

# Sustainability-related disclosures

This website disclosure is made in accordance with the EU Disclosure Regulation (2019/2088) regarding sustainability-related disclosures in the financial sector (the “SFDR”) and its Delegated Regulation 2022/1288.

Fortress Fund 1 AS

Legal entity identifier: N/A

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## a) Summary<sup>1</sup>

Fortress Fund Management AS (the “**Manager**”) considers Fortress Fund 1 AS (the “**Fund**”) an article 8-type fund under the SFDR, meaning that the Fund promotes, amongst other characteristics, environmental or social characteristics and that the companies in which investments are made follow good corporate governance practices.

### No sustainable investment objective

The Fund promotes environmental or social characteristics but does not have as its objective sustainable investments.

### Environmental or social characteristics of the financial product

The environmental and social characteristics are the following:

- The Fund will make investments in portfolio companies who are conscious of their relationship with scarce resources and realize the importance of minimizing the impact of various risk factors in order to maintain a responsible and sustainable business model.
- ESG topics will be incorporated into investment analysis and decision-making.
- The Fund will be an active owner and incorporate ESG topics into active ownership.
- The Fund will work to ensure satisfactory disclosure of ESG topics from the portfolio companies in which the Fund invests.

### Investment strategy

The fund invests in start-up companies. Most of the portfolio companies must meet the following criteria:

- Technology-based
- Norway based
- Significant growth potential
- Scalability
- Ambitious team of entrepreneurs

### Proportion of investments

100 % promotes E/S characteristics.

### Monitoring of environmental or social characteristics

The focus shall be on follow-up of the Fund’s portfolio companies and how they take sustainability into consideration.

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<sup>1</sup> Please find a Norwegian translation of section a) Summary in appendix 1 hereto.

### Methodologies, data sources and processing and limitations to methodologies and data

The pre-investment analysis of the potential portfolio company includes an assessment of how the company meets the social and environmental characteristics.

Post-investment, the Fund will work towards obtaining ESG information, at least annually, from portfolio companies (to the extent possible considering that the Fund will be a minority owner in the portfolio companies).

### Due diligence

Sustainability factors are integrated into the due diligence process as follows:

- The portfolio companies are screened based on an ESG questionnaire.

### Engagement policies

The Fund aims to take an active ownership role by working through the board of directors of each portfolio company (as board member, observer, or advisor).

### Designated reference benchmark

No index has been designated as a reference benchmark.

## b) No sustainable investment objective

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investments.

## c) Environmental or social characteristics of the Fund

The environmental and social characteristics are the following:

- The Fund will make investments in portfolio companies who are conscious of their relationship with scarce resources and realize the importance of minimizing the impact of various risk factors in order to maintain a responsible and sustainable business model.
- ESG topics will be incorporated into investment analysis and decision-making.
- The Fund will be an active owner and incorporate ESG topics into active ownership.
- The Fund will work to ensure satisfactory disclosure of ESG topics from the portfolio companies in which the Fund invests.

