



ACCOUNT OF THE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS

FINANCIAL MARKET PARTICIPANT TUNDRA FONDER

LEI 5493001VIJ7104PULK29

SUMMARY

Tundra Fonder AB, LEI 5493001VIJ7104PULK29 ("Tundra Fonder"), considers principal adverse impacts of its investment decisions on sustainability factors.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2025. In this statement, the mention of "fund" refers to **Tundra Sustainable Frontier Fund** managed by Tundra Fonder. As the fund invests exclusively in emerging and frontier markets that are not covered by the European regulatory framework SFDR, there is currently a lack of reliable data on most of the indicators relevant to the Principle Adverse Impact Indicators. We estimate to have substantial data coverage on fund level by 2031. The number of companies reporting data during this period continues to increase 29 out of 38 companies (76%; 76.9% of AUM) of portfolio companies responded via the portal, compared to 67.8% in 2024, and 31.8% in 2023). However, the data is still considered insufficient for comprehensive portfolio-level results. Therefore, the data in this statement is presented based on the same selection criteria as earlier. That is, the indicators for which the underlying data is deemed sufficient: 4, 10, 13, and 14. Gender diversity on the boards of our portfolio companies continues to improve: 21.3% - up from 20.6% (2024), 18.2% (2023) and 14.7% (2022). Exposure to companies operating in the fossil fuel or controversial weapons sector (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons) remains 0% which is in line with the Fund Management Company's exclusion criteria. The share of investments in investee companies without strategies to monitor compliance with the UN Global Compact or the OECD Guidelines for Multinational Enterprises or mechanisms for handling violations of the UN Global Compact or the OECD Guidelines for Multinational Enterprises is 0%, same as previous years. We note that the number of companies signing on to the UNGC principles continues to reach 29% (up from 27%).

The Fund invests in emerging and frontier markets, with a focus on low-income and lower-middle-income countries. A significant part of the population in these countries lack fundamental rights such as accessible and qualitative health care, adequate supply of food, decent working conditions, and access to education. The lack of basic economic security that characterise these countries gives an opportunity for local companies to play a greater role in the improvement of society. The method chosen by the Fund to promote environmental and/or social characteristics is primarily based on ensuring the right of all people to the most basic needs as defined by the UN's Sustainable Development Goals (SDGs). The method Tundra Fonder has chosen to promote environment-related and/or social characteristics are primarily based on ensuring the right of all people to the most basic needs as defined based on the UN's Sustainable Development Goals (SDGs).

Tundra Fonder's working method is based on three basic principles to consider the main negative consequences of investment decisions for sustainability factors in management: positive screening, negative screening, and engagement. As the Fund exclusively invests in emerging markets and frontier markets, that are not covered by the European regulatory framework (SFDR), there is currently a lack of reliable data on several relevant indicators. Tundra Fonder's ambition is to expand on the number of reported indicators by requesting this information directly from the companies.



Tundra Fonder works to ensure access to data through internal research and external platform for collecting data as well as through reporting from portfolio companies. Data is collected in internal analysis (Tundra ESG Spectrum), and via an external platform (Worldfavor) - where portfolio companies report their own data. Tundra Fonder also conducts a quarterly screening of the portfolio companies via Sustainalytics/Morningstar, to check for potential breaches of sector- and norm-based criteria. The purpose is to spread knowledge about what requirements Tundra Fonders' portfolio companies are expected to live up to and to i) gain access to accurate reporting of relevant data ii) ensure implementation and compliance with stated commitments.



DESCRIPTION OF THE PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES

MANDATORY

Adverse sustainability indicator	Metric	Impact 2025	Impact 2024	Explanation	Actions taken, actions planned and targets set for the next reference period
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CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

	1. Greenhouse gas emissions	Scope 1 GHG emissions	N/A	N/A	Verified reported data is missing	Data collection is ongoing. The focus is on informing portfolio companies about the importance of reporting emissions data based on relevant methodologies (such as GHG Protocol, TCFD) Tundra Fonder collaborates with other parties (including Climate Action 100+, PRIs Just Transition) to drive development and maximize impact.
		Scope 2 GHG emissions	N/A	N/A		
		Scope 3 GHG emissions	N/A	N/A		
		Total greenhouse gas emissions	N/A	N/A		
	2. Carbon footprint	Carbon footprint	N/A	N/A	Data for calculations not available	
	3. Greenhouse gas intensity of investee companies	Greenhouse gas intensity of the investment object	N/A	N/A	Data for calculations not available	



