

Sustainability-Related Disclosure

Standout Capital III AB · Standout Capital III (D) AB · Article 8 SFDR

This disclosure is made pursuant to Article 10 of Regulation (EU) 2019/2088 (SFDR) and Article 25 of Commission Delegated Regulation (EU) 2022/1288 (RTS).

1. SUMMARY

Standout Capital III AB (Reg. No. 559514-1101) and Standout Capital III (D) AB (Reg. No. 559543-0751), acting together as "SC III" or the "Fund" (together "SC III" or the "Fund") is managed by Standout Capital Management AB. SC III promotes environmental and social (E/S) characteristics within the meaning of Article 8 of Regulation (EU) 2019/2088 (SFDR). SC III does not have sustainable investment as its objective.

Environmental and/or social characteristics promoted

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

Key sustainability indicators (KSIs)

- **GHG Emissions Intensity:** Scope 1 and 2 GHG emissions relative to revenue (tCO₂e / EUR m).
- **Employee Wellbeing:** Annual employee turnover rate; employee satisfaction scores (where available).
- **Corporate Governance:** Existence of Code of Conduct, anti-corruption policy, and AML policy.

Exclusion criteria

SC III excludes investments in companies materially involved in: fossil fuels, tobacco, controversial weapons (including cluster munitions and anti-personnel mines), gambling, pornography, and companies in material breach of international norms.

Proportion of aligned investments

At least 80% of SC III's investments are aligned with the promoted E/S characteristics. The minimum proportion of EU Taxonomy-aligned investments is 0%. SC III does not invest in fossil gas or nuclear energy activities.

2. NO SUSTAINABLE INVESTMENT OBJECTIVE

SC III promotes E/S characteristics but does not have sustainable investment as its objective within the meaning of Article 9 SFDR. SC III does not commit to a minimum share of sustainable investments as defined in Article 2(17) SFDR.

The E/S characteristics consist of measurable KSIs — GHG intensity, employee wellbeing, and corporate governance — that are monitored across portfolio companies throughout the holding period.

3. ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

What environmental and/or social characteristics are promoted?

- **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 measure attainment of the promoted characteristics?

- **GHG Emissions Intensity:** Scope 1 and 2 emissions / revenue (tCO₂e / EUR m). Target: no year-on-year increase at portfolio level. Methodology: GHG Protocol Corporate Standard.
- **Corporate Governance:** Binary indicator — Code of Conduct, anti-corruption policy, AML policy in place. Assessed annually.
- **Employee Wellbeing:** Annual employee turnover rate; employee satisfaction score where available.

How are principal adverse impacts taken into account?

SC III does not consider principal adverse impacts (PAI) on sustainability factors at product level. Standout Capital Management AB does not consider PAI at entity level pursuant to Article 4(1)(b) SFDR, given limited data availability for privately held small-cap Nordic companies. This position is reviewed annually.

How are investments aligned with the OECD Guidelines and UN Guiding Principles?

SC III is fully committed to investing in alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Portfolio companies are expected to conduct business responsibly, avoid complicity in human rights abuses, and maintain appropriate grievance mechanisms.

4. INVESTMENT STRATEGY

What investment strategy does SC III follow?

SC III targets small-cap investments in primarily leading Nordic-based technology companies, capitalising on the structural macro trend of digitalisation transforming business and society. The fund focuses on established, profitable companies with recurring revenue models and strong management teams, typically acquired through buyout transactions.

What are the binding elements of the investment strategy?

- **Exclusion criteria:** Investments in companies materially involved in fossil fuels, tobacco, controversial weapons, gambling, pornography, or international norm violations are prohibited. This is a non-negotiable pre-investment requirement.
- **ESG screening:** All potential investments are subject to mandatory ESG screening before eligibility for investment.
- **ESG due diligence:** A mandatory ESG due diligence is conducted for every investment, covering environmental, social, and governance risks and opportunities.
- **Sustainability indicators:** KSI data collection is a binding annual obligation for all portfolio companies.

What is the good governance policy for investee companies?

Standout Capital Management AB's ESG Policy establishes the framework for assessing and promoting good governance. The assessment covers:

- **Code of Conduct:** Portfolio companies are expected to adopt a Code of Conduct covering ethical business practices, anti-bribery, and anti-corruption.
- **Anti-corruption and AML:** Policies consistent with applicable law and international standards including the UN Convention Against Corruption.
- **OECD Guidelines and UN Global Compact:** Portfolio companies are expected to conduct responsible business in alignment with these frameworks.
- **Transparency and reporting integrity:** Sound internal controls, accurate financial reporting, and adequate stakeholder transparency.

