

Responsible Investment Policy

Applies to	Tellus Fonder AB
Last adopted	15 April 2026
Adopted by	The Board
Type of policy document	Guideline
Document owner	CEO
Confidentiality	None

Revision history

Version	Date	Section	Summary of update	Responsible
1.0	15 April 2026	Full document	First version, approved by the Board	CEO

1 BACKGROUND

- 1.1 Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial sector (the “SFDR”) forms part of the European Commission’s Action Plan on Financing Sustainable Growth and aims, among other things, to ensure transparency and openness in sustainability-related matters. The European Commission’s Delegated Regulation to the Disclosure Regulation 2022/1288/EU (the “**Delegated** Regulation”) sets out detailed rules on how the disclosures under the SFDR are to be provided. In 2018, the Company signed the United Nations Principles for Responsible Investment (the “UNPRI”), which the Company has therefore undertaken to comply with.
- 1.2 Tellus Fonder AB (the “Company”) manages the Tellus Midas fund (the “Fund”), which promotes environmental and social characteristics and for which the Company therefore reports in accordance with Article 8 of the SFDR. Against this background, the Company must determine the sustainability-related characteristics that the Fund promotes, as well as the binding elements of the investment strategy in this regard. The Company shall therefore have internal procedures in place to monitor compliance with the binding elements of the Fund’s investment strategy and to ensure that the Fund promotes the sustainability-related characteristics established for the Fund.
- 1.3 Pursuant to Chapter 2, Section 17(h) of the Swedish Investment Funds Act (2004:46), the Company shall adopt principles for shareholder engagement. Furthermore, the Company shall publish an annual report on its website detailing how the principles for shareholder engagement have been applied.
- 1.4 Fund management companies must act in the best interests of their clients, including, but not limited to, the requirement to carry out appropriate due diligence before investments are made. Recital 12 of the SFDR states that, in order to fulfil their obligations under the Regulation, financial market participants should integrate into their processes not only all relevant financial risks, but also all relevant sustainability risks contained therein that could have a material adverse impact on the financial performance of an investment, and should continuously assess these risks. It further follows from Article 3 of the SFDR that financial market participants must publish information on their website regarding their policies for integrating sustainability risks into their investment decision-making process. Furthermore, Article 5 of the SFDR imposes an obligation to publish information on the website regarding how the financial market participant’s remuneration policy is consistent with the integration of sustainability risks.
- 1.5 In accordance with Article 6 of the SFDR, the Company must provide information on how sustainability risks are integrated into the investment decision-making process, together with an assessment of the likely impact this has on the Fund’s returns. This information must be provided in the prospectus made available to the Company’s clients prior to the conclusion of any agreement.
- 1.6 Article 10(1) of the SFDR also imposes an obligation to provide sustainability-related

on the website regarding the financial products provided by a financial market participant. The information must be provided in accordance with the detailed rules set out in the Delegated Regulation.

- 1.7 Against this background, the Company has drawn up and adopted the following policy, which forms the framework for the Company's sustainability and corporate governance work ("Sustainability Policy").

2 PROMOTION OF SUSTAINABILITY-RELATED CHARACTERISTICS

- 2.1 The Company shall ensure that at least 80 per cent of the Fund's investments promote the following environmental and social characteristics:

1. Reduced climate impact through the Fund's investments

- a) have approved science-based emission reduction targets (SBTs) in line with the Paris Agreement,
- b) which, in the Company's assessment, contribute to an environmental goal in accordance with the global goals of the UN's 2030 Agenda, for example *Goal 13: climate action*.

A company is included in positive contribution if either of the following applies:

- Revenue alignment: part of the company's revenue comes from a business activity that, by its nature, advances one of these SDGs; or
- Reported contribution: the company has publicly reported a contribution to one of these SDGs — either by stating it directly (e.g. in sustainability or annual reports) or by running program recognized as advancing the SDG, even if the company does not label it as such.

The assessment is based on sustainability analysis from Connect Earth's third-party data provider.

