

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 (the “Delegated Regulation”).

Ceder Capital III AB

Published: April 24, 2023

Version: 1.0

a) Summary

Ceder Capital III AB (the “Fund”) considers itself to be 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 sustainable investments as its objective.

Environmental or social characteristics of the financial product

The Fund may invest in both economic activities that promote environmental or social characteristics or a combination of those characteristics. The Fund will, in whole or in part, invest in companies that in their operations offer products and services that contribute to solving a societal or environmental problem. Further, the Fund will not make investments in companies in certain sectors which are excluded on the basis of the Fund’s Exclusion Criteria (as defined below).

Investment strategy

The purpose of the Fund is to build, hold and manage (including to divest) a portfolio of equity and equity-related investments in portfolio companies established in Sweden and Finland and having their principal operations in such countries. The binding elements of the investment strategy used to attain the promoted environmental or social characteristics are certain Exclusion Criteria, under which the Fund is restricted from investing in companies in certain sectors.

Proportion of investments

All of the Fund’s investments are intended to promote environmental or social characteristics. The Fund does not commit to making sustainable investments or investments that qualify as environmentally sustainable under the EU Taxonomy regulation.

Monitoring of environmental or social characteristics

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

- a. active engagement with portfolio companies; and
- b. regular monitoring of the portfolio companies' relating to *e.g.* sustainability risks, the proportion of portfolio companies engaged in such activities/sectors that should be excluded based on the Exclusion Criteria and the proportion of portfolio companies contributing to UN Sustainable Development Goals (SDGs).

The environmental and social characteristics of all existing investments are reviewed at least annually.

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

To measure the attainment of the promoted environmental and social characteristics, the Fund monitors and measures the share of its portfolio companies engaged in activities/sectors that should be excluded based on the Exclusion Criteria. The share of such investments shall at all times be 0%.

Further, the Fund monitors and measures the proportion of its portfolio companies contributing to a UN SDG, broken down per relevant SDG.

In order, to measure how the environmental or social characteristics are met during the holding period, the Fund consults with portfolio companies in regular intervals and carries out further checks in order to identify potential issues.

Data sources are both direct information from the portfolio companies but also outside partners where relevant. The Fund continuously assesses data sources for improved data quality.

As the Fund's investments are generally long-term partnerships, the Fund considers it a priority to establish and maintain a trustful working relationship with its portfolio companies in order to ensure compliance with the environmental or social characteristics promoted by the Fund. There are further limitations to the data and methodologies, for instance due to data being partially estimated or the availability of adequate non-financial information.

Due diligence

The Fund conducts a due diligence to evaluate all potential investments against the Fund's investment strategy as well as the Exclusion Criteria and positive screening criteria. During the due diligence, the Fund also makes sure that potential investments follow good governance practices in relation to sound management structures, employee relations, staff remuneration and tax compliance before making an investment. Companies that do not meet the Exclusion Criteria or good governance practices are not considered qualified for investment.

Engagement policies

The Fund encourages its portfolio companies to conduct regular ESG trainings and to consider principal adverse impacts on a voluntary basis and to improve their ESG efforts. Portfolio companies are encouraged and expected to include ESG in their strategic agenda. ESG is to be included in the Rules of Procedure for the Board of Directors for the respective

portfolio company. Further, the Fund expects the portfolio companies to e.g. adopt a Code of Conduct and adhere to the 10 principles of the UN Global Compact.

Designated reference benchmark

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund .

b) No sustainable investment objective

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

c) Environmental or social characteristics of the Fund

The Fund may invest in both economic activities that promote environmental or social characteristics or a combination of those characteristics. The Fund promotes social and environmental characteristics by implementing certain value-based exclusion criteria as set out in the Investment strategy section below (the “**Exclusion Criteria**”).

The Fund considers these excluded sectors/activities inherently harmful to society, the environment, human health and/or public morals as they are directly tied to the perpetration of violence, addiction, degrading sexual activity, pollution and potentially unethical scientific practices.

