



NEW FRONTIERS

IMPLEMENTING SDGs ON EMERGING MARKETS

UN GLOBAL COMPACT

COMMUNICATION ON PROGRESS (COP)

REPORTING YEAR 2019/2020

COMMUNICATION
ON PROGRESS



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

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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.

LETTER OF COMMITMENT

To our stakeholders: I am pleased to confirm that **Tundra Fonder** reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment, and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the ten principles of the Global Compact and the Sustainable Developmental Goals (SDGs) into our business strategy, culture and daily operations. We also commit to sharing this information with our portfolio companies and other stakeholders using our primary channels of communication.

Currently, we are all experiencing challenging times. Disproportionately many children and young people have been affected by the pandemic. In our Annual Sustainability Report we write: *“150 million additional children plunged into poverty due to COVID-19, a dire message by UNICEF and Save the Children in their new analysis. It has revealed that the number of children living in multidimensional poverty has increased by 15% since the start of the pandemic. Using data on access to education, healthcare, housing, nutrition, sanitation and water from more than 70 countries, the authors found that around 45% of children were severely deprived of at least one of these critical needs even before the pandemic hit.”*

2021 is the International Year for the **Elimination of Child Labour**. 152 million children are still subject to child labour today. We fully support the assumption that no child should be deprived of a childhood, safety, health or education. Child labour has no place in our society, and companies have a duty to stop child labour. It is time to accelerate the pace of progress and for businesses to take practical actions to help eliminate child labour for good. Therefore we pledge to commit, to inspire and to scale up our ambitions in the fight against child labour. We believe that the need for collaborations have never been more urgent.



Antonia Gibson
Chief Executive Officer





ABOUT TUNDRA FONDER

Tundra Fonder is a Swedish asset manager specialising in frontier markets, and early emerging markets. Our core markets include *Low- and Middle Income Countries, LMICs* that are characterized by rapid growth, young populations and high development potential; such as Vietnam, Pakistan, Indonesia, Nigeria and Sri Lanka. Responsible investments are central to us.

With the main office in Stockholm, Sweden and local presence through our employees in Karachi, Pakistan and Ho Chi Minh City, Vietnam - we analyse companies in our markets continuously. We manage the *Tundra Sustainable Frontier Fund* investing in companies operating in fastest-growing part of the world. In the next 50 years these countries is projected to see a growth from 3.8 billion to 6.5 billion people and a huge increase in workforce. We strive to invest in companies that are prepared to take responsibility for the impact they have on the environment, the society they work in, and their employees. Companies that also respect and value their shareholders. It is our responsibility as important investors to help them continue to develop towards a sustainable future. The term *ESG* (Environment, Social, and Governance) is used when we summarise our efforts within sustainability. All three pillars E, S and G are equally important in our work as we incorporate aspects of environment, social issues and corporate behaviour in our investment process.

Established in 2018, **TURN | Tundra Research Network** is a platform for impact building on collaboration in our markets. Our ambition is to initiate projects with a potential of bridging the gap between business, academia and civil society. The scope and content of all projects included in TURN's universe emanates from the SDGs. Topics for projects launched so far can be summarised as: e-health, renewable energy, values, climate change, fair trade and human rights. 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.

We continuously have meetings with companies across our markets. The majority of these meetings are with holdings from our fund, 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 institution. Read more about Tundra Fonder here: www.tundrafonder.se.



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WHY FRONTIER MARKETS



PROGRESS BUILDS ON 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+*, the *Carbon Disclosure Project (CDP)*, *MyPledge*, and *FAIRR*. 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 and the impact they have on the societies where they operate.

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 fund, 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/analysis, academic collaborations and evidences based knowledge.



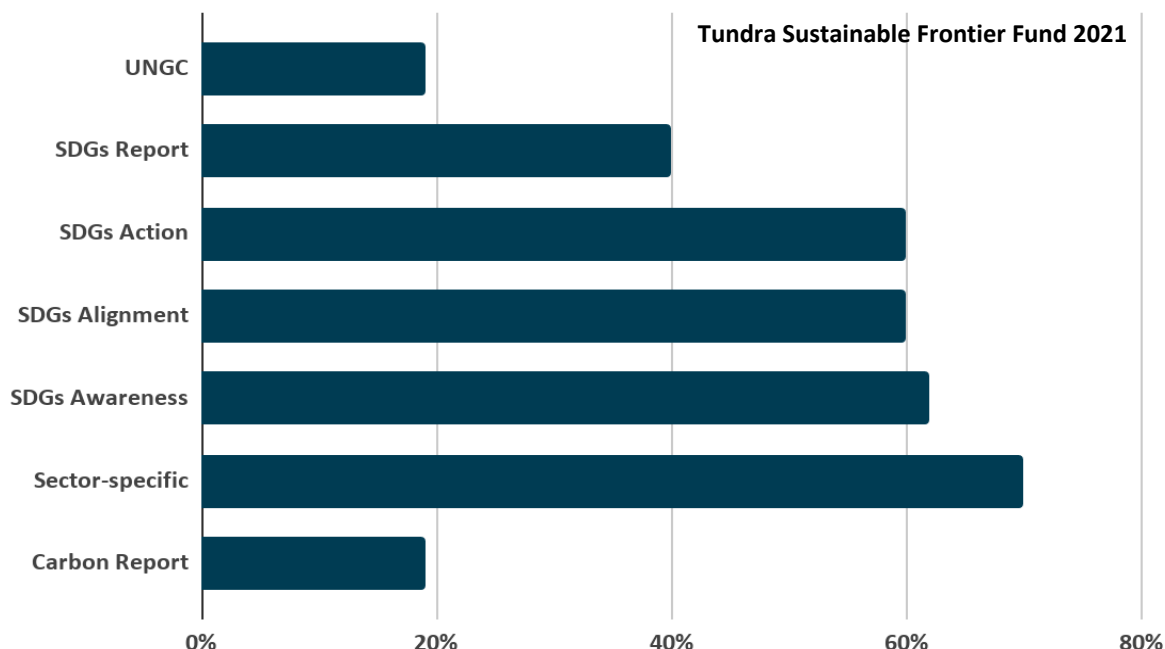
IMPLEMENTING THE TEN PRINCIPLES INTO STRATEGIES AND OPERATIONS

