

Pre-contractual 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

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.

Product name: Standout Capital III AB (Reg. No. 559514-1101) and Standout Capital III (D) AB (Reg. No. 559543-0751), jointly "Standout Capital III"

Legal entity identifier: Standout Capital III AB, 636700PHEQWG1YMZ1641 and Standout Capital III (D) AB, 6367009W9VYJG6XIH12

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?



Yes



No



It will make a minimum of **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 will make a minimum of **sustainable investments with a social objective:** ____%



It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum 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 promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

Standout Capital III promotes the following environmental and social characteristics:

- Environmental: Efficient digital infrastructure and responsible procurement policies.
- Social: Commitment to transparency, ethical business conduct, accountability in corporate governance and employee wellbeing.



What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

- GHG Emissions Intensity: Scope 1 and 2 emissions relative to revenue.

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

- Corporate Governance: Existence of strong compliance measures, including Code of Conduct, anti-corruption and anti-money laundering policies.
- Employee Wellbeing: Turnover rates, employee satisfaction scores (if available).
- Diversity Metrics: Gender diversity in boards and senior leadership roles.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Standout Capital III promotes E/S characteristics, but do not make any sustainable investments.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Standout Capital III promotes E/S characteristics, but do not make any sustainable investments.

— *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Standout Capital III does not consider principal adverse impacts on sustainability factors.

— *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

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 EU 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.

Standout Capital III is fully committed invest in alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☐ Yes, _____
- ☒ No

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What investment strategy does this financial product follow?

Standout Capital III targets small cap investments in primarily leading Nordic-based technology companies, capitalizing on the structural macro trend of digitalisation transforming business and society, and its impact on individual companies. ESG considerations are integrated into all stages of the investment process, including screening, due diligence, investment committee decision-making, and post-investment engagement.

The strategy includes:

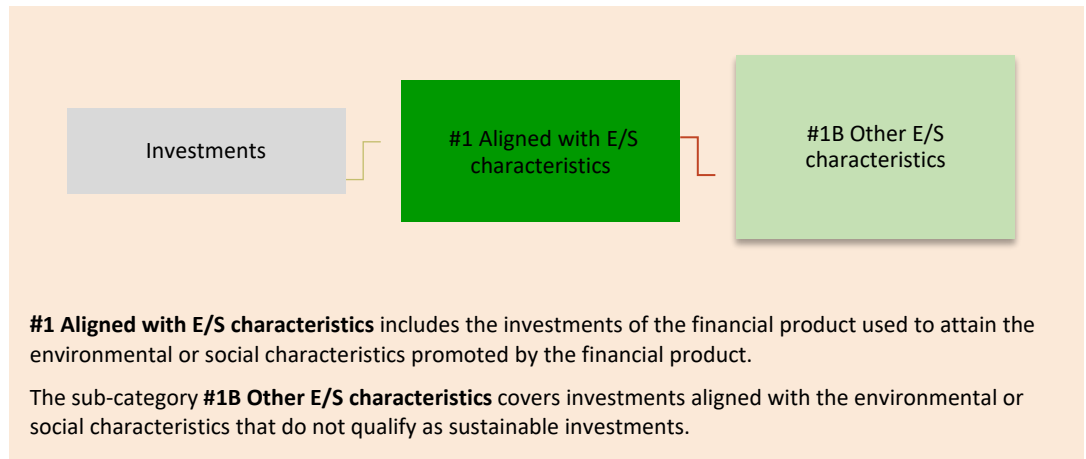
- Exclusion Criteria: screening to exclude companies that are materially involved in controversial sectors (e.g., fossil fuels, tobacco, weapons)
- ESG Screening
- ESG Due Diligence
- ESG due diligence assessing environmental and social risks/opportunities, particularly in areas such as energy efficiency, corporate governance, and workforce wellbeing and diversity.
- During investment holding period implementing portfolio management (e.g reporting and monitoring, policy implementation)

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are considered binding in the investment strategy of Standout Capital III to ensure the attainment of the promoted environmental and social characteristics:

- Exclusion criteria: The fund excludes companies materially involved in controversial sectors such as fossil fuels, tobacco, and weapons. This exclusion is a non-negotiable part of the pre-investment screening.
- ESG Screening: All potential investments are subject to ESG screening to identify major sustainability risks and alignment with the fund's ESG objectives. Only companies passing the ESG screening are eligible for investment.
- ESG Due Diligence: ESG due diligence is a mandatory step in the investment process, and includes an assessment of environmental, social and governance risks and opportunities.
- Sustainability Indicators: The attainment of E/S characteristics is measured through defined sustainability indicators.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?



Standout Capital III has not committed to a minimum rate to reduce the scope of the investments considered.

● ***What is the policy to assess good governance practices of the investee companies?***

Standout Capital III has yet to formulate a policy to assess good governance, however, it is a crucial element of the portfolio management that during the investment holding period implement e.g. reporting and monitoring and policy implementation in the investee companies.



What is the asset allocation planned for this financial product?

Standout Capital III invests primarily in leading Nordic-based technology companies and promotes E/S characteristics, but do not make any sustainable investments. At least 80% of Standout Capital III's investments are expected to be aligned with the promoted environmental and social characteristics. The asset allocation may change over time and percentages should be seen as a minimum average over an extended period of time.

● ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Standout Capital III does not make use of any derivatives to attain its environmental and social characteristics.



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

The portfolio does not currently plan to make investments that qualify as environmentally sustainable under the EU Taxonomy. As a result, the minimum proportion of Taxonomy-aligned investments, including transitional and enabling activities, is considered to be 0%.

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

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.

Asset allocation describes the share of investments in specific assets.

☐

Yes:

☐

In fossil gas

☐

In nuclear energy

☒

No

● ***What is the minimum share of investments in transitional and enabling activities?***

Standout Capital III does not invest in transitional nor enabling activities.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Standout Capital III promotes E/S characteristics, but do not make any sustainable investments.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Standout Capital III has not designated a specific index or reference benchmark to determine alignment with E/S characteristics.

● ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

n/a

● ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

n/a

● ***How does the designated index differ from a relevant broad market index?***

n/a

● ***Where can the methodology used for the calculation of the designated index be found?***

n/a



Where can I find more product specific information online?

More product-specific information can be found on the website:

<https://standoutcapital.com/sustainability>.