



LEA 02	Category: Mandatory	Page: 123
<b>Reason for Interaction</b>		
Type of engagement	Individual/ internal staff engagements	<ul style="list-style-type: none"><li>☑ To highlight important issues/ concerns to company leadership</li><li>☑ To influence corporate strategy or business model</li><li>☑ To encourage improved ESG practices</li><li>☑ Other: specify</li></ul>
	Collaborative engagements	<ul style="list-style-type: none"><li>☑ To highlight important issues/ concerns to company leadership</li><li>☑ To influence corporate strategy or business model</li><li>☑ To encourage improved ESG practices</li><li>☑ Other: specify</li></ul>
	Service provider engagements	<ul style="list-style-type: none"><li>☑ To highlight important issues/ concerns to company leadership</li><li>☑ To influence corporate strategy or business model</li><li>☑ To encourage improved ESG practices</li><li>☑ Other: specify</li></ul>

# RI TRANSPARENCY REPORT 2018

## Swedfund International AB

OO 01	Mandatory	Gateway/Peering	General
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OO 01.1 Select the type that best describes your organisation or the services you provide.

- Non-corporate pension or superannuation or retirement or provident fund or plan
- Corporate pension or superannuation or retirement or provident fund or plan
- Insurance company
- Foundation
- Endowment
- Development finance institution
- Reserve - sovereign or government controlled fund
- Family office
- Other, specify

OO 02	Mandatory	Peering	General
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OO 02.1 Select the location of your organisation's headquarters.

Sweden

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

39

OO 02.4 Additional information. [Optional]

We also have a regional office in Nairobi.

OO 03	Mandatory	Descriptive	General
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OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04	Mandatory	Gateway/Peering	General
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OO 04.1 Indicate the year end date for your reporting year.

31/12/2017

OO 04.2 Indicate your total AUM at the end of your reporting year, Exclude subsidiaries you have chosen not to report on and any advisory/execution only assets.

Total AUM

4,570,561,372 SEK

545,099,583 USD

OO 05	Mandatory to Report, Voluntary to Disclose	Gateway	General
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OO 05.1 Provide an approximate percentage breakdown of your AUM at the end of your reporting year using the following asset classes:

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income	10-50%	0
Private equity	10-50%	10-50%
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0

Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Other (1), specify	0	0
Other (2), specify	0	0

**OO 05.2** Indicate whether your organisation uses fiduciary managers.

Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.

No, we do not use fiduciary managers.

**OO 06** Mandatory Descriptive General

**OO 06.1** Select how you would like to disclose your asset class mix.

as percentage breakdown

as broad ranges

**OO 06.3** Provide contextual information on your AUM asset class split. [Optional]

Figures reported as of 31 December 2017. Contracted amounts refer to amounts that Swedfund is committed to invest in each investment project. Payments are recorded in the balance sheet. Amounts not disbursed are recorded as contingent liabilities

**OO 07** Mandatory to Report, Voluntary to Disclose Gateway General

**OO 07.1** Provide to the nearest 5% the percentage breakdown of your Fixed Income AUM at the end of your reporting year, using the following categories.

Private

**OO 08** Mandatory to Report, Voluntary to Disclose Peering General

**OO 08.1** Provide a breakdown of your organisation's externally managed assets between segregated mandates and pooled funds.

Private

**OO 08.2** Additional information. [Optional]

Private

**OO 09** Mandatory to Report, Voluntary to Disclose Peering General

**OO 09.1** Indicate the breakdown of your organisation's AUM by market.

Developed Markets	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Emerging, Frontier and Other Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Total	100%

**OO 09.2** Additional information. [Optional]

Swedfund invests in businesses and in countries which, according to the OECD/DAC definition, qualify for development financing. Investments in low-income and post-conflict countries should be given priority.

**OO 10** Mandatory Gateway General

**OO 10.1** Select the active ownership activities your organisation implemented in the reporting year.

Fixed income Corporate (non-financial) – engagement

We engage with companies on ESG factors via our staff, collaborations or service providers.

We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

**OO 11** Mandatory Gateway General

OO 11.1	Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).
	Fixed income - corporate (non-financial)
	<input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation.
	Private equity
	<input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation.

OO 11.2	Select the externally managed assets classes in which you and/or your investment consultants address ESG incorporation in your external manager selection, appointment and/or monitoring processes.				
Asset class	ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes				
Private equity	<table border="1"> <tr> <td></td> <td>Private equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</td> </tr> <tr> <td></td> <td> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process  <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process  <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process  <input type="checkbox"/> We do not do ESG incorporation                 </td> </tr> </table>		Private equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes		<input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
	Private equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes				
	<input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation				

OO 11.4	Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.
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**All of our investment activities regardless internally or externally managed** are based on three pillars - Impact on society, Sustainability and Financial viability - and on long-term commitment and sustainability in our partnerships. These pillars support everything we do - from making a decision to invest, throughout the entire management phase, to regular measurement of results and finally an exit out of the investment.

