

TUNDRA SUSTAINABLE FRONTIER FUND



SUSTAINABILITY REPORT 2019



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Capital invested in a fund may either increase or decrease in value and it is not certain that you will be able to recover all of your investment. Historical return is no guarantee of future return. The value of invested capital may vary substantially due to the composition of the fund and the investment process used by the fund manager. The Full Prospectus, KIID etc. are available on our homepage. You can also contact us to receive the documents free of charge. See full disclaimer on www.tundrafonder.se.

The state of the origin of the Fund is Sweden. This document may only be distributed in or from Switzerland to qualified investors within the meaning of Art. 10 Para. 3,3bis and 3ter CISA. The representative in Switzerland is OpenFunds Investment Services AG, Seefeldstrasse 35, 8008 Zurich, whilst the Paying Agent is Società Bancaria Ticinese SA, Piazza Collegiata 3, 6501 Bellinzona. The Basic documents of the fund as well as the annual report may be obtained free of charge at the registered office of the Swiss Representative.

Stockholm, October 2019

Dear reader,

We invest in some of the fastest growing economies in the world - where the main part of the population is about to commence their journey towards a middle-income status. Over the last 20 years these countries' economies have grown at more than twice the rate of that of OECD economies. These early emerging markets constitute the foundations for our business. We invest in companies that will play an increasingly important role in the world economy; companies that are subject to structural growth. Over decades we expect these companies to evolve into local champions. Investing in frontier markets however also entail a range of challenges, something that has been evident during the last years.

Both Sri Lanka, Pakistan, Egypt and Nigeria have undergone significant economic restructurings and as a result the long term equity stories temporarily have been put on hold. This has however opened up valuations in these markets to an extent normally seen only for shorter periods over a decade – this is a window of opportunity. For long term investors the preconditions for long term strong returns thus have rarely been better.

ESG is an integrated part of our financial analysis. It needs to be. As demonstrated by recent manifestations where youths all over the globe demand climate action, tomorrow's consumers will interact with companies in new ways. This new generation of investors put high demands on companies and urge them to drive positive change in the societies they are a part of. That means better pricing power, higher return on invested capital and better long term growth prospects. We are encouraged to see an increased understanding of these underlying drivers for sustainable development among the corporates we have invested in and with whom we keep ongoing dialogues. This is a reason for hope. With investors' guidance and capital we hope for a new generation of economies blossoming without compromising the ecological systems of our planet. Investing in the least developed economies provides a powerful platform for impact, with a potential for early adapting corporations to play a central role in the local economies' development. This in TURN is what we consider to be a profitable investment; for the investors and for the future.

A handwritten signature in blue ink, appearing to be "Mattias Martinsson".

Mattias Martinsson
Founding Partner/Chief Investment Officer

TURN | TUNDRA RESEARCH NETWORK

During the past year we have been active in the building of TURN | Tundra Research Network, a platform for impact in Low- and Middle Income Countries, LMICs (*Emerging and Frontier Markets*). The overarching aim of the network is to bridge the collaboration gap between, business & policy makers, utilising local expertise.

There is an immense need for increased collaborations bridging business, academia, governmental institutions and non-governmental organisations in order to tackle systems-level challenges, such as climate change, global health issues and social inequalities just to mention a few. The TURN initiative builds on a systematic approach where country and sector specific challenges for sustainable growth are considered. With a profound understanding of frontier and emerging markets, extensive networks and close contact with business and academia we believe that we can stimulate a knowledge exchange between relevant actors in these countries. The scope and content of all projects to be included in TURN's universe will emanate from the UN's Sustainable Development Goals (SDGs).

TURN stands as a platform for collaboration projects in Tundra's core markets. Several projects are currently in the planning phase. Topics range from empowerment of women in entrepreneurship, transition to renewable energy, waste management, values and climate change, fair trade, human rights and more. Updates can be followed at the TURN webpage.

We continuously have meetings with companies across our markets. The majority of these meetings are with holdings from our four funds, as well as with companies that constitute potential new investments. In addition to company meetings, we meet with representatives from civil society, research and governmental institutions. A selection of events and meetings from the past year are presented in the following pages.

Visit the TURN webpage for more information: www.tundrurn.org



TURN | TUNDRA RESEARCH NETWORK

BRIDGING THE GAP BETWEEN BUSINESS AND SCIENCE

250

COMPANY COLLABORATIONS

25

UNIVERSITIES CONNECTED

14

COUNTRIES

9

ONGOING PROJECTS

VIETNAM

EMERGING VIETNAM CONFERENCE 2019

In June 2019, our advisor Duc Nguyen participated as a panelist in the panel “View from the buy side” in the Emerging Vietnam conference, hosted by Ho Chi Minh City Securities (HSC) - a top local broker. Emerging Vietnam is an annual event with the goal of connecting the international investment community to leading Vietnamese companies. This year, the event attracted 60 businesses and nearly 500 domestic as well as foreign investors.

"Even though there are headwinds and global uncertainties in the short term, Vietnam still maintains its role as a fast growing economy in the coming period. Valuations have become reasonable and offer opportunities for long term investors. Best stocks picks are ones with proven business models, moving higher in the value chain, and who are able to increase their market shares", shared Duc Nguyen.

LIN ANNUAL CROSS-SECTOR CONFERENCE

Founded in 2009, LIN Center for Community Development (LIN) is a Vietnamese non-profit, non-governmental organization that supports individuals and organizations committed to tackling social issues and building resilient communities in Vietnam. LIN has various platforms to engage with different parties, one of which is the annual cross-sector conference. The 2019 conference, organized on May 30, adopted the title of ‘Partnerships - Impact - Sustainability’, which reflects the objective of connecting stakeholders from different sectors to make strategic and sustainable impact in our communities. Now in its third year, the event gathered more than 200 international and local representatives from businesses, not-for-profits, philanthropy, academia, media and the government; including Tundra’s ESG analyst, Chau Le.

The conference opened with a keynote speech by Ambassador Cáit Moran, from the Embassy of Ireland. A number of important topics were discussed: how to define corporate social responsibility, ensuring sustainable supply chains, understanding the sustainable development goals, transparency and reporting. A key takeaway emphasized throughout the event was that despite the challenges of working across sectors, an attitude of ‘all hands on deck’ is needed to sustain positive impact.



MEETINGS WITH ILO & UNDP VIETNAM

In May 2019, our ESG Team had a chance to connect with Mr. Stephan Ulrich, Regional Programme Manager at the International Labour Organization (ILO) Country Office for Vietnam. Mr. Stephan lifted the role of Vietnamese corporations in effectively implementing policies on labor rights, decent working conditions at the supply chain level. Vietnam rejoined the ILO in 1992 and the ILO office was opened in Hanoi in 2003. This year marks the 100th anniversary of the ILO and on July 5th, Vietnam has officially ratified Convention No. 98, Right to Organize and Collective Bargaining Convention. It requires the sufficient protection of workers against employers' acts of discrimination at work thus that workers' and employers' organizations are free from the interference of the other. In order to fully align with this convention, Vietnam will need to address the current situation of grassroots trade unions being dominated by the management. Vietnam has now ratified 6 out of the 8 ILO Fundamental Conventions, which marks an important step in the process of reforming labor laws and fulfilling international commitments. The Convention will come into force on July 5th, 2020.

Also in May, Tundra paid a visit to the Green One UN House in Hanoi and met up with members of the United Nations Development Programme (UNDP) Vietnam. Mr. Seán O'Connell, Human Rights and Innovation Officer, introduced us to his colleagues who are experts in climate change-related issues, Ms. Sojin Jung and Ms. Vu Thi Thu Hang. Vietnam, a country particularly vulnerable to the effects of climate change, faces pressure to mitigate emissions and accelerate climate action nationwide. To succeed, it is important that the private sector takes active steps in contributing to the low-carbon transition and adopting climate smart policies. Ms. Sojin, together with her team, has been working on the Climate Business Index - a disclosure and assessment system developed for Vietnamese companies to monitor their climate action and to share climate-related data. Another UNDP project, in collaboration with the People's Committee of Da Lat, Vietnam, seeks to strengthen the organic agricultural waste management system in the city. The goal is to push forward a concrete action plan issued by the People's Committee, followed by large-scale implementation among local businesses.



SWEDEN-VIETNAM BUSINESS SUMMIT

In May 2019, Tundra visited Hanoi invited to join a High Level Delegation to Vietnam to participate in the Sweden-Vietnam Business Summit on May 7 - an event to commemorate the 50 years of diplomatic relations between Vietnam and Sweden. Our Head of ESG, Dr. Jennie Åhrén, joined a panel discussion on innovation, sustainability and start-ups, together with participants from Atlas Copco, Volvo and Elekta.

The purpose of the event was to strengthen the position of Sweden and Swedish companies in Vietnam and to showcase Swedish companies' products, solutions and ethical behaviour and their positive effect for Vietnam, organised by Business Sweden and the Embassy of Sweden in Hanoi with support from the VCCI.

Leaders from more than 50 Swedish companies and trade supporting organisations participated in the Summit. The Swedish business delegation was led by H.E. Ms. Ann Linde, Minister for Foreign Trade. The Summit was opened by Her Royal Highness Crown Princess Victoria of Sweden, followed by remarks by H.E. Deputy Prime Minister Pham Binh Minh.

HRH Crown Princess Victoria concluded in her welcome speech:

"Whether in Hanoi or in Stockholm, innovative businesses are powerful drivers of change. New ideas, new technologies and new solutions are necessary. Not only for economic growth - but also for a sustainable development. /.../ I would like to stress that sustainability and trade are not mutually exclusive. On the contrary, they are both critical to the long-term survival of our planet."



PAKISTAN

SDG BUSINESS NETWORKING DINNER

In November 2018, Tundra hosted a networking dinner with over 60 corporate leaders and representatives from the government and regulators such as the State Bank of Pakistan, the Pakistan Stock Exchange and the Securities and Exchange Commission. The aim of the event was to underline our commitment to the Agenda 2030 and to engage different stakeholders, especially those in leadership positions, into sharing knowledge and discussing possible avenues of collaboration to achieve the Sustainable Development Goals (SDGs).

Tundra’s ESG Analyst, Maryam Mughal, explained her engagement process with companies which included educating them about different sustainable initiatives and providing a clear path for action using in-house tools such as Tundra’s ESG Rating System. Imran Ismail, the Governor of Sindh, gave a positive address on the current government’s vision to support the business community in Pakistan in order to intensify investor confidence. Her Excellency Ingrid Johansson, Sweden’s Ambassador to Pakistan, communicated the need for promoting technical expertise to move up the economic value chain and shared examples from the Swedish business communities that were using technology for sustainable solutions.



SDG WORKSHOP WITH UNDP

In March 2019, Tundra held a consultative workshop on reporting on the Sustainable Development Goals (SDGs) in a collaboration with the United Nations Development Programme (UNDP). The event took place in Karachi, Pakistan and gathered representatives from private sector and Pakistan Stock Exchange.

The workshop highlighted the importance of better and standardized reporting on the SDGs by the private sector. Tundra's PM Shamoon Tariq underlined the importance of strong support and robust action from businesses in Pakistan if the Government of Pakistan aims to achieve the SDGs by 2030. Tundra's ESG Analyst, Maryam Mughal also highlighted that it was imperative for companies to recognize the need to navigate the sustainability universe using the comprehensive SDG guidelines which encompass social, economic, and environmental strands. During the workshop, the importance of prioritizing individual goals, targets and their indicators to measure performance was highlighted. Based on data collected by UNDP and Tundra by reviewing existing corporate reporting practices, a recommended framework and reporting tool was presented to the participants.

The purpose of the workshop was to not only introduce the proposed reporting guidelines but to also get participant feedback and input. During this consultative exercise, participants chose and presented targets within the goals that all Pakistan Stock Exchange listed companies should adopt. The feedback of over 30 sustainability and communication leads from different listed companies was recorded and relevant responses were included in the final guidelines draft. Read more: <https://bit.ly/2nxheuz>



SMART CITIES & DIGITAL TRANSFORMATION

In April 2019, Tundra co-hosted an event for raising awareness about sustainable solutions to urbanisation with the Swedish Embassy in Pakistan at the National Incubation Center in NED University, Karachi.

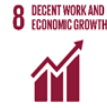
The purpose of the “Smart Cities and Digital Transformation” event was to understand and take inspiration from Sweden’s approach to smart and sustainable living through innovative solutions. Pakistan has several dire urbanisation issues such as unsafe water, poor housing quality, absence of a mass public transport system, pollution etc that require a significant overhaul.

The focus of the event were its three panel discussions, two of which were moderated by Tundra’s ESG Analyst, Maryam Mughal and Vice CIO and Partner, Shamooun Tariq each. During the first panel discussion, participants discussed the potential of technology (IoT) in developing smart cities and underlined the need for Pakistan to get involved in producing IT in order to contribute to the global economy. During the second panel, Maryam Mughal along with representatives of other Swedish businesses SKF, Atlas Copco, TetraPak and IKEA discussed the business value of sustainable policies and initiatives. Also in the panel was Annelie Persson Back, a Swedish environmentalist working on a project to bring eco-tourism to Pakistan. Shamooun Tariq hosted the final part of the evening with the last panel discussion with Mohamed Bashir, Chairman of Gul Ahmed Textile Mills, Richard Morin, CEO of Pakistan Stock Exchange, Ahsan Mangi, Secretary Board of Investment, Jehan Ara, President PASHA, NEST I/O and Amir Jahangir, CEO Mishal Pakistan and Partner of World Economic Forum.



AFRICA

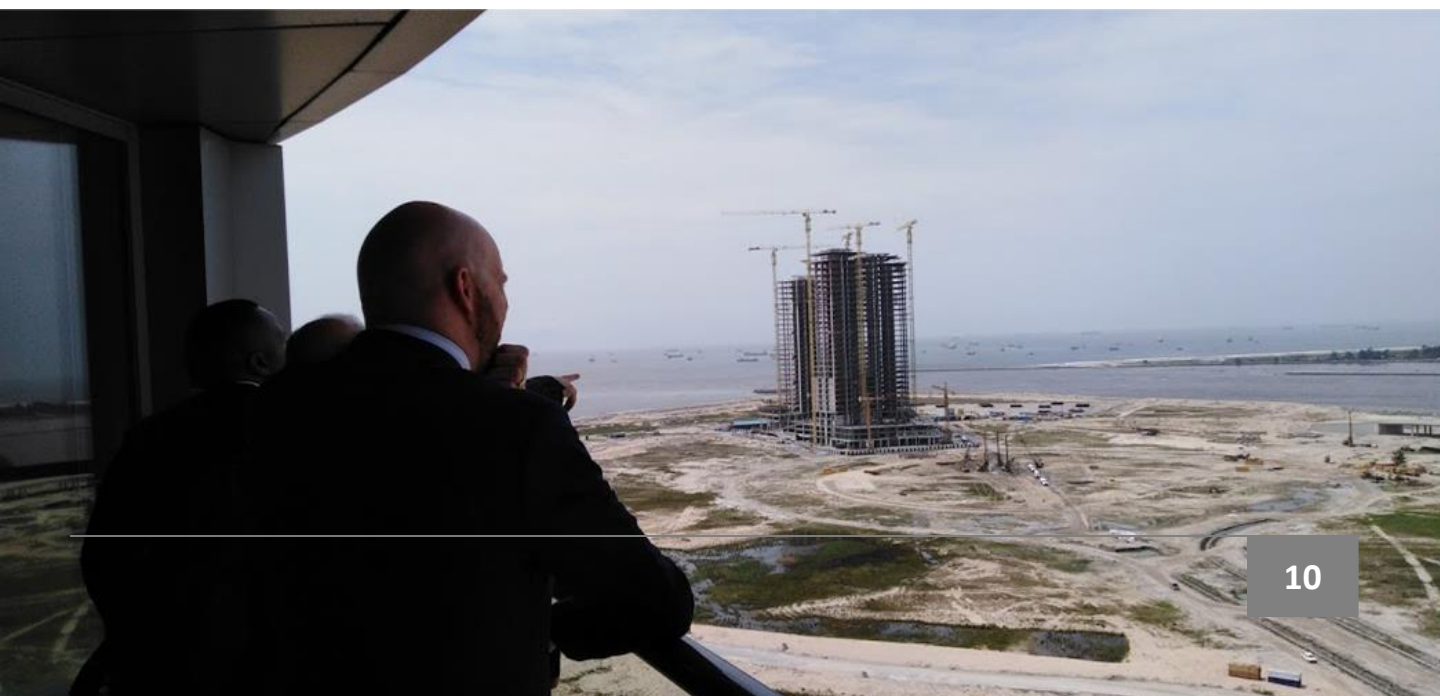
BUSINESSDAY CEO FORUM IN LAGOS



In October 2018, our portfolio manager Mathias Althoff participated as a panelist in the 9th annual edition of the BusinessDay CEO Forum in Lagos, Nigeria. Panels focused on current events in Nigeria such as infrastructure development, Africa Free trade agreement and how to make Nigeria attractive for foreign investors.

Since 2009, the CEO Forum has attracted thousands of business leaders and government officials, to dissect key trends, best practices and successful business models. It also provides a unique platform for debate around the prevailing challenges that they confront in this operating environment. Mathias Althoff, bringing the perspective of a foreign investor, lifted the importance of transparency and to have a regulatory roadmap from Nigerian companies. Further he highlighted the need of clear consistent policies and rules from the government to avoid events like the MTN debacle. Other noteworthy panelists at the forum were the CEO of Nestlé Nigeria, Mauricio Alarcon and Ambassador Chiedu Osakwe, director general of Nigerian Office for Trade Negotiations.