In our role as investors we have a responsibility to our clients, but we also take our role as active owners seriously. Tundra’s ESG process is governed by international standards of responsible investing. In the ambition to integrate the ten principles within the categories: human rights, labour, environment and anti-corruption we continuously engage in activities aimed at broader collaborations, including:

- Taking part in meetings and events organised by the UNGC and affiliated local networks.
- Recommending that all of our stakeholders and our portfolio companies sign the ten principles and explore and implement the SDGs as stated in the Agenda 2030.
- Closely monitoring new reports and aiming to apply the frameworks that are the most suitable.

Being a small organisation, the main benefit of our work in promoting the ten principles of the Global Compact and the 17 SDGs occurs in the engagement with portfolio companies. We work closely with our portfolio companies and other stakeholders in the countries we refer to as our markets. One of our top priorities when engaging with companies is to emphasize the importance of alignment with international guidelines of sustainability and ethical business principles. During 2019 and 2020 we had meetings with over 350 companies in our markets. Additionally we held high-level meetings with representatives from governments, stock exchanges, civil society and universities.

To date we have proposed the ten principles and the SDGs in engagements with over 250 companies in our core markets (e.g. Pakistan, Sri Lanka, Vietnam, Egypt). Through our internal ESG system we engage with all of our portfolio companies. The aim of the *ESG Rating System* is to create a platform for systematic ESG dialogue with companies. Companies are assessed on a range of variables including adherence to the ten principles (and encouraged to join Global Compact), SDG reporting and SDG Actions. See graph below for the distribution of how companies in the Tundra Sustainable Frontier Fund have been assessed for these variables as of December 2020. Written feedback including assessment scores is shared with all companies in the fund. More data will be presented in our Annual Sustainability Report in April. <https://www.tundrafonder.se/en/sustainable-2>



BUILDING THE TUNDRA SDG PYRAMID

In these times of planetary urgency we consider Agenda 2030 and the 17 *Sustainable Development Goals (SDGs)* a central framework within our dedicated work in responsible investments. Our ambition is to continue our work of incorporating the global goals and 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. Already from the start we made efforts to implement the SDGs both internally and externally with the ambition to stand as an ambassador. To us, the SDGs present a phenomenal global agenda to drive and accelerate the change we urgently need to secure a sustainable future. Over the past years we have attended the **UN Global Compact Leaders Summit** in New York (2017, 2019) and online (2020). During the past two years 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. In earlier reports we have applied a pyramid* perspective on the SDGs; where we accounted for our perspectives on the global goals and how we see them as interconnected. During last year we have expanded on our range of SDGs. Read more in our Annual Sustainability Reports (<https://www.tundrafonder.se/en/sustainable-2/>) where we focus on an additional number of SDGs and their targets to describe our efforts to implement the global goals into our business. This is not excluding other SDGs, but creating a model to build on for further action going forward



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

SDG INDEX

We take a collaborative approach to the implementation of the SDGs into our organisation. Through TURN | Tundra Research Network we have established partnerships bridging business, science and governmental institutions in several of our core markets. It is our primary goal to interact and make efforts together with other stakeholders to achieve a sustainable change.

In this COP we have used the *Sustainable Development Report 2019* as a guiding framework. The report 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. The following pages include examples of how Tundra has been working with implementation of selected SDGs and targets for respective categories as listed below. These are not representing our full commitment, but illustrates the ambitions we have set for our organisation and stakeholders. 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.

Leave no one behind

Transformation 6
Digital revolution for sustainable development



Transformation 1
Education, gender and inequality



Transformation 2
Health, well-being and demography



Transformation 3
Energy decarbonization and sustainable industry



Transformation 4
Sustainable food, land, water and oceans



Transformation 5
Sustainable cities and communities



Circularity and decoupling

EDUCATION, GENDER & INEQUALITY

Involving ministries of Education, Science and Technology, Gender Equality and Family Affairs this Transformation covers investments in education (early childhood development, primary and secondary education, vocational training and higher education), social protection systems and labor standards, and R&D. It directly targets SDGs 1, 2, 4, 5, 8, 9, and 10, and reinforces other SDG outcomes.

INTERNAL POLICIES

- A zero-tolerance policy on child labour within the organisation. **Target 4.1**
- In line with the second target of SDG4, Tundra supports flexible work options to supports parents, and work-life balance. Further, Tundra pays fair share of taxes in all countries where we operate, to help finance national educational services. **Target 4.2**
- Tundra provides trainings for all of our employees. During 2019 we started training sessions on the UNGC Academy platform: All Tundra employees and all Directors of the Board have conducted trainings on the UNGC Academy platform. **Target 4.4.**
- Employees are given annual training on compliance which includes AML/CTF, MAR, conflicts of interests and ethics. **Target 10.5**
- At Tundra Fonder, we strive to provide equal policies on maternity, paternity and family leave length and entitlements in all of our three offices, Stockholm, Karachi and Ho Chi Minh City. All rights are equal for men and women employed by Tundra, in all countries where we operate. Retention rate after parental leave was 100%. **Target 5.1**
- Further, Tundra has a zero-tolerance policy towards all forms of violence and sexual harassment in the workplace, all clearly stated in our Code of Conduct. Tundra conducts our own survey to external providers of services and additionally asks our portfolio companies to respect our business' policies in line with the ten principles of UNGC. **Target 5.2**
- **Target 5.5** highlights women's full and effective participation and equal opportunities for leadership at all levels of decision-making. Tundra strives to ensure non-discrimination in employment through implementing gender-sensitive recruitment and retention practices, including proactively recruiting and appointing women to managerial and executive positions and to the Board of Directors. To date our senior management displays 50% women, and the Board consists of 25% women. Among total number of employees 33% are women.
- In line with **Target 8.5** Tundra provides the best possible wages, benefits and working conditions, compliant with Swedish labor law and work environment policies; providing a framework with the highest possible standards worldwide. We are embedding the principle of equality in policies and processes for both employees and governing bodies throughout our own operations and communicate this to our portfolio companies.
- Tundra ensures non-discrimination across its operations while supporting and upholding human rights policies. As an equal opportunity employer, the company's hiring as well as all other decisions related to employees are based on objective factors. **Target 10.3**
- Tundra pays its taxes timely and ensures that its employees do the same in order to promote social protection and overall equality. **Target 10.4**

