

## SFDR POLICY

Approved by	Board of directors
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### 1. Purpose and Background

Coda Partners AS (the "Company") is an investment firm authorized and supervised by the Financial Supervisory Authority of Norway pursuant to Section §2-1 (1) no. 4 of the Securities Trading Act.

The Company is subject to SFDR as a financial markets participant with respect to portfolio management services, in accordance with Sustainable Finance Disclosure Regulation (Regulation (EU) 2019/2088 SFDR article 2(1)b).

The products of the Company are the mandates under portfolio management by the Company, in accordance with SFDR article 2(12)a, in accordance with article 2(6).

This policy has been prepared in accordance with the SFDR and the associated Commission Delegated Regulation (EU) 2022/1288 on Regulatory Technical Standards ("RTS"). It sets out the Company's approach to:

- the integration of sustainability risks into investment decision-making processes (Article 3),
- the consideration of principal adverse impacts of investment decisions on sustainability factors (Article 4), and
- the alignment of the remuneration framework with the integration of sustainability risk (Article 5).

The policy applies at both entity and product level and provides investors with sustainability-related disclosures in accordance with the SFDR and the RTS. Its purpose is to ensure transparency on how the Company identifies, assesses, and manages sustainability risks in its investment activities, and how these factors are reflected in its overall governance, risk management and reporting framework.

### 2. Integration of sustainable investments, investment decisions and principal adverse impact of such decisions at company level (SFDR Article 3 and 4)

As a Company, our general objective is to deliver the best possible risk adjusted return to our shareholders. Our investment management strategy and style are based on being an active investment manager focusing on long/short global equities and emphasizing fundamental analysis on company and macro level. We perform our duties based on our investment management mandates and within the scope and risk limits of such mandates.



Whereas the Company does not consider sustainability risks as isolated factors, such risks are considered as an integral part of the Company's investment process. This process includes:

- Thematic and company specific idea generation,
- analysis and due diligence of ideas,
- ongoing monitoring of all material risks and portfolio stress-testing and
- annual review of the investment process.

This holistic approach ensures that also sustainability risks are integrated across the investment process, in line with Article 3 of the SFDR and the expectations of the Norwegian Financial Supervisory Authority.

All risks identified by the investment team are considered in investment valuation and decision-making. For each position (long or short) the investment team develops 5 scenarios of prospective future return. Only trades offering sufficient expected return for the risk taken, are held in the portfolio. The position size is dynamically adjusted in line with expected risk/reward. In cases where the investment team suspects that a company is engaged in unlawful activities or unethical conduct [as further detailed in relevant mandates], no investment is made. The Company shall not make any sustainability-related claims in promotion.

The Company does not currently consider any adverse impacts of its investment decisions on sustainability factors.

In accordance with SFDR Article 4(1), the main reasons for not considering adverse impacts of investment decisions on sustainability factors are:

- Insufficient level of quality of and financially viable access to data and information required for disclosures for underlying issuers and financial instruments
- Strategies of the Funds for which Coda Partners AS acts as portfolio manager, implying different approaches of consideration of ESG and sustainability factors in the investment process and consequently different disclosure requirements.

The Company will review this assessment on an annual basis.

The results of the annual review and any decision to change this approach will be reflected in the updated SFDR disclosure available on the Company's website.

### **3. Remuneration Policy (SFDR Article 5)**

The Company maintains a remuneration framework that promotes sound and effective risk management. Variable remuneration is determined based on long-term, risk-adjusted performance, ensuring that incentives do not encourage excessive risk-taking.



The remuneration framework is reviewed annually to ensure consistency with the integration of sustainability risk and alignment with the overall risk profile of the managed funds. Information on the remuneration policy and its alignment with sustainability considerations is published on the Company's website in accordance with SFDR Article 5(1).

#### **4. Mandates and integration of sustainable investments**

The Company is currently engaged as investment manager on a delegated basis with respect to Coda Global Opportunities Fund (**CGO**) and certain other mandates.

CGO is classified as Article 6 financial products under the SFDR. The other mandates are not subject to SFDR.

CGO does not have sustainability as part of its investment objective (SFDR Article 9), and does not, through its investments promote environmental or social characteristics, or combination of these in accordance with SFDR Article 8.

The Company considers sustainability risks in its investment processes as described in the relevant fund documentation relating to each of the Funds and as described below.

The Company shall ensure that pre-contractual information for CGO, in accordance with Article 6 of the SFDR, is included in investor documentation prepared under Section 4-2 of the Norwegian AIF Act.

The same information shall be published on the Company's website under the section "Sustainability-related disclosures (SFDR)" in accordance with Article 23 of Commission Delegated Regulation (EU) 2022/1288.

##### **4.1 Investment Process and Sustainability Risk**

Investment decisions are based on fundamental analysis. In addition to forecasting future profitability and balance sheet strength, such analysis encompasses evaluation of country risk, corporate governance, quality of management and accounting practices. While this is not an explicit sustainability analysis, the Company's investment process implicitly covers many of the same factors, particularly within corporate governance.

The Company reviews this assessment annually and updates it when material changes occur, ensuring that sustainability risk considerations remain appropriate and proportionate to the mandate for each fund.

##### **4.2 Sustainability Risks Integration**

Sustainability risk is defined as "an environmental, social or governance event or condition that, if it occurs, could cause a negative material impact on the value of an investment".



The Company believes that adverse sustainability risks (like all other risks) are important to avoid as they can have an actual or potential negative impact on the value of an investment and reduce the risk of adjusted returns of its investment portfolios.

The Company views risk as an unexpected event that cannot be analyzed beforehand. Thus, risk management is about how much is lost if the risk materializes. In practice, risk can only be effectively managed through preparation and adaptation.

Preparation relates to position sizing, both when it comes to individual positions, industry exposure as well as the gross portfolio exposure. Individual positions are small; thus, the stock specific risk (including sustainability risk) is relatively limited. As the Funds are active in extractive industries like oil/gas and mining, there will always be exposure to developing countries with inherent country risk. This risk is managed with exposure limits to such countries.

## **5. Review and update**

This policy and the associated SFDR disclosures are reviewed at least annually, or whenever there are material changes to the Company's investment strategy, risk-management framework or applicable regulations.

The latest update date shall be indicated on the Company's website, in accordance with Article 23(3) of Commission Delegated Regulation (EU) 2022/1288.

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