At that visit in Lagos Mathias Althoff also visited the Eko Atlantic development <https://www.ekoatlantic.com> - a brand new part of Lagos built on 10 million square meters of reclaimed land. The project started out to stop ocean waves from eroding the shores and will house 500 000 people, offices for 300 000 daily commuters, the largest mall in West Africa, the US embassy, a marina and much more once finished. The whole project is also committed to minimizing the carbon footprints in the construction process, using environmentally-efficient construction methods and locally sourced materials where available as well as constructing their own water and waste treatment facilities and electricity production. There will also be extensive public transport facilities that will be further enhanced by using intra-island waterway that extends from east to west, linking the marinas and six districts. A ferry system will transfer passengers to the Lagos ferry network.



SDG EVENTS

The UN has put out a call to action to all sectors of society in order to achieve the Sustainable Development Goals (SDGs) by 2030. The 2030 Agenda emphasizes opportunities for national implementation of the SDGs. Tundra is a participant to the UNGC, and encourages all of its portfolio companies, collaborators, and other stakeholders to sign the initiative and report on their progress.

In October 2018 we participated in the first Nordic Global Compact meeting, held at the UN City, Copenhagen (<https://bit.ly/1Vlnaxo>). Our take home messages from the meeting with other Nordic representatives include the fundamental need for transparency and sharing of knowledge in business. And the notion that engaging with the Sustainable Development Goals SDGs does not have to be a static commitment, but rather a continuous process implementing the 17 Global Goals and the 169 targets that are most relevant to your business. And, above all; to achieve a better and more sustainable future to all - we have to build on and extend collaborations.

In June we hosted our third SDG Event, a breakfast with the theme Responsible Ownership. The presentations and conversations were based on Agenda2030 and focused on the 17 Global Goals. We presented ongoing projects under the TURN umbrella and discussed the importance of action - with an emphasis on collaborations.

Additional presenters at the event were Emma Ihre, Sustainability Manager at Mannheimer & Swartling/Chairman of the Swedish Network of the UN Global Compact (<https://globalcompact.se>). Emma gave a thorough presentation on UNGC's framework and ambitions. How the network works on the basis of the Ten Principles of the UN Global Compact and the UN Sustainable Development Goals to inspire and help Swedish companies in their work with corporate social responsibility and sustainability. Further Hanna Lindquist, Communications & Customer Growth Manager at Trine (<https://trine.com/>), presented her company's take on responsible engagements and ownership. Trine is a Swedish fintech company that has developed a platform for individuals and companies to lend money to solar cell companies in developing countries. An alternative to sustainable and ethical savings that also contributes to reducing carbon dioxide emissions and providing access to electricity in some of the world's poorest areas.



VARMT VÄLKOMMEN TILL

SDG FRUKOST #3

TEMA: ANSVARSFULLT ÄGANDE

ONSDAGEN DEN 5 JUNI KL 8.30 - 10

URBAN DELI - GLASPAVILJONGEN,
TAKET - SVEAVÄGEN 44

OSA: 30 MAJ event@tundrafonder.se

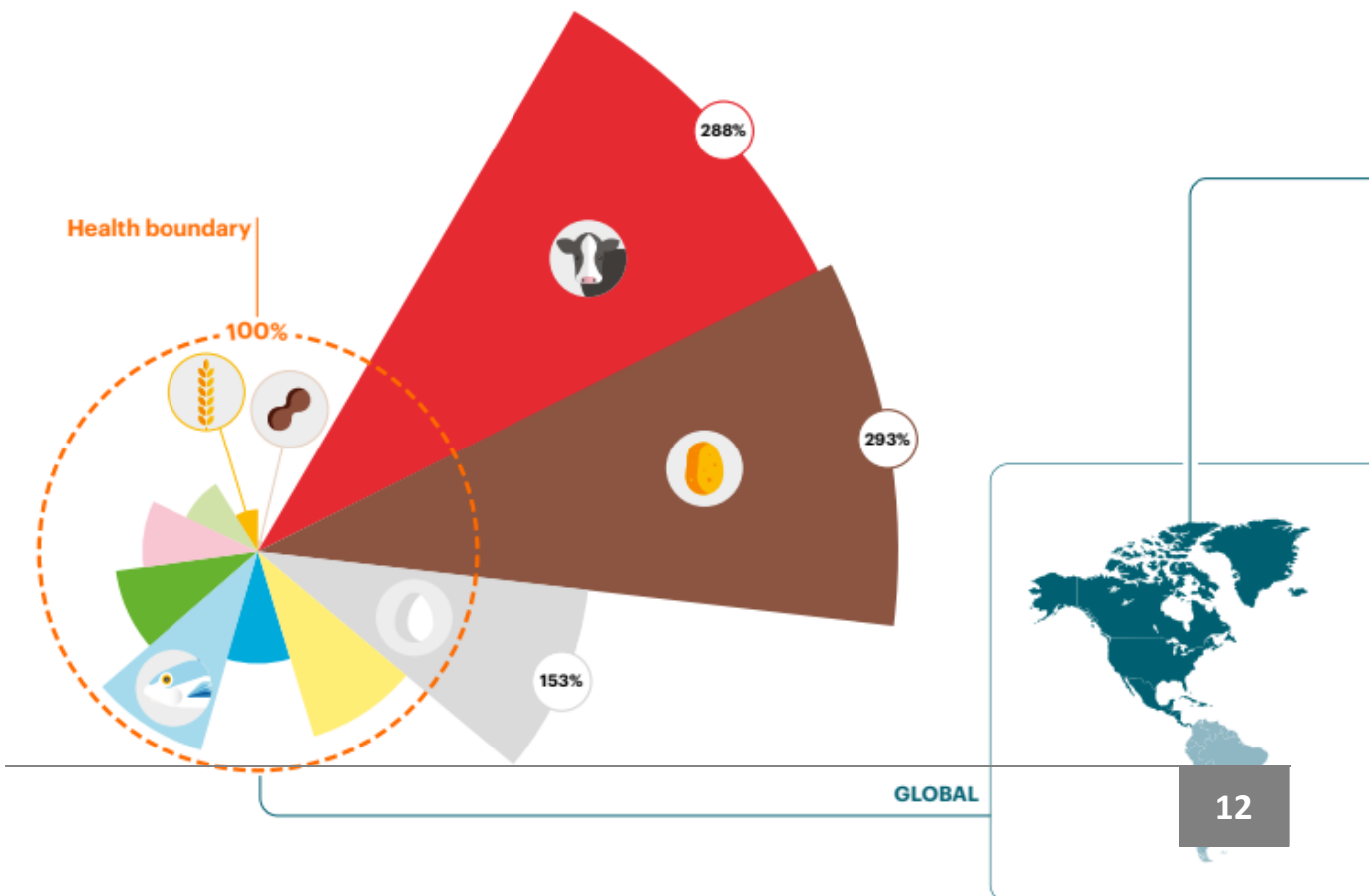


NEW YORK EAT/LANCET LAUNCH

In February we participated in the launch of the EAT Lancet Commission on Food, Planet, Health. The initiative brings together more than 30 world-leading scientists globally to reach a scientific consensus that defines a healthy and sustainable diet. A shift in global consumption building on an increased intake of fruits and vegetables, and substantially reducing red meat and sugar is required to be able to feed 10 billion people by 2050.

"Global food production threatens climate stability and ecosystem resilience. It constitutes the single largest driver of environmental degradation and transgression of planetary boundaries" says one of the researchers connected to the initiative, Johan Rockström, Stockholm Resilience Centre. The launch was held at the UN Headquarters in New York and presented findings from 37 of the planet's foremost experts who, for the first time ever, propose scientific targets for what constitutes both a healthy diet and a sustainable food system. Transformation of food system for a sustainable development/health/planet. Read the report here: <https://bit.ly/2RzvwZa> There is a need to adapt framework for different cultures and use report as a tool for change. Among the most important step is to connect stakeholders. Reflections and findings were presented by Dr. Gunhild A. Stordalen, EAT's Founder and Executive Chair, Professor Walter Willett (Harvard University) among others, followed by panels.

Read more about EAT here: <https://eatforum.org/about/>



INTERNATIONAL CONFERENCE ON SUSTAINABLE ENERGY IN PAKISTAN



In March 2019, our financial analyst Mubashir Zuberi attended the two-day international conference at National University of Sciences and Technology (NUST) in Islamabad. The speakers at the event were energy professionals who reviewed the latest developments, opportunities and challenges in renewable and non-renewable technologies and also discussed future trends.

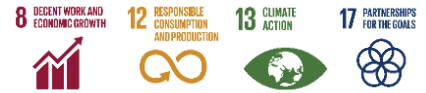
Organised by USPCAS-E, a partnership between Arizona State University, Islamabad's NUST and Peshawar's University of Engineering and Technology which focuses on applied research projects relevant to Pakistan's energy needs, curriculum development, establishment of state-of-the-art research laboratories and exchange programs. The speakers emphasised the need for cheaper supply of energy and spoke about a new policy (then) in the making which would incentivise renewable energy initiatives and open up the distribution market while moving away from guaranteed returns. Speakers also touched upon inefficiencies in the energy sector: photovoltaic (PV) solar systems were inexpensive and also the most common in the industry, but a more efficient alternative to that is concentrated solar power (CSP) which allows for energy storage. Academic Adil Najam stressed the importance of using technology efficiently. Since Pakistan is faced with several obstacles such as food safety and water conservation, and it is behind in terms of technological advancement, Najam recommended that industries should not waste time and money experimenting with the industry-standard PV solar but move directly to the more advanced CSP. Other speakers spoke about task forces that were working on giving recommendations on a much-needed integrated energy plan that could resolve the transmission and distribution inefficiencies that were bringing the energy sector down.

ENERGY MANAGEMENT & ADOPTING SDG 7

In September 2019, our ESG analyst Maryam Mughal and financial analyst Mubashir Zuberi attended the one-day workshop in Karachi. Organised by the Centre of Excellence in Responsible Business - CERB along with insights from the local industry.

The workshop began with an International Finance Corporation - IFC representative presenting a business case for energy efficiency. Accordingly, it was illustrated that around 20% of annual energy costs can be reduced through inexpensive internal measures. The speakers underlined the urgency for industry's top management to treat energy efficiency as the core of the business and to earnestly commit to SDG 7 Affordable and Clean Energy. While speaking about energy audits, consultant Atif Khan stressed that carrying out simple internal audits - which included streamlining policies, trainings, operations control etc - will result in substantial savings with minimal costs. Aligning with standards such as ISO 50001 based energy management systems was also a great step in the right direction for energy-intensive companies.

PRI CLIMATE FORUM LONDON



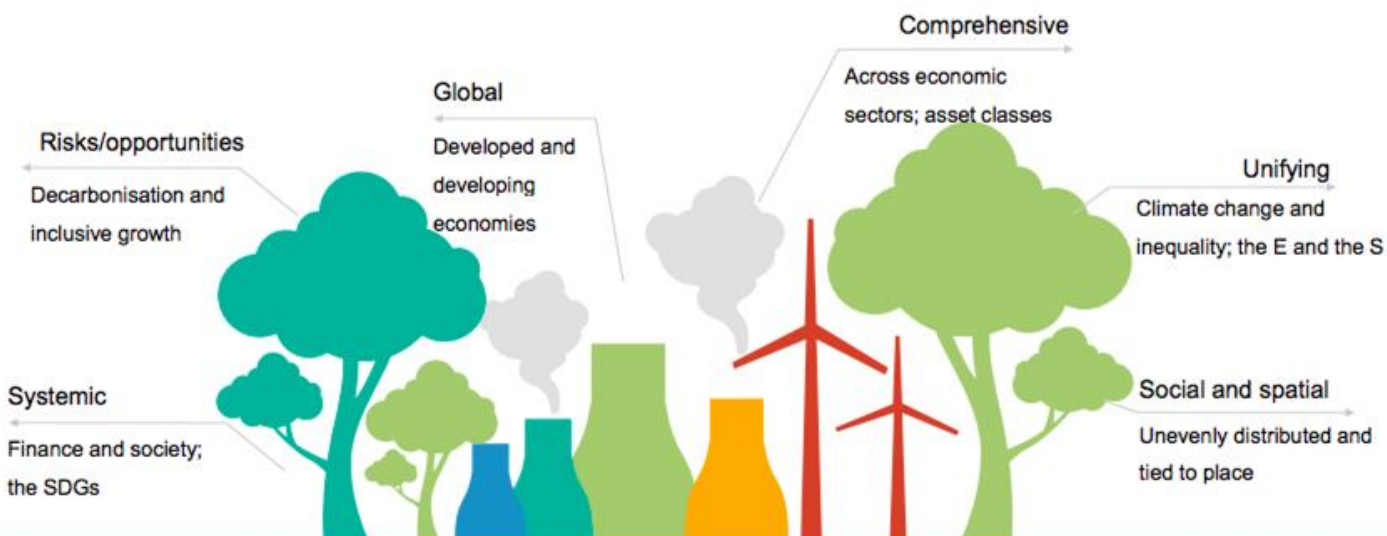
In November 2018, Tundra's CIO Mattias Martinsson and Head of ESG, Jennie Åhrén participated in PRI Climate Forum, London. Hosted by Man Group, this forum gathered representatives from finance, financial regulators and climate initiatives. Discussions focused on how finance can act for better climate solutions.

Several key points were collected from the meeting. Why should investors engage in climate action; as summarised by Bettina Reinboth (PRI) there is a dual imperative: To deliver the upside and to avoid the downside. The Task Force on Climate-related Financial Disclosures (TCFD) is a market-driven initiative, set up to develop recommendations for voluntary and consistent climate-related financial risk disclosures. This serves as a guide for companies in providing information to investors, lenders, insurers, and other stakeholders.

Tundra has signed on to the Initiative Climate change and the just transition – a guide for investor action. Investing in a just transition incorporates the following principles:

- Incorporate the just transition into policy on responsible investment and climate change.
- Integrate the just transition into procurement of investment services across all asset classes.
- Engage with companies to include the just transition within climate strategies, covering critical workplace issues, as well as supply chain management and community relations.
- Participate in place-based initiatives to channel capital into community renewal and regional diversification through investments with positive social and environmental impacts.
- Promote disclosure by companies, asset owners and asset managers using the framework of the task force on climate-related financial disclosures (TCFD) and extending this to include the social dimension

A multi-dimensional challenge



COUNTRY FACTS - SDG INDEX

In the following section you will find descriptions of the countries represented in the **Tundra Sustainable Frontier Fund**. Apart from other sources we have included the *Sustainable Development Report 2019*. It covers all UN member states and presents a review of countries' performance on the 17 Sustainable Development Goals (SDGs) through an updated SDG Index and Dashboards. This year, the index included 162 countries. Since the indicators were introduced, data and methodology have been revised, thus the index scores and ranks are not comparable with the 2018, 2017 and 2016 editions. As such, all 17 goals are weighted equally in the Index; the score signifies a country's position between the worst (0) and the best or target (100) outcomes. The report was prepared by teams of independent experts at the Sustainable Development Solutions Network (SDSN) and the Bertelsmann Stiftung and was audited for the first time by the European Commission Joint Research Centre. For more information on underlying data and data visualization tools, please visit: www.sustainabledevelopment.report.

According to the report, the SDGs can be operationalized through six broad transformations:

1. Education, Gender, and Inequality;
2. Health, Wellbeing, and Demography;
3. Energy Decarbonization and Sustainable Industry;
4. Sustainable Food, Land, Water, and Oceans;
5. Sustainable Cities and Communities;
6. Digital Revolution for Sustainable Development.

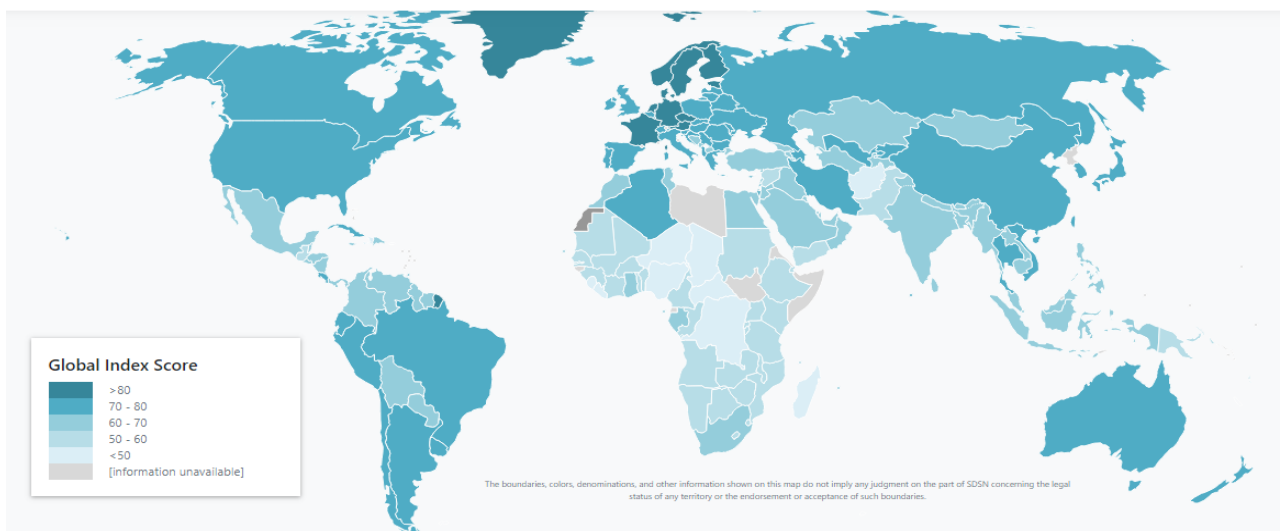
These transformations highlight the strong interdependencies among the 17 goals; they must be guided by principles of Leave No One Behind and Circularity and Decoupling.

Major findings indicate that Nordic countries - Denmark, Sweden,, Norway and Finland - are on top of the SDG Index. However, no country is on track to achieve Agenda by 2030. Major challenges regarding climate change mitigation, biodiversity protection, inequalities, human rights and freedom of speech remain in developing as well as developed countries. Regarding trends, many high-income countries are making slow progress when it comes to sustainable consumption and production and protection of biodiversity. Low-income countries tend to have lower SDG index scores due to aspects related to poverty, lack of sufficient infrastructure and mechanisms to manage environmental issues.