Additionally, the Fund promotes social and environmental characteristics through the application of positive screening criteria in its investment process. The Fund will, in whole or in part, invest in companies that in their operations offer products and services that contribute to solving a societal or environmental problem.

d) Investment strategy

The purpose of the Fund is to build, hold and manage (including to divest) a portfolio of equity and equity-related investments in portfolio companies established in Sweden and Finland and having their principal operations in such countries. The Fund will not focus on a specific industrial sector but will not make any investments in real estate companies, shipping companies, insurance companies or bank companies. As such, investments are expected to be spread across a wide range of economic activities.

As set out in the fund agreement relating to the Fund, the Fund shall not make any investment in an entity if the Fund is aware (based on its ordinary course due diligence), prior to completing such investment, that the relevant entity:

a) produces, finances, sells or trades in any product or activity deemed illegal under any laws or regulations applicable to it or international conventions and agreements, including Convention on International Trade in Endangered Species of Wild Fauna and Flora;

b) produces, finances, sells or trades in any weapons systems which are deemed illegal under local country laws and regulations or international conventions, including: anti-personnel landmines, cluster munitions, nuclear weapons, and chemical and biological weapons;

- c) utilizes child labor (as defined by the International Labour Organisation (ILO)'s 1973 Minimum Age Convention, or the age set by local regulation, whichever is higher);
- d) utilizes forced labor (all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily);
- e) promotes prostitution;
- f) supports racism, bigotry or discrimination;
- g) provides products or services which actively encourage addiction, illness or abuse, including alcohol addiction, substance abuse, gambling addiction or gaming addiction; or
- h) derives 10% or more of revenues from: (i) production, financing, sale or trade in: conventional weapons and munitions, including military equipment and small arms, unconventional oil and gas, and fossil fuel fired thermal power facilities, tobacco products, pornography, (ii) mining and/or the extraction of coal or the financing or trade thereof, or (iii) usury or predatory lending.

The above does not prohibit participation in any entity which only falls within one or more of sub-sections (a), (b) or (h)(i) above by involvement with the production, financing, sale or trade of a component part (for example batteries) of another product and where such component has not been created with such prohibited use in mind and is mainly used for other non-prohibited products.

In addition to the above, the Fund shall not make any investments in any portfolio company or other entity if the fund company is aware (based on its ordinary course due diligence), prior to completing such investment, that the relevant portfolio company or entity derives 10% or more of revenues from: (i) betting, gambling, gaming or similar activities of predicting results and placing a wager on the outcome, (ii) consumer loans/credit, (iii) companies whose business model, in the Fund's reasonable opinion, is inherently harmful to the environment, or (iv) companies whose business model, in the Fund's reasonable opinion, depends upon supporting the activities as set out in (i), (ii) and (iii) above and thus indirectly is contributing to promoting such activities.

No amounts drawn by the Fund from the investors will be used by the Fund for participation in or facilitation of business activities involving, directly or indirectly, (i) any Restricted Person or (ii) any Restricted Country. For this purpose:

(a) "Restricted Person" means a person, entity, or any other party, including, without limitation, official or de facto authorities (A) located, domiciled, resident, incorporated or operating in a Restricted Country, or (B) subject to any sanctions lists administrated by any Sanctioning Authority, or (C) owned or controlled by a person, entity or any other party as defined in (A) and (B) hereinbefore,

(b) "Restricted Country" means any country or region subject from time to time to any sanctions and/or trade embargos administrated by any Sanctioning Authority (as at August 2021 being Cuba, Iran, North Korea, Syria and Crimea), and (c) "Sanctioning Authority" means any authority issuing and/or administrating sanctions and embargos in the European Union, Switzerland (e.g. the State Secretariat for Economic Affairs of Switzerland and/or the Directorate of Public International Law), the United States of America (e.g. the

Office of Foreign Asset Control of the US Department of Treasury), the United Nations and any authority issuing and/or administrating sanctions and embargos in any other country as decided by the Board from time to time.

