TUNDRA FONDER AB

SUSTAINABILITY POLICY
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This documentation constitutes the *Sustainability Policy*, *the Policy for the Integration of Sustainability Risks, the Principal Adverse Impact Due Diligence Policy,* and *the Policy for assessing good governance practices in the portfolio companies* for Tundra Fonder AB (hereinafter referred to as "The Company" or "Tundra Fonder"). The policy has been approved by the Board of Directors and has been applied since 2021-03-10.

1. TUNDRA'S PHILOSOPHY – INVESTING FOR THE FUTURE

For Tundra Fonder, a long-term sustainable company is a competitive organisation with responsible and honest owners and strong management. This document provides information on the environmental and social characteristics of financial products, and sustainable investments, in accordance with Articles 3 and 4 of the Sustainable Finance Disclosure Regulation (SFDR, EU 2019/2088, SFDR). Tundra Fonder only holds two funds; ***Tundra Sustainable Frontier Fund*** and ***Tundra Shikari Global***. Both funds are classified as Article 8 funds, which means that it "promotes environmental and social characteristics". Furthermore, the discretionary mandates that Tundra Fonder manages are classified as Article 8.

Our goal is to invest in companies whose operations have a long-term positive impact on the society in which the business is conducted. Companies whose products or services are relevant to future generations, and which are produced in a way that is sustainable regarding the environment and workers' rights. We expect our portfolio companies to operate in accordance with international guidelines, laws and conventions (OECD Guidelines for Multinational Companies, UN Global Compact, Women Empowerment Principles (WEPs) and others).

A sustainable investment is defined in the SFDR as an investment in an economic activity that contributes to an environmental or social objective, provided that the investments do not cause significant harm to any other environmental or social objective and that the investee companies follow good governance practices. Our vision is to create financial returns while simultaneously considering aspects of environment, social responsibility, and good corporate governance through long-term sustainable investments. We are convinced that investing in sustainable business models, which take local development over time into account and respect planetary boundaries, is a prerequisite for generating financial value for our customers. We call it investing for the future. To work towards our vision, we consider the 17 Sustainable Development Goals (SDGs) within the framework of Agenda 2030 as one of our guiding tools. A long-term sustainable investment strategy must be based on a global holistic approach, and not just on selected geographical regions.

The goals of the sustainable investments are to support companies with activities aimed at improved food supply, improvements to infrastructure, development of renewable energy, increased access to affordable medicines, development of private health care as a complement to government care, increased access to credit for people and companies, increased access to education and companies that contribute to nationally increased integration in the world economy. The developments of recent years regarding the capitalization of countries represented within the emerging markets category reveal a growing gap between actual needs and estimated resources. Under current circumstances, the chances of achieving the Global Sustainability Goals by 2030 are slim.

2. SUSTAINABILITY CRITERIA IN THE INVESTMENT STRATEGY

We believe that good corporate governance is central to conducting a long-term competitive business and that it is a prerequisite for a well-functioning sustainability work. Each investment is preceded by a thorough analysis of owners and management in which the main owners and senior executives are assessed. The Company conducts screening for money laundering (AML), Know Your Customer (KYC) and adverse media of principal owners, board members and senior executives. Historical decisions central to the business are analysed. Further, an assessment of whether internal monitoring systems, including controls and procedures, are in place that can provide the basis for an efficient and responsible business that can be conducted in accordance with the law is undertaken.

In accordance with our internal policies, our portfolio companies must have decent employment conditions, good work environment safety, training opportunities, and there should be policies in place to counteract discrimination. As an active owner, Tundra Fonder strives to achieve an impact on gender equality in its portfolio companies. This is because the growth of the economy is positively affected by the fact that more people are employed. It also improves the companies opportunities to attract the best possible workforce in the long term to drive the business forward.

Furthermore, an analysis is made of the following aspects: i) businesses' long-term societal benefits of the products or services, ii) the environmental risks associated with the business, iii) the companies' efforts to improve in terms of environmental impact and iv) the development of environmentally friendly technology.

In addition to our internal analysis, the Company also uses external analysis for screening of the portfolio on a quarterly basis, the working group for determining sustainability also work includes employees who work independently from the investment team. This internal sustainability work is regularly monitored by the compliance officer and reported to the Board of Directors.

3. POLICY FOR THE INTEGRATION OF SUSTAINABILITY RISKS

As a financial market participant, we need to provide information on how we integrate sustainability risks as of March 10, 2021, according to Article 3 of the SFDR. Sustainability risks are defined as an environmental, social or governance-related event or circumstance that, if were to occur, would have an actual or potentially significant adverse effect on the value of the investment.