Sustainable Development Report Dashboards 2019
Transformations to Achieve the Sustainable Development Goals



| BertelsmannStiftung



BANGLADESH FACTS



Capital: Dhaka

Population (2018): 161 356 039

Area: 148 460 km² (Land 130 170 km²/ Water 18 290 km²)

Official Language: Bengali (Bangla)

Major Religion: Islam

GDP current: \$274 025m

GDP per Capita (2018): \$1 698

Currency: Bangladeshi Taka (BDT)

Sources: World Bank, CIA World Factbook

Bangladesh's economy has grown at an annual average of about 6% over the last two decades and a growth rate of 6.75% is predicted until 2019¹. In 2014 the country reached the World Bank's lower-middle income status. Lately Bangladesh has suffered from Islamist extremism resulting in terror actions against bloggers. A new World Bank report shows that Bangladesh is among the countries that are most affected by pollution, with an estimated 28% of all disease related deaths caused by pollution, compared to the global average of 16%². Tundra has investments in five Bangladeshi companies, all in the Tundra Sustainable Frontier fund.

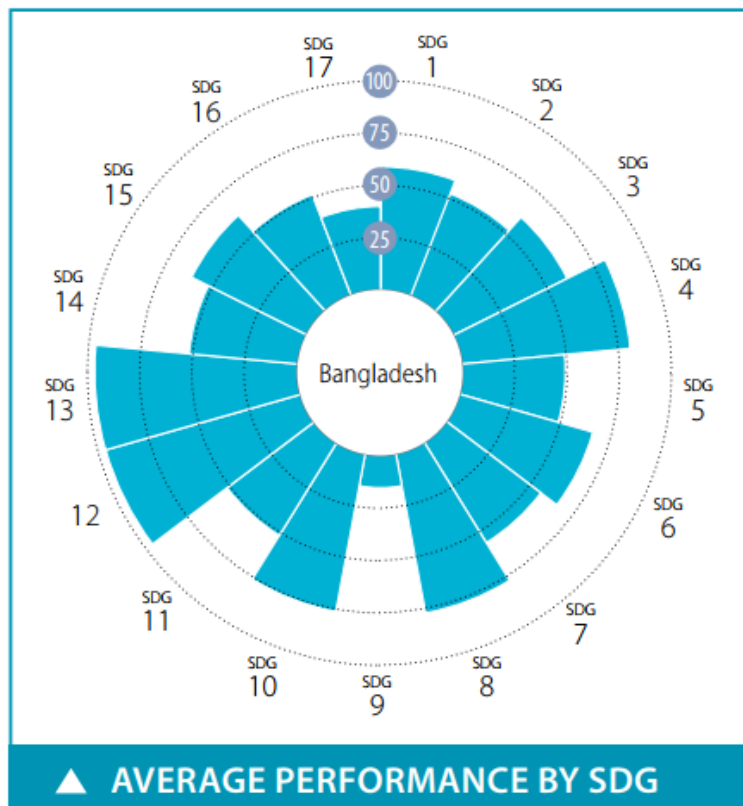
In the 2019 SDG Index and Dashboards, Bangladesh was ranked 116th (out of 162 countries) with a total index score of 60.9, lower than the regional average of 65.7. Among the 17 global goals, Bangladesh is doing well regarding Goal 12, Responsible consumption and production, and Goal 13, Climate action. Based on the country's performance by indicators, the management of municipal solid waste, e-waste and SO₂ emissions seems to be on track. Regarding climate action, Bangladesh is making efforts to reduce CO₂ emissions, but the number of people affected by climate-related disasters is still high. Although significant challenges remain in the areas of ending poverty and decent work, the trend is positive. Estimated percentage of people living under the poverty threshold of US\$ 1.90/day is 7.2%. Prevalence of modern slavery is 3.7 per 1,000 population and unemployment rate is 4.4%.



Photo: Unsplash/ Md EfthakharUI Alam

Potential country risks: Bangladesh is one of the frontline countries highly exposed to the effects of climate change. The yearly average number of people affected by climate-related disasters over the last five-year period was around 1,341 per 100,000 population. Poverty reduction still poses significant challenges as the estimated percentage of population living under the poverty threshold of US\$ 3.20 a day remains high at almost 38%. Much work needs to be done regarding gender equality and reducing overall inequalities; female labor force participation rate remains low compared to male labor force participation rate. Other key developmental challenges include access to basic sanitation services and improved water source, access to electricity and clean fuels, inadequate infrastructure, loss of biodiversity and thus, poor governance. Bangladesh's ranking in the Press Freedom Index has been declining, currently ranked 150th out of 180 countries in the index (<https://bit.ly/2kmo4kP>).

In addition to the risks stated above, we will focus a bit more on health-related progress in Bangladesh; since one of Tundra's top ten holdings is a Bangladeshi pharmaceutical company. The country's SDG progress is improving, especially when it comes to managing obesity prevalence among adults, new HIV infections and national immunization coverage of infants. Despite being on track of declining, the rates of maternal and neonatal mortality remain high. Moreover, issues of undernourishment, stunting and wasting in children under the age of 5 need to be addressed. The top five risk factors that drive the most death and disability combined are malnutrition (which has remained number one since 2007), dietary risks, air pollution, high blood pressure and tobacco³. On a different note, personal healthcare access and quality has been improving; thus, government as well as out-of-pocket health spending are on the rise.



[1] World Bank Data - Bangladesh: <https://bit.ly/2QAH7IV>

[2] Enhancing Opportunities for Clean and Resilient Growth in Urban Bangladesh: Country Environmental Analysis 2018, World Bank Report, (2018) <https://bit.ly/2PpepEF>

[3] IHME. Global Health Data Exchange. Bangladesh. <https://bit.ly/2kDaE4h>

BOTSWANA FACTS



Capital: Gaborone

Population (2018): 2 254 126

Area: 581 730 km² (Land 566 730 km²/ Water 15 000 km²)

Official Language: English, Setswana

Major Religion: Christianity

GDP current: \$18 616m

GDP per Capita (2018): \$8 259

Currency: Botswana Pula (BWP)

Sources: World Bank, CIA World Factbook

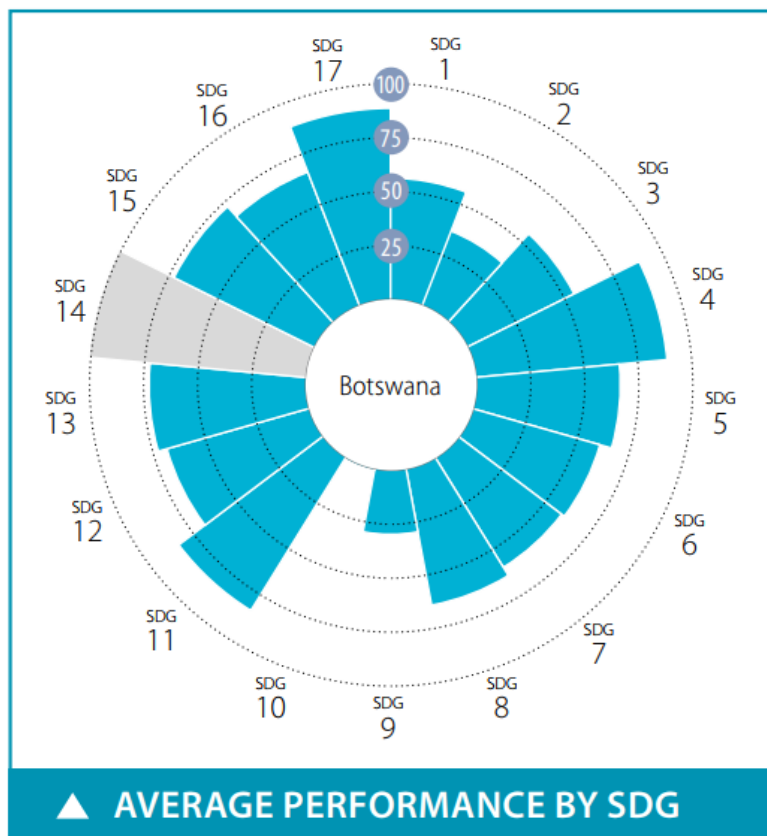
Botswana, since its independence from Great Britain in 1966, has become one of the most prosperous economies in Africa and also one with stable political climate⁴. Significant mineral wealth, prudent economic management and a small population have transformed Botswana from one of the poorest countries in the world five decades ago into a middle-income country. Mineral extraction, principally diamond mining, dominates the country's economic activity. In addition, tourism is increasingly a growing sector thanks to the extensive nature preserves.

The country acquired an index score of 59.8, compared to a regional average of 53.8, and a global rank of 120 out of 162 countries analyzed. Among the 17 global goals, Botswana has achieved great progress towards Goal 4, Quality education, Goal 11, Sustainable cities and communities, Goal 15, Life on land, and Goal 17, Partnerships for the goals. Regarding education, literacy rate is high (almost 98% among 15-24 years old). Nearly 100% of people in urban areas have access to improved drinking water and satisfaction with the public transportation systems is improving. Deforestation and extinction risk across groups of species are kept under control. Additionally, the gap is narrowing when comparing labor force participation rate and mean years of schooling of the two sexes. The perceived levels of public sector corruption is quite low at 61/100, ranked 34th out of 180 countries in the Corruption Perceptions Index 2018 (<https://bit.ly/2B7SAEu>).



Potential country risks: Even though the discovery of diamonds has helped Botswana move to a middle-income level, it has also contributed to the country's vast income inequality and poverty level. Botswana's poverty level is still high for a middle-income country, with 17% of the population living under the poverty threshold of US\$ 1.90/day and 33% under the US\$ 3.20/day threshold. Unemployment rate is also high (estimated at approximately 18% of the total labor force in 2018) and existing infrastructure needs to be upgraded. Other critical issues consist of: access to basic drinking water services and sanitation services, access to electricity and clean fuels. Furthermore, the country has high number of homicides (15 per 100,000 population) thus people are not feeling safe in the areas where they live in.

Botswana has one of Africa's most progressive and comprehensive programs to deal with HIV/AIDS; however, it is still a major health issue and the country has one of the world's highest rates of HIV/AIDS infection. HIV/AIDS ranked as the number one cause for the most deaths and disability, consistently throughout 2007-2017⁵. Other health and wellbeing concerns also require attention, specifically maternal and neonatal mortality, TB, and malnutrition. The prevalences of undernourishment and stunting are high and struggling to go down. Life expectancy at birth was estimated at only 66 years old; thus, traffic deaths rate is quite high at 21 per 100,000 population.



[4] CIA The World Factbook, Botswana <https://bit.ly/1iMJvA9>

[5] IHME. Global Health Data Exchange. Botswana. <https://bit.ly/2IWUrqL>

EGYPT FACTS



Capital: Cairo

Population (2018): 98 423 595

Area: 1 001 450 km² (Land 995 450 km²/ Water 6 000 km²)

Official Language: Arabic

Major Religion: Islam

GDP current: \$250 895m

GDP per Capita (2018): \$2 549

Currency: Egyptian Pound (EGP)

Sources: World Bank, CIA World Factbook

Egypt has the highest population in the Middle East and one of the top economies in Africa. The country's economy largely depends on agriculture, tourism, textile production, food processing and hydrocarbons. The tourism sector, which was affected by political instability post-2011, is gradually recovering. The economy has strengthened after the reforms with a forecasted annual GDP of 5.5% in 2019⁶. Tundra's holdings in Egypt include 13 companies, among which 7 are in the Tundra Sustainable Frontier Fund.

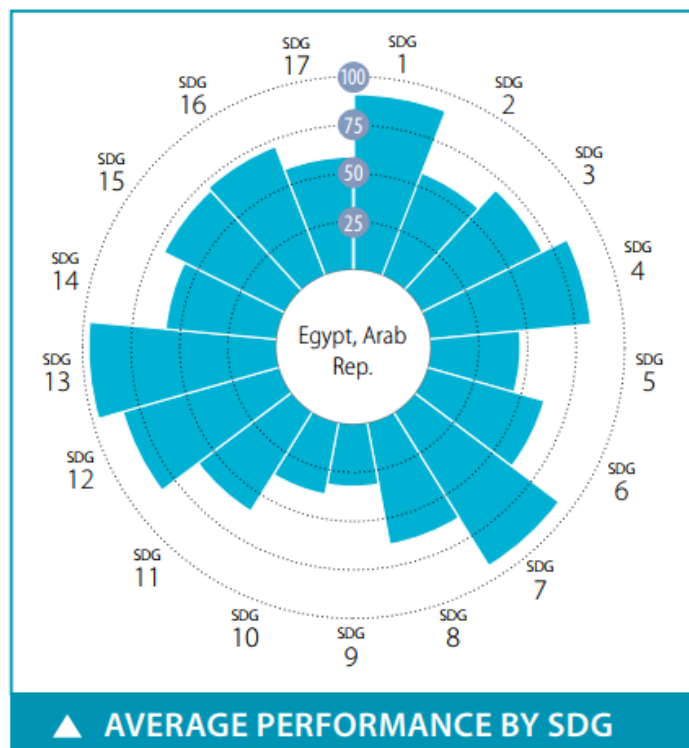
Egypt's SDG global ranking was 92 (of 162), as reported in the 2019 SDG Index and Dashboards; the country achieved an index score of 66.2 compared to the regional average of 65.9. Egypt's progress to achieve Agenda 2030 appears to be relatively on-track for Goal 1, Ending poverty, Goal 7, Affordable and clean energy, and Goal 13, Climate action. Estimated percentage of the population living under the poverty threshold of US\$ 1.90 a day is recorded at 0.5%. Regarding energy, 100% of the total population have access to electricity and almost 98% primarily use clean cooking fuels and technologies for cooking. Emissions of carbon dioxide per capita that arise from the consumption of energy (including petroleum, natural gas, coal, and natural gas flaring) is 2.0 tCO₂/capita. Thus, the yearly average number of people affected by climate-related disasters is relatively low (17.2 per 100,000 population).



Credit: The Benban solar power plant/ Scatec Solar

Potential country risks: In the short-term, political stability appears to have improved, but longer-term issues persist. The 2019 SDG Index indicates that Egypt still faces major challenges regarding Goal 16 - Peace, justice and strong institutions. The perceived levels of public sector corruption is quite high at 35/100, ranked 105th out of 180 countries according to the Corruption Perceptions Index 2018 (<https://bit.ly/2B7SAEu>). Furthermore, the press freedom situation in the country has not been bright, with a ranking of 163 out of 180 countries. Unemployment rate in the country needs to be further reduced (11.8% of total labor force in 2018). Egypt appears to be lagging behind regarding gender equality, with a big gap between female and male labor force participation rate. Environmental concerns include water quality and quantity, soil erosion, air pollution, and the environmental effects of tourism. The top five risk factors driving the most death and disability combined consist of dietary risks, high blood pressure, high body-mass index, high fasting plasma glucose, and tobacco⁷.

As part of Egypt's national strategic plan to progress towards Agenda 2030, the country aims to increase its capacity to produce electricity and also to increase the share of renewable energy⁸. Currently, Egypt still relies heavily on non-renewable sources as around more than 90% of its power supply is generated from fossil fuels; however, with the ever-increasing energy consumption, it is necessary to transform the country's energy sector and diversity its energy mix. Egypt possesses a vast land area, sunny climate and high wind speed, which create favorable conditions to generate renewable energy. The target is to generate 20% of the country's power from renewable sources by 2022, and further increase to 42% by 2035. The government has also implemented major reforms in the legal framework to encourage participation of the private sector; thus the utilization of renewable sources should spread beyond the energy sector.



[6] World Bank Data - Egypt <https://bit.ly/2zY1S5P>

[7] IHME. Global Health Data Exchange. Egypt. <https://bit.ly/2kSP3Vx>

[8] Egypt's Voluntary National Review 2018 <https://bit.ly/2NZ3yAP>

NIGERIA FACTS



Capital: Abuja

Population (2018): 195 874 740

Area: 923 770 km² (Land 910 770 km²/ Water 13 000 km²)

Official Language: English

Major Religion: Islam, Christianity

GDP current: \$397 269m

GDP per Capita (2018): \$2 028

Currency: Nigerian Naira (NGN)

Sources: World Bank, CIA World Factbook

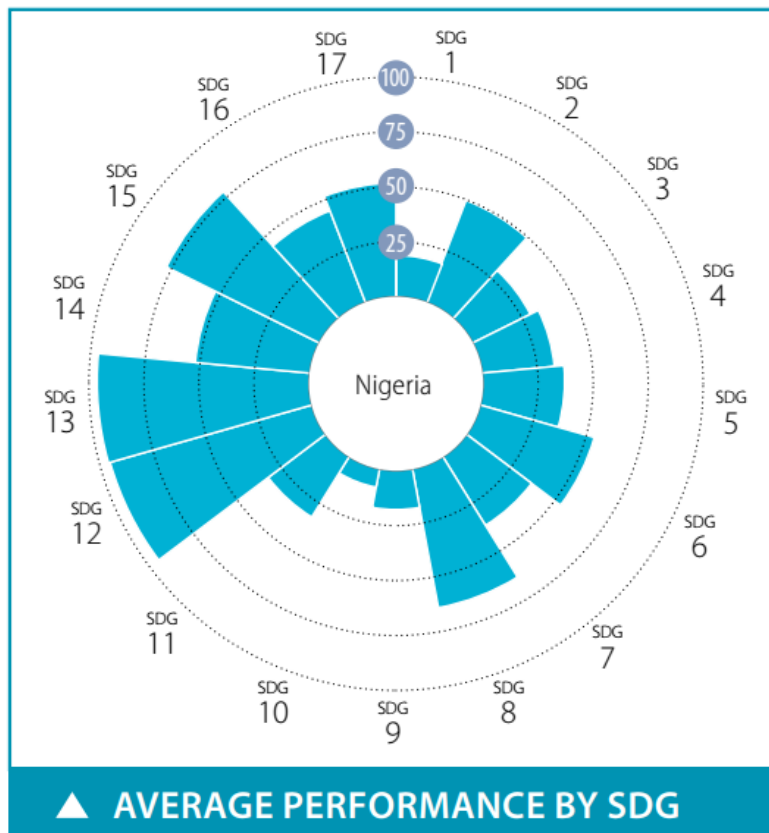
Nigeria is one of the top oil producing countries in the world and also has one of the largest natural gas reserves in Africa. Between 2006 and 2016, the country's GDP grew at an average rate of 5.7% per year and the World Bank forecasts 2.2% annual GDP growth in 2019⁹. There are significant infrastructure issues, especially with regards to power generation. Nigeria also suffers from high levels of corruption, poverty and unemployment¹⁰. Nigeria ranks 157 out of 189 countries on the HDI which places it in the low category of human development. It faces some serious challenges in women's empowerment especially in terms of reproductive health (<https://bit.ly/2RtfyMQ>). Tundra is currently invested in six Nigerian companies, all from the financial sector. Five of these holdings are in the Tundra Frontier Sustainable fund.