Before investing, the Fund ensures that target companies have good governance practices regarding sound management structures, employee relations, staff remuneration and tax compliance. This is primarily ensured through the due diligence process, where the Fund's legal advisors report on issues relating to the target company's management structures, employee relations, remuneration and tax compliance.



e) Proportion of investments

The Fund does not commit to invest in any sustainable investment within the meaning of the SFDR.

In relation to majority controlling investments, the Fund expects that it will be possible to pursue the environmental or social characteristics promoted by the Fund in the majority of cases; however, in relation to minority investments, or in circumstances where there is inadequate non-financial information relating to the target investment, it may not be possible to pursue the environmental or social characteristics in all cases. Nonetheless, the Fund undertakes that at least seventy percent (70%) of the Fund's investments will be aligned to one or more of the environmental and social characteristics promoted by the Fund. However, up to twenty (20%) of the Fund's assets may at any time be invested in liquidity investments (i.e. investments kept for liquidity and/or hedging purposes like cash, cash equivalents and derivatives). The Fund will not make any indirect investments in portfolio companies through other funds or derivatives. The Fund will thus only have direct exposures in its portfolio companies.

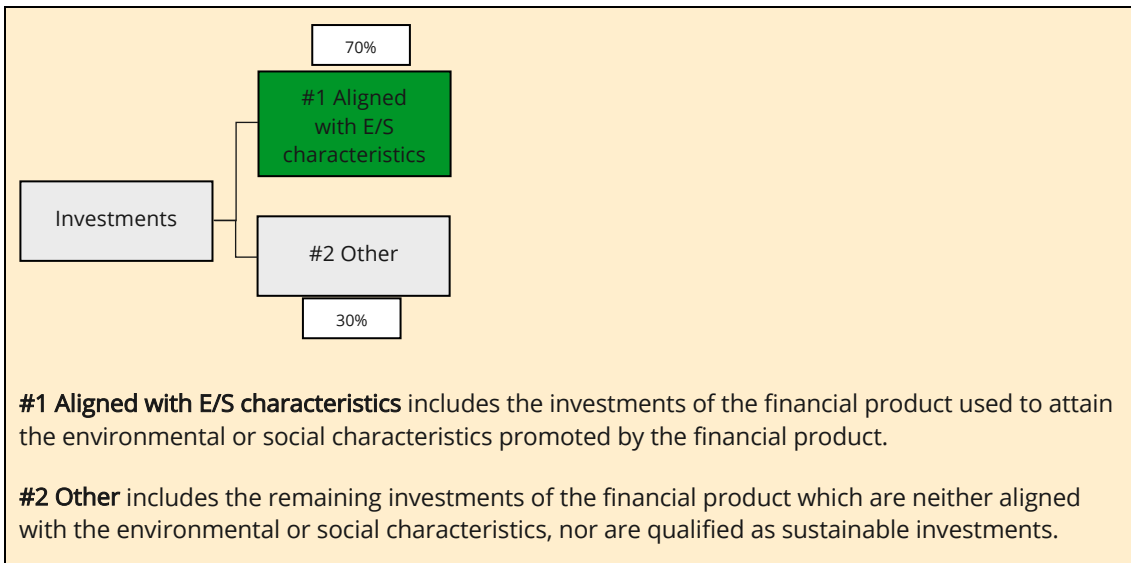
Does this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*