EDUCATION, GENDER & INEQUALITY

ENGAGEMENT WITH STAKEHOLDERS

- Supporting students: master level (5), graduate level (6), doctoral level (1). **Target 4.4**
- Communicate ESG-related matters with our portfolio companies and stakeholders through our ESG questionnaire, feedback Letters to companies, webinars and seminars. **Target 4.7**
- During 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. **Target 4.7**
- SDG breakfast, Stockholm. **Target 4.7**
- Tundra takes immediate and effective measures to eradicate forced labor, modern slavery, human trafficking, and child labor, all clearly stated in the company's policy documents. This is communicated to all our portfolio companies and investors. **Target 8.7**
- Through our investments in various sectors (Financials, Materials, Industrials, Consumer Discretionary, Health Care, Consumer Staples, and Information Technology, in descending order) we are contributing to upgrading technology and stimulating innovation in developing countries. **Target 8.2**

We are encouraging our portfolio companies to report on their gender policies and specifically asking them to declare their ratio of women in their senior management and company board. Further we follow up on issues pertaining to gender equality issues in our annual Tundra ESG Questionnaire. Included in the ESG questionnaire, we ask all companies about education and training opportunities for women workers. In communication with all our holdings, we encourage them to report if they hold a CSR policy and to follow international guidelines and reporting initiatives to strengthen gender equality like the ten principles of UNGC and GRI. In line with this we also encourage our companies to sign the *Women's Empowerment Principles (WEPs)*. **Targets 4.7, 5.1, 5.5**

To demonstrate our efforts regarding gender equality we signed the Women's Empowerment Principles in March 2018. The 7 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 emphasizing that while gender equity is not only the right thing to do, it is also good for business and should be a priority. Tundra works actively with all seven principles, with special emphasis on number seven "Measure and publicly report on progress to achieve gender equality". We believe that our role as an investor gives us extra mandate and leverage to push our portfolio companies to profile themselves as sustainable companies addressing these questions. One way is transparency and good reporting strategies, especially in our core markets.

Tundra has also joined Equilibre as a signatory to *My Pledge* in 2019. *My Pledge* is an initiative aiming to ensure more diversity at public events in line with the recent #NoWomenNoPanel initiative. Thereby we are committing to advocate for gender diversity on panels and at public speaking events by asking questions on gender diversity when organizing, attending or sponsoring an event in any form.

HEALTH, WELLBEING & DEMOGRAPHY

Groups interventions to ensure Universal Health Coverage (UHC), promote healthy behaviors, and address social determinants of health and wellbeing. It directly targets SDGs 2, 3, and 5 with strong synergies into many other goals. Implementation will need to be led by ministries of health.

INTERNAL POLICIES

- Tundra HR policy: ensures all employees have health insurance covered (basic health insurance according to national law thus an additional insurance package). **Target 10.2**
- Tundra provides its employees with a wellness subsidy of SEK 2,000 annually for simple forms of physical activity, dietary advice, stress management or therapeutic massages
- Computer monitor glasses, including sight test, provided to employees that require them **Target 10.4.**

ENGAGEMENT WITH STAKEHOLDERS

- Tundra ESG Questionnaire 2019 includes sector-specific questions on Good Manufacturing Practices (GMP) and Antimicrobial Resistance (AMR) **Target 12.6.**
- Tundra signed the Tobacco-Free Finance Pledge. **Target 17.16**
- Tundra's ESG process for the Tundra Sustainable Frontier Fund includes screening for sector-based breaches, which excludes certain sectors: alcohol, pornography, tobacco, weapons, gambling, fossil fuels and/or GMO. If the total revenue from a product from one of these sectors does not exceed 5%, the company may still be eligible for the fund. **Target 12.6, 12.7**
- Tundra Christmas Donation 2019: dedicated to ActionAid Nigeria; the organization focuses on social justice and works to eradicate poverty through gender equality and the redistribution of wealth and power
- In July 2020, Shamooun Tariq, Portfolio Manager and Partner at Tundra, participated and moderated an interesting discussion hosted by Embassy of Sweden in Pakistan and Swedish Business Council. The topic discussed is very important in a current situation where world needs to adapt to the new paradigm or disappear, "How is the economy and industry preparing for a post pandemic reality?"

AMR - A silent threat without borders: Target 17.16, 17.17

Antimicrobial Resistance (AMR) and especially Multi resistant bacteria is a global threat and is projected to kill more people than cancer by 2050. In India 2-3% of GDP may be lost in the process of the health crisis. Antimicrobial resistance happens when microorganisms (such as bacteria, fungi, viruses, and parasites) change when they are exposed to antimicrobial drugs (such as antibiotics, antifungals, antivirals etc.). Microorganisms that develop antimicrobial resistance are sometimes referred to as "superbugs". As a result, the medicines become ineffective and infections persist in the body, increasing the risk of spread to others. We communicate the importance of caution in the area of AMR to all of our companies in relevant sectors; such as pharma, hospitals and Vietnam was the first country in the WHO's Western Pacific Region to publish its National Action Plan on antimicrobial resistance (AMR). Despite this, evidence suggests that 88-97% of drug stores dispense antibiotics without a prescription despite the fact that it is prohibited by Vietnamese law. Awareness is generally low and in food industry there is a big knowledge gap. Globally 75% of produced antibiotics goes to the food industry.

