Sustainable Investments Methodology

August 2025

Odin has established a definition for what type of investments we consider as sustainable, using the framework proposed in the Sustainable Finance Disclosure Regulation» («SFDR»).

SFDR Definition of sustainable investments:

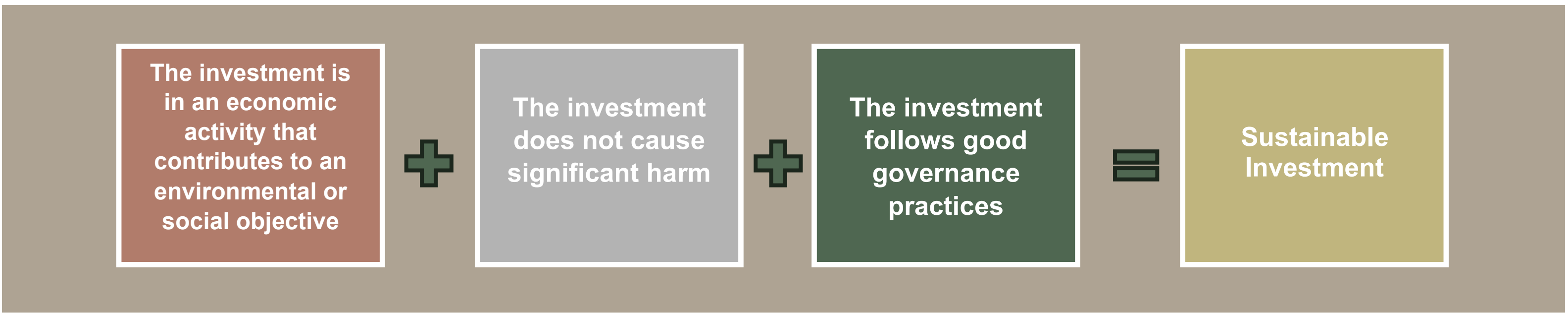
A Sustainable investment is an investment in an economic activity that contributes to:

- **An environmental objective**, as measures, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or
- **A social objective**, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities

Provided that:

- Such investments do not significantly harm («DNSH[1]») any of those objectives, and
- The investee company follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax

This implies three steps that the sustainable investment assessment must fulfil:



[1] DNSH – Do no significant harm.

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Step 1: Investment in an economic activity that contributes to an environmental or social objective

The company/issuer must contribute to environmental and/or social objectives through its activities.

The contribution might come from:

- Sales of products and services (revenues)
  - For example, through revenues that promote one or more of the United Nations Sustainable Development Goals ("UN SDGs" [2]), revenues aligned with the EU Taxonomy for sustainable activities
- Long- and short-term investments (CAPEX / OPEX)
  - For example, through capital and/or operational expenses aligned with the EU Taxonomy for sustainable activities
- Transition of the company
  - This assessment is based on materiality analysis. If the company has set credible targets related to one or more material sustainability factors (such as carbon emissions), the company can be considered a transition company/sustainable investment
- Issuance of sustainable bonds
  - Green, Social and Sustainability bonds that are issued in compliance with internationally recognized frameworks and reviewed by an independent second party opinion provider. For Sustainability-linked bonds, positive contribution is considered at the issuer-level.

For a company to be deemed sustainable, it must derive a significant portion of its revenues, CAPEX or OPEX from sustainable activities (greater than 20%), or have made investments or commitments that contribute to a substantial transition in the company's value chain or operations.

This assessment is conducted using data and information from external data providers, such as Sustainalytics, Bloomberg, FactSet as well as ESG research from counterparties or other sources, evaluating companies' contributions to the UN SDGs or EU Taxonomy.

Odin's portfolio managers perform an independent evaluation of the data and information received from third parties. In some instances, there may be insufficient data on the company, or the portfolio managers may disagree with the data provider's assessment of sustainable revenues, CAPEX or OPEX. In such cases, portfolio managers can conduct their own assessments, overriding third-party evaluations, provided this is adequately documented.

[2] https://sdgs.un.org/goals

Step 2: Assessment of whether the company causes significant harm to other environmental or social objectives

The company/issuer is evaluated based on the "Principle Adverse Impact" ("PAI") indicators. While some PAIs are universally applicable for all investments, others will be more specific for certain sectors. Each company must meet the threshold values established for the most significant indicators. For other indicators the company's progress must be monitored over time, and corrective actions should be taken if the progress is unsatisfactory. The funds' PAI-indicators are included in the annual reporting for the respective fund.

Odin has defined thresholds for certain PAIs that applies to all sustainable investments. To be classified as sustainable, an investment must:

- have >0% diversity in the board*
- not have exposure to activities negatively impacting areas sensitive to biodiversity*
- only have limited exposure to fossil industries – 5% revenue related to the production of oil & gas, thermal coal and oil sands*
- not be in violation of the UN Global Compact principles and the OECD Guidelines for multinational enterprises
- not have exposure to controversial weapons

*These criteria do not apply for ring-fenced financing from green, social or sustainable bonds

Additionally, we consider that companies with the following exposure cannot be considered sustainable investments:

- Companies deriving more than 5% revenue from the production of conventional weapons

No thresholds have been defined for the following PAIs, but an assessment is made for all sustainable investments regarding their:

- Initiatives for emissions reduction
- Policy for human rights
- Policy for anti-corruption and bribery

Thresholds for additional PAIs might be considered for sustainable investments in the future.

All investments must follow Odin's guidelines for responsible fund management.

Step 3: Must follow good governance practices

We invest in quality companies, where good governance is considered a foundational element and is assessed as part of the fundamental analysis. In line with SFDR, good governance should be assessed based on management structures, employee relations, remuneration of staff and tax compliance.

Our assessment of good governances is based on the following:

Theme	**Indicator**
Management structures	1. Compliance with international rules and norms, including: • The 10 principles of the UN Global compact • OECD Guidelines for Multinational Enterprises • UN Guiding Principles on Business and Human Rights • OECD Principles of Corporate Governance 2. In addition, we assess the companies' «corporate governance risk score» supplied by Sustainalytics
Employee relations and remuneration of staff	Assessed by screening of controversies related to «labour relations»
Tax compliance	Assessed by screening of controversies related to «Accounting and Taxation»

All investments must follow Odin's guidelines for responsible fund management.

Calculation of the proportion of sustainable investments in a fund

If an investment in an economic activity contributes to environmental and /or social objective while the company does not significantly harm other environmental and social objectives, and follows good governance practices, **the entire company is considered sustainable.** This means that the aggregate weighting of the companies classified as sustainable constitutes the fund's sustainable investment proportion.