Good governance practices are assessed during mandatory ESG due diligence prior to investment and monitored throughout the holding period via annual ESG data collection and board-level engagement.

5. PROPORTION OF INVESTMENTS

#1 Investments aligned with E/S characteristics	≥ 80%
#2 Other investments	≤ 20%
Of which: Taxonomy-aligned (environmental)	0%
Of which: sustainable investments (social)	0%
Other E/S characteristics	≥ 80%

SC III invests primarily in leading Nordic-based technology companies and promotes E/S characteristics, but does not make any sustainable investments within the meaning of Article 2(17) SFDR. At least 80% of SC III's investments are expected to be aligned with the promoted E/S characteristics. The asset allocation may change over time and percentages should be viewed as a minimum average over an extended period.

#2 Other investments (maximum 20%) may include cash and liquidity placements, hedging instruments for risk management purposes, and investments pending full ESG screening.

6. MONITORING

How are the E/S characteristics monitored throughout the lifecycle of the Fund?

- **Pre-investment:** ESG screening and due diligence assess alignment with E/S characteristics and exclusion criteria before investment approval.
- **Annual data collection:** Portfolio companies report on KSIs annually via a standardised ESG questionnaire.
- **Board-level engagement:** The investment team engages with portfolio company boards on ESG matters and monitors policy adoption.
- **Annual review:** Aggregate KSI data is reviewed at fund level annually and reported in the periodic report (SFDR Annex IV).

7. METHODOLOGIES

What methodologies are used for each E/S characteristic?

GHG Emissions Intensity

Portfolio companies report Scope 1 and 2 GHG emissions (tCO₂e) and annual revenue (EUR). GHG intensity = tCO₂e / EUR million revenue. Methodology: GHG Protocol Corporate Standard.

Employee Wellbeing

Annual employee turnover = voluntary departures / average headcount. Employee satisfaction collected via annual survey where available.

Corporate Governance

Binary indicator: (i) Code of Conduct in place; (ii) anti-corruption policy in place; (iii) AML policy in place. Assessed annually.

8. DATA SOURCES AND PROCESSING

What are the data sources?

The primary data source is the annual ESG questionnaire completed directly by portfolio company management, supplemented by ESG due diligence findings and board/management dialogue. SC III does not currently use third-party ESG data providers. All data is self-reported by portfolio companies.

How is data quality ensured?

Data quality is maintained through: (i) standardised questionnaires with defined scope boundaries; (ii) review by the investment team; (iii) direct follow-up with portfolio company management where data is incomplete.

9. LIMITATIONS TO METHODOLOGIES AND DATA

What are the limitations?

- **Limited data availability:** As an investor in privately held small-cap companies, SC III relies on self-reported data. Portfolio companies may lack the systems to collect all metrics, particularly in early ownership years.
- **Scope boundaries:** GHG data covers Scope 1 and 2 only. Scope 3 is not collected due to methodological complexity.
- **Employee satisfaction:** Not all portfolio companies conduct formal surveys in every reporting year.

These limitations do not prevent attainment of the promoted E/S characteristics. The binding strategy elements — exclusion criteria, ESG screening, and mandatory due diligence — operate independently of KSI data collection. Board-level engagement provides a further monitoring channel.

10. DUE DILIGENCE

What due diligence is carried out on underlying investments?

Standout Capital Management AB conducts mandatory ESG due diligence on all prospective portfolio companies, covering: review of existing ESG policies and governance; assessment of environmental, social, and governance risks and opportunities; identification of material ESG risks; and preparation of ESG findings for the Investment Committee. Material ESG risks may result in investment conditions, value-creation plan items, or investment rejection.

11. ENGAGEMENT POLICIES

What are the engagement policies?

Standout Capital Management AB engages actively with portfolio companies on ESG matters through: board representation with ESG as an agenda item; annual ESG data collection and review; support for development of ESG policies; sharing of best practices between portfolio companies; and integration of ESG findings into value-creation plans.

Engagement is conducted directly through board representation and management dialogue.

WHERE CAN I FIND MORE INFORMATION?

This disclosure and the Annex II pre-contractual disclosure for SC III are available at:
<https://standoutcapital.com/sustainability>

This disclosure was prepared by Standout Capital Management AB as AIFM of Standout Capital III AB (Reg. No. 559514-1101) and Standout Capital III (D) AB (Reg. No. 559543-0751) in accordance with Regulation (EU) 2019/2088 (SFDR) and Regulation (EU) 2022/1288 (RTS). Date: 19 September 2026.