Yes

 No

<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective : __% <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 sustainable investments with a social objective : __%	<input type="checkbox"/> 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 <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, but will not make any sustainable investments.
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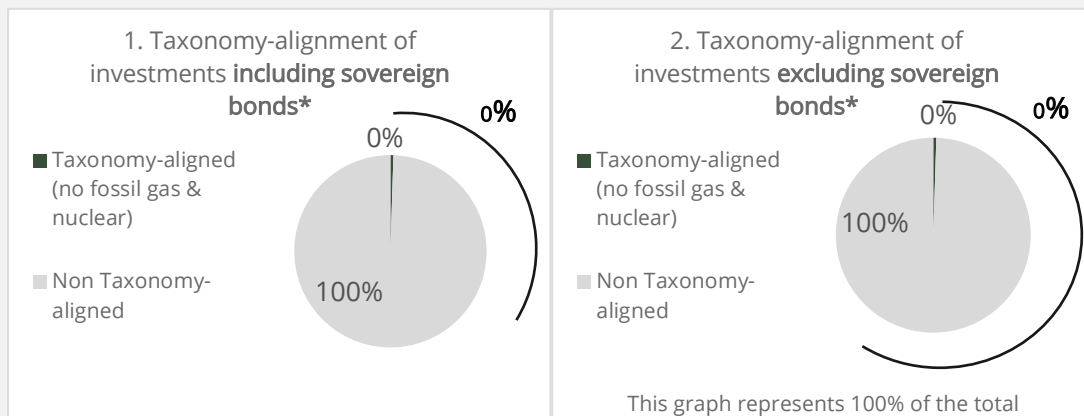
Asset allocation



“Other” investments may be liquidity investments (i.e. investments kept for liquidity and/or hedging purposes like cash, cash equivalents and derivatives). The Fund does not intend to make any portfolio company investments which are not aligned with any of its promoted environmental and/or social characteristics. Hence, no portfolio company investments will be included under #2 (Other).

The minimum share of Taxonomy-aligned investments is 0%. The reason therefore is that the Fund does not only promote environmental but also social characteristics, meaning that the Fund may at times hold investments which only promote social characteristics. Additionally, the Fund does not consider it possible at this stage to verify the taxonomy-alignment of the companies in which the Fund will invest.

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 Fund integrates ESG in all phases of its operations; from sourcing and pre-investment due diligence, through active ownership to exit. The Fund's portfolio companies are key in creating long-term value through a business-driven sustainability work.

As an active owner, the Fund will generally vote on all matters at the general meetings. The Fund endeavors to always exercise its voting rights in the best interests of the Fund and the investors and in accordance with the investment objectives of the Fund.

All employees of the Fund are expected to adhere to the values and high standards of ethical business conduct as outlined in the Fund's Code of Conduct. The Fund will at all times act as a responsible owner. The Fund will provide clear instructions on its expectations for sustainable practices and appropriate ESG standards to the Board of Directors in the portfolio companies. The Fund is committed to the principles for responsible investment as set up by the UN Principles for Responsible Investment. Further, the Fund provides the portfolio companies with guidance and knowledge-sharing opportunities regarding ESG management. Companies are introduced to the Fund's approach to ESG during onboarding and strategy development.

In order to measure how the environmental or social characteristics are met during the holding period, the Fund consults with the portfolio companies in regular intervals and will carry out further checks in order to identify potential issues with such characteristics. Once an asset has been acquired, the Fund monitors *e.g.* (i) sustainability risks, (ii) the proportion of portfolio companies engaged in such activities/sectors that should be excluded based on the Exclusion Criteria and (iii) the proportion of portfolio companies contributing to UN SDGs on a regular basis.

Based on the results of the above assessments, the Fund identifies whether the environmental or social characteristics promoted by the Fund are met.