Investments are made in companies that are judged to be the best in their respective sectors, where we consider our investments a long-term collaboration to achieve the best possible results. We invest in companies whose future operations will constitute a larger part of the local economy and primarily choose companies that we believe are driving the development of society and exert a positive impact on the markets that the fund focuses on. Before an investment, a thorough internal analysis is carried out, where the analysts obtain information from a variety of sources. The internal analysis, which is the primary source for decisions, uses interviews with the companies, annual reports and other public information, as well as Bloomberg and other information systems. Sustainability risks are followed up annually via a platfrom for data collection where the portfolio companies share their information, as well as via quarterly screening by an external consultant (Sustainalytics/Morningstar). Any potentially adverse news affecting any of the material matters covered under the Environmental, Social Responsibility, or Corporate Governance sections is monitored and followed up on an ongoing basis.

4. PRINCIPAL ADVERSE IMPACT DUE DILIGENCE POLICY

Pursuant to Article 4 of the SFDR, a fund management company is also expected to disclose how adverse sustainability impacts are considered in the management of its funds. Sustainability risks are defined as climate- or environmental-related: greenhouse gas emissions, use of finite resources, energy efficiency, management of water and waste, protection of biodiversity; or social and human resources, respect for human rights, gender equality, a responsible supply chain, and the fight against corruption and bribery. Tundra Fonder considers negative consequences for sustainability factors in accordance with the fourteen mandatory and four voluntary indicators. The following criteria are included to the extent that data are available:

4.1 PRINCIPAL ADVERSE IMPACT INDICATORS (PAIs)

MANDATORY INDICATORS

Climate and other environmental indicators

- Greenhouse gas emissions (Scope 1, 2 & 3)
- Carbon footprint
- Greenhouse gas intensity of the investee company
- Exposure to companies active in the fossil fuel sector
- Share of non-renewable energy consumption/production
- Energy consumption intensity per high impact climate sector
- Activities negatively affecting biodiversity-sensitive areas
- Emissions to water
- Hazardous and radioactive waste

Indicators on social and human resources, respect for human rights, anti-corruption and bribery issues

- Violations of UN Global Compact principles/OECD's guidelines for Multinational Enterprises
- Lack of processes to monitor violations of international guidelines
- Unadjusted gender pay gap
- Board gender diversity
- Exposure to controversial weapons

VOLUNTARY INDICATORS

Human rights indicators

- Lack of policies against trafficking
- Lack of a human rights policy

Indicators in corruption

- Lack of anti-corruption and anti-bribery policies

Indicators within environment and climate-related risk

- Lack of policy for responsible management of water

As Tundra Fonder invests exclusively in emerging and frontier markets that are not covered by the European regulatory framework, SFDR, reliable data on most relevant indicators are currently lacking. Tundra Fonder´s ambition is to expand the number of indicators reported by requesting this information directly from the investee companies. To achieve this, Tundra Fonder uses an external platform for data collection, Worldfavor - a web-based system where portfolio companies can get an

overview of what data is requested, and subsequently report the data that is possible to produce and gradually expand their reporting over time. The data requested includes aspects related to both environmental and social indicators (PAI indicators as above). Tundra Fonder will have an ongoing dialogue with the companies to promote increased reporting.

5. WORKING METHODS

Tundra Fonder´s investment philosophy is based on fundamental financial analysis where sustainability aspects (ESG) have been integrated since the launch of the Fund. Over time, the various aspects of environment, social responsibility and corporate governance have been equally important for the analysis, simply because we believe that a company that integrates all three perspectives has the best chance of success in the long term. According to SFDR an investment that contributes to a sustainability goal shall not cause significant damage to any other sustainability goal. This work will be followed up through the 18 indicators listed above (section 4.1). The working method is based on three basic principles for integrating sustainability risks into management; positive screening, negative screening and engagement.

Tundra Fonder does not use a benchmark index to assess whether the Fund complies with the environmental and social characteristics promoted by the Fund.

5.1 POSITIVE SCREENING

Tundra Fonder has specific and stated criteria for selecting companies based on environmental, social and business ethics issues. A thorough analysis of owners and management is carried out, in which the history and treatment of minority owners are examined. The analysis includes quantitative screening (AML, KYC, negative publicity) of principal owners and senior executives as well as in-depth analysis. The company must live up to local legislation and be able to manage also potential changes in legislation in the future. The company's competitiveness is central to the analysis as we believe that only the strongest companies have the opportunity in the long term to influence the development of a sustainability area, regardless of whether it concerns a given sector or an entire country. The company must have a positive impact on the society in which they operate, as this reduces the risk of negative government interference and thus increases the likelihood of a more predictable long-term profitability. Further, the investee company has to have relevant products or services whose importance will increase in the future, and which are produced in a way that is sustainable with regard to the environment and workers' rights. Our sustainability analysis is done from a holistic perspective. This means that weaknesses in some areas can be accepted provided that the company demonstrate strengths in other areas, and provided that the company is prepared to work with identified weaknesses. The company's goal shall be to minimise its negative impact on people or the environment. The Fund Management Company conducts ongoing dialogue with the companies with the primary purpose to assist those with current shortcomings or weaknesses. We encourage and demonstrate methods that enable portfolio companies to establish measurable sustainability targets, with a primary focus on material risks related to the company, its sector, and its geographic location.