ENERGY DECARBONISATION AND SUSTAINABLE INDUSTRY

This transformation groups investments in energy access; the decarbonization of power, transport, buildings, and industry; and curbing industrial pollution. It directly targets SDGs 3, 6, 7, 9, 11-15, and reinforces several other goals. Implementation will require coordination across a large number of industries, including energy, transport, buildings, and environment.

INTERNAL POLICIES

- Ensuring resource efficiency by cutting down on air travel and rely on ICT instead for meetings and/or connecting with people. **Target 9.1**
- Tundra reported on carbon footprint in 2019 and compensated by investing in solar energy in Africa through TRINE. **Targets 9.4, 13.2, 13.A**
- Our Climate Report including estimates and reported data for the fund will be published in April 2021, including Tundra Fonder's Climate Statement.

ENGAGEMENT WITH STAKEHOLDERS

- As part of Tundra's TURN projects, we conducted webinars on renewable energy with representatives from our holdings instead of physical workshops. The webinar had remote guests and relevant international presenters. **Targets 9.1, 9.4**
- Tundra strongly encourages our portfolio companies to report on carbon emissions, through our ESG Questionnaire and meetings with companies. Feedback letters for 2020 include our estimated emissions (Scope 1-3). **Target 12.6**
- Tundra engages with others in the signatory to CDP since early 2017; we also encourage companies to disclose emissions through the CDP. Founding signatory to the Climate Action 100+, and signatory to the PRI-led initiative on a Just Transition. **Target 13.A**
- In September 2020 Tundra participated in online version of the UNEP-FI Roundtable. Global Roundtable, held virtually for the first time ever, under the theme "Financing a Resilient Future" Speakers included Amina Mohammed, Deputy Secretary General, United Nations, who gave the opening keynote address by reminding participants that sustainable finance yields an enormous opportunity to transform our markets, businesses, societies and environment. Economic systems and financial markets must put a fair price and invest in nature to shift finance away from destructive activities and towards nature-based solutions. <https://www.unepfi.org/events/roundtables/unep-fi-global-roundtable-2020/>
- In autumn 2020 we participated in the Sustainable Investment Forum, 4 part digital event series. "Mobilising sustainable investment towards a 1.5 °C World."

External meetings: Target 17.16, 17.17

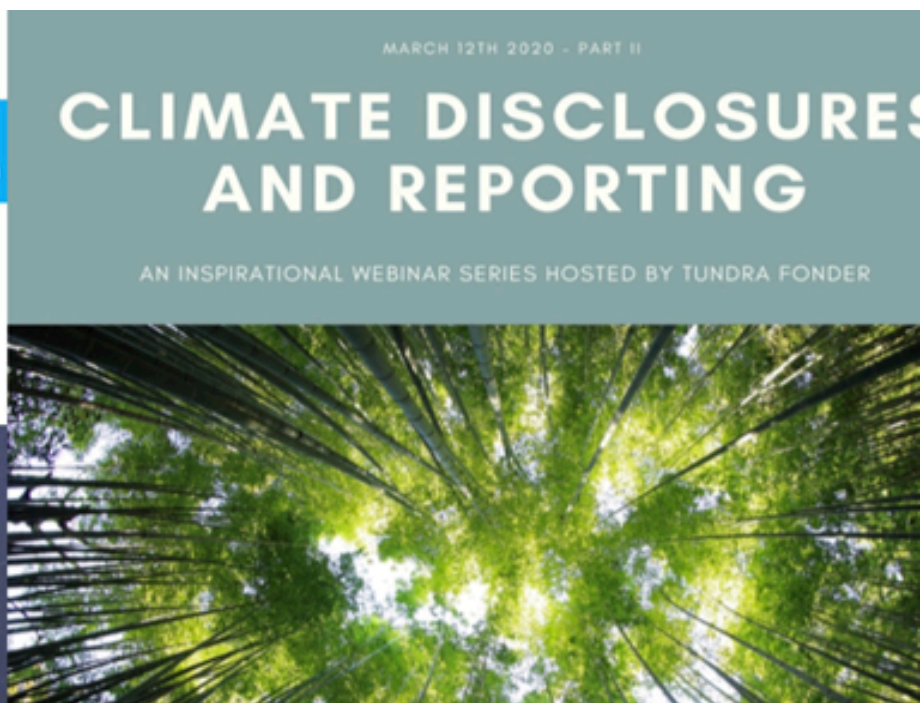
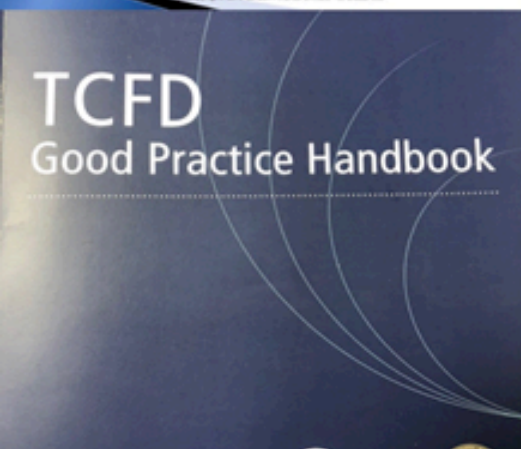
- Vietnam: Tundra had meetings with local UNDP representatives in May and September in Hanoi, discussing environmental issues and projects
+ Climate Business Index, a web-based voluntary registration system for private companies to benchmark and log their contribution to reduce GHG emission and address climate change impacts. **Target 12.6** <http://climate.wecan-group.info/climate-smart-business-index/>
- Vietnam: ESG Analyst, Chau Le, based in Vietnam participated in the HNX (Hanoi Stock Exchange) Conference on Sustainability Reporting & Green Investment, inviting listed companies and investors. CIO Mattias Martinsson presented an endorsement through video. **Target 12.6, 13.A**
- Pakistan: International conference on sustainable energy & workshop on energy management