The environmental and social characteristics of all existing investments are reviewed at least annually in order to examine how the portfolio companies are performing in relation to the investment objectives of the Fund. Investments that fail to achieve a satisfactory outcome are more extensively monitored. The Fund shall work actively and systematically to influence the portfolio companies through, for instance, offering advice to their founders and/or management teams. Where needed, the Fund will prepare action plans in order to enhance portfolio companies' ESG work. Active influence also entails influencing the companies to adopt, implement and monitor internal policies on how to achieve the environmental and social characteristics promoted by the Fund.

g) Methodologies

As set out above, the Fund promotes social and environmental characteristics through the application of certain Exclusion Criteria and positive screening criteria. To measure the attainment of the promoted characteristics through the application of Exclusion Criteria, the Fund monitors and measures the proportion of its portfolio companies engaged in such activities/sectors that should be excluded based on the Exclusion Criteria. As set out in the Fund's investment agreement, the Fund may not invest in such excluded

activities/sectors that are covered by Exclusion Criteria and the share of such investments shall thus be 0% at all times.

The framework used by the Fund to measure the attainment of the promoted environmental and social characteristics through the application of positive screening criteria is the UN SDGs, including the 169 sub-targets of the 17 SDGs. The UN SDGs are also used to define the relevant problem. During its holding period, the Fund monitors and measures the proportion of its portfolio companies contributing to a UN SDG, broken down per relevant SDG. The Fund considers its portfolio companies' contribution towards sector and subsector-relevant SDGs and the assessment includes the consideration of the portfolio companies' historical and likely future performance with respect to the relevant SDGs.

Sustainability standards that the Fund seeks guidance from include primarily:

- Sustainability KPIs: The UN Sustainable Development Goals (SDG)
- Principles for responsible investing: UN PRI
- Responsible business initiative: The UN Global Compact
- Greenhouse gas calculations: the Greenhouse Gas (GHG) protocol
- Sustainability reporting standard: the Global reporting Initiative (GRI) standard

Further, the Fund encourages portfolio companies to employ KPIs that are relevant to the sector in which the portfolio company operates, utilizing the UN SDGs. KPIs that the Fund expects all portfolio companies to follow are greenhouse gas emissions and "Diversity, Equity and Inclusion", including equal pay.

Based on the results of the above assessments, the Fund identifies whether the environmental or social characteristics promoted by the Fund are met.

h) Data sources and processing

The Board of Directors of each portfolio company is responsible for setting and monitoring the ESG strategy, KPIs and targets together with the Fund. The management team in each portfolio company is responsible for implementing the ESG strategy, KPIs and targets and to report to the Board of Directors on the performance. The employee at the Fund responsible for the respective portfolio company is responsible for ensuring that the Board has the capabilities to set a strategy, KPIs and goals to meet the ESG requirements.

In order to measure how the environmental or social characteristics are met during the holding period, the Fund consults with the portfolio companies in regular intervals, at least annually, and will carry out further checks in order to identify potential issues with such characteristics.

Hence, data is obtained primarily from the portfolio companies. An internal or external review or verification of the information obtained will be carried out if misrepresentations are suspected. The results of the data obtained are considered in connection with the investment decision and, for existing portfolio companies, any following decisions. The Fund requires the portfolio companies to answer certain qualitative questions for the Fund to understand in what areas each portfolio company needs support in relation to ESG

performance, *e.g.* in relation to governance, sustainability risks and the contribution to UN SDGs.

At least 30% of all data relating to the environmental and/or social characteristics of the Fund are estimated.

i) Limitations to methodologies and data

As the Fund's investments are generally long-term partnerships, the Fund considers it a priority to establish and maintain a trustful working relationship with its portfolio companies in order to ensure compliance with the environmental or social characteristics promoted by the Fund. It is possible that this trust-based approach may entail that some inaccuracies will remain undetected, or will be detected at a later stage. However, the Fund considers it unlikely that the isolated provision of incorrect information from a portfolio company would result in non-compliance with the Fund's promotion of environmental and social characteristics. Further, certain information may be collected using automatic systems and/or software and is in such cases dependent on such systems/software functioning.