	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies operating in the fossil fuel sector	0%	0%	Coverage: 100%	The Fund Management Company excludes companies where more than 5% of sales come from fossil fuels.
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	N/A	N/A	Verified reported data is missing	
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	N/A	N/A	Data for calculations is missing	
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	N/A	N/A	Verified reported data is missing	All portfolio companies should have a positive impact on the society in which they operate and respect planetary boundaries. All portfolio companies should strive to have the least possible negative impact on the environment.



Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	N/A	N/A	Verified reported data is missing	All portfolio companies should have a positive impact on the society in which they operate and respect planetary boundaries. All portfolio companies should strive to have the least possible negative impact on the environment.
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	N/A	N/A	Data for calculations are missing	

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Social and employee matters	10. Violation of the UN Global Compact and the OECD Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%	0%	Coverage: 100%	All portfolio companies are encouraged to sign the Global Compact to ensure compliance through annual COP (Communication on Progress) or equivalent. Portfolio companies must have decent employment conditions, good work environment safety, training opportunities and policies to combat discrimination.
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11. Lack of processes and compliance mechanisms to monitor compliance with the UN Global Compact and the OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	N/A	N/A	Complete reliable data is not available	Exclusion. Tundra Fonder does not invest in companies with ongoing violations of the UN Global Agreement and the OECD Guidelines for Multinational Enterprises and that have not initiated measures to take action within 12 months of engagement from Tundra Fonder.
12. Unadjusted gender pay gap	Average unadjusted gender pay gap in investee companies	N/A	N/A	Complete reliable data is not available	Portfolio companies should strive for an equal remuneration model for all employees. As an active owner, Tundra Fonder aims to achieve impact on gender equality in its portfolio companies.
13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	21.3%	20.6%	Coverage: 100%	Portfolio companies should strive for an equal remuneration model for all employees. As an active owner, Tundra Fonder aims to achieve impact on gender equality in its portfolio companies.
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	N/A	Coverage: 100%	Tundra Fonder excludes companies that are in any way involved in controversial



Adverse sustainability indicator	Metric	Impact 2025	Impact 2024	Explanation	Actions taken, actions planned and targets set for the next reference period
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INDICATORS APPLICABLE TO INVESTMENTS IN SOVEREIGNS AND SUPRANATIONALS

Environment	15. GHG intensity	Greenhouse gas intensity of investee companies	N/A	N/A	N/A	Tundra Fonder did not make any such investments during the reference period
Social aspects	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	N/A	N/A	N/A	Tundra Fonder did not make any such Investments during the reference period

INDICATORS APPLICABLE TO INVESTMENTS IN REAL ESTATE

Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate involved in extraction, storage, transport or manufacture of fossil fuels	N/A	N/A	N/A	Tundra Fonder did not invest in real estate during the reference period
Energy efficiency	18. Exposure to energy-efficient real estate assets	Share of investments in energy-efficient real estate assets	N/A	N/A	N/A	Tundra Fonder did not invest in real estate during the reference period



INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES

VOLUNTARY

Adverse sustainability indicator	Metric	Impact 2025	Impact 2024	Explanation	Actions taken, actions planned and targets set for the next reference period
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HUMAN RIGHTS INDICATORS

9. Lack of human rights policy	Share of investments in companies without human rights policies	N/A	N/A	Insufficient data for the reference period	During the reference period, portfolio companies have received information about which areas they are expected to deliver data on and guidance on which policies they need to develop.
11. Lack of regulations to prevent trafficking	Share of investments in companies without anti-trafficking policies	N/A	N/A	Insufficient data for the reference period	