ENERGY DECARBONISATION AND SUSTAINABLE INDUSTRY

WEBINARS FOR PORTFOLIO COMPANIES. Target 13.3, 13.B, 17.9

I. Transition to renewable energy: In October 2019 Tundra hosted a webinar on renewable energy and a just transition. Among the attendees were Tundra portfolio companies with high energy consumption and NGOs. We were proud to host over 25 attendees from 4 continents. Professor Adil Najam from Boston University gave an introductory presentation addressing the global climate challenge and the current legislation Pakistan and the country's outlook on renewable energy. ABB Solar power solutions presented options using solar power and its benefits. They presented encouraging examples from Angola and financing opportunities via Swedish agencies

II. Climate disclosures and reporting. In March 2020 Tundra Fonder hosted a webinar on the Task Force on Climate-related Financial Disclosures reporting framework (TCFD). Reporting on climate risks has become critical issues for companies and for financial institutions investing in them as well as for other corporate stakeholders. Representatives from our major holdings in Egypt, Nigeria, Pakistan and Turkey joined the event, as well as participants from The Pakistan Stock Exchange and local UNDP offices. Invited guest speakers were the experts Jane Stevensen of JS Global Advisory Ltd and Paul Stuart-Smith of Zero Carbon Finance Ltd, who guided us through the reporting framework on how to provide decision-useful information to lenders, insurers, and investors.



THE VALUE OF REPORTING TCFD

Thursday MARCH 12th
Time: 11am-12.30pm CEST

SPEAKERS
Jane Stevensen
JS Global Advisory

You are invited to an inspirational webinar on climate change risk and reporting. These have become critical issues for companies and for the financial institutions investing in them as well as for other corporate stakeholders.

Tundra Fonder engages in an active dialogue with companies in our portfolios to discuss the sustainability of their business models, including the challenges and opportunities they face from climate change. You are invited because your company is among our largest and most important investments. We will discuss the recommendations of the Taskforce on Climate-related Financial Disclosures and we will explain why this is important for your company, with help from our speakers:

Paul Stuart-Smith and Jane Stevensen will give an introduction addressing the global challenge of climate change.

SUSTAINABLE FOOD, LAND, WATER AND OCEANS

Interventions to make food and other agricultural or forest production systems more productive and resilient to climate change must be coordinated with efforts to conserve and restore biodiversity and to promote healthy diets alongside major reductions in food waste and losses. Important trade-offs exist between these interventions, so we recommend identifying and addressing them inside one transformation, which will need to mobilize a broad range of ministries, such as agriculture, forestry, environment, natural resources, and health. This broad transformation directly promotes SDGs 2, 3, 6, and 12-15. Many other SDGs are reinforced by these investments.

INTERNAL POLICIES

- Tundra is reporting on economic, social and environmental sustainability using international reporting standards, such as the PRI and the UNGC, and partly through the TCFD framework.
Target 12.6, 13.2
- Through ESG case reports, annual reports and social media, we are trying to raise investor awareness to improve their willingness to engage in sustainable consumption and investments.
Target 12.7, 13.3

ENGAGEMENT WITH STAKEHOLDERS

Engagement with portfolio companies:

- Through face-to-face meetings and the Tundra ESG Questionnaire, we urge companies to consider thus mitigate the environmental impact of their business operations and to align with international standards for sustainable production. **Target 12.6, 12.7**

International initiatives and collaboration: **Target 17.16, 17.17**

- Tundra are partnering with NGOs and stakeholders who are developing sustainable practices in our core markets. In December 2018 we launched the Tundra Research Network (TURN), with the overarching aim to bridge the collaboration gap between business, academia, NGOs, and policy makers, utilizing local expertise in our markets. The TURN initiative builds on a systematic approach where country and sector specific challenges for sustainable growth are considered.
Target 12.1
- Tundra is a part of the FAIRR initiative, with the mission is to build a global network of investors who are focused and engaged on the risks linked to intensive animal production within the broader food system. FAIRR helps investors to exercise their influence as responsible stewards of capital to engage and safeguard the long-term value of their investment portfolios. **Target 12.2, 12.6, 12.7**
- Tundra signed Climate Action 100+, which is an investor initiative that will create dialogue with the 100 companies that globally release the largest greenhouse gases over the next five years. **Target 13.2, 13.A**
- In February 2019 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. **Target 12.2**
- Participation in "The great food challenge. How can we feed 10 bn by 2050?" Arranged by Climate Action and FAO in connection with World Food Day. <https://climateaction.app.swapcard.com/event/the-great-food-challenge-digital-event-series>
- Tundra Christmas Donation 2020. To HAKA – a local NGO based in the Aceh Province of Indonesia. HAKA's organizational mission is to protect, restore, and promote the Leuser Ecosystem in the Aceh Province, thereby contributing to the long-term nature conservation of the whole region. Their activities involve empowering local civil society as well as engaging in campaigns and advocacy on pressing environmental issues. HAKA aims to strengthen communities by equipping knowledge and skills to conduct on the ground activities, whether directly through collaboration on ground protection work or supporting them to defend their rights to land, water and healthy environment. To read our full report, please visit: <https://bit.ly/3h0Blmt>

SUSTAINABLE CITIES AND COMMUNITIES

Cities, towns, and other communities require integrated investments in infrastructure, urban services, as well as resilience to climate change. These interventions target of course SDG 11 and they also contribute directly to goals 6, 9, and 11. Indirectly virtually all SDGs are supported by this transformation, which relies on leadership from the ministries of transport, urban development, and water resources.