In the 2019 SDG Index and Dashboards, Nigeria was ranked 159 (out of 162 countries) with a total index score of 46.4, lower than the regional average of 53.8. Among the 17 global goals, Nigeria is doing well with regards to Goal 12, Responsible Consumption and Production as well as Goal 13, Climate Action. Based on the country's reported performance by indicators, the management of municipal solid waste, e-waste and SO₂ emissions seems to be on track. With regards to climate change, Nigeria is improving its CO₂ emissions per capita while the number of people affected by climate-related disasters is 347 per 100, 000 people. While significant work needs to be done for gender equality, the female to male labour force participation rate is high at almost 85%.



Potential country risks: The country’s political climate is volatile with Boko Haram, an Islamist terrorist movement attacking the country’s northern regions. Poverty reduction poses a significant challenge as the estimated percentage of population living under extreme poverty defined as being US\$1.90 per day is 47.7% while the country’s unemployment rate is at 7%. The occurrence of HIV infections is moderately improving (with 1.2 new infections per 1,000 people) while incidence of tuberculosis have stagnated with 219 cases out of every 100, 000. The top five risk factors that drive the most death and disability are malnutrition, WaSH (water, sanitation and hygiene), air pollution, unsafe sex and high blood pressure¹¹.

Gender inequality in education and work leads to amplified socio-economic discrepancies. According to UNESCO Institute for Statistics, the total adult literacy rate in the country is at 62% (71.3% for men and 53% for women), while the ILO estimated labour force participation rate is at 55% (50% for women and 60% for men). Three of Tundra’s top 10 holdings are Nigerian banks and yet the proportion of adults with access to financial services within the country is disappointingly low at just 39.7%. As far as climate action is concerned, challenges remain with CO2 emissions in exported fossil fuels of around 1,656 kg/capita. The country’s perceived level of public-sector corruption according to Transparency International’s Corruption Perception Index places it in the lower percentile at 144 out of 180 countries, while on the Press Freedom Index, Nigeria ranks 120 out of 180 (<https://bit.ly/2kmo4kP>).



[9] World Bank Data - Nigeria <https://bit.ly/2OLThLv>

[10] Enofe A.O., Oriaifoh C. L. et al. Poverty and Unemployment and Corruption in Nigerian Public Sector, IIARD International Journal of Economics and Business Management ISSN 2489-0065 Vol. 2 No.2 (2016) <https://bit.ly/2RA2OUu> [11] IHME. Global Health Data Exchange. Nigeria. <https://bit.ly/2nJOXRe>

PAKISTAN FACTS



Capital: Islamabad

Population (2018): 212 215 030

Area: 796 100 km² (Land 770 880 km²/ Water 25 220 km²)

Official Language: Urdu, English

Major Religion: Islam

GDP current: \$312 570m

GDP per Capita (2018): \$1 473

Currency: Pakistani Rupee (PKR)

Sources: World Bank, CIA World Factbook

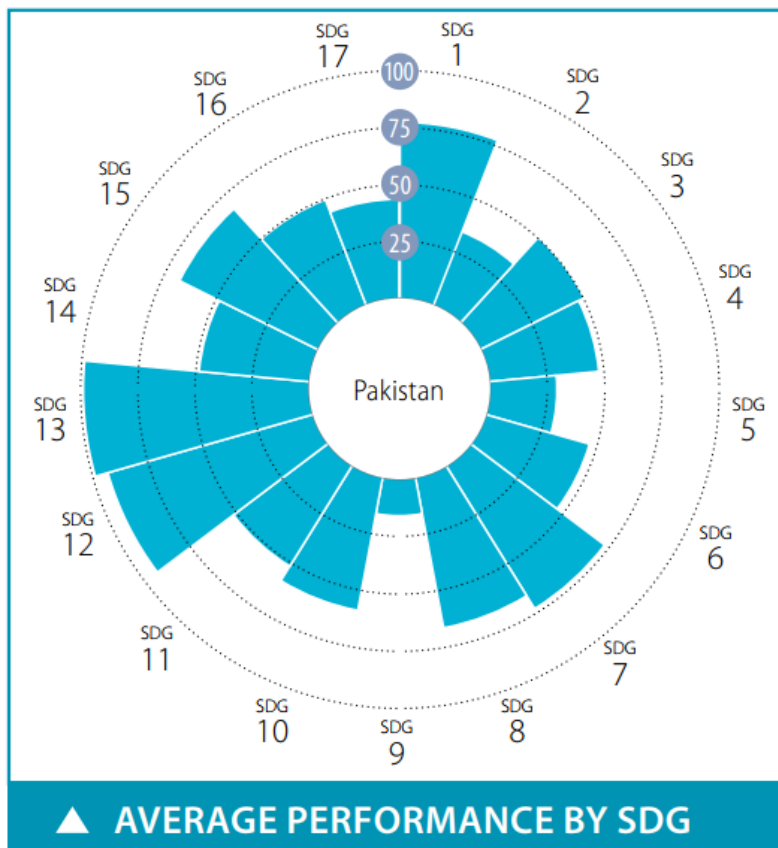
Pakistan's economy continues to grow to meet the needs of its young and educated population. The partnership with China, its largest neighbour and ally, through the China - Pakistan Economic Corridor (CPEC) is an important part of this forward momentum. Introduced to the world in 2013, the broader Belt and Road Initiative (of which CPEC is a part) envisions building trade links with the rest of the world – a 21st century reimagining of the silk route. Under CPEC, Chinese investments in Pakistan include major infrastructure improvements; with loans and investments of over \$55 billion expected in Pakistan's energy and transportation sectors¹². In the latest HDI report Pakistan ranked 150 out of 189 (<https://bit.ly/2zUbGh1>). Currently Tundra has 34 Pakistani companies in its portfolios, 19 of these are in the Tundra Sustainable Frontier Fund.

In the 2019 SDG Index and Dashboards, Pakistan was ranked at 130 (out of 162 countries) with a total index score of 55.6, lower than the regional average of 65.7. Among the 17 global goals, Pakistan is on track with the progress of Goal 1, No Poverty and Goal 13, Climate Action. Based on the country's reported performance by indicators, Pakistan is improving its CO2 emissions per capita. Estimated proportion of people living under the poverty threshold of US\$1.90/day is at an encouraging 1%.



Potential country risks: Energy crisis, religious extremism and unemployment are some of the main challenges. While the country has made major improvements on the extreme poverty line, 22% of the population is living under the poverty threshold set for ‘lower-middle-income countries’ at US\$3.20 a day. Despite improving emissions-related footprint, the number of people affected by climate-related disasters is 228 per 100,000 people.

Almost half of the urban population does not have access to an improved source of water. Significant challenges also remain with regards to reducing hunger, achieving quality education and gender equality. According to UNESCO Institute for Statistics, the total adult literacy rate in the country is at 59% (71% for men and 46% for women), while the ILO estimated labour force participation rate is at 55% (25% for women and 84% for men). Over 20% of the population is undernourished with 45% of children under 5 years facing stunting. Maternal, neonatal and general mortality rates still quite high. The top five risk factors that drive the most death and disability in the country are malnutrition, dietary risks, high blood pressure, tobacco and air pollution where over 50% of the patients bear expenses out-of-pocket¹³. Proportion of adults with access to financial services is low at 21.3%. Pakistan’s position on Transparency International’s Corruption Perception Index is not favourable at 117 out of 180, while the Press Freedom Index ranks it at 142 out of 180 countries (<https://bit.ly/2kmo4kP>).



[12] China Pakistan Economic Corridor <https://bit.ly/2C2wPHa>

[13] IHME. Global Health Data Exchange. Pakistan. <https://bit.ly/33cNuIS>

SRI LANKA FACTS



Capital: Colombo

Population (2018): 21 670 000

Area: 65 610 km² (Land 62 710 km²/ Water 980 km²)

Official Language: Sinhala

Major Religion: Buddhism

GDP current: \$88 900m

GDP per Capita (2018): \$4 102

Currency: Sri Lankan Rupee (LKR)

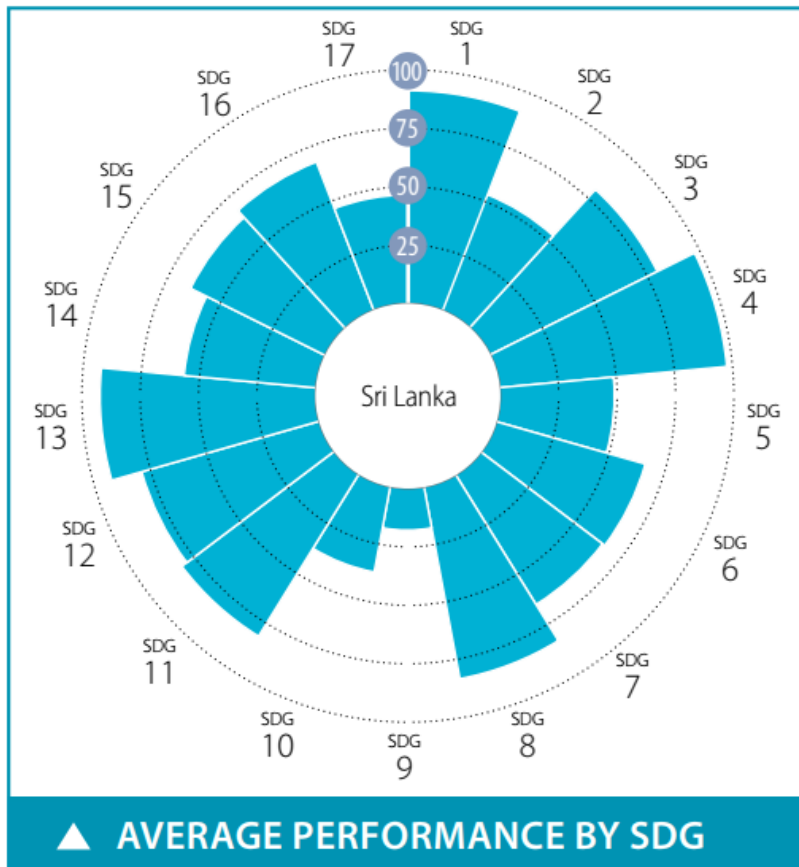
Sources: World Bank, CIA World Factbook

Sri Lanka has witnessed stable economic growth since the 30-year civil war but due to extreme weather events and recent political instability growth slowed down during 2017. The World Bank forecasts an economic growth of 4.49% in 2019¹⁴. Tourism, tea, textiles, and agricultural exports are the main earners. Chinese investments have also increased in Sri Lanka's infrastructure projects. A free-trade agreement between China and Sri Lanka has been in the works since early 2016 and is said to be finalized sometime this year¹⁵. Sri Lanka ranks 60 out of 189 in the HDI placing it in the high human development category (<https://bit.ly/2y2dnrs>). Tundra currently has 11 Sri Lankan companies in the Sustainable Frontier Fund.

In the 2019 SDG Index and Dashboards, Sri Lanka was ranked 93rd (out of 162 countries) with a total index score of 65.8, just about bypassing the regional average of 65.7. Among the 17 global goals, the country has achieved Goal 4 Quality Education with a literacy rate of 98.9% among 15-24 year olds. Sri Lanka is also on track with the progress of the following: Goal 1 No Poverty, where the estimated proportion of people living under the poverty threshold of US\$1.90/day is at a remarkable 0.3%; Goal 6 Clean Water and Sanitation, where part of the population using basic drinking water services and basic sanitation services is at 92.3% and 94.2% respectively; Goal 8 Decent Work and Economic Growth, where the unemployment rate is at 4.1% of the total labour force; and Goal 13 Climate Action where it can be seen that Sri Lanka's energy-related and imported CO2 emissions per capita is at 1tCO2 and 0.3tCO2 respectively.



Potential country risks: Human rights issues, including those of women and minorities are contentious. Environmentally, despite having a low emissions-related footprint, the number of people affected by climate-related disasters is really high with 3,373 per 100,000 people. Significant challenges also remain with gender equality where the female to male labour force participation rate is at 47.3%. Prevalence of stunting in and wasting in children under 5 years of age is relatively high. High fasting plasma glucose, dietary risks, high blood pressure, tobacco and high body-mass index are the top five risk factors that drive the most death and disability in the country where almost 50% of patients bear the expenses out-of-pocket¹⁶. Transparency International's Corruption Perception index ranks the country at 89 out of 180. Where Sri Lanka's position in the Press Freedom Index is concerned, it is currently ranked 126 out of 180 countries (<https://bit.ly/2kmo4kP>).



[14] World Bank Data - Sri Lanka <https://bit.ly/2C0NsmO>

[15] Sri Lanka Trade agreement with China, Reuters (Feb 2017) <https://reut.rs/2QAYHLh>

[16] IHME. Global Health Data Exchange. Sri Lanka. <https://bit.ly/2m8AihQ>

TURKEY FACTS

Capital: Ankara

Population (2018): 82 319 724

Area: 783 562 km² (Land 769 632 km²/ Water 13 930 km²)

Official Language: Turkish

Major Religion: Islam

GDP current: \$766 509m

GDP per Capita (2018): \$9 311

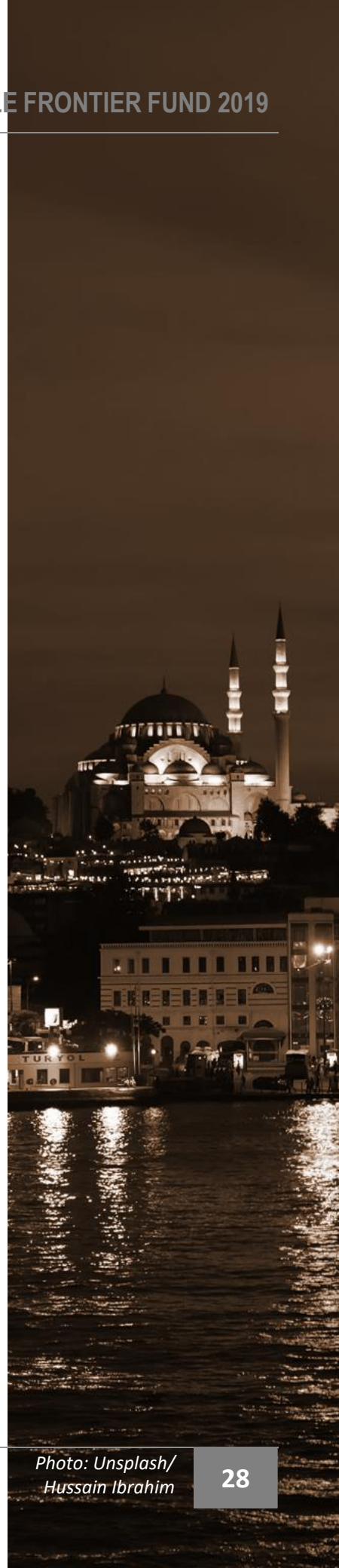
Currency: Turkish Lira (TRY)



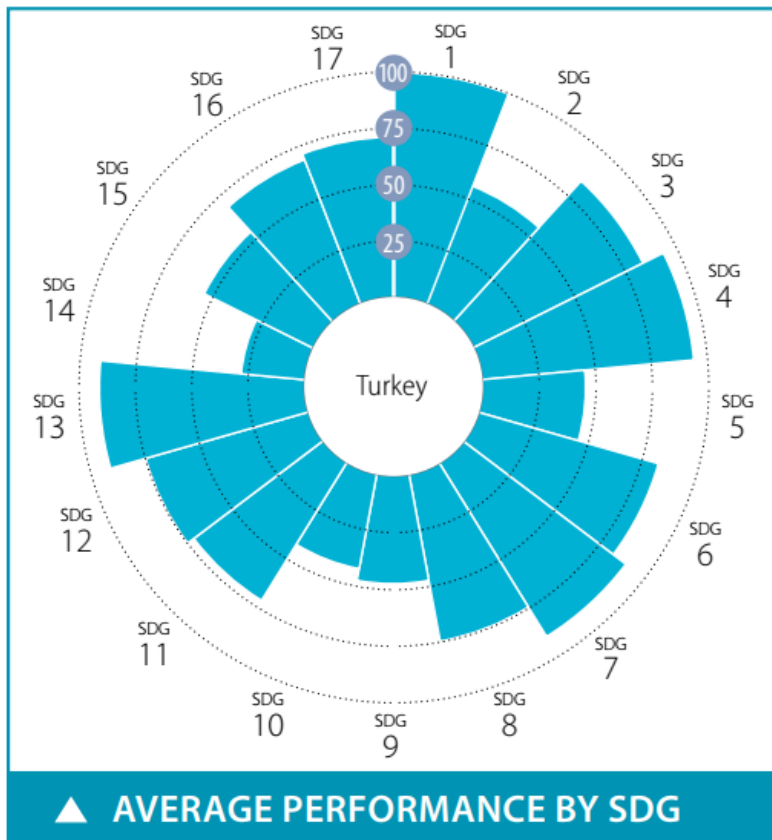
Sources: World Bank, CIA World Factbook

Turkey's economic growth since 2000 has lead to it becoming an upper-middle-income country. Since 2002, poverty levels have decreased by over 50% due to the country's ambitious reforms that targeted disadvantaged regions and the vulnerable sections of society¹⁷. In August 2018, Turkey announced the end of a two-year state of emergency which reportedly lead to over 100,000 people being removed from public sector jobs and over 50,000 in jail¹⁸. Turkey ranks 64 out of 189 in the HDI placing it in the high human development category (<https://bit.ly/2nC1MwR>). Tundra currently has one Turkish healthcare company in the Sustainable Frontier Fund.