INDICATORS IN THE FIELD OF CORRUPTION

15. Lack of anti-corruption and anti-bribery policies	Share of investments in entities without anti-corruption and anti-bribery policies in accordance with the UN Convention against Corruption	N/A	N/A	Insufficient data for the reference period	During the reference period, portfolio companies have received information about which areas they are expected to deliver data on and guidance on which policies they need to develop.
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INDICATORS WITHIN ENVIRONMENT AND CLIMATE-RELATED RISK

7. Investments in companies without water management policies	Share of investments in entities without policies for responsible management of water	N/A	N/A	Insufficient data for the reference period	During the reference period, portfolio companies have received information about which areas they are expected to deliver data on and guidance on which policies they need to develop.
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INFORMATION ON THE MAIN ADVERSE IMPACTS ON SUSTAINABILITY FACTORS

DESCRIPTION OF POLICIES TO IDENTIFY AND PRIORITISE THE PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS

Tundra Fonder's *Principal Adverse Impact Due Diligence Policy* was adopted by Tundra Fonder's Board of Directors on April 16th 2026.

Tundra considers principal adverse impact in accordance with the 14 mandatory and four voluntary indicators as shown in the tables above.

Tundra Fonder's investment strategy builds on a financial analysis where all aspects of environment, social responsibility, and corporate governance are equally important in the analysis. Tundra Fonder believes that a company that combines all three perspectives has a better opportunity to succeed in the long term. An investment that contributes to a sustainability goal shall not cause significant harm to any other sustainability goal. Our working method is based on three basic principles to consider the main negative consequences of investment decisions for sustainability factors in the management of assets; positive screening, negative screening, and engagement.

Four voluntary indicators, where three refer to social aspects: "Lack of anti-corruption and anti-bribery policies," "Lack of regulatory framework to prevent trafficking in human beings" and "Lack of anti-corruption and anti-bribery policies" and one refer to environment and climate-related risks "Investments in companies without water management policies" (all shown in the table above) have been added to the mandatory indicators. The indicators are considered particularly relevant to the markets Tundra Fonder invests in and will therefore be included in our measurements and follow-ups. Additionally, these indicators are areas where Tundra Fonder has previously engaged extensively with investee companies.

To take into account the principal adverse impact of investment decisions for sustainability factors, Tundra Fonder uses an investment strategy whereby Tundra Fonder excludes companies considered to have a major negative impact on sustainable development. The process of collecting data occurs through our internal rating system – **Tundra ESG Spectrum** - based on criteria for inclusion, exclusion, and best-in-class; and through an external system for data collection from portfolio companies that collect key figures for sustainability based on given frameworks. Data is collected through various sources (Bloomberg, Sustainalytics, Worldfavor) and is available to the investment team to integrate into the investment decision-making process. The work is continuously followed by the Chief Sustainability Officer (CSO) and the Chief Investment Officer (CIO).



NEGATIVE SCREENING

Tundra Fonder does not invest in companies that violate the UN conventions in human rights, the environment, labor law and corruption and, after Tundra Fonder has made them aware of such breaches, do not initiate an action plan within twelve months. Tundra Fonder excludes companies whose turnover to more than 5% (in some cases 0%) comes from

CATEGORY	PRODUCTION	DISTRIBUTION	EXTRACTION
CONTROVERSIALL 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%	
COMMERICAL GAMING OPERATIONS	5%	5%	
PORNOGRAPHY	0%	5%	
GENETICALLY MODIFIED ORGANISMS	5%	5%	
FOSSIL FUELS (OIL, GAS, COAL)		5%	5%
URANIUM		5%	5%

ENGAGEMENT

We engage through close communication between us as investors and our portfolio companies on aspects regarding environment, social responsibility, and governance issues. Collaborations are important for Tundra Fonder to maximize the output from dialogues with portfolio companies. In addition to signing initiatives that are relevant to us as an organization, Tundra Fonder also collaborates with academia (researchers and universities), NGOs in all countries described as Tundra Fonder's focus countries, Stock Exchanges (e.g. Ho Chi Minh Stock Exchange, Pakistan Stock Exchange, Colombo Stock Exchange), journalists and government representatives. Tundra Fonder invests in companies that have a positive impact on the communities in which they operate. The competitiveness of the portfolio companies is a prerequisite for potential impact of an industry in a positive direction in the long term. Furthermore, Tundra Fonder wants the business to be



conducted in such a way that it can be maintained with existing efficiency in the future. Tundra Fonder's investment philosophy is based on a holistic approach where we accept temporary weaknesses in individual areas as long as these are balanced by strengths in others, and provided that there is an understanding from the 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. A thorough analysis is made about owners and management where the history and treatment of minority owners are examined. The company must live up to local legislation and be able to adapt to potential changes in legislation in the future. The 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 regarding the environment and workers' rights. The company's goal shall be to minimise its negative impact on people and the environment. The Fund Management Company 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.