INTERNAL POLICIES

- Tundra's core business creates decent employment in three different countries and has environmental, social and governance values deeply integrated into it. **Target 9.2**

ENGAGEMENT WITH STAKEHOLDERS

- Pakistan, April: Tundra collaborated with the Swedish Embassy to host panel discussions on sustainable initiatives in the corporate sector as well as on sustainable cities. **Targets 9.2, 11.B**
- Pakistan, March & September: At Tundra, we understand that a systemic change in sustainable development requires an investment in education and training. Thus, in March, Tundra's analyst Mubashir Zuberi attended international conferences on sustainable energy in Islamabad, Pakistan. Then again in September, Zuberi and ESG analyst Maryam Mughal attended a workshop where the business case for energy efficiency in company operations and the adoption of SDG 7 were discussed in detail. **Target 9.5**
- Tundra was on the board of assessment and one of the sponsoring companies for the Innovate like a Swede contest for Vietnamese students, organized in November
+ Winner of the contest: Eco-bus project, aiming at improving public transportation to be of higher quality, more environmentally friendly and socially inclusive. **Target 11.7**
- Vietnam, May: Our ESG Analyst, Chau Le, based in HCMC participated in a UNDP Vietnam Consultation workshop on Organic waste management in agriculture in Da Lat, Vietnam. **Target 11.6**

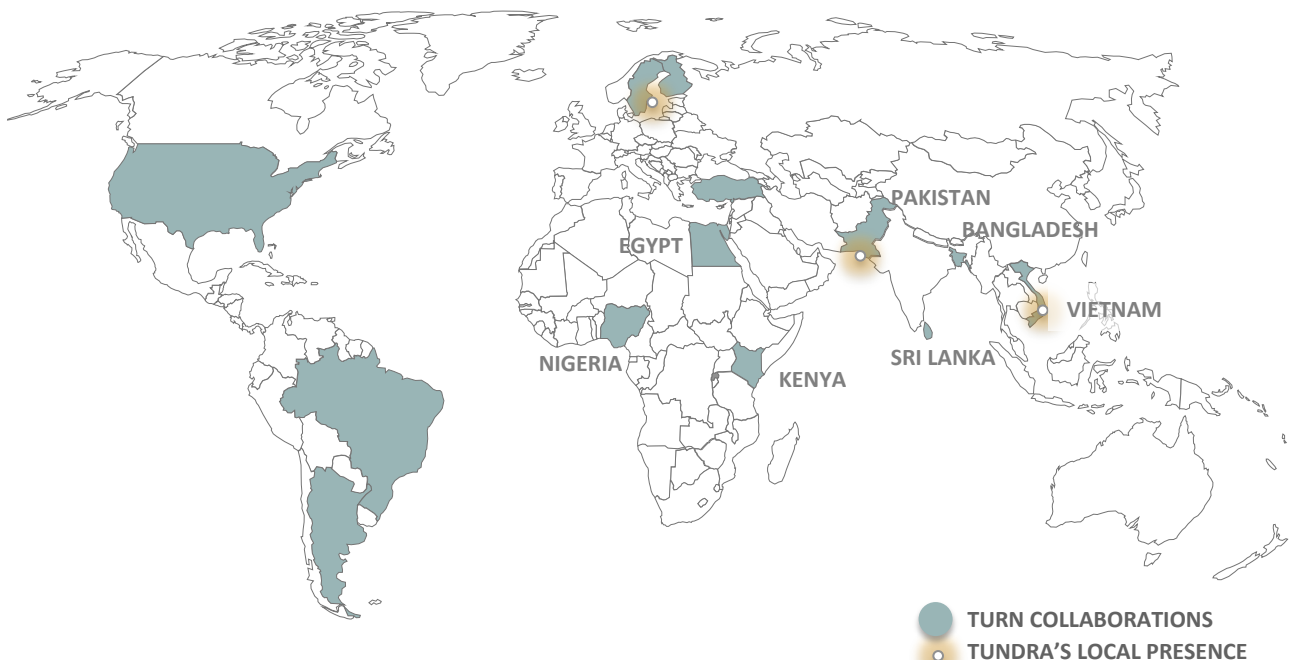


DIGITAL REVOLUTION FOR THE SUSTAINABLE DEVELOPMENT

If managed well, digital technologies, such as artificial intelligence and modern communication technologies can make major contributions towards virtually all SDGs.

- In May 2019, Tundra visited Hanoi 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. **Target 17.6, 17.17**
- Pakistan: Smart Cities & Digital Transformation
- Investment in frontier markets: digital technologies and infrastructure. Through our investments in frontier markets Tundra is mobilising private capital towards supporting sustainable development in developing countries. **Target 17.3, 17.5**

Through TURN we aim to act as a catalyst for collaborations and supply a platform where Business, Academia, Civil society and Governments can collaborate for innovation and sustainable growth in our markets. There is an immense need for increased collaborations between business, academia, governmental institutions and non-governmental organizations in order to tackle systems-level challenges, such as climate change, global health issues and social inequalities to mention a few. The TURN initiative builds on a systematic approach where country and sector specific challenges for sustainable growth are considered. Initial activities have focused on the SDGs, how to incorporate them in the company's core business and how to report on them. Tundra has hosted events with participants from portfolio companies, NGOs and government officials, to discuss these issues. During 2020 most of TURNs networking events have taken place on-line pointing at the tremendous possibilities of finding solutions through digitalisation. **Target 17.6, 17.17**



STRONG INSTITUTIONS

Tundra Fonder is using audited annual reporting, by Öhrlings PricewaterhouseCoopers AB, to ensure transparency of activities and identifying and eliminating any illicit flows. Tundra follows strict regulations under Sweden's financial supervisory authority (Finansinspektionen; <https://bit.ly/2UKxt2z>) to ensure stability and efficiency in the financial systems. This also applies to other sections of our organization. Anti-corruption and good corporate governance are core components in our financial analysis. We hold regular internal meetings/engagements on ethics and trading policies (disclosing our personal trades etc.) for all of our employees. All employees are required to sign off on Tundra's Code of Conduct. When screening companies their adherence to international norms for human rights, the environment, labor standards and anti-corruption are assessed. We also collaborate with civil society and governmental organizations to assure that we have correct information 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. In case of incidences we follow up on through dialogue with the company and taking corrective actions, divesting if needed. Finally, Tundra is aligning reporting practices with institutions that help define corporate governance rules, such as PRI and UNGC. **Target 16.4, 16.5, 16.6, 16.8**