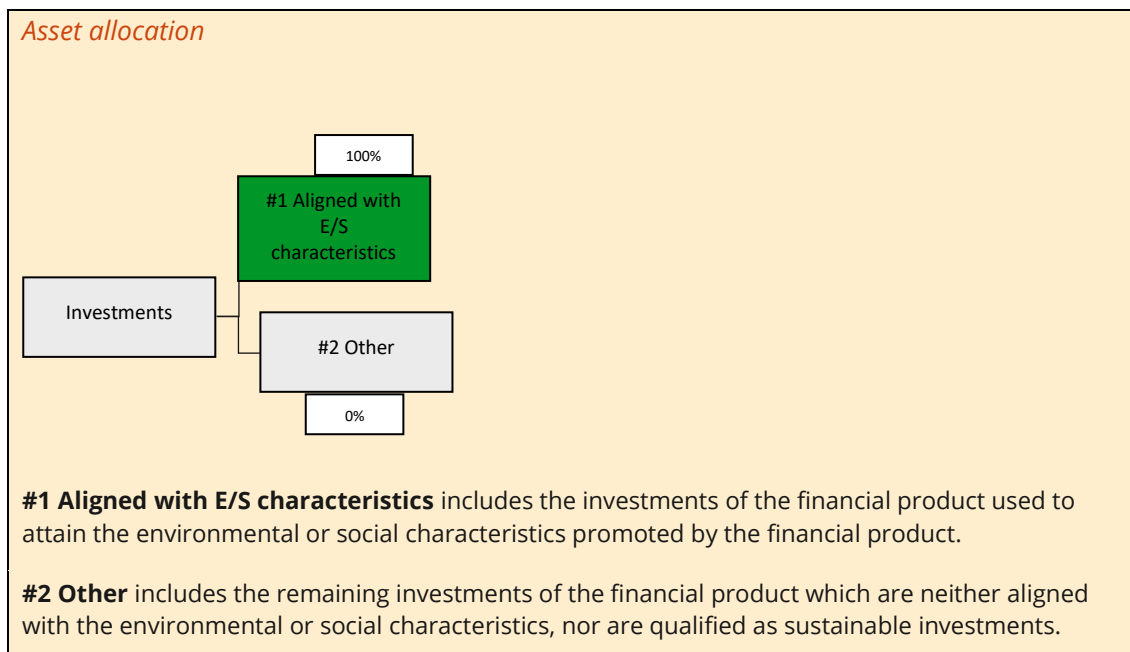
## d) Investment strategy

The fund invests in start-up companies. Most of the portfolio companies must meet the following criteria:

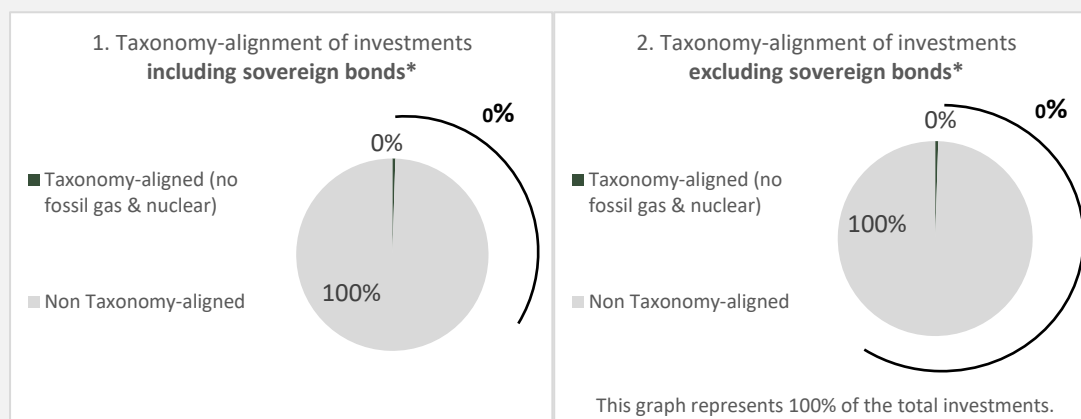
- Technology-based
- Significant growth potential
- Scalability
- Ambitious team of entrepreneurs

e) Proportion of investments

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> X No
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: __%</b>  <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: __%</b>	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments  <input type="checkbox"/> With an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> With an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy.  <input type="checkbox"/> With a social objective.  <input checked="" type="checkbox"/> It promotes E/S characteristics, <b>but will not make any sustainable investments.</b>



**The two graphs below show in green the minimum percentage of investments that are 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.

## f) Monitoring of environmental or social characteristics

The focus shall be on follow-up of the Fund's portfolio companies and how they take sustainability into consideration. Such close follow-up enables the Fund to analyze and influence the companies included in the portfolio.

The main aspects of the Fund's applied monitoring routines are:

- Sustainability criteria are integrated into the work of the investment team.
- Active engagement with portfolio companies and provide support throughout the ownership period.
- Sustainability reporting from portfolio companies to the extent possible considering that the fund will be a minority owner.

## g) Methodologies

The Manager's applied methodologies to measure how the environmental and social characteristics promoted by the Fund are met are described below.

- The pre-investment analysis of the potential portfolio company includes an assessment of how the company meets the social and environmental characteristics set out above, including any sustainability risks.
- Post-investment, the Fund will work towards obtaining the following ESG information, at least annually, from portfolio companies (to the extent possible considering that the Fund will be a minority owner in the portfolio companies):
  - information to calculate sustainability indicators; and
  - the status of key criteria of good governance; sound management structures, employee relations, staff remuneration and tax compliance.

## h) Data sources and processing

The main source of data used to attain the environmental and social characteristics is primary data from the portfolio companies. Other data sources that are used to supplement, verify and ensure data quality of the information provided by the portfolio companies includes internal benchmarking data based on primary data from other portfolio companies, data regarding sustainability-related controversies provided by third-parties, data obtained from research such as peer-reviewed articles, and data from other sources of information.