- c) are made in financial instruments issued by governments that are actively working to reduce climate impact.

2. Acceptable ESG risk level, as the Fund's investments are made in companies that

- a) has an overall ESG rating higher than the industry average in relation to environmental, social and governance criteria according to Connect Earth, and
- b) is not subject to an ongoing controversy classified as medium category according to Connect Earth.

3. Reduced financing of controversial activities or activities with a significant negative climate impact by applying exclusion criteria for operations within such sectors.

- 2.2 Compliance with international standards and conventions on the environment, human rights, labour rights and diversity by not investing in companies that violate the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN declarations on human rights and the ILO conventions on labour standards.

2.3 To measure the achievement of each of the environmental and social characteristics promoted by the Fund (1–4 above) as set out in section 2.1, the Company shall take into account the following respective indicators:

1. Proportion of investments

- a) that have adopted approved science-based emission reduction targets (*Science Based Targets*, SBT) in line with the Paris Agreement,
- b) whose economic activities are assessed by the Company as contributing to an environmental goal in accordance with the global goals of the 2030 Agenda, based on the sustainability analysis provided by Connect Earth, or
- c) in financial instruments issued by governments that have set targets to achieve net-zero greenhouse gas emissions by 2050.

2. Portfolio weight

- a) in companies with a total ESG rating higher than the industry average regarding environmental, social and governance criteria according to Connect Earth, and
- b) in companies with an ongoing controversy classified as medium according to Connect Earth.

3. Exposure to companies that breach the Fund's exclusion criteria. In this regard, PAI indicators such as *4. Exposure to companies operating in the fossil fuels sector* and *14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)* are taken into account.

4. Exposure to companies that violate the UN Global Compact and the OECD Guidelines for Multinational Enterprises, the UN declarations on human rights, and the ILO conventions on labour standards. In this regard, PAI indicators such as *10. Violations of the UN Global Compact and the OECD Guidelines for Multinational Enterprises*, *11. No processes or compliance mechanisms to monitor compliance with the UN Global Compact and the OECD Guidelines for Multinational Enterprises*, *12. Unadjusted gender pay gap*, and *13. More balanced gender representation on boards*. Furthermore, the number of identified serious human rights issues is taken into account.

2.4 For all investments in the Fund, the Company shall ensure that the investee complies at all times with good governance practices, except for investments made in financial instruments issued by states. When assessing whether a portfolio company meets this requirement, the Company shall, for potential investments and for existing ones, evaluate on a quarterly basis:

- 1. Corporate governance – Remuneration models.

- Is there a remuneration policy that links remuneration to long-term performance and sustainability?
2. Governance structure – Independent board members and gender-balanced board.
 - Number of independent board members, board diversity
 3. Tax – Tax incidents.
 - The company's tax policy and tax management
 - History of tax incidents, disputes or criticism from the Tax Authority
 4. Business ethics – UN Global Compact Principle 10 on combating corruption and bribery.
 - Anti-corruption and whistleblowing policy
 - Any write-downs and sanctions related to corruption/bribery offences
 5. Labour rights – Principle 3 of the UN Global Compact on the right to collective bargaining and freedom of association.
 - Recognition of trade union rights, collective agreements, number of trade union members
 - Number of labour disputes and outcomes

3 EXCLUSION CRITERIA

3.1 The following sets out how the Company defines each sector and the thresholds applicable to the exclusion of each sector when investing in the Fund. The thresholds applicable to each investment are stated in relation to the percentage share of revenue in each investment.

3.2 *Controversial weapons*: The company does not invest in companies that violate international standards or agreements. Controversial weapons include cluster bombs, anti-personnel mines, chemical and biological weapons, and nuclear weapons. Involvement in this sector refers to either the production (manufacture), distribution (sale), development, use, maintenance, import or export, storage or transport of key components specifically designed for controversial weapons. However, the Company may have indirect exposure to such companies through investments in companies that, for example, engage in the production/distribution of components used in such controversial weapons or that finance such companies (e.g. banks).