ENGAGEMENT STRATEGIES

Tundra Fonder has adopted principles for shareholder engagement that describe Tundra Fonder's principles and approach to corporate governance.

Tundra Fonder works intensively to collect information from portfolio companies. Tundra Fonder's primary approach to shareholder engagement is interaction and communication with portfolio companies. The process of collecting data is based on an internal rating system – Tundra ESG Spectrum based on criteria for inclusion, exclusion and best-in-class as well as the use of an external system for data collection from portfolio companies that collect key figures for sustainability based on given frameworks such as: SFDR, Agenda 2030, GRI, GHG. Tundra's focus for engagement in the coming years is to gather data to help our portfolio companies with their integration into the world economy and make them more attractive to foreign investors. Exercising our right to vote is another method of engagement. We participate in the Annual General Meeting, either in person or by proxy, if we have comments on agenda items or believe that important items are omitted, or if we want to support a particular candidate for the Board of Directors, etc. We do not use a service provider to vote. We continuously monitor the management work and the messages issued by the company's main shareholders, including the circulated agenda for general meetings/general meetings, and exercise our voting rights directly to improve the company's performance or to protect our rights.

REFERENCES TO INTERNATIONAL STANDARDS

Tundra Fonder has signed the Principles for Responsible Investments ("PRI") and follows PRI's six principles for responsible investments. A forward-looking perspective regarding climate impact is applied where the basic assumptions are that portfolio companies should have a positive impact and respect planetary boundaries. All portfolio companies are expected to minimize negative impact on the environment. All of these aspects are also included in the more detailed SDG mapping where portfolio companies are evaluated from a number of aspects at sector, geographical affiliation and overall level.

Tundra Fonder takes into account the United Nations Development Goals (SDGs) for sustainable development through its management. Below Tundra Fonder lists a number of indicators regarding principal adverse impact on sustainability factors that Tundra Fonder uses to measure compliance with international codes of conduct, which follow from Annex I to the Delegated Regulation 2022/1288/EU.

- UN Global Agreement (Table 1, indicators 10 and 11)
- OECD Guidelines for Multinational Enterprises (Table 1, Indicators 10 and 11)



- International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work and in the International Human Rights Acquis (Table 1, indicator 12)

Tundra Fonder collects data from external data providers and from the portfolio companies themselves regarding the above codes of conduct. Since the quality of the available data is not yet reliable and complete, estimated data is used to some extent.

HISTORICAL COMPARISON

As the fund invests exclusively in emerging and frontier markets that are not covered by the European regulatory framework SFDR, there is currently a lack of reliable data on most of the indicators relevant to the Principle Adverse Impact Indicators. We estimate to have substantial data coverage on fund level by 2031. The number of companies reporting data during the period continues to increase. A total of 76% (76.9% of AUM) of portfolio companies responded via the portal, compared to 67.8% in 2024). However, the data is still considered insufficient for comprehensive portfolio-level results. Therefore, the data is presented based on the same selection criteria as previous year; that is the indicators for which the underlying data is deemed sufficient: 4, 10, 13, and 14. Gender diversity on the boards of portfolio companies continues to improve: 21.3% up from 20.6% (2024). Exposure to companies operating in the fossil fuel or controversial weapons sector (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) remains 0% which is in line with the Fund Management Company's exclusion criteria. The share of investments in investee companies without strategies to monitor compliance with the UN Global Compact or the OECD Guidelines for Multinational Enterprises or mechanisms for handling violations of the UN Global Compact or the OECD Guidelines for Multinational Enterprises is 0% - as in previous years.