In the 2019 SDG Index and Dashboards, Turkey was ranked 79th (out of 162 countries) with a total index score of 68.5, lower than the regional average of 77.7. Among the 17 global goals, the country is on track to achieving Goal 4 Quality Education with a literacy rate of 99.6% among 15-24 year olds. According to the country's reported performance based on indicators, the estimated proportion of people living under the poverty threshold of US\$1.90/day is 0% while 0.5% of the population is living under the poverty threshold set for 'lower-middle-income countries' at US\$3.20 a day. Good health under Goal 3 is moderately improving with mortality rates and low incidences of HIV and tuberculosis. Almost 67% of adults have bank accounts which is an indicator of improving trends for SDG8 Decent Work and Economic Growth. Industry, innovation and infrastructure - as per Goal 9 - is also improving with increased percentage of people using the internet (65%) and mobile broadband subscriptions (71%) as well as scoring 3.2 out of 5 on the Logistics Performance Index which looks at the quality of trade and transport-related infrastructure.



Potential country risks: According to The Human Rights Watch, the 2018 presidential election gave way to even broader powers of the ruling party along with the arrests of dissenters and journalists as well as heavy media censorship. Environmentally, climate change progress has decreased with emissions increasing to 4.2tCO₂ per capita. Significant challenges also remain with gender equality where the female to male labour force participation rate is at 44.9% with the gender wage gap in minutes is 223.5 minutes spent per day doing unpaid work. Tobacco, high body-mass index, high blood pressure, high fasting plasma glucose and dietary risks are the top five risk factors that drive the most death and disability in the country where majority of the expenses are borne by the government¹⁹. More than half of the population (55.7%) does not have access to safely managed sanitation services. Transparency International’s Corruption Perception index ranks the country at 78 out of 180. Where Turkey’s position in the Press Freedom index is concerned, it is currently ranked 157 out of 180 (<https://bit.ly/2kmo4kP>).



[17] World Bank Data - Turkey <https://bit.ly/2nOLiGU>
 [18] Human Rights Watch, 'Turkey: Events of 2018' <https://bit.ly/2W2P1bl>
 [19] IHME. Global Health Data Exchange. Turkey. <https://bit.ly/2nK3uME>

VIETNAM FACTS



Capital: Hanoi

Population (2018): 95 540 395

Area: 331 210 km² (Land 310 070 km²/ Water 21 140 km²)

Official Language: Vietnamese

Major Religion: Buddhism, Catholicism

GDP current: \$244 948m

GDP per Capita (2018): \$2 564

Currency: Vietnamese Dong (VND)

Sources: World Bank, CIA World Factbook

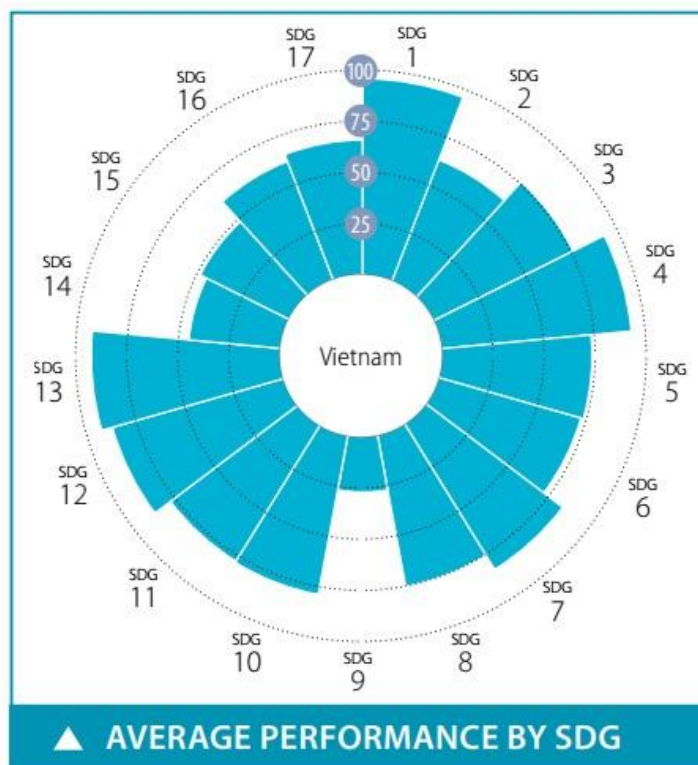
Vietnam is one of the fastest growing economies in Southeast Asia, located in the eastern Indochina Peninsula. Over the past 30 years Vietnam's development has been remarkable. Following the economic and political reforms under the Đổi Mới Policy, launched in 1986, rapid economic growth and development have transformed Vietnam from one of the world's poorest nations to a lower middle-income country²⁰. In the Tundra Sustainable Frontier Fund, there are 8 Vietnamese companies and one of which is our top holding.

In the Sustainable Development Report 2019, Vietnam was ranked 54th (out of 162), with an overall score of 71.1 compared to the regional average score of 65.7. The country is doing well in terms of Goal 1, Ending poverty, Goal 4, Quality education, and Goal 7, Affordable and clean energy. The Vietnamese government has made significant progress in reducing poverty rate and improving literacy rate (97% among 15-24 year olds) over the years. The majority of children go to primary school and the number of people who complete lower secondary education is increasing. Additionally, 100% of the population have access to electricity while the percentage of population having basic drinking water as well as sanitation services is also rising. Unemployment rate is low at only 2% of total labor force; thus, 77% of people above 15 years old are in the labor force and the gap in participation rate is small between the two sexes²¹.



Potential country risks: Vietnam is one of the countries most affected by climate change; the average number of people affected by climate-related disasters is high. Other critical environmental issues include: deforestation, loss of biodiversity on land as well as underwater, water and air pollution, and poor solid waste management. Although increasingly more people have access to better healthcare and can afford higher living standards, Vietnam still needs to deal with undernourishment, stunting and wasting in children. Notably, child obesity is a rising health concern despite the prevalence of obesity among adults being very low²². The rate of traffic deaths is high, with road injuries ranked 3rd among causes of premature death in the country²³. The top five risk factors driving the most death and disability are dietary risks, tobacco, high blood pressure, high fasting plasma glucose, and alcohol use. In terms of Goal 16, corruption and journalist suppression are major risks; thus, child labor still persists (around 16% of children 5-14 years old).

Aside from the risks stated above, the government of Vietnam is also putting more resources into the development of technology. As the country pushes for digital transformation, it has the opportunity to leapfrog, bring in new business opportunities and help local companies join in the regional and global value chains. Major tech firms in the country are enjoying support from the government and leading the trend, but not all businesses across sectors are ready to apply digital technologies. The challenge is to step up scientific researches, innovation, to develop digital infrastructure and national data systems, and also to train highly-skilled workforce. More importantly, the issues of cyber security, users' privacy protection and also online content censorship by the state have become increasingly relevant in the current context.



[20] CIA The World Factbook, Vietnam <https://bit.ly/1rt4OwW>

[21] World Bank Data - Vietnam <https://bit.ly/2PbZBc5>

[22] 50% of Children in Saigon Are Obese: Nutrition Experts, Saigoneer (October 2017) <https://bit.ly/33iiAZ4>

[23] IHME. Global Health Data Exchange. Vietnam. <https://bit.ly/2FtZF6y>

TOP TEN HOLDINGS

Presented in the following pages are the ten largest holdings of **Tundra Sustainable Frontier Fund** by end of August 2019.

COMPANY	SHARE	OPPORTUNITIES	RISKS
FPT GROUP (VIETNAM)	8.15	COUNTRY (C): Ending poverty, renewable energy, infrastructure and technology development, global supply chains SECTOR (S): Digital transformation	COUNTRY (C): Political suppression, corruption, human rights violations, climate change, pollution, loss of biodiversity, freedom of press SECTOR (S): Public trust, cyber risk, supply chain management
GB AUTO (EGYPT)	4.77	C: Renewable energy, improving healthcare, innovation, vocational training for growing young population S: Renewable energy, digital transformation	C: Political instability, corruption, pollution, inadequate healthcare, unemployment, gender inequality, freedom of press S: Public trust, emissions, supply chain management
MLP SAGLIK HIZME (TURKEY)	4.26	C: Ending poverty, sustainable tourism, waste management initiatives, skills training S: Affordable healthcare, application of technology	C: Corruption, climate change, loss of biodiversity, gender inequality, unemployment, freedom of press, crime and security S: Public trust, unethical conduct, waste management
SQUARE PHARMA (BANGLADESH)	3.54	C: Ending poverty, global supply chains, renewable energy, expanding labor force S: Affordable healthcare, application of technology	C: Corruption, poverty, inadequate healthcare, climate change, pollution, overburdened infrastructure, loss of biodiversity, freedom of press S: Public trust, unethical conduct, waste management
ZENITH INTL BANK	3.47	C: Govt-backed renewable energy projects, regulating petroleum and mineral industry, public-private partnerships for developing infrastructure S: Sustainable investment, ethical corporate governance structures, transparency	C: Poor governance, poverty, rampant pandemics, infant mortality, oil spills, desertification, loss of natural habitats S: Public trust, loss of reputation, cyber risk
GUARANTY TRT BANK	3.08	C: Govt-backed renewable energy projects, regulating petroleum and mineral industry, public-private partnerships for developing infrastructure S: Sustainable investment, ethical corporate governance structures, transparency	C: Poverty, rampant pandemics, infant mortality, oil spills, desertification, loss of natural habitats S: Public trust, loss of reputation, cyber risk
ASIRI HOSPITALS	2.99	C: Sustainable cities, waste management initiatives S: Affordable healthcare	C: Contentious women's rights, deforestation, degradation of bio diversity, air and water pollution S: Public trust, unethical conduct, waste management
UNITED BANK	2.94	C: Renewable energy, waste management initiatives, infrastructure and technology development S: Sustainable investment, ethical corporate governance structures, transparency	C: Corruption, air pollution, water shortage, deforestation, unemployment, gender inequality S: Public trust, loss of reputation, cyber risk
SYSTEMS LTD (PAKISTAN)	2.9	C: Renewable energy, waste management initiatives, infrastructure and technology development S: Digital transformation	C: Corruption, air pollution, water shortage, deforestation, unemployment, gender inequality S: Public trust, cyber risk, supply chain management
UNITED BANK FOR AFRICA	2.9	C: Govt-backed renewable energy projects, regulating petroleum and mineral industry, public-private partnerships for developing infrastructure S: Sustainable investment, ethical corporate governance structures, transparency	C: Poverty, rampant pandemics, infant mortality, oil spills, desertification, loss of natural habitats S: Public trust, loss of reputation, cyber risk

FPT CORPORATION <https://fpt.com.vn/en/>

Sustainability Report: Yes

Reporting on Agenda 2030: Yes

FPT was founded in 1988 and is headquartered in Hanoi, Vietnam. With an office system nationwide and 38 offices and developing centres around the world, FPT provides IT, telecommunication services and solutions in 45 countries and territories. The company's core business focuses on three main sectors technology, telecommunication and education. FPT is among the companies with strong ESG practices in the Sustainable Frontier Fund, scoring 7.5 points in the Tundra's ESG Rating System. FPT has integrated the UN sustainable development goals and GRI standards in order to develop and report on their sustainability policies. The company ensures labor rights and invests in welfare as well as training systems. Regarding environmental strategies, FPT prioritizes applying the green office model when constructing its facilities and sets target for water and electricity consumption in FPT-owned buildings.

SYSTEMS LIMITED <https://www.systemsltd.com/>

Sustainability Report: No

Reporting on Agenda 2030: No

Systems Limited, Pakistan's first software house, was founded in 1977. The company is involved in the development of software, information technology and financial technology. Systems Limited has established a strong presence in the UAE and Qatar and has attained partnerships with Microsoft, IBM and Huawei. In the Tundra's ESG Rating System, the company's score was 5.5. The company reduces negative impact on the environment by maximizing paperless initiatives and closely monitoring energy consumption. Moreover, Systems Limited advocates against child labor, complies with applicable labor laws and enhances employee capacity through periodical training sessions. The company's Board of Directors allocates a separate budget for CSR activities, devoted to NGOs and schools for promotion of education.



ZENITH BANK <https://www.zenithbank.com/>**Sustainability Report: Yes****Reporting on Agenda 2030: Yes**

Zenith Bank, founded in 1990 and based in Nigeria, provides banking and other financial products and services to corporate and individual customers in Nigeria, the rest of Africa, and internationally. Its primary products and services include corporate, investment, commercial, consumer, personal, and private banking products and services; and foreign exchange, treasury, cash management, and other non-banking financial services. In the Tundra's ESG Rating System the bank scored 8.5 points out of 10, with policies in all three Environmental, Social and Governance segments. Zenith Bank is known for its socially responsible approach alongside its sharp business models. The bank encourages gender equality and ensures that equal opportunities are offered to all employees. In addition it runs projects in collaboration with NGOs to support and educate different segments of society.

GUARANTY TRUST BANK (GTBANK) <https://www.gtbank.com/>**Sustainability Report: Yes****Reporting on Agenda 2030: Yes**

GTBank, founded in 1990 and based in Nigeria, provides commercial banking services to its customers. The bank's services include retail banking, making loans and advances, equipment leasing, corporate finance, money market activities, and allied services, as well as foreign exchange operations. The bank scored 6.5 out of 10 points in the Tundra's ESG Rating System. Since 2009, UBA has been organising the Autism Awareness Conference as a core part of its Orange Ribbon Initiative, an advocacy program designed to support people with developmental disabilities and special needs. The bank also became a signatory to the United Nations Environment Programme's (UNEP) Finance Initiative on Sustainable Development and is committed to promoting sustainable development, sustainability management and public awareness.

UNITED BANK FOR AFRICA (UBA) <https://www.ubagroup.com/>**Sustainability Report: Yes****Reporting on Agenda 2030: No**

UBA is a financial services group in sub-Saharan Africa with presence in Africa, the United Kingdom, the United States and France. UBA offers a range of banking, pension fund custody and other financial services to customers in retail, commercial and corporate segments of the African market. In Tundra's ESG Rating System, UBA scored 6 points out of 10. It has female representation on the Board of Directors as well as in its senior management team. The bank's CSR program is managed by UBA Foundation with a special focus on education. The Foundation is actively involved in facilitating educational projects and bridging the literacy gap on a pan-African scale, by engaging in adult literacy, financial literacy, equipping and constructing Information and Communication Technology Centers and more.

UNITED BANK LIMITED (UBL) www.ubldirect.com
Sustainability Report: Yes
Reporting on Agenda 2030: No

UBL, incorporated in 1959, is a Pakistani multinational bank based in Karachi and is one of the largest banks in the Pakistani private sector, with a network of over 1,300 branches across. Through a customer-centric approach, UBL offers a wide range of tech-savvy products and services which cater to customers' financial needs and also provides access to the bank on a 24/7 basis. Along with utilization of technology comes the risks; the company has established an extensive Information and Cyber Security Program to manage the security of its information assets. The bank scored 5 out of 10 points in the Tundra's ESG Rating System. As part of its CSR efforts, UBL supports the infrastructural development of medical institutions and the provision of life-saving equipment and ambulances, thus education and water conservation projects.

SQUARE PHARMACEUTICALS LIMITED (SQUARE) <https://www.squarepharma.com.bd/>
Sustainability Report: No
Reporting on Agenda 2030: Yes

SQUARE is the largest pharmaceutical company in Bangladesh, founded in 1958. It is primarily engaged in the manufacture and marketing of generic pharmaceuticals, such as basic medication and animal health products, and also pesticide products. The company has relatively strong ESG practices, scoring 7 points in our ESG Rating. SQUARE has been a signatory of the UN Global Compact since 2004. The company's CSR policy emphasizes gender equality, non-discrimination and fair treatment, human rights, commitment toward the environment, transparency and anti-corruption. SQUARE's outreach efforts include partnering with NGOs to make affordable healthcare available to low-income groups, organizing health awareness campaigns and operating a 24/7 free helpline for mothers and their babies.

MLP SAGLIK HIZMETLERI AS (MLP CARE) <http://www.mlpcare.com/en/>
Sustainability Report: Yes
Reporting on Agenda 2030: Yes

Originally founded as Medical Park in 1993, MLP Care provides healthcare services in Turkey, including check-ups, dentistry, dermatology, family medicine, gynaecology, intensive care, nutrition, oncology, pathology, pediatrics, urology, surgery, and emergency care. As the largest Turkish healthcare group, MLP Care operates 31 hospitals in 17 cities across the country. MLP Care is one of the few companies with very strong ESG practices in the Tundra Sustainable Frontier Fund, with an ESG Rating of 9 points. The company ensures that medical and hazardous waste management processes comply with applicable regulations; thus annual inspections are carried out by the Ministry of Environment and Urban Planning. Labor policies concern education and development programs for all employees thus occupational health and safety practices. MLP Care has made significant investments in IT systems to increase efficiency and customer satisfaction.