The need to estimate data varies as this is dependent on the quality and availability of the data provided by each company. Thus, it is not possible to provide a proportion of estimated data. However, estimates are

always based on fact-based, conservative assumptions, and estimates are only used when no actual data is reasonably available.

#### i) Limitations to methodologies and data

The methodologies and data used to attain the promoted environmental and social characteristics are dependent on the quality of data provided by the portfolio companies, which cannot be guaranteed to be fully complete and accurate. To prevent and identify the use of any incomplete or false data early on, several data sources may be used to supplement and verify the information provided by the portfolio companies.

With regards to external data, the Fund strives to only use sources that are credible, widely used and quality checked by other independent parties.

#### j) Due diligence

Sustainability factors are integrated into the due diligence process as follows:

- The portfolio companies are screened based on an ESG questionnaire.

The due diligence process also includes an assessment of the potential portfolio company's compliance with the key criteria of good governance. The key criteria of good governance are sound management structures, employee relations, remuneration of staff and tax compliance.

Any observed discrepancies may lead to the investment opportunity being aborted or tasks and targets to be defined with relevant mitigative actions to rectify and improve the area of observed weakness.

#### k) Engagement policies

The Fund aims to take an active ownership role by working through the board of directors of each portfolio company (as board member, observer, or advisor). The ownership role may be dependent on the ownership stake in each portfolio company. The Fund also expects to cooperate and communicate with the management and other shareholders of each portfolio company.

#### l) Designated reference benchmark

No index has been designated as a reference benchmark.

## Appendix 1 – Summary in Norwegian

Denne informasjonen er gjort i samsvar med EUs offentliggjøringsforordning (2019/2088) angående bærekraftsrelatert informasjon i finanssektoren ("SFDR") og dens delegerte forordning 2022/1288.

### Sammendrag

Fortress Fund Management AS ("Fortress") betrakter Fortress Fund 1 AS ("Fondet") som et artikkel 8-type fond under SFDR, noe som betyr at Fondet skal investere i selskaper med gode miljømessige og sosiale egenskaper samt følger god selskapsstyring.

#### Ingen bærekraftig investeringsmål

Fondet fremmer miljømessige eller sosiale egenskaper, men har ikke som mål bærekraftige investeringer.

#### Miljømessige eller sosiale egenskaper ved det finansielle produktet

Miljømessige eller sosiale egenskaper:

- Fondet skal bidra til at det investerer i porteføljeselskaper som er bevisst sitt forhold til knappe ressurser og innser viktigheten av å minimere påvirkning fra ulike risikofaktorer for å ivareta en ansvarlig og bærekraftig forretningsmodell.
- Fortress og Fondet vil innarbeide ESG temaer i investeringsanalyser og beslutningsprosesser.
- Fondet vil være aktive eiere og innarbeide ESG temaer i eierskapsutøvelse
- Fondet vil arbeide for tilfredsstillende rapportering av ESG temaer fra de selskapene Fondet er investert i.

#### Investeringsstrategi

Fokuset til Fondet, knytter seg til kriterier for utvelgelse av oppstartsselskaper. Hovedtyngden av selskapene skal oppfylle følgende kriterier:

- Teknologibasert
- Betydelig vekstpotensial
- Skalerbarhet
- Ambisiøst team av gründere

#### Andel investeringer

Fondsinvesteringene er ment å investere 100 % av fondets eiendeler i porteføljeselskaper som er i tråd med E/S egenskapene som Fondet fremmer.

#### Overvåking av miljømessige eller sosiale egenskaper

Fokus skal særlig være rettet mot en tett oppfølging av porteføljeselskapene og bærekraft.

#### Metoder, datakilder og prosessering og begrensninger for metoder og data

I forkant av en investering gjennomføres en analyse på hvordan det potensielle porteføljeselskapet presterer i forhold til de de miljømessige og sosiale egenskapene Fondet ønsker å fremme.

Etter investeringen vil Fondet arbeide for tilfredsstillende årlig rapportering av ESG temaer fra selskapene (i den grad det er mulig tatt i betraktning at fondet vil være minoritetsseier i porteføljeselskapene).

### Due diligence

Bærekraftsfaktorer er integrert i due diligence-prosessen som følger:

- Porteføljeselskapene screenes basert på et ESG-spørreskjema.

### Retningslinjer for engasjement

Fondet tar sikte på å ta en aktiv eierskapsrolle ved å arbeide gjennom styret i hvert porteføljeselskap (som styremedlem, observatør eller rådgiver).

### Utpekt referansereferanse

Ingen indeks er utpekt som referansereferanse.