Sustainability- Related Disclosures – Ture Credit Fund III SARL SICAV-RAIF

The **Ture Credit Fund III SARL SICAV-RAIF** (the "Fund") is classified as Article 8 under the Sustainable Finance Disclosure Regulation ("SFDR") directive. This Article 8 classification means the Fund promotes environmental or social characteristics but does not go so far as to have sustainable investment as its objective.

In accordance with the disclosure requirements of SFDR the following disclosures detail the integration of sustainability risks in the investment decision-making process and how the remuneration policy is consistent with the integration of sustainability risk.

Integration of sustainability risks

The general investment objective of the Fund is to to create consistent returns primarily by investing in private debt instruments.

In this context, the focus shall be on investment in primary lending that, without the involvement of banks, provides direct funding to small and medium-sized enterprises (each, a "Portfolio Company"), without any restrictions as to the sector in which these Portfolio Companies will act or the purpose of that direct funding. The Fund will most likely concentrate its efforts in Portfolio Companies with the registered offices that are located in Sweden, Norway, Denmark, Finland and will have also the possibility to provide funding to Portfolio Companies, the registered offices of which are located in Germany, Belgium, the Netherlands, Luxembourg or the United Kingdom, excluding, for the avoidance of doubt, any company the registered office of which is in an emerging market (the "Investment Objective and Policy"). There can be no guarantee that the Investment Objective and Policy of the Fund will be met.

The Fund aims to comply with Article 8 of the SFDR as it promotes environmental, social and governance characteristics into its investment strategy on the condition of good corporate governance on the part of the companies in which investments are made. The Fund is therefore suitable for investors with sustainability preferences.

The Fund aims for long-term, risk-adjusted returns for its investors while combining profitability with environmental considerations and social commitment. Sustainable business is, among other things, about saving one's resources and reducing the negative environmental and social impact.

In order to reflect the aim to always act in a socially responsible way, the Fund has adopted a policy related to the investment process for its investments. Such policy creates a framework for the investment team to make responsible investments in the markets in which the Fund is active. The Fund will, for example, seek appropriate disclosures on environmental, social and governance ("ESG") issues by the entities in which it invests. Sustainability Risks are integrated throughout the investment decision-making process by the following means:

First, ESG matters are considered in the well-developed screening process where certain sectors are excluded. The Fund will not in general, for example, invest in companies where any part of the business involves production or promotion of arms trading or arms production, fossil fuel (oil, gas, coal) or commercial gambling. Only potential investments which are not excluded following such screening process undergo a deeper analysis.

When carrying out due diligence of a potential investment, ESG risks and opportunities form a natural part of the overall analysis of the company, along with e.g. considerations of the industry, geographic scope and maturity of the company. Furthermore, the Fund always considers a potential target's alignment with relevant international conventions and standards prior to an investment.

Secondly, following the due diligence of a potential investment, a summary report is put together and provided to the investment committee for its consideration and discussion. The investment committee then decides whether additional due diligence should be implemented and, if so, which issues that are central to further elucidate. Such aspects may be environmental or sustainability related and are prioritized depending how material they are to the business and stakeholders. A variety of different factors are assessed, dependent on the industry of each investment, all however, will be assessed against UN SDG 8, “Decent work and economic growth”.

The Fund is committed to working for actual and sustainable improvements regarding ESG policies and practices in the companies in which it invests. The Fund‘s ambition is thereby to increase awareness and encourage work for the improvement of ESG matters by continuous discussions with the companies’ boards and senior management.

It is anticipated that the majority of private debt investments will have an ESG toggle within the loan agreement to incentivise the borrowers to improve on material ESG factors in return for a reduced coupon rate. Material ESG metrics will vary for each loan dependent upon the industry of the Portfolio Company; each Portfolio Company will be required to report on these key metrics as part of periodic reporting requirements. The Fund will actively engage with the Portfolio Company improve key ESG metrics. In turn each Portfolio Company will be assessed relative to its performance against the relevant material ESG metrics and this information will be incorporated into the Fund’s annual reporting.

While the Fund promotes ESG characteristics within the meaning of Article 8 of the SFDR, it does not currently commit to investing in any “environmentally sustainable investment” within the meaning the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (the “**Taxonomy Regulation**”). Accordingly, it should be noted that this financial product does not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation and its portfolio alignment with such Taxonomy Regulation is not calculated.

Remuneration policy and sustainability risk

The Remuneration Policy of the Investment Advisor, Ture Invest Partners AB, considers factors that could have a bearing on effective risk management including sustainability risks as defined in Article 2(22) of the SFDR. The policy promotes sound and effective risk management with respect to sustainability risks, ensuring that the structure of remuneration does not encourage excessive risk-taking with respect to sustainability risks. The policy also considers the effect of potential conflicts of interest on remuneration in a way that is consistent with the integration of sustainability risk, including (but not limited to), any activities that give rise to greenwashing, misselling, or misrepresentation of investment strategies.

Remuneration levels at the Investment Advisor shall be justified according to performance of the individual concerned and the overall results of the Fund, as well as the conduct of the employee under the internal procedures, compliance requirements, and the ESG Policy thereby reducing sustainability risk and contributing to the sustainability objectives. The full ESG Policy is available upon request.

The Remuneration Policy is approved by the Investment Advisor’s Board. It is reviewed by the Board at least annually and updated if deemed necessary or desirable. The full Remuneration Policy is available upon request.