5.2 NEGATIVE SCREENING

Tundra Fonder does not invest in companies that violate the UN conventions on human rights, environment, labor law, and/or corruption (and the principles under UN Global Compact, OECDs guidelines for Multinational Enterprises) and that, after Tundra Fonder has made them aware of such

violations, do not initiate an action plan within twelve months. Tundra Fonder excludes companies whose turnover of more than 5% (in some cases 0%) comes from:

CATEGORY	PRODUCTION	DISTRIBUTION	EXTRACTION
CONTROVERSIAL WEAPONS (Cluster bombs, anti-personnel mines, chemical and biological weapons, nuclear weapons)	**0%**	**0%**	
OTHER WEAPONS AND/OR WAR MATERIALS	**5%**	**5%**	
ALCOHOL	**5%**	**5%**	
TOBACCO	**0%**	**5%**	
COMMERCIAL GAMING OPERATIONS	**5%**	**5%**	
PORNOGRAPHY	**0%**	**5%**	
GENETICALLY MODIFIED ORGANISMS	**5%**	**5%**	
FOSSIL FUELS (Oil**,** Gas, Coal)		**5%**	**5%**
URANIUM		**5%**	**5%**

5.3 ENGAGEMENT

We engage through close and ongoing communication between us as an investor and our portfolio companies on matters relating to environmental, social responsibility and corporate governance. In addition to signing on to initiatives that are relevant to us as an organisation, collaboration is an important tool; this includes engagement with civil society organisations in our core markets, stock exchanges (e.g., the Ho Chi Minh Stock Exchange, the Pakistan Stock Exchange and the Colombo Stock Exchange), academia, media representatives and government officials.

Tundra Fonder invests in companies that have a positive impact on the communities in which they operate. The investee company's competitiveness is a prerequisite in order to influence the development of an industry in a positive direction in the long term. Furthermore, we want the business to be conducted in such a way that it can be maintained with existing efficiency also in the future. We start from a holistic approach where we accept temporary weaknesses in individual areas as long as these are offset by strengths on others, and provided that there is an understanding on the part of management of the need to correct any weaknesses in the long term. In dialogue with the companies, an evaluation is made of the existing routines regarding both environmental and social characteristics. An analysis of structures and feedback is provided for the company's further development. The information collected is used in the financial analysis and may have a material impact on our investment.

Tundra Fonder has specific and stated criteria for selecting companies based on environmental, social and business ethics issues. A careful analysis is made regarding owners and management where the history and treatment of minority owners are examined. The portfolio company must live up to local legislation and be able to adapt to potential changes in legislation in the future. The portfolio company should be involved in products or services whose importance will increase in the future and which are

produced in a way that is sustainable with regard to the environment and workers' rights. The portfolio company's goal shall be to minimise its negative impact on people and the environment. Tundra Fonder conducts ongoing dialogue with the investee companies where the purpose is primarily to assist them with current challenges. We encourage companies to develop measurable sustainability goals with a primary focus on material risks for the company, its sector and its geography. A particularly important area of influence in the coming years is to support companies to expand their sustainability reporting given the higher requirements introduced by the EU. Se section 3 above on Worldfavor. Tundra Fonder continuously follows up on the portfolio companies' reporting and supports them in their reporting process.

6. POLICY FOR ASSESSING GOOD GOVERNANCE PRACTICES IN INVESTEE COMPANIES

Tundra Fonder applies principles of good corporate governance practices, which means that the portfolio company is expected to have a sound management structure, and a healthy relationship with its employees, including issues related to remuneration structures within the portfolio company as well as good compliance with tax rules. Tundra Fonder´s policy for assessing good governance practices means that each individual portfolio company must comply with the UN Global Compact´s 10 principles and the OECD Guidelines for Multinational Enterprises. We believe that good corporate governance is central to conducting a long-term competitive business and that it is a prerequisite for well-functioning sustainability work. Good corporate governance is based on the owners and the management they appoint. Any investment is therefore preceded by a careful analysis of the owners and management. Tundra Fonder conducts screening regarding money laundering (AML), Know Your Customer (KYC) and adverse media screening of principal owners, board members and senior executives. Historical business decisions of importance are analysed. An assessment is made of whether internal control systems, controls and procedures are in place that allow the conduct of an efficient and responsible business that can be conducted in accordance with the law.