ASIRI HOSPITAL HOLDINGS PLC (ASIRI HEALTH) <http://www.asirihealth.com/>**Sustainability Report: Yes****Reporting on Agenda 2030: No**

Asiri Health, established in 1986, continues to be a leading brand in private healthcare in Sri Lanka and now boasts seven hospitals in three provinces with cutting-edge medical equipment and technology. With a commitment to quality and safety, Asiri hospitals meet global accreditation standards of the Joint Commission International (JCI) and the Australian Council of Health Standards International (ACHSI). To address its impact on the environment, Asiri Health monitors energy consumption across all divisions and follows strict procedures regarding disposal of hazardous waste including clinical, e-waste and Mercury waste. Furthermore, all work-related accidents and incidents are recorded to identify root causes; the principles of diversity and inclusivity are applied to every aspect of the employment cycle.

GB AUTO <http://www.ghabbourauto.com/>**Sustainability Report: Yes****Reporting on Agenda 2030: No**

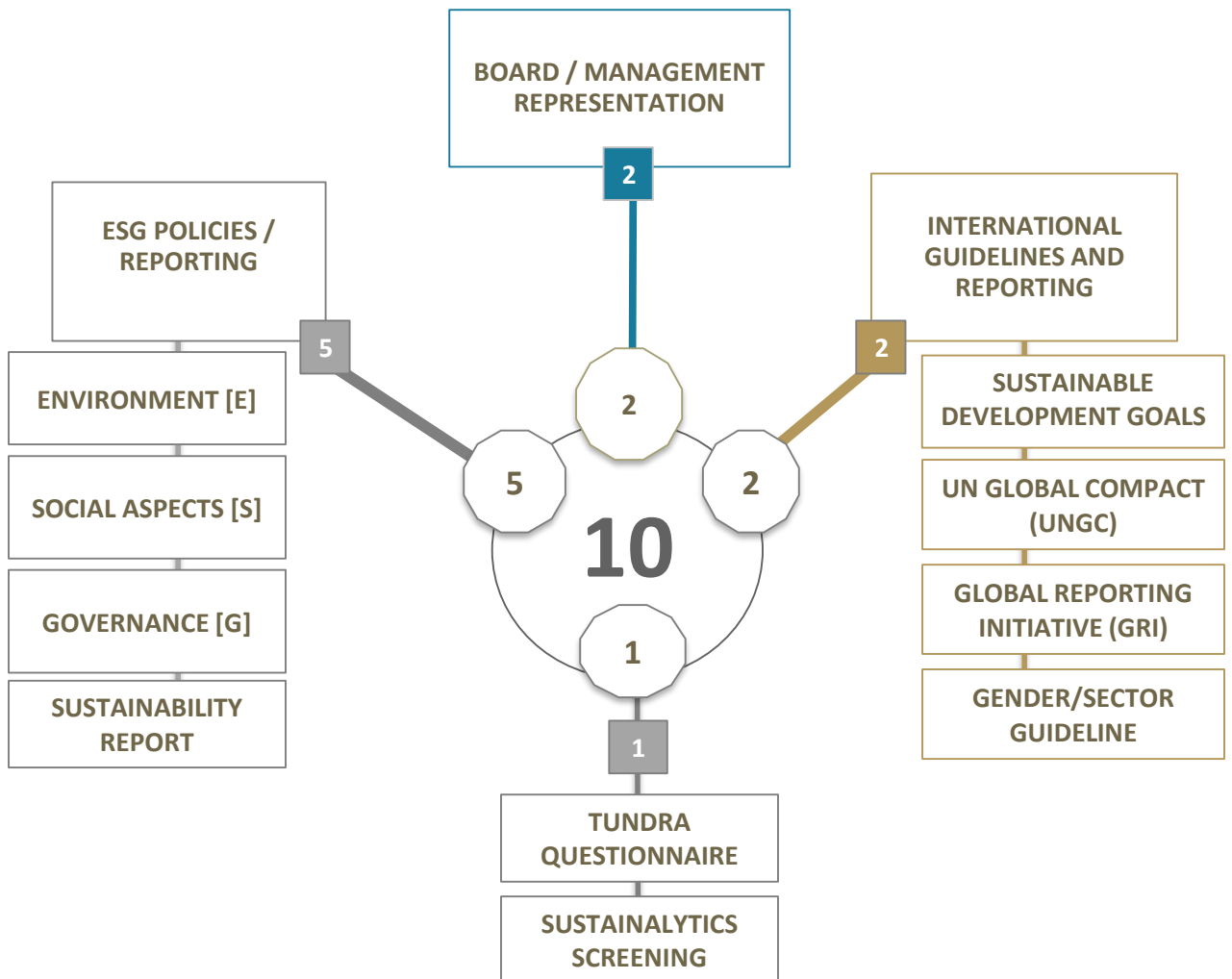
GB Auto is an Egyptian company, founded in 1999. The company assembles, manufactures, distributes and offers sales and after-sales service of automotive vehicles primarily in the Middle East and North Africa. The company scored 5.5 points in the Tundra's ESG Rating System. GB Auto has implemented a number of strategies to minimize environmental impact and maximize social contribution. The company has transitioned all lighting across plants and buildings to highly efficient LED lights. Additionally, GB Auto is in the process of installing solar panels in all manufacturing facilities thus replacing diesel fuel supplies with more sustainable natural gas. In terms of labor policies, the company prohibits discrimination based on race, gender, sexual orientation, religion, political affiliation and has a comprehensive sexual harassment policy. To promote occupational health and safety, GB Auto provides regular workshops and training modules and also emphasizes safe driving practices.



TUNDRA ESG RATING SYSTEM

The *Tundra ESG Questionnaire* is one method of engaging with our portfolio of companies. Companies in the *Tundra Sustainable Frontier Fund* are additionally analysed on a range of more specific criteria including the areas of environment, social issues and corporate governance

The aim of the *ESG Rating System* is to create a platform for systematic ESG dialogue with companies. All companies will be evaluated annually and written feedback including assessment scores will be shared with all companies in the fund. In the second version of the questionnaire (2018) we have further developed the questionnaire to include more specific questions pertaining to different sectors. This tool will be continuously updated, and categories may be subject to change between editions. All results in this report are presented at group level. Detailed scores are kept confidential and shared separately with each company. Insights from some of the *ESG Rating Results* are presented on the following page.



The *Tundra ESG Rating System*. Companies are rated on a range of factors relevant to ESG. Maximum score is 10.

TUNDRA ESG RATING SYSTEM: SUMMARY

INTERNATIONAL GUIDELINES AND REPORTING

In our ESG Questionnaire, company compliance with international guidelines was assessed. These reflect a selection of initiatives considered relevant to the sectors and the countries Tundra operates in.

The first initiative is the GRI (<https://bit.ly/2HK2y3E>). The GRI helps businesses and governments worldwide understand and communicate their impact on critical sustainability issues. Tundra encourages companies to disclose sustainability information by adopting GRI Sustainability Reporting Standards. Our analysis showed that 32% (n=19) of companies in the fund reported through the GRI, compared with 22% in 2017.

Secondly, we took into account company compliance with United Nations initiatives, specifically the UN Global Compact (UNGC) and the 17 Sustainable Development Goals (SDGs). Last year, our assessment was solely based on whether companies were signatories or participants of the UNGC; however, we noted that there were companies which aligned their strategies with the SDGs but did not join the UNGC. Our research showed that 25% (13% in 2017) of companies were signatories to the UNGC while 29% of companies incorporated the SDGs in their policies.

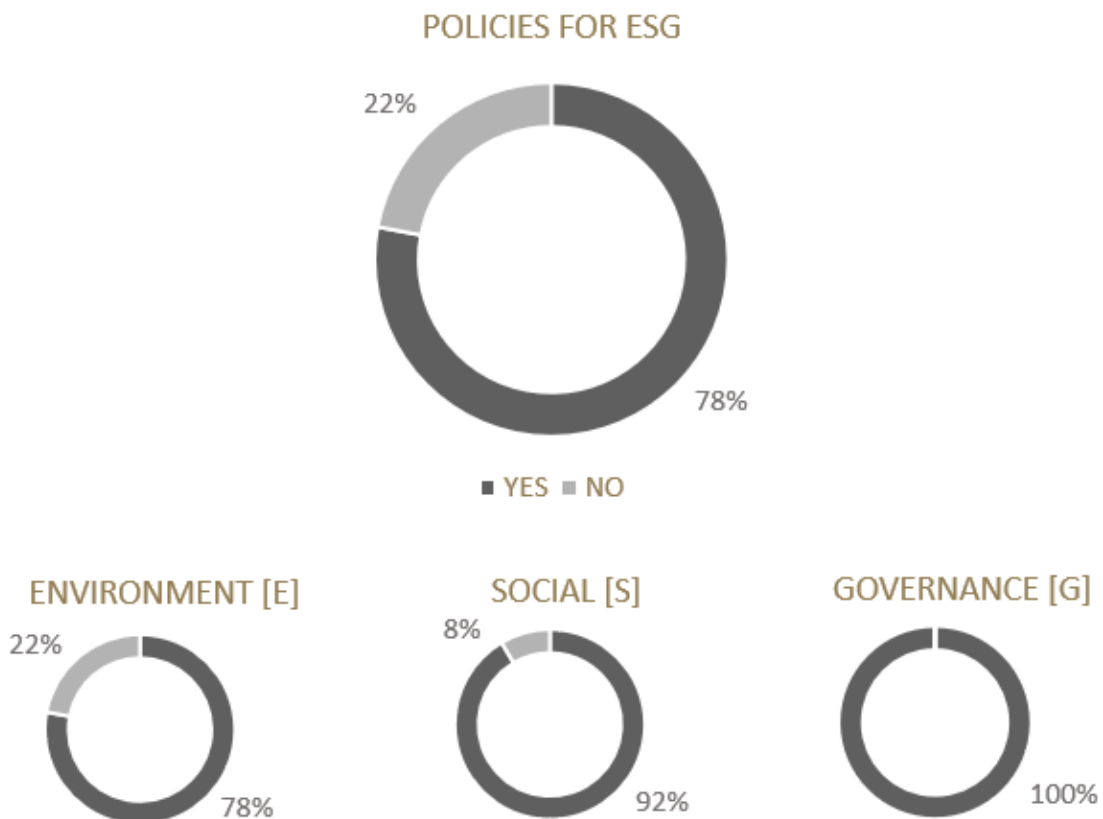
In addition to the three international guidelines above, Tundra strongly encourages companies to affiliate with other global initiatives, relating to environment, gender equality and the specific sector in which the company operates. In our analysis, 17% of companies adopted an international environmental guideline together with implementing the company's own environmental policies.

These international guidelines varied, including initiatives by the World Wildlife Fund (WWF) such as the Green Office initiative and the UN Environmental Program, to name a few. In total, 12% of companies signed up to a gender-related international guideline, for example the Women's Empowerment Principles (WEPs). Furthermore, 44% of companies adopted a sector-specific international guideline, such as the Equator Principles and the IFRS Standards.

TUNDRA ESG RATING SYSTEM: RESULTS

During 2018 questionnaires were circulated to all companies in the *Tundra Sustainable Frontier Fund*. Reminders were sent out in the autumn, and a final reminder was conveyed through our ESG analysts in Karachi and Ho Chi Minh City. In total* 59 companies are included in this section. Each company was rated based on responses provided in individual questionnaires, company website, Bloomberg data, and other sources of information. If information on a certain criteria was unavailable, the company received '0' for that item. In the upcoming feedback communication with companies, individual scores may be revised if a company can provide data demonstrating that the criteria has been or can be fulfilled.

Out of the 59 companies in the fund, **78%** (n=46) had an overall ESG policy that was relevant to their specific sector (compared to 70% in last year's rating). **78%** (72% for 2017) had environmental policies in place; while **92%** (76% for 2017) had policies addressing social factors, and **100%** (89% for 2017) for governance (see *figures* below). The response rate for the *Tundra ESG Questionnaire 2018* reached **58%** (as compared to 54% for 2017) with large variations between countries and sectors. No further analysis of companies in different sectors per country was performed due to low numbers.



*The analyses include companies that were in the *Sustainable Frontier Fund 2018/12/28*. Inactive companies and IPOs have been excluded.

TUNDRA ESG RATING SYSTEM: SUMMARY

Out of 59 companies, 75% (n=44) (62% for year 2017) had **Satisfactory/Strong ESG** practices considering international guidelines for their respective sectors. Of these, 10 companies (17%) received 8 points or more and were classified as having **Very Strong ESG** practices (compared to 7 companies, 11% in 2017). Measured in proportion to AUM, 76.6% (72.5% for 2017) of holdings had an ESG practice corresponding to the criteria for **Satisfactory/Strong ESG**. In total, 15 companies (20.7%), out of which 13 companies did not having full ESG policies, had **Unsatisfactory ESG** practices (25% in 2017). See chart below.

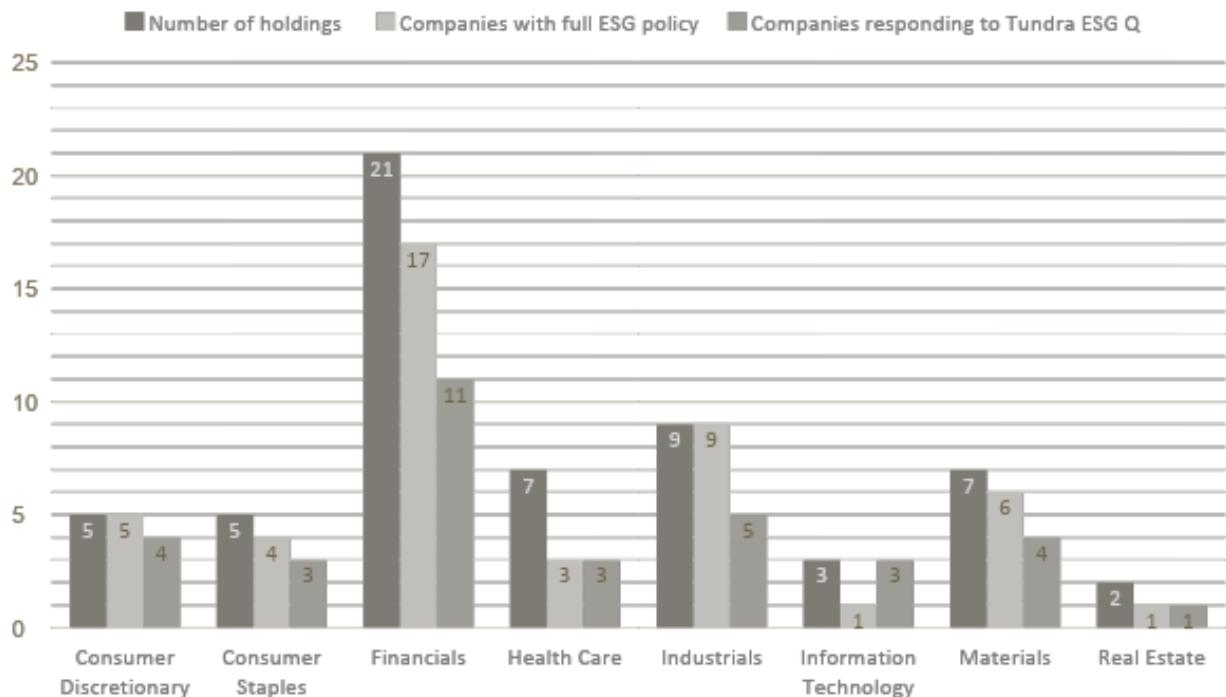
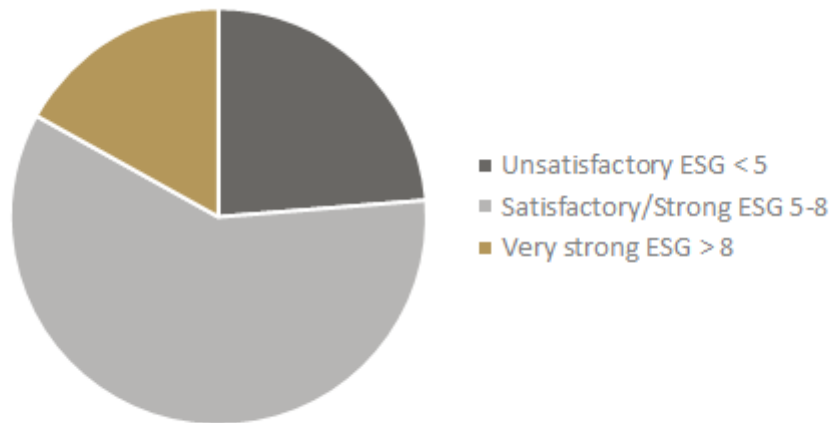
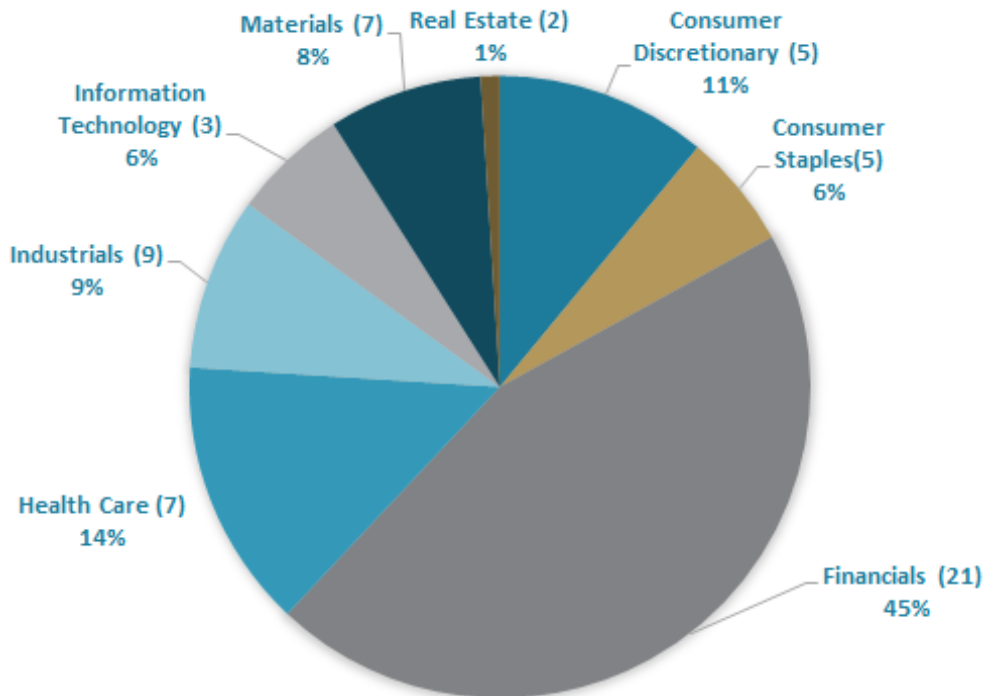


Table. Sector distribution, ESG policies and response rate (in numbers) for 59 companies in the *Tundra Sustainable Frontier Fund 2018*.