Production: 5%

Distribution: 5%

3.3 *Fossil Fuels*: Includes oil, oil sands, gas and coal. Also includes hydraulic fracturing of shale oil. Involvement in this sector refers to either production (extraction/exploration/refining) or distribution (sales). The sale of fossil fuels also includes energy companies that use fossil fuels in their energy supply. Does not include transport, storage or related products and services. For each activity where turnover is attributable to either production or distribution, we have the following restrictions on our investments:

Production/Exploration: 5%

Distribution: 5%

With regard to Arctic oil drilling and coal mining, we apply a zero-tolerance policy regarding both production and exploration.

3.4 *Uranium*: Involvement in this sector refers to production in terms of uranium mining and uranium exploration.

Production/Exploration: 5%

Distribution: 5%

3.5 *Commercial gambling*: Refers to gaming and betting activities. Includes lotteries, online gaming, mobile gaming and sporting events that allow monetary wagers. Also refers to specialised equipment and bespoke services. For example, manufacturers of physical gaming machines and roulette wheels, or developers of casino games. Does not refer to computer game companies.

Production: 0%

Distribution: 5%

3.6 *Alcohol*: We define alcoholic beverages as drinks containing more than 2.25 per cent alcohol.

Production: 10%

Distribution: 10%

3.7 *Pornography*: Involvement in this sector refers to either production (the manufacture of pornographic material) or distribution (the sale of pornographic material). Distribution refers, for example, to media companies that own and operate cable, satellite and internet channels with pornographic content. This does not include telecoms and internet operators or hotels.

Production: 0%

Distribution: 5%

- 3.8 *Tobacco*: Involvement in this sector refers to either production (manufacture) or distribution (sale) of tobacco. Tobacco refers to snus, cigarettes, pipe and chewing tobacco, and e-cigarettes. Distribution refers to companies that sell tobacco products for more than 5% of their turnover. Refers to unrelated products and services, such as paper and cardboard manufacturing.

Production: 0%

Distribution: 5%

- 3.9 *Cannabis*: Companies that produce (manufacture) or distribute (sell) cannabis for non-medical purposes/recreational use (not medical cannabis in prescription medicines). We apply a zero-tolerance policy regarding companies that produce cannabis for non-medical purposes, and do not invest in companies where more than five per cent of the company's turnover is attributable to the distribution of this type of cannabis. Does not apply to related products and services, such as plastic components or packaging materials.

Production: 0%

Distribution: 5%

4 PRINCIPLES FOR SHAREHOLDER ENGAGEMENT

- 4.1 As the manager of the Fund, the Company shall, as a matter of principle, act as the representative of the Fund's unit holders in all matters relating to the Fund's operations, which includes engagement with the companies in which the Fund holds interests. Throughout the investment decision-making process and in the ongoing monitoring of portfolio companies, the Company assesses both financial performance and the management of sustainability issues and risks falling within the scope of the investments made by the Fund.
- 4.2 The Company shall continuously monitor relevant issues concerning the portfolio companies' strategy, financial and non-financial performance and risks, capital structure, social and environmental impact, and corporate governance. This is achieved by the Fund's managers regularly reviewing the portfolio companies' periodic reports, as well as other important news received from company analysts, authorities and other sources of information regarding the companies. Furthermore, ongoing screening is carried out by the Company's ESG data provider, Connect Earth.
- 4.3 The Company aims to influence sustainability efforts within the portfolio companies. This engagement is conducted through company dialogues and corporate governance activities, which may include participation in nomination committees as well as participation and voting at

general meetings.