We continuously follow the work of the management and the messages issued by the company’s main shareholders, including the circulated agenda prior to general meetings. Exercising our right to vote is another method of engagement. We participate in the Annual General Meetings – either in person or by a representative – if we have views on any items on the agenda or if we believe that important points are omitted, or if we want to support a particular candidate for the Board, etc. We do not use a proxy voting provider to vote. We exercise our right to vote directly to improve the performance of the company or to protect our rights.

Tundra works intensively to collect information from portfolio companies. Our primary approach to shareholder engagement is through interaction and communication with portfolio companies. The process of collecting data is based on an internal rating system – ***Tundra ESG Spectrum*** – which is based on criteria for inclusion, exclusion and best-in-class as well as an external system for data collection from portfolio companies that collects key figures for sustainability based on given frameworks such as: SFDR, UNGC, and Agenda 2030.Tundra Fonder's absolute focus for engagement in the coming years is to gather this data to help our portfolio companies with their integration into the world economy and make them more attractive to foreign investors.

7. DIVISION OF RESPONSIBILITIES

The policy for responsible investments is established by Tundra Fonder's Board of Directors and is revised annually. Tundra's working group, which consists of the Chief Investment Officer (CIO), the Chief Sustainability Officer (CSO), and the Chief Executive Officer (CEO), works continuously with follow-up of our investments and ensures that they comply with this policy. The investment team is responsible for the implementation of sustainability in its investment process.

8. PRINCIPLES AND AGREEMENTS

Tundra Fonder has signed the PRI (Principles for Responsible Investments), an UN-initiated international network of investors based on six basic principles: 1) We will incorporate ESG issues into investment analysis and decision-making processes. 2) We will be active owners and incorporate ESG issues into our ownership policies and practices. 3) We will seek appropriate disclosure on ESG issues by the entities in which we invest. 4) We will promote acceptance and implementation of the Principles within the investment industry. 5) We will work together to enhance our effectiveness in implementing the Principles. 6) We will report on our activities and progress towards implementing the Principles.

In addition, Tundra Fonder follows the following principles or agreements because cooperation with global sustainability networks opens opportunities for cooperation, such as investment in new technologies, transition from fossil fuels to renewable energy, which ultimately has great potential to improve companies.

- Tundra Fonder was among the first to sign the **Climate Action 100+ initiative**, and we continue our engagement by participating in meetings and initiatives aimed at promoting influence, emissions reductions and enhanced disclosure to investors.
- Since 2011, the Tundra Fonder has been a member of SWESIF (Sweden's Forum for Sustainable Investment), where we participate actively through Tundra's CSO, who currently serves as Chair of the Board (re-elected in 2026).
- Tundra Fonder is an active signatory to the ten principles of the **UN Global Compact**, which encourages companies to adopt socially responsible policies across four broad areas: human rights, labour, the environment and anti-corruption. The Company has participated actively since 2017. In 2021, the Company took part in the reporting framework under the "Early Adopter Programme" to demonstrate its commitment to the ten principles.
- Tundra has signed the **Tobacco Free Portfolios initiative** and follows up on its commitment through sector exclusions.
- In 2018, the Company signed the "**Women's Empowerment Principles**", which encourage business management to gender equality. The principles have been developed through a collaboration between UNGC and UN Women.
- In 2019, the Company signed **My Pledge**, an initiative aimed at ensuring more diversity at public events. The Company commits to advocating for gender diversity on panels and at public speaking events and asking questions about gender diversity when organizing, attending, or sponsoring an event in any form.
- Over the past two years, Tundra has signed two investor petitions with the **Access To Medicine Foundation**, which through the Access to Medicine Index annually publishes an index in which they rank pharmaceutical companies with respect to their efforts to improve global access to

medicines. One was about the fair distribution of vaccination programs for Covid-19, and the other (in collaboration with other parties such as FAIRR) concerns investor calls on the management of global antibiotic resistance.

- In 2019, Tundra joined the **FAIRR** investor network, established by the Jeremy Coller Foundation, and aims to raise awareness of the ESG risks and opportunities of intensive livestock production.
- Agenda2030. Over the past six years, the Company has worked actively to integrate the **Sustainable Development Goals** (SDGs) across our organisation. We have raised a range of sustainability topics and engaged in dialogue with more than 250 companies in our markets (Pakistan, Sri Lanka, Vietnam, Egypt, Indonesia, Malaysia, Bangladesh, the Philippines, among others). Our 2021 analysis shows that a growing number of our portfolio companies have formally expressed support for the SDGs, and that more have signed up to the principles set out in the UN Global Compact. In addition, we assess our portfolio companies at target level to measure SDG alignment. Our objective is to continue increasing the share of companies that meet these important goals.
- Tundra has signed **The Orange Movement**, an initiative by Impact Investment Exchange (IIX) aimed at directing capital toward women's economic participation, particularly in emerging and frontier markets. It frames gender equality as an investment opportunity rather than only a social issue, with a focus on scaling capital rather than merely supporting individual projects.