SECTOR DISTRIBUTION

The chart below indicates distribution per sector in proportion out of AUM (number of companies) for 59 companies in the *Tundra Sustainable Frontier Fund* as of December 28, 2018.



One of the major risks that all sectors can potentially face is the loss of public trust. With increased access to information, consumers today require transparency and fairness from the businesses that they engage with. For example, in order to be profitable, banks and similar institutions now understand that it is imperative for them to address governance and social risks. By running operations according to high ethical standards, financial institutions can alleviate reputational damage. For the Consumer Discretionary sector, and specifically the auto industry, environmental risk – emissions, fossil fuel reliance and poor waste management – is another key concern. In healthcare, ethical corruption, subpar quality of products and marketing fraud threaten a company’s success. Workers’ rights as well as environmental concerns such as excessive consumption of water and using hazardous chemicals can possibly plague companies in the industrial sector. For companies in information technology, ineffective measures for protecting data privacy could result in the loss of customers as well as creating legal ramifications.

For more detail on sector-specific risks, please see Tundra’s Semi-Annual report here on this link: <https://bit.ly/2B8whia>.

GENDER EQUALITY

A publication from the OECD (<https://bit.ly/2L1kBAL>) lifts the Nordic countries as leaders in the development of modern family and gender policy. The report shows that improvements in gender equality have had a major impact on the economic growth in all Nordic countries, but best illustrated in the case of Denmark, Iceland, Norway and Sweden. Increases in female employment alone are estimated to account for roughly 10 to 20% of total GDP per capita growth over the past 50 years. The Nordic countries are close to achieving gender equality in the labour market. But, as the report states: the last mile may well prove to be the longest one. The conclusions are that in order to make further progress, a continued assessment of the effectiveness of existing public policies and workplace practices is necessary.

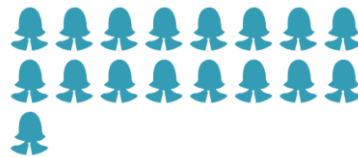
Economic participation of both genders along with equal opportunities for leadership is a core focus area for Tundra Fonder. For this reason, representation of the Board of Director and management was an integral part of our analysis. Out of the 59 companies, 36 (61%) have women on their Board of Directors. Boards with women displayed an average of 13%. As for senior management 41 (69%) had women represented. On average 16.5% of senior management were women. 15% of holdings in the fund had a Board of Directors and a senior management where *no women at all* were represented.

BOARD OF DIRECTORS



♀ 13%

SENIOR MANAGEMENT



♀ 16.5%

ZERO ♀ REPRESENTATION



15% OF HOLDINGS



ALL MALE BOARDS (39%)

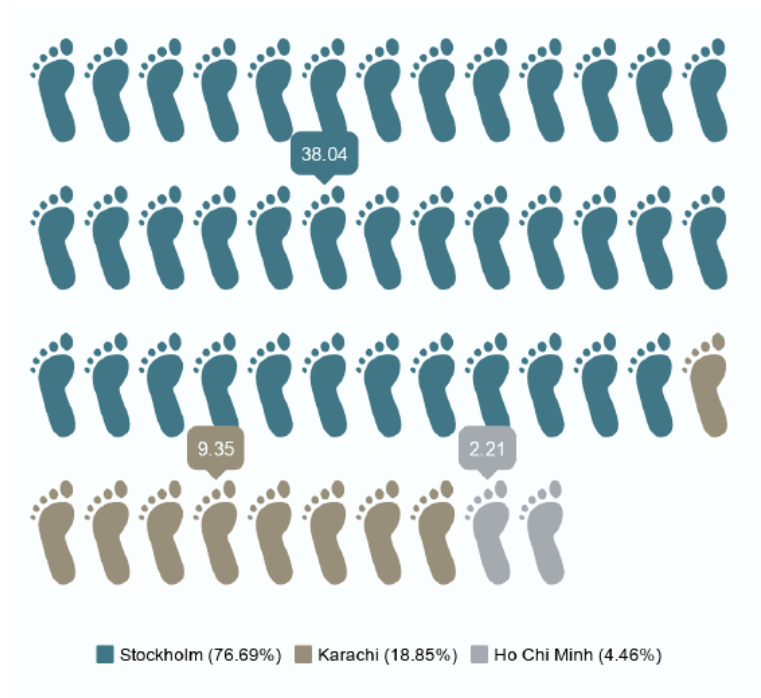


AT LEAST ONE WOMAN
ON THE BOARD (61%)

According to our findings, Nigeria displayed the best gender parity with all 5 companies within the fund having both female representation on the board and in the senior management. Our findings also demonstrated that Vietnamese companies within the fund had the least percentage of women on the board, while Pakistan had the worst record (34%) for employing women in senior management. For countries with less than 5 companies presented, no separate findings are reported.

OUR CARBON FOOTPRINT

In an attempt to measure Tundra's carbon footprint, we had all employees estimate their footprint using the calculator by Carbon Footprint Ltd, <https://bit.ly/2k6yTqe>. We are aware of the inconsistency among tools to estimate emissions, but we believe that it is important to make a symbolic effort. Tundra's total carbon footprint amounted to 49.6 metric tons of CO₂ emissions. This year, we report on Tundra's carbon footprint based on employees' commute to work using flight/ car/ motorbike or bus & rail and business travels in 2018. Further breakdowns shall be included in future reports. Traveling by plane contributed the most to our carbon footprint, given the fact that we make several business trips every year to conduct meetings and site visits in our core markets.



Among our three offices, Tundra's headquarter in Stockholm accounted for approximately 77% of the total emissions. This highlights the importance of local offices in order to conduct business in distant markets. Our average carbon footprint equals 3.1 metric tons, which is lower than the worldwide average of 4.0 metric tons. Nevertheless, there is much room for improvement as we strive to achieve the worldwide target of 2.0 metric tons.

HOW WE COMPENSATE

We have compensated for our carbon footprint by investing in solar energy in Africa which is one of our markets, through TRINE - a Swedish company. Launched in 2016, TRINE uses a crowdfunding platform to connect investors with African solar power entrepreneurs, called "solar partners", which typically sells and installs different types of solar products for people living in rural, off-grid areas. At its core, TRINE believes in profit with purpose; it means that solar companies can receive funding to build a sustainable business and investors can earn a reasonable return while making environmental and social impact by providing people with electricity. Access to clean and affordable electricity has a wide social impact as it contributes to: Reduce poverty, Promote better health and well-being, Improve education levels, Improve gender equality, Provide jobs and economic growth, and Reduces inequality.

For more information about Trine, how they calculate the future impact in terms of CO₂ avoided and how many people will get electricity, please visit <https://bit.ly/2U04rPi>.

STEP 01: Measure

Measure Tundra's carbon footprint.



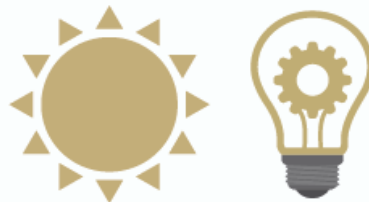
STEP 03: Make impact

The solar products are sold and distributed, enabling people to have access to clean and affordable energy.



STEP 02: Compensate

Invest in a solar loan through TRINE. The money will be held in an E-wallet until the loan becomes fully funded. After, our investment is transferred to the solar partner.



STEP 04: Earn repayment


Our investment will be repaid throughout the entire payback period in several installments, with interest corresponding to how much we invested. Finally, Tundra can choose to withdraw the funds or reinvest.

CHRISTMAS DONATION 2018

As part of our own CSR - each year, during the holiday season, Tundra Fonder makes a small carefully considered financial contribution to an organization working on pressing societal issues. In December 2018, we supported *Alliance Anti Traffic (AAT)*, Vietnam.


AAT is a non-profit organization operating in Southeast Asia that works towards combating sexual exploitation and trafficking in the region. Active since 2001, AAT was the first and one of the main organizations in Vietnam to successfully establish a comprehensive anti-trafficking program which entails regional rescuing, repatriation, rehabilitation and community education. AAT works closely with the Vietnamese Ministry of Public Security, the International Organization for Migration (IOM), and with different embassies and police forces in Southeast Asia to rescue and repatriate victims.

To read our full report, please visit <https://bit.ly/2UMbjwY>.



CHRISTMAS DONATION

DECEMBER 2018



SINCERE WISHES FOR A PEACEFUL HOLIDAY
ALLIANCE ANTI TRAFIC, VIETNAM


TRAFFICKING & SEXUAL EXPLOITATION

ranked 77th among 167 countries (Sweden ranks 152) in the Global Slavery Index Rank regarding modern slavery, with an average of 15 victims per 1,000 population [5]. The country has been primarily identified as a source country for trafficking, particularly to countries within the GMS for forced marriages, sexual exploitation and forced labour but also to other countries in Southeast Asia [6]. Persons trafficked to Vietnam mainly come from Laos and Cambodia. Victims are forced into begging and working in the informal sector.

TRAFFICKING TRENDS AND PATTERNS

In search of better job opportunities, Vietnamese women and men migrate to other countries; many fall victim to forced labour in sectors such as construction, fishing, agriculture, mining, logging and manufacturing [7]. There have been reports of increasing numbers of Vietnamese women and men trafficked for forced labour in the United Kingdom and other parts of Europe, the Middle East, and in Pacific Island countries. Since 2013, a large proportion of trafficked victims have been identified as Vietnamese [8]. Vietnam has been identified as one of the top three countries globally that supply victims to the U.K., many forced into cannabis production and sale [8]. Many victims are young and extremely vulnerable, often misled by false promises of attractive working conditions offered by traffickers. They are frequently misled by employment opportunities, for instance several women and children were sold to work in brothels in Cambodia and elsewhere in Asia including Thailand, Singapore, Taiwan and South Korea [9].

Other more common trafficking trends of forced labour and sexual exploitation, Vietnamese women reportedly have been victims of bride-trafficking [6]. This pattern of trafficking is one of the most harmful consequences of a serious gender inequality in China, a consequence of the 'one-child' policy and preference for male children, which lead to sex-selective abortion [9]. Responding to a high demand for brides, traffickers rely on vulnerable women and girls from poor areas, particularly ethnic minority groups in the northern highlands of Vietnam.



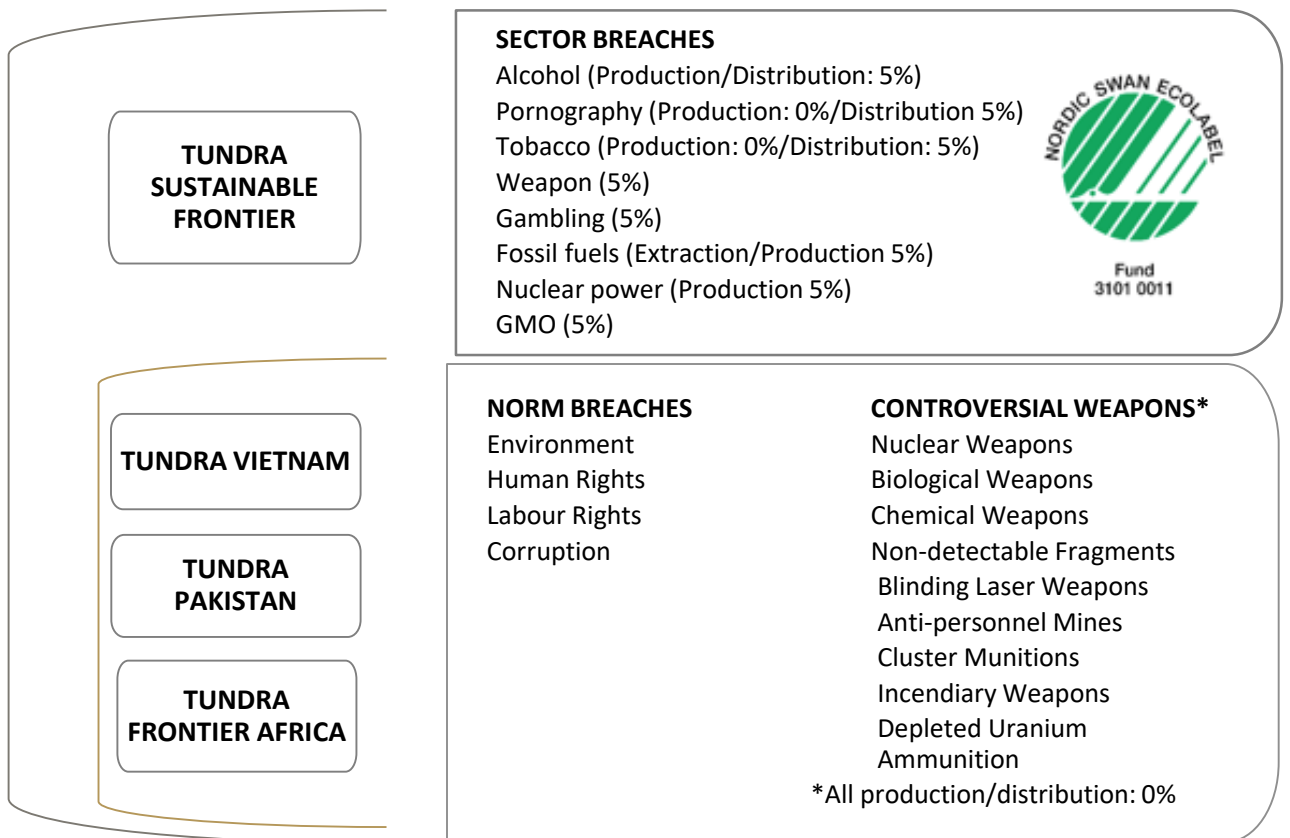
CHRISTMAS DONATION 2018

04

SUSTAINABILITY GUIDELINES

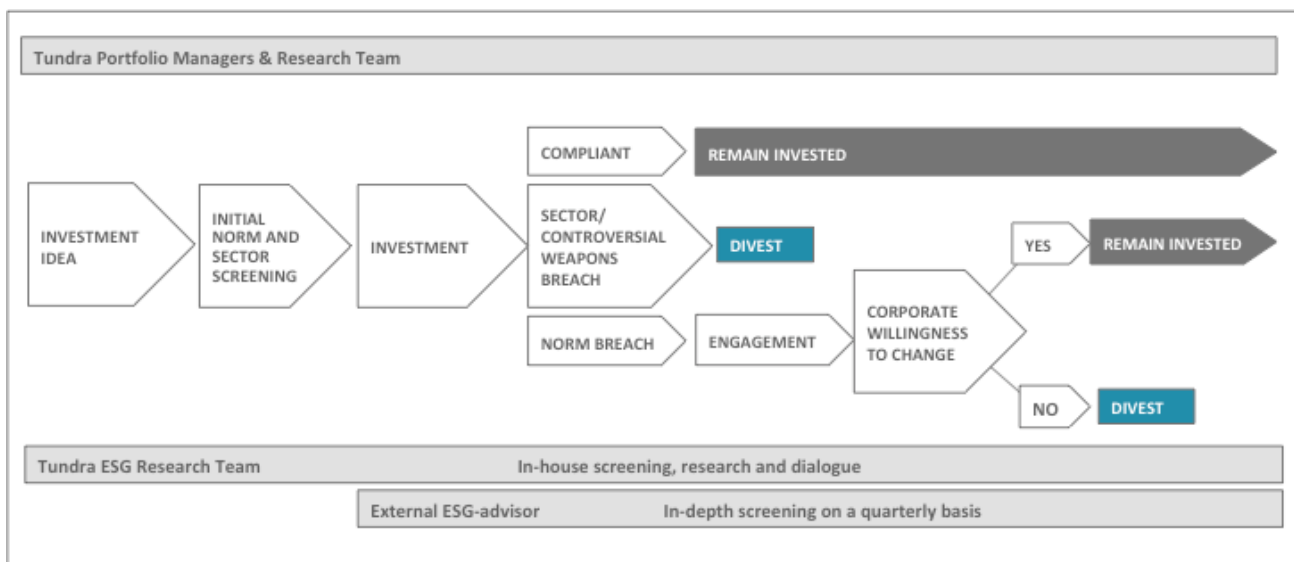
Tundra's ESG process is governed by international standards of responsible investing. These include screening for "norm-based" violations, "controversial weapons" and "sector-based" breaches (see figure below).

- **Norm-based breaches.** This includes screening for breaches that are in contravention of the UNGC (see figure below) - the guiding principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises and the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy. During this screening, companies' adherence to international norms for human rights, the environment, labour standards and anti-corruption are assessed.
- **Controversial weapons.** During this screening, a company's involvement with prohibited or banned weapons is assessed. There is zero tolerance as far as these weapons are concerned. Companies with any involvement in controversial weapons are automatically excluded from the fund.
- **Sector-specific breaches.** The sector-specific screening includes exclusion of certain sectors in the fund. These are summarised as: alcohol, pornography, tobacco, weapons, gambling, fossil fuels and/or GMO. However, if the total revenue from a product from one of these sectors does not exceed 5%, the company may still be eligible for the sustainable fund.