- 4.4 As a general rule, the Company votes at general meetings of companies in which the Fund holds a stake exceeding 5% of the total number of outstanding shares in the company.
- 4.5 The purpose of the shareholder dialogues is for the Company to gain a deeper understanding of how the portfolio companies are managed and to provide an opportunity to discuss the portfolio companies' sustainability work. The Company's assessment is that dialogue with portfolio companies is, as a starting point, a more successful way of influencing developments in the portfolio companies than divesting the holding. The dialogue may take place either directly between the Company and representatives of the companies (for example, with the person responsible for investor relations at the portfolio company) or indirectly through a third party in the form of cooperation between the Company and other investors who engage in the dialogue.
- 4.6 However, the Company is aware that its holdings often consist of very large companies and, as the Company is a relatively small shareholder, there are often limited opportunities to influence the portfolio companies other than through private and public meetings with them. In cases where the Company sees no change following dialogue, the only course of action remaining for the Company is therefore often to divest the shares.
- 4.7 Actual and potential conflicts of interest identified in relation to the Company's shareholder engagement shall be recorded in the Company's register of secondary engagements held by the Board and employees. Furthermore, the management of any such conflicts of interest identified shall be set out in the Company's guidelines on ethical issues and conflicts of interest.
- 4.8 The Company shall publish an annual report on its website detailing how the principles for shareholder engagement have been applied. The report shall contain at least:
1. A general description of the Company's voting behaviour in its portfolio companies.
 2. An explanation of the most significant votes.
 3. Information on the matters in which the Company has, where applicable, made use of advice or voting recommendations from a proxy advisor.
 4. How the Company has voted at the general meetings of its portfolio companies. However, votes that are insignificant due to the nature of the matter or the size of the shareholding need not be disclosed.

5 INTEGRATION OF SUSTAINABILITY RISKS

- 5.1 Sustainability risks are defined under the SFDR as an environmental, social or governance-related event or circumstance which, if it were to occur, would have an actual or potential significant adverse impact on the value of the investment. In

the concept of sustainability risk thus encompasses risks that are identified and relate primarily to the environment, climate and human rights, as well as the fight against corruption and bribery.

- 5.2 In the management of the Fund, the Company makes investment decisions in which relevant sustainability risks are to be integrated as part of the financial risk analysis carried out on a potential investment target.
- 5.3 The risks are analysed based on whether they are assessed as having an actual or potential significant negative impact on the value of the investment over time, should the risk materialise. Based on the results of the comprehensive analysis carried out on the investment target, which includes sustainability risks, the Company decides whether or not to proceed with an investment.
- 5.4 The analysis carried out by the Company regarding the investment targets' exposure to sustainability risks and the Company's assessment of these shall be documented by the responsible manager.
- 5.5 Against this background, the Company has identified the most relevant sustainability risks for the Fund's investment universe and established a method for integrating sustainability risks into investment decisions.
- 5.6 In its work to identify the most relevant and material sustainability risks, the Company takes into account such sustainability risks as are reported by Connect Earth where applicable.
- 5.7 The Company shall ensure that the remuneration policy is consistent with the Company's integration of sustainability risks. Furthermore, sustainability risks shall be integrated into risk management, into the work carried out by the compliance function and when entering into engagement agreements.
- 5.8 When identifying the various types of potential and actual conflicts of interest that may harm the interests of unit holders, the Company shall also include those types of conflicts of interest that may arise as a result of the integration of sustainability risks into the Company's processes, systems and internal controls. Such conflicts of interest and their management shall be documented in the Company's guidelines on ethical issues and conflicts of interest, as well as in the guidelines on proprietary trading.

6 CONSIDERATION OF NEGATIVE IMPACTS ON SUSTAINABILITY FACTORS

- 6.1 The Company has chosen to consider principal adverse impacts on sustainability factors ("PAI").
- 6.2 PAI refers to factors that may have a negative impact on sustainable development. The term 'sustainability factors' is defined in the SFDR as environmental, social or labour-related issues, respect for human rights, and the fight against

corruption and bribery.

6.3 The Company identifies PAI and relevant indicators for PAI by analysing which issues are important to both the Company and its clients. The Company's analysis is primarily based on the Fund's investment focus and the most common areas for improvement among the Fund's portfolio companies. In addition to considering the mandatory indicators set out in Table 1 of Annex 1 to the Delegated Regulation, the Company has also chosen to consider the following indicators:

1. Investments in companies without initiatives to reduce carbon dioxide emissions.
2. Number of identified serious human rights issues.

