

DOLMA FUND MANAGEMENT ENVIRONMENTAL AND SOCIAL POLICY

Dolma Fund Management (DFM) is a fund manager based in the Republic of Mauritius. Dolma Fund Management (DFM) currently manages Dolma Impact Fund I (vintage 2014, USD 36MN, LPs: FMO, Finnfund, OeEB, DGGF and HNWI/family office investors). Dolma Impact Fund I is a fixed life fund of 10 years that started on 14th September 2014. Fund I invested in two hydropower projects, a solar project, a pharmaceutical manufacturer, a hospital, and three technology companies. DFM also manages Dolma Impact Fund II, an eight plus two-year fund that had first close on 6 May 2021. At final close on 19 December 2022, it had USD 71.96MN committed with six LPs: FMO, Swedfund, British International Investment, International Finance Corporation, Development Finance Corporation and JICA.

Dolma Impact Fund I and II provide capital and expertise to growth companies in Nepal. Executive management of the funds is provided by DFM Mauritius, with advice provided to DFM Mauritius by Dolma Advisors Private Limited (a Nepal-based investment advisor).

As an impact fund, we build positive environmental and social (E&S) impact into the core of investee company strategies. DFM believes that high standards in environmental and social management are fundamental to good business and that by working with investee companies to enhance their E&S processes and performance, we are creating value and positioning the companies for a place in an international market. DFM's primary investment sectors are in renewable energy, healthcare, and tech companies.

DFM is committed to working with companies to enhance E&S performance consistent with DFM's Environmental and Social Management System (ESMS). This requires DFM to work with potential investee companies to identify the gaps between their environmental and social performance and good international industry practices. Once agreement is reached for DFM to invest, we work with our investee partners to develop capacity for improved E&S management, invest in efficient technologies and achieve enhanced outcomes, meeting the applicable requirements within a reasonable period.

The investors in DFM include international development banks, which require that all investments meet the requirements of the IFC Performance Standards, the International Labour Organisation (ILO) Core Conventions and United Nations (UN) Guiding Principles of Business and Human Rights. In this respect, DFM's ESMS is aligned with the requirements of these international standards. DFM provides important support to its investee companies to aid in the understanding of these requirements and the capacity to manage their activities accordingly. Accountability towards investors is maintained through regular monitoring and reporting mechanisms.

DFM supports the recommendations made by the Task Force on Climate-related Financial Disclosures. We consider it a fiduciary duty to ensure stranded asset risks or other losses from climate change are minimised and are working with our Portfolio Companies to both evaluate and manage climate risks and disclose greenhouse gas (GHG) emissions.

DFM will maintain, throughout the lifetime of all its investments, an External Communication Mechanism (ECM) to receive any public concerns related to the Fund and its investments. Through the ECM, DFM will work with relevant parties to address the cause of any valid complaints and inform the complainant of any such actions taken.

DFM's CEO is ultimately responsible for the ESMS of the fund. The dedicated E&S Manager is responsible for administration and oversight of the ESMS. We commit to ensuring that all DFM staff will have adequate training to perform their roles in the implementation of the procedures. This policy will be communicated to the entire DFM team who will be expected to adhere to the policy.

The ESMS will be reviewed and revised accordingly on an annual basis or as needed.
Tim Gocher, CEO (February 2024)

DOLMA FUND MANAGEMENT HUMAN RIGHTS POLICY

Dolma Fund Management aims to contribute to Nepal's Sustainable Development Goals by investing in sustainable and responsible companies across TMT (technology, media, telecom), healthcare and renewable energy sectors. As a responsible investor, Dolma Fund Management conducts its business with respect for internationally recognized human rights. Our approach to respecting human rights is aligned with the United Nations Guiding Principles for Business and Human Rights (UNGPs). This human rights policy forms part of our Environmental and Social Management System.

Human rights are internationally agreed and universally applicable basic standards to secure dignity and equality for all. Core internationally recognized human rights are contained in the International Bill of Human Rights consisting of the Universal Declaration of Human Rights (1948), the International Covenant on Civil and Political Rights (ICCPR, 1966) and the International Covenant on Economic, Social and Cultural Rights (ICESCR, 1966), as well as in the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at work. Particularly relevant are also United Nations instruments that have further elaborated the rights of individuals belonging to specific groups and populations such as indigenous peoples, women, or children.

We recognize that human rights issues may arise in connection with our own operations, such as in relation to our role as an employer. We will avoid causing such impacts and address them if they should occur, as laid out in other policies. However, given the business activities we finance in Nepal, we recognize that most of the severe risks will occur through our financing activities. We avoid contributing to and seek to prevent and mitigate such impacts, primarily by conducting human rights due diligence, understood as the process to manage human rights risks and impacts. If such impacts, however, do occur, we will use our leverage to influence the causing entity to remedy it.

To manage human rights risks and impacts in alignment with the UNGPs, Dolma Fund Management has improved the human rights lens of our Environmental and Social Management System. This human rights due diligence process encompasses and enables the following:

- assess prospective investments to identify risks and impacts on human rights, prior to investment decision and on an on-going basis.
- evaluate the severity of potential harm to people – based on the criteria of scale, scope (incl. vulnerability of rights-holders), and remediability.
- prioritize management of the most severe human rights risks and impacts.
- pay specific attention to vulnerable and marginalized groups (such as indigenous people, sub-contracted labour, women, migrant labour).
- where actual adverse impacts have occurred, take steps, and use our leverage to have them effectively remediated or contribute to remedy according to our own contribution to the impact.
- enhancing meaningful and safe stakeholder including rights-holder engagement practices.
- addressing emerging human rights issues, such as those associated with digital technologies.

Women's rights are human rights and Dolma Fund Management seeks to avoid any harm to women and girls through our own operations or the business activities we finance. We pay particular attention to violence against women as a serious human rights violation. We adapted our investment processes to make sure risks to women and girls are identified and adequately responded to.

Respect for human rights entails the ability of stakeholders to engage freely with us and our portfolio companies. We value the feedback, voices and concerns of affected stakeholders and civil society organizations. They are critical to identifying, avoiding, and addressing project-related environmental, social, and human rights risks. We apply a zero-tolerance policy towards any retaliation activities - such as threats, intimidation, harassment, or violence - against those who raise their voices regarding our business activities or those of our portfolio companies. If such reprisal risks or impacts occur, we work with our business partners to seek to address them.

Dolma's clients are required to develop a project-level grievance mechanism. Furthermore, Dolma Fund Management is operating a complaints mechanism as an additional grievance channel for any person who are, or feel, negatively affected by Dolma's investments. Details on how to use our grievance mechanism can be found on our website.

This human rights policy has been approved by Tim Gocher (CEO) in February 2024.