

Entity-Level SFDR Disclosures

Standout Capital Management AB — Articles 3, 4 and 5 SFDR

These disclosures are made by Standout Capital Management AB (the "Manager") in its capacity as Alternative Investment Fund Manager (AIFM) in accordance with Regulation (EU) 2019/2088 (SFDR). They apply at the entity level across all funds managed by the Manager, including 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".

What is a sustainability risk?

A sustainability risk is an environmental, social or governance (ESG) event or condition that, if it occurs, could cause a material negative impact on the value of an investment (per Article 2(22) SFDR).

How does Standout Capital Management AB integrate sustainability risks into investment decisions?

Standout Capital Management AB integrates sustainability risks throughout the investment lifecycle in five stages:

- **Sourcing and screening:** potential investments are subject to ESG screening to identify material sustainability risks and assess alignment with the Manager's ESG objectives. Companies failing the ESG screen are excluded from further consideration.
- **ESG due diligence:** Mandatory ESG due diligence is conducted prior to each investment. It covers environmental risks (efficient digital infrastructure and responsible procurement policies), social risks (commitment to transparency, ethical business conduct, accountability in corporate governance and employee wellbeing), and governance risks (existence of strong compliance measures, including Code of Conduct, anti-corruption and anti-money laundering policies). Material ESG findings are reported to the Investment Committee and may result in conditions or rejection.
- **Investment decision:** due diligence findings are presented alongside financial and commercial analysis. Material, unmitigated sustainability risks may prevent an investment from proceeding.
- **Ownership and monitoring:** During the holding period, portfolio companies report annually on key sustainability indicators (GHG emissions intensity, employee wellbeing, corporate governance). The investment team engages at board level on ESG matters and monitors implementation of ESG value-creation plan items.
- **Exit:** performance and trajectory are considered in exit preparation and are communicated to potential buyers as part of vendor due diligence.

This approach is documented in the Standout Capital Management AB ESG Policy (September 2026) and Standout Capital III Annex II, available on request.

Does Standout Capital Management AB consider principal adverse impacts on sustainability factors?

Standout Capital Management AB does not consider principal adverse impacts (PAI) on sustainability factors at entity level, in accordance with Article 4(1)(b) SFDR.

Reasons for not considering principal adverse impacts

The Manager has determined that it is not currently practicable to consider PAI on sustainability factors in a meaningful way, for the following reasons:

- **Data availability:** The funds managed by the Manager invest primarily in privately held small-cap Nordic technology companies. These companies are generally not required to disclose the specific data points required for PAI indicator calculation under the SFDR RTS (e.g. Scope 3 emissions, unadjusted gender pay gaps, board gender diversity to the required level of granularity).
- **Proportionality:** The Manager considers that imposing formal PAI reporting requirements on its investee companies at this stage would create a disproportionate administrative burden relative to the size and nature of those companies and the fund portfolio.
- **Alternative approach:** The Manager monitors a defined set of key sustainability indicators (KSIs) that are practically measurable for its investee companies and relevant to the E/S characteristics promoted by SC III. These KSIs partially overlap with SFDR PAI indicators and are disclosed in the product-level sustainability disclosure and annual periodic report.

This position is reviewed annually. The Manager will reassess its approach to PAI consideration as data availability improves and portfolio company ESG reporting matures.

How is the remuneration policy of Standout Capital Management AB consistent with the integration of sustainability risks?

Standout Capital Management AB's remuneration policy is designed to be consistent with the integration of sustainability risks into investment decisions, in accordance with Article 5 SFDR.

Further details on the remuneration policy of Standout Capital Management AB are available on request.

These entity-level disclosures apply to Standout Capital III, made out by Standout Capital III AB (Reg. No. 559514-1101) and Standout Capital III (D) AB (Reg. No. 559543-0751) and managed by Standout Capital Management AB.