6.4 The reason the Company has chosen to take the above indicators into account is that they are considered important from an ethical and governance credibility perspective, as well as for the Company's clients. The indicators have been selected based on how prevalent they are in relation to the fund's investment focus, and on the severity of the negative consequences measured by them.

6.5 The indicators that can be linked to the international standards taken into account by the Company are used, in addition to measuring compliance with the international standards, to assess the likelihood of PAI events occurring and to measure how the portfolio companies in which the Fund invests work to improve and facilitate transparent due diligence, disclosures, sustainability data and how the companies take into account, for example, climate change in their operations. The manager uses the external data provider Connect Earth as a data source when monitoring the indicators.

6.6 The Company shall continuously monitor the performance of the various PAI indicators for the portfolio companies. Should the Company observe a deterioration over time in one or more PAI indicators, it shall, as a first step, attempt to initiate a dialogue with the company. If such a dialogue does not yield results, the Company shall consider divesting the holding. Decisions to initiate a dialogue with the company or to divest a holding as a result of such a deterioration shall be documented.

6.7 Where the Company has chosen to take PAI into account, in accordance with Article 4.1 of the SFDR, it shall publish on its website a statement setting out the main adverse impacts of investment decisions on sustainability factors. The statement shall be published no later than 30 June each year.

6.8 The company does not currently use any forward-looking climate scenarios due to limited resources.

7 SCREENING, MONITORING AND ESCALATION

7.1 To ensure that the Fund's portfolio companies or potential investment targets do not

breach any of the binding elements of the Fund's investment strategy and to ensure that the Fund promotes the characteristics set out in section 2.1, all portfolio companies and new investments are screened via Connect Earth, at the frequency specified below.

1. A comprehensive portfolio screening of the Fund is carried out once a quarter via Connect Earth, which is also reviewed by the Company's compliance function (Advisense).
 2. All new investments are screened via Connect Earth before the investment is made.
- 7.2 The Company regularly receives reports of new suspected breaches from Connect Earth, which are then reviewed by the Company's compliance function (Advisense). Through this screening process, the Company obtains information on how its portfolio companies comply with international standards and conventions from, for example, the UN, the EU, the OECD and the ILO, as well as any breaches of these. This screening covers compliance with global standards for environmental protection, human rights, labour standards and anti-corruption.
- 7.3 If, during the monitoring and screening of portfolio companies, the Company identifies breaches of any part of the Fund's binding investment strategy, the holding must be divested. Decisions to divest holdings as a result of such breaches must be taken in consultation with the sustainability officer. Such decisions must also be documented by the responsible manager.
- 7.4 If, during the monitoring and screening of portfolio companies, the Company becomes aware of other issues, such as a significant deterioration in a portfolio company's sustainability work, the Company shall consider whether there are any other appropriate measures that can be taken. Such measures may, for example, include initiating a dialogue with the company. The Sustainability Officer is responsible for deciding on the appropriate action.

8 AREAS OF RESPONSIBILITY

- 8.1 It is the responsibility of the Company's CEO to ensure that the regulatory information required under the SFDR and the Delegated Regulation is published and kept up to date.
- 8.2 It is the responsibility of the Company's CEO to keep this Sustainability Policy up to date on an ongoing basis and to propose amendments where necessary.
- 8.3 The Company's Compliance function shall provide advice and support regarding the interpretation of and any amendments to this Sustainability Policy. Furthermore, the Compliance function shall carry out regular checks to ensure compliance with the content of this Sustainability Policy.
- 8.4 The Company's employees are responsible for complying with the Sustainability Policy in force at any given time.

9 UPDATING AND AMENDING THIS POLICY

9.1 This policy shall be reviewed at least once a year or more frequently if necessary.

9.2 Amendments to the policy must be approved and adopted by the Company's Board of Directors.