Number of board meetings and attendance rate for 2019/2020:

Type of meeting	Date	Board members	Adjunct board members
Board meeting per caps	2019-01-22	7 of 7 (100%)	1
Board Meeting	2019-02-14	6 of 7 (86%)	7
Board meeting per caps	2019-02-26	7 of 7 (100%)	1
Board meeting per caps	2019-03-18	7 of 7 (100%)	1
Board Meeting	2019-04-24	5 of 7 (71%)	3
Statutory Meeting	2019-04-24	5 of 7 (71%)	2
Board meeting per caps	2019-04-30	6 of 6 (100%)	1
Board meeting per caps	2019-05-07	6 of 6 (100%)	1
Board meeting per caps	2019-05-16	6 of 6 (100%)	1
Board meeting per caps	2019-06-10	6 of 6 (100%)	1
Board Meeting	2019-09-25	4 of 4 (100%)	4
Board meeting per caps	2019-09-26	4 of 4 (100%)	1
Board Meeting	2019-11-13	4 of 4 (100%)	3
Board Meeting	2019-12-05	4 of 4 (100%)	5
Type of meeting	Date	Board members	Adjunct board members
Board meeting	2020-02-13	4 of 4 (100%)	6
Board Meeting per caps	2020-02-27	4 of 4 (100%)	1
Board meeting	2020-03-12	4 of 4 (100%)	1
Board meeting	2020-03-26	4 of 4 (100%)	2
Board Meeting	2020-04-23	4 of 4 (100%)	3
Statutory Meeting	2020-04-23	4 of 4 (100%)	2
Board meeting per caps	2020-04-27	4 of 4 (100%)	1
Board meeting	2020-05-15	4 of 4 (100%)	3
Board meeting per caps	2020-07-03	4 of 4 (100%)	1
Board meeting	2020-09-24	3 of 4 (75%)	5
Board Meeting per caps	2020-10-23	4 of 4 (100%)	1
Board meeting	2020-12-03	4 of 4 (100%)	5
Board Meeting per caps	2020-12-17	4 of 4 (100%)	1

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.

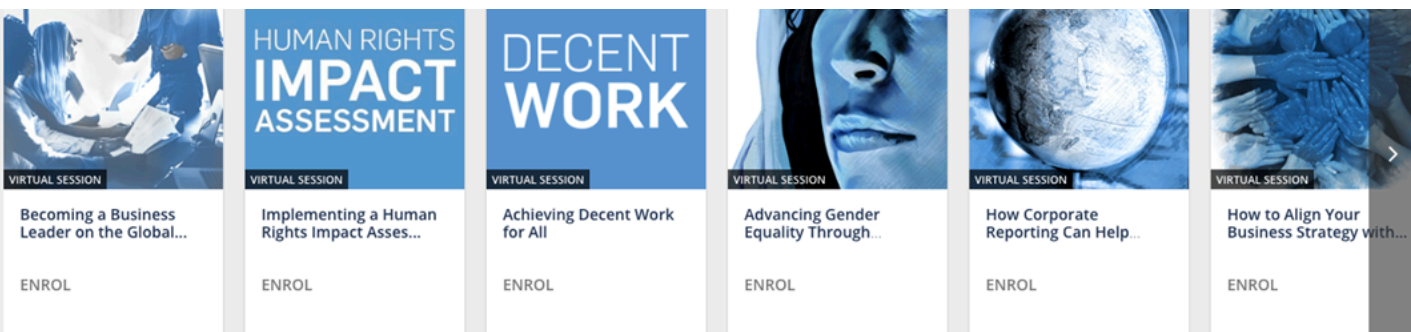
E-LEARNING COURSES: E-learning tools and resources will help participants learn key sustainability concepts anytime, anywhere.

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 >



STRATEGY - Implementing the Ten Principles into Strategies & Operations

Criterion 1: The COP describes mainstreaming into corporate functions and business units

- Align strategies, goals and incentive structures of all business units and subsidiaries with corporate sustainability strategy
- Any relevant policies, procedures, and activities that the company plans to undertake by its next COP to fulfill this criterion, including goals, timelines, metrics and responsible staff.

Criterion 2: The COP describes value chain implementation

- Other established or emerging best practices: ILO, OECD, UNGC, local laws and guidelines
- Communicate policies and expectation to suppliers and other relevant business partners

HUMAN RIGHTS - Robust Human Rights Management Policies & Procedures

Criterion 3: The COP describes robust commitments, strategies or policies in the area of human rights

- Commitment to comply with all applicable laws and respect internationally recognized human rights, wherever the company operates (e.g., the Universal Declaration of Human Rights, Guiding Principles on Human Rights) (BRE1 + ARE1)

Criterion 4: The COP describes effective management systems to integrate the human rights principles

- Other established or emerging best practices: ILO, OECD, NGOs and research
- Internal awareness-raising and training on human rights for management and employees
- Process to ensure that internationally recognized human rights are respected

Criterion 5: The COP describes effective monitoring and evaluation mechanisms of human rights integration

- Any relevant policies, procedures, and activities that the company plans to undertake by its next COP to fulfill this criterion, including goals, timelines, metrics, and responsible staff
- Other established or emerging best practices: All portfolio companies assessed on aspects of human rights integration in their organisations. Building on data from ILO and relevant frameworks.
- Process to deal with incidents the company has caused or contributed to for internal and external stakeholders (BRE 4 + ARE 4)

