainability Risks include environmental risks, social risks and governance risks. Environmental risks could be (without limitation) events like earthquakes, flood risk, physical and transitional risks due to climate change, inadequate environmental management, or other environment-related factors. Social risks could be circumstances like social unrest, labor right issues, human rights violations, and governance risks could be factors like bribery and corruption, compliance risks or similar.

Systematic’s investment decision-making process involves that, prior to any investment decisions being made on behalf of the Investment Companies, material risks (including Sustainability Risks) associated with the target companies are identified and evaluated. Systematic assesses identified risks (including Sustainability Risks) alongside other relevant factors set out in the investment proposal.

Once an investment has been made, Sustainability Risks are monitored on a regular basis as part of the overall risk management and monitoring.

3. Information on how Systematic’s remuneration policy is consistent with the integration of Sustainability Risks

Systematic’s remuneration system does not encourage excessive risk-taking with respect to Sustainability Risks. We pay our Systematic staff a combination of fixed remuneration (salary and benefits) and, where appropriate, variable remuneration (discretionary bonus). Remuneration is determined on the basis of an annual performance review, where both financial and non-financial criteria are taken into account. The non-financial criteria include compliance with Systematic’s core values and annual ESG goals, which includes integration of Sustainability Risks. The remuneration is set so that the structure of remuneration does not encourage excessive risk taking, including with respect to direct or indirect Sustainability Risks.

4. Statement on principal adverse impacts on sustainability factors

At the date of this disclosure, Systematic does not consider principal adverse impacts on sustainability factors, as the relevant data are not yet available on the market to a sufficient extent to allow Systematic to adequately assess adverse impacts on sustainability factors. Systematic will keep this position under review and closely monitor market developments, the regulatory landscape and future availability of information in relation to principal adverse impacts on sustainability factors. Whether Systematic will consider principal adverse impacts on sustainability factors will be assessed at least annually.