TUNDRA ESG PROCESS

Tundra's ESG process is governed by international standards of responsible investing. It has a detailed sustainability screening process (see below). Following an investment idea; a preliminary screening is carried out, after confirmation that the prospective company does not belong to any excluded sectors, the investment decision is made. There is a limit system implemented that hinders acquisition of holdings in exclusion sectors. Tundra's ESG team then carries out detailed research on the company to verify and assure compliance with international standards. A full list of companies is also shared with Sustainalytics, Tundra's external ESG Advisor, on a quarterly basis. In case of a breach, a dialogue is established with the company. A breach in *controversial weapons* or a *sector* breach results in immediate divestment. If the breach is *norm-based*, in violation of international guidelines, the ESG team will create and implement a 12-month engagement strategy to work with the company management in order to ensure their willingness towards addressing the issue(s). Engagement takes the form of interviews, discussions, and answering quantitative data sets. If the company is unwilling to cooperate, the process will result in an immediate divestment.



Our local presence through research offices in Karachi, Pakistan and Ho Chi Minh City, Vietnam is important to our ability to regularly analyse companies in our markets. The ESG team constitutes a smaller unit of the larger investment team. As of September 2018 the ESG team comprise four people including Head of ESG, ESG Researcher (Stockholm), Senior ESG Analyst (Karachi) and ESG analyst (Ho Chi Minh City). The ESG team cooperates closely with the Chief Investment Officer and financial research team to integrate ESG questions into financial analysis. To facilitate open communication; all of our offices are designed around open plan spaces. We also follow specific communication protocols i.e. PM meetings are held weekly including at least one member of the ESG team; corporate calls are held once a month and include all team members. On a more informal basis, a chat room has been created to encourage discussion between team members about current financial research, portfolio developments and on-going company specific research. There is a common server with data on companies and other research available to the entire investment team.

ENGAGEMENT

ESG engagement is based on communication between investors and companies on aspects pertaining to environment, social responsibility and governance. We interact with our portfolio companies through meetings, telephone calls, conference calls, and e-mails. Our approach is based on an active local presence and in-depth analysis. On a yearly basis we engage our companies through our ESG questionnaires, sharing results from the Tundra's ESG rating system and offering individualised feedback. This process allows companies to share company specific ESG related developments with us. Our personalised feedback gives companies a snapshot of their current level of ESG reporting versus other companies in their respective countries and sectors, offering clear guidelines on how to improve further.

We believe collaborations are key. Signing on to several different initiatives (See Appendix "Our Collaborations") we also collaborate with academia (researchers and universities in Sweden and abroad), NGOs in all the countries described as Tundra's core markets, Stock Exchanges (Ho Chi Minh Stock Exchange (2017), Karachi Stock Exchange (2015), Colombo Stock Exchange (2018), journalists, and government representatives. Going forward we will expand these collaborations.

As of September 2018, Tundra's ESG team comprises five people including Head of ESG, ESG Researcher (Stockholm) Senior ESG Analyst and Communications Officer (half-time ESG) (Karachi) and ESG analyst (Ho Chi Minh City). In addition to the in-house research team, Sustainalytics, our external ESG consultant, analyses all of our fund holdings on a quarterly basis.

Exercising our voting rights is another method of engagement. Before any investment is made we undertake a thorough analysis of the company, which entails meetings with management including detailed analysis of management processes to make sure our interests are aligned. We continuously monitor the work of management and communications issued by the company's main shareholders, including the circulated agenda for AGMs/EGMs. We typically participate in the AGM/EGM, either in person or by proxy, if we have an opinion on proposed agenda items or believe that important items are being left out, or if we want to support a particular candidate to the Board of Directors etc. We have not used a service provider for proxy voting. We exercise our voting rights to improve company performance, or to protect our rights.

During the first half of 2019 we exercised our voting rights on once occasion concerning the Tundra Sustainable Frontier Fund, and direct voting affected only 1% of AUM (one Vietnamese company: Saigon General Services). We voted to pass the AGM resolutions including strategic plan for 2019 including dividend policy.

OUR COLLABORATIONS

We believe in sustainable development. At its core, sustainable growth is about building partnerships and creating opportunities for dialogue across varied stakeholder groups. Tundra supports and aligns its work with several global initiatives that encourage organisations to integrate ESG factors into their investment processes and strategies.

These initiatives include the *UN Global Compact (UNGC)*, the *Principles for Responsible Investment (PRI)*, the *Nordic Swan Ecolabel*, the *Women Empowerment Principles (WEPs)*, *Climate Action 100+* and the *Carbon Disclosure Project (CDP)*. We believe that signing up to these international initiatives demonstrates our commitment to sustainability, parallel to providing a tool for guidance. Partnering with global sustainability networks opens up avenues of collaboration e.g. investment in new technology, transitioning from fossil fuels to renewable energy, which ultimately have a huge potential to improve businesses.

Apart from integrating the ten principles of the *UN Global Compact* into our business, we follow the *OECD Guidelines for Multinational Enterprises* and the *ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy*. When screening companies included in our funds, we assess their adherence to international norms for human rights, environment, labour standards and anti-corruption. We also collaborate with civil society and governmental organisations to add perspectives on working conditions and human rights in the countries we work in. We make company visits, and regularly interact with our portfolio companies to assure compliance with the criteria set for our funds. We advocate transparency for our portfolio companies, and for all our stakeholders. We apply the same criteria for ourselves as an organisation as for others. We share reports, case studies, thematic reports, monthly data and other relevant disclosures on our website and in direct e-mails with our clients and investors. To ensure our portfolio companies adherence to regulations on human and labour rights we also have an external consultant (Sustainalytics) screen our portfolios on a quarterly basis. We also rely on in-house research, and analysis.

UN GLOBAL COMPACT



Tundra is an active participant to the UN Global Compact and the UNGC Network Sweden. With nearly 10 000 participating companies across 162 countries, the UN Global Compact is the world's largest corporate sustainability initiative.

The UNGC initiative encourages SMEs, large corporations and entire cities to adopt socially responsible policies in four broad categories: human rights, labour, environment and anti-corruption. Tundra joined as a signatory in early 2017 and now stands as a participant in the UNGC. We aim to take part in meetings and events organised by the UNGC and affiliated local networks. We recommend that all of our stakeholders and our portfolio companies sign the ten principles (see below). To join the movement, companies need to complete an online application form and upload a digital copy of a Letter of Commitment signed by the CEO. For more detailed information on the UNGC and suggestions on how businesses can work with the SDGs, please visit: www.unglobalcompact.org.

THE TEN PRINCIPLES

HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

LABOUR

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.



UN GLOBAL COMPACT ACADEMY

The UNGC Academy was launched in 2018, and is designed to provide Participating companies of the UN Global Compact with the knowledge and skills they need to meet their sustainability objectives and achieve long-term growth by contributing to the 2030 Agenda for Sustainable Development. The platform offers four different formats:

VIRTUAL SESSIONS: Expert-led and interactive how-to sessions designed to help companies align their business strategy with the Ten Principles of the UN Global Compact and the Global Goals.

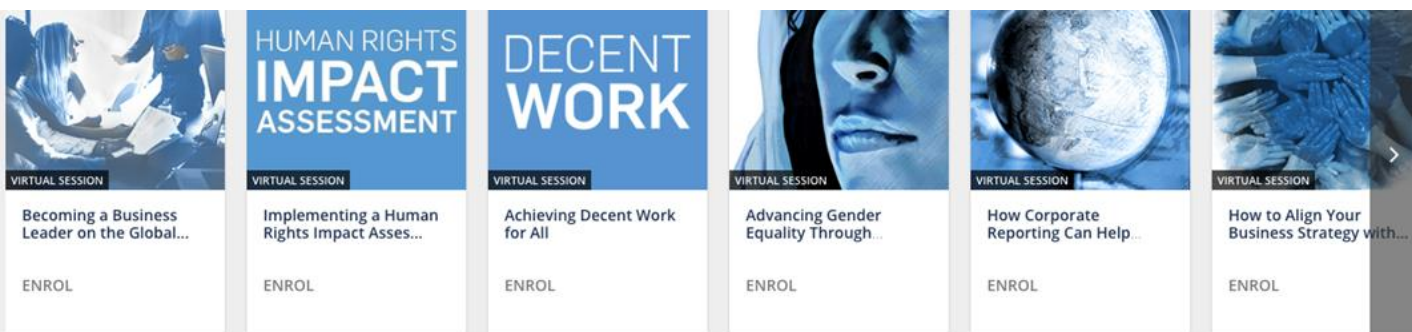
E-LEARNING COURSES: E-learning tools and resources will help participants learn key sustainability concepts anytime, anywhere.

INFLUENCER SERIES: Learn from prominent leaders from the United Nations and companies shaping the sustainability agenda.

ONLINE COMMUNITY: An online platform that provides access to a global community of like-minded professionals.

In line with Tundra's ambition to make sustainable investments and work towards the SDGs, we utilized the UNGC academy platform to conduct internal training. This type of training is important both for management and investment team in addition to ESG team, to achieve better understanding of the global goals for communication with our portfolio companies as well as for internal strategies. All of the employees at Tundra and the Board of Directors have received training on the UNGC academy platform. To mention a few of the courses undergone by our staff:

- How to Understand and Take Action on the Global Goals
- Setting a Price on Carbon
- Responsible Investing: Investor Trends and Implications for Your Company
- Creating a Market for Mainstream SDG Investments
- Upholding Freedom of Association and the Effective Recognition of the Right to Collective Bargaining



On-Demand Sessions >



THE TUNDRA SDG PYRAMID & SELECTED SDGs

Tundra considers the *Sustainable Development Goals (SDGs)* a relevant framework in our work within responsible investments. Our ambition is to incorporate these ambitious global goals into the core of our business. Transparency on how we intend to get there is a fundamental pillar.

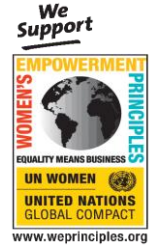
Since we formalised our commitment to the Global Compact in early 2017 we have undertaken a range of activities that connects to Agenda 2030. In September 2017 we attended the **UN Global Compact Leaders Summit** in New York. This past year we took part in several meetings building on the SDGs including partners within the UNGC network for Sweden and the networks for the Nordic countries. We consider the UNGC a unique opportunity to create platforms for dialogue overriding challenges of languages and cultures thereby providing a fundament for international collaborations aimed at securing a sustainable future. In our earlier reports we took a pyramid* perspective on the SDGs; where we accounted for our perspectives on the global goals and how we see them as interconnected. In our **Communication of Progress** we focus on six of the SDGs and their targets to describe our efforts to implement the global goals into our business (read more in our full Communications on Progress: <https://bit.ly/2HTyWRy>).



*Inspired by Maslow, A.H. (1943). A Theory of Human Motivation. *Psychological Review*, 50, 370-396.

WOMEN'S EMPOWERMENT PRINCIPLES

In March 2018, Tundra signed the *CEO Statement of Support* for the Women's Empowerment Principles (WEPs). Globally 2 571 companies have signed on to the WEPs, which encourage high-level business leadership on gender equality and women's empowerment.



The seven Principles empower women in the workplace, marketplace and community using sex-disaggregated data to communicate progress. Focusing on “*Equality Means Business*,” they offer a business case for corporate action emphasising that while gender equity is not only the right thing to do, it is also good for business and should be a priority. Developed through a collaboration between the UNGC and UN Women, the Principles are based on and an extension of the Calvert Women's Principles®. The latter were the first systematic effort to apply established labour and human rights standards for the protection of women especially in the context of corporate conduct. Informed by global best practices in businesses, the value of the WEPs extends beyond corporate engagement. They can be applied by academia, governments, and civil society groups to improve gender equity and women's participation in economic activities.

THE SEVEN PRINCIPLES

PRINCIPLE 1

Establish high-level corporate leadership for gender equality.

PRINCIPLE 2

Treat all women and men fairly at work – respect and support human rights and nondiscrimination.

PRINCIPLE 3

Ensure the health, safety and well-being of all women and men workers.

PRINCIPLE 4

Promote education, training and professional development for women.

PRINCIPLE 5

Implement enterprise development, supply chain and marketing practices that empower women.

PRINCIPLE 6

Promote equality through community initiatives and advocacy.

PRINCIPLE 7

Measure and publicly report on progress to achieve gender equality

PRINCIPLES FOR RESPONSIBLE INVESTMENT

The PRI is an independent body that promotes responsible investments through its six principles, supported by the United Nations. The initiative was launched in April 2006 at the New York Stock Exchange.



“Developed by investors for investors”, the six aspirational principles encourage the incorporation of ESG concerns into everyday investment practices. Offering a list of possible actions for incorporating sustainable strategies, the PRI aims to develop a more sustainable global financial system. ESG issues can have a major impact on investments and should be considered alongside financial factors when investing, is the main rationale for this framework. The PRI has more than 2 450 signatories across over 60 countries which represent almost USD \$90 trillion. Tundra joined the PRI in early 2017 and we encourage stakeholders in finance to adopt the movement as well. For more information, please visit: www.unipri.org

THE SIX PRINCIPLES

PRINCIPLE 1

We will incorporate ESG issues into investment analysis and decision-making processes.

PRINCIPLE 2

We will be active owners and incorporate ESG issues into our ownership policies and practices.

PRINCIPLE 3

We will seek appropriate disclosure on ESG issues by the entities in which we invest.

PRINCIPLE 4

We will promote acceptance and implementation of the Principles within the investment industry.

PRINCIPLE 5

We will work together to enhance our effectiveness in implementing the Principles.

PRINCIPLE 6

We will each report on our activities and progress towards implementing the Principles.



PRI – A JUST TRANSITION ON CLIMATE CHANGE

While investors, many among which are PRI signatories, have largely shown their commitment to curbing carbon emissions, just transition is a new and emerging agenda that calls for attention. To put it in simple terms, a just transition consists of not only climate action but also the inclusion of social aspects. The shift to a low-carbon economy will both prevent the immense economic costs of climate disruption and boost growth as well as job creation; however, when managed poorly, such transition can result in stranded workers, communities and assets. In order to tackle this challenge, investors need to increasingly put emphasis on the workplace and the wider social dimension of their climate strategies.

One priority step for investors to take may entail incorporating just transition into their own policies on responsible investment and climate change. To help investors in this process, the PRI has delivered a guide for investor action (<https://bit.ly/2TZslew>), in collaboration with the Harvard Kennedy School and Grantham Research Institute, London School of Economics. Based on international review and extensive dialogue with investors, the guide aims to provide a framework that can be applied by both individual investors and through collaborative efforts.

The PRI also encourages to take the first step by signing an investor statement to support a just transition, which can be accessed here:

THE NORDIC SWAN ECOLABEL

In October 2017 *Tundra Sustainable Frontier Fund* was among the first twelve investment funds globally to receive the Nordic Swan Ecolabel. To date, 19 funds have received the Ecolabel.



The Nordic Swan Ecolabel is a cooperative agreement created by the Nordic Council of Ministers. At its inception, the ecolabel strove to identify goods and services that minimized their environmental impact. 2017 was the first time the Nordic Swan Ecolabel was applied to financial instruments and investment funds. The ecolabel is only awarded to funds with an established record of and a systematic approach to sustainability in their investment process. *Tundra Sustainable Frontier Fund*, an actively managed equity fund that invests globally in new emerging markets, was one of the first twelve investment funds globally to achieve this certification on October 10, 2017.

To learn more about The Nordic Swan Ecolabel, please visit: www.svanen.se/en/

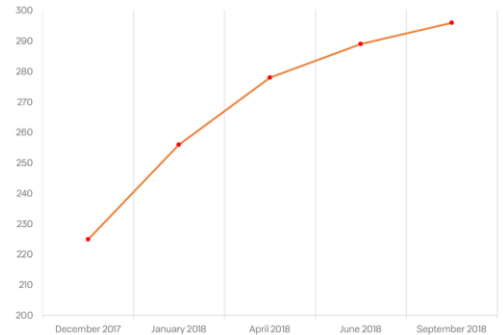


CLIMATE ACTION 100+



Tundra is a founding signatory of Climate Action 100+, a five-year investor led initiative tailored to improving governance on climate change, curbing emissions and strengthening climate-related financial disclosures by the world's largest corporate greenhouse gas emitters.

Today, over 370 investors with more than USD \$35 trillion in assets under management have signed on to the initiative. For Tundra, joining the initiative makes imminent sense as we are committed to ensuring that the companies we invest in are on a sustainability journey i.e. they are minimising and disclosing environmental, social and governance risks resulting from business operations. To learn more about Climate Action 100+, please visit: www.climateaction100.org.



Supporters of the initiative will request companies to:

- Implement a strong governance framework articulating the company's, specifically the board and senior management, accountability and oversight of climate change risks and opportunities;
- Act to reduce greenhouse gas emissions across the value chain to help restrict global average temperature increase to well below 2 degrees C above pre-industrial levels.
- Provide enhanced corporate disclosure to allow investors the scope to assess business plans against a range of climate scenarios.

CDP - CARBON DISCLOSURE PROJECT



The global carbon disclosure project, CDP encourages investors, companies and cities to collect and self-report on environmental data. The CDP maintains one of the most comprehensive databases on environmental impacts. This data helps inform and drive business decisions in support of a low-carbon economy as described under the Paris Agreement.

Ratified by 174 of 197 parties to the United Nations Framework Convention on Climate Change (UNFCCC), the Paris Agreement came into effect in November 2016. It aims to (i) enhance global responses to climate change by restricting temperature to below 2 degrees C; (ii) strengthen the ability of countries to manage and adapt to climate change impacts. Network members include investors, companies and cities and represent over USD \$100 trillion in assets. Tundra has been a part of CDP since early 2017. Local presence coupled with partners in over 50 countries demonstrate that CDP has driven unprecedented levels of environmental disclosure. For investors, CDP's data and analyses offer keen insight into climate related risks and opportunities, which helps make financial decisions more robust and increase corporate engagement on these issues. At Tundra, we encourage our portfolio companies to disclose emissions through the CDP. For more information, please visit: www.cdp.net/en.

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