LABOUR - Robust Labour Management Policies & Procedures

Criterion 6: The COP describes robust commitments, strategies or policies in the area of labour

- Structural engagement with a global union, possibly via a Global Framework Agreement
- Reference to principles of relevant international labour standards (ILO Conventions) and other normative international instruments in company policies

Criterion 7: The COP describes effective management systems to integrate the labour principles

- Active engagement with suppliers to address labour-related challenges
- Internal awareness-raising and training on the labour principles for management and employees
- Allocation of responsibilities and accountability within the organization
- Risk and impact assessments in the area of labour

Criterion 8: The COP describes effective monitoring and evaluation mechanisms of labour principles integration

- Dialogues with the representative organization of workers to regularly review progress made and jointly identify priorities for the future
- System to track and measure performance based on standardized performance metrics

ENVIRONMENT - Robust Environmental Management Policies & Procedures

Criterion 9: The COP describes robust commitments, strategies or policies in the area of environmental stewardship

- Written company policy on environmental stewardship
- Reflection on the relevance of environmental stewardship for the company
- Reference to relevant international conventions and other international instruments (e.g. Rio Declaration on Environment and Development)

Criterion 10: The COP describes effective management systems to integrate the environmental principles

- Internal awareness-raising and training on environmental stewardship for management and employees
- Environmental risk and impact assessments

Criterion 11: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship

- Other established or emerging best practices: Collaborations, Inhouse Rating System, Own assessment of carbon footprint for portfolio companies
- Outcomes of integration of the environmental principles

ANTI-CORRUPTION - Robust Anti-Corruption Management Policies & Procedures

Criterion 12: The COP describes robust commitments, strategies or policies in the area of anti-corruption

- Detailed policies for high-risk areas of corruption (D4)
- Commitment to be in compliance with all relevant anti-corruption laws, including the implementation of procedures to know the law and monitor changes (B2)

Criterion 13: The COP describes effective management systems to integrate the anti-corruption principle

- Communications (whistleblowing) channels and follow-up mechanisms for reporting concerns or seeking advice (D9)
- Actions taken to encourage business partners to implement anti-corruption commitments (D6)
- Internal checks and balances to ensure consistency with the anti-corruption commitment (B6)
- Human Resources procedures supporting the anti-corruption commitment or policy, including communication to and training for all employees (B5 + D8)
- Carrying out risk assessment of potential areas of corruption (D3)
- Support by the organization's leadership for anti-corruption (B4)

Criterion 14: The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption

- Process to deal with incidents (D13)

UN GOALS - Taking Action in Support of Broader UN Goals and Issues

Criterion 15: The COP describes core business contributions to UN goals and issues

- Adopt and modify operating procedures to maximize contribution to UN goals/issues
- Develop relevant products and services or design business models that contribute to UN goals/issues
- Align core business strategy with one or more relevant UN goals/issues

Criterion 16: The COP describes strategic social investments and philanthropy

- Take responsibility for the intentional and unintentional effects of funding and have due regard for local customs, traditions, religions, and priorities of pertinent individuals and groups
- Coordinate efforts with other organizations and initiatives to amplify—and not negate or unnecessarily duplicate—the efforts of other contributors

Criterion 17: The COP describes advocacy and public policy engagement

- Commit company leaders to participate in key summits, conferences, and other important public policy interactions in relation to one or more UN goals/issues
- Publicly advocate the importance of action in relation to one or more UN goals/issues

Criterion 18: The COP describes partnerships and collective action

- Join industry peers, UN entities and/or other stakeholders in initiatives contributing to solving common challenges and dilemmas at the global and/or local levels with an emphasis on initiatives extending the company's positive impact on its value chain
- Develop and implement partnership projects with public or private organizations (UN entities, government, NGOs, or other groups) on core business, social investments and/or advocacy

GOVERNANCE - Corporate Sustainability Governance and Leadership

Criterion 19: The COP describes CEO commitment and leadership

- Other established or emerging best practices: International guidelines (ILO, OECD, UN, UNDP) and collaborations through TURN | Tundra Research Network
- Make sustainability criteria and UN Global Compact principles part of goals and incentive schemes for CEO and executive management team
- CEO promotes initiatives to enhance sustainability of the company's sector and leads development of industry standards
- CEO publicly delivers explicit statements and demonstrates personal leadership on sustainability and commitment to the UN Global Compact

Criterion 20: The COP describes Board adoption and oversight

- Board of Directors (or equivalent) assumes responsibility and oversight for long-term corporate sustainability strategy and performance

Criterion 21: The COP describes stakeholder engagement

- Other established or emerging best practices: International guidelines (ILO, OECD, UN, UNDP) and collaborations through TURN | Tundra Research Network
- Establish channels to engage with employees and other stakeholders to hear their ideas and address their concerns
- Consult stakeholders in dealing with implementation dilemmas and challenges and invite them to take active part in reviewing performance
- Define sustainability strategies, goals and policies in consultation with key stakeholders

WOMEN'S EMPOWERMENT

The COP describes policies and practices related to supporting women's empowerment and advancing gender equality in the workplace

- Creating and maintaining workplace awareness of gender equality and, inclusion and non-discrimination for all workers
- Gender-specific health and safety issues
- Recruitment and retention, including training and development, of female employees
- Support for pregnant women and those returning from maternity leave
- Flexible work options
- Equal pay for work of equal value
- Achieving and maintaining gender equality in middle management positions
- Achieving and maintaining gender equality in senior management and board positions

The COP describes policies and practices related to supporting women's empowerment and advancing gender equality in the marketplace

- No practice for this criterion has been reported

The COP describes policies and practices related to supporting women's empowerment and advancing gender equality in the community

- Community initiatives specifically targeted at the empowerment of women and girls

The COP contains or refers to sex-disaggregated data

- Flexible work options
- Equal pay for work of equal value
- Achieving and maintaining gender equality in middle management positions
- Achieving and maintaining gender equality in senior management and board positions

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