There are further limitations to the data and methodologies, for instance due to data potentially being partially estimated and self-reported by the portfolio companies. There could also be circumstances where there is inadequate non-financial information relating to target investments or portfolio companies and it could thus be hard to determine the promotion of environmental or social characteristics. This being said, the Fund believes that the use of consistent and validated methodologies as well as working with reputable advisors provides confidence in the data presented.

j) Due diligence

ESG is vital when the Fund is sourcing companies to invest in.

The Fund performs ESG related due diligence ahead of any new investment and incorporates relevant ESG factors in the evaluation criteria to measure risks and opportunities and how potential risks can be mitigated. The outcome of the due diligence is documented in the investment recommendations to the Fund's investment committee.

A designated employee at the Fund is responsible for the exclusion of investment opportunities because of ESG factors. Another designated employee is responsible for the ESG pre-investment due diligence.

The Fund's investment strategy is implemented in the investment process on a continuous basis. Every investment opportunity will be tested against the Fund's investment strategy, including the Exclusion Criteria and the positive screening criteria, as part of the due diligence prior to any investment made by the Fund. The Fund shall not make any investment in an entity if the Fund is aware (based on its ordinary course due diligence), prior to completing such investment, that the relevant entity is engaged in activities covered by the Exclusion Criteria.

When selecting a potential investment, the Fund considers such investment's contribution towards sector and subsector-relevant SDGs as well as the investee company's corporate governance, labor and supply chain practices. As stated above, the Fund's assessment as to

whether an investment contributes towards the relevant SDGs will include the consideration of each investee company's historical and likely future performance with respect to such SDG.

Further, before investing, the Fund ensures that target companies have good governance practices regarding sound management structures, employee relations, staff remuneration and tax compliance. This is primarily ensured through the due diligence process, where the Fund's legal advisors report on issues relating to the target company's management structures, employee relations, remuneration and tax compliance.

In addition to the above, prior to any investment decisions being made, the Fund undertakes a process to identify material risks, including sustainability risks such as environmental, social or governance risks, associated with a proposed investment. An assessment of these risks form part of the Fund's overall investment analysis. The Fund assesses the identified risks alongside other relevant factors set out in the investment proposal. During this process, sustainability risks are identified and assessed using the same process as is applied to other relevant risks affecting the Fund.

If sustainability risks are identified, this may lead to the abortion of the investment in case risks cannot be adequately managed or mitigated through appropriate measures.

k) Engagement policies

The Fund encourages its portfolio companies to conduct regular ESG trainings and to consider principal adverse impacts on a voluntary basis and to improve their ESG efforts. Portfolio companies are encouraged and expected to include ESG in their strategic agenda. Furthermore, ESG is to be included in the Rules of Procedure for the Board of Directors for the respective portfolio company.

The Fund expect the portfolio companies to:

- adopt a Code of Conduct, with relevant policies according to sector, for example an environmental policy, health and safety policy, sustainable procurement policy etc. The Fund also expects the portfolio companies to train their employees on their Codes of Conduct, and to set up a whistleblowing channel for reporting unethical behavior.
- adhere to the 10 principles of the UN Global Compact. The four themes (Human Rights, Labor, Environment and Anti-Corruption) should be integrated into the Codes of Conduct of the portfolio companies.
- where necessary, detect and mitigate ESG supply chain risks, emphasizing on suppliers in high-risk countries and sectors.

Further, the Fund encourages portfolio companies to:

- sign the UN Global Compact.
 - employ Key Performance Indicators (KPIs) that are relevant to the sector in which the portfolio company operates, utilizing the UN SDGs. KPIs that the Fund expects all portfolio companies to follow are:
 - greenhouse gas emissions, and
 - “Diversity, Equity and Inclusion”, including equal pay.
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- take actions to comply with the Paris agreement, and thus contribute to limit global average temperature to below 2 degrees Celsius above pre-industrial levels. The Fund also encourages companies to evaluate further appropriate steps to align more closely with the more 1.5-degree scenario.
- link company management remuneration to ESG targets.

l) Designated reference benchmark

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