- IMPACT ON SOCIETY: Job creation, Tax and Capacity/knowledge building
- SUSTAINABILITY (ESG): Environment/climate, Employment terms, Business ethics and anti-corruption
- FINANCIAL VIABILITY: Growth, Profitability, Return on equity Our time perspective As investors, we always have a long-term perspective, remaining active as a rule between seven and ten years. Our strategic sustainability goals run over three years, the medium-term for us. The long-term goal for us is to achieve results and help to realize the UN's new global goals for sustainable development by 2030

Regarding the selection, appointment and monitoring of investment managers Swedfund sets similar criteria as those for internally managed investments:

**Swedfund encourages the following:**

- Adhere to internationally recognized standards for
  - sustainability;
  - business integrity
  - anticorruption;
  - corporate governance; and
  - human rights, for example: UN GC, IFC Performance Standards, OECD-guidelines for MNE
- Adopt and implement a whistleblowing service in order to make it easy to anonymously report serious irregularities.

**Swedfund requires the following:**

- Comply with legal and regulatory requirements.
- Comply with ILO's Core Conventions and ILO's Basic Terms and Conditions of Employment.
- Comply with the Harmonized EDFI Exclusion List.
- Adhere to applicable IFC Performance Standards.
- Adhere to Swedfund's requirements on anti-corruption.
- Provide ESG information (including human rights) and on development results, as requested by Swedfund.
- Comply with Swedfund's requirements with respect to Swedfund's monitoring of its investments.

For the detailed requirements, please find Swedfund's sustainability policy (SG 02.1). In addition to the above mentioned norms our RI policy also includes: EDFI Exclusion List, EDFI Guidelines for OFCs, EDFI Harmonized Environmental and Social Standards

For additional information on Swedfund's investment principles, overall investment strategy, and responsible investment approach please see SG 01.4 and SG 01.5.

OO 12	Mandatory	Gateway	General
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OO 12.1	Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.
	Core modules
	<input checked="" type="checkbox"/> Organisational Overview <input checked="" type="checkbox"/> Strategy and Governance
	RI implementation directly or via service providers
	Direct - Fixed Income
	<input checked="" type="checkbox"/> Fixed income - Corporate (non-financial)

	Direct - Other asset classes with dedicated modules
<input checked="" type="checkbox"/>	Private Equity
	RI implementation via external managers
	Indirect - Selection, Appointment and Monitoring of External Managers
<input checked="" type="checkbox"/>	Private Equity
	Closing module
<input checked="" type="checkbox"/>	Closing module

**OO 12.2** Additional information. [Optional]

In addition to the above listed activities, Swedfund also engages in the following:

**Swedpartnership** is a separate programme offering financial support for new establishments of Swedish SMEs in developing and emerging markets. Swedpartnership, through its support, gives small and medium-sized Swedish businesses a unique opportunity to start sustainable collaborations with other companies in developing and growth markets in which Swedfund operates.

The support is intended primarily for transfer of know-how and investment in machinery and equipment. All activities and resources financed through the support are targeted at the personnel or operations of local enterprises. Through this, the Swedish companies' technology, know-how, culture, willingness to invest and risk-taking help fulfil the aims of Swedpartnership.

Furthermore, during 2016, Swedfund received a total of SEK 27 million from the Swedish government's export strategy, for financing **Feasibility studies** in the project preparation and project support investments in DAC countries. The aim of this finance is to support the development of "sustainable projects", i.e. projects which are financially, socially and environmentally sustainable. At present, procurements in DAC countries often give great weight to the lowest purchase price. Sustainability, system and life-cycle perspectives are largely lacking. In addition, there is often no capacity to develop projects which are "bankable", i.e. they are not complete and are not carried out in a way which enables the project to attract financing. For this reason, the projects cannot be implemented, even where both the need and money which is looking for projects to finance, are present. Swedfund's willingness to part-finance consulting and advisory inputs can, accordingly, enable more sustainable projects to be developed and implemented.

<b>OO FI 01</b>	Mandatory to Report, Voluntary to Disclose	Gateway	General
<b>OO FI 01.1</b>	Provide a breakdown of your internally managed fixed income securities by active and passive strategies		
	Private		
<b>OO FI 01.2</b>	Additional information. [Optional]		
	Private		
<b>OO FI 03</b>	Mandatory to Report, Voluntary to Disclose	Descriptive	General
<b>OO FI 03.3</b>	Additional information. [Optional]		
	Private		
<b>OO PE 01</b>	Mandatory to Report, Voluntary to Disclose	Descriptive	General
<b>OO PE 01.1</b>	Provide a breakdown of your organisation's internally managed private equity investments by investment strategy.		
	Private		
<b>OO PE 01.2</b>	Additional information. [Optional]		
	Private		
<b>OO PE 02</b>	Mandatory to Report, Voluntary to Disclose	Descriptive	General
<b>OO PE 02.1</b>	Indicate the level of ownership you typically hold in your private equity investments.		
	<input type="radio"/> a majority stake (>50%) <input type="radio"/> 50% stake <input checked="" type="radio"/> a significant minority stake (between 10-50%) <input type="radio"/> a minority stake (<10%) <input type="radio"/> a mix of ownership stakes		

**SG 01.1** Indicate if you have an investment policy that covers your responsible investment approach.

✓ Yes

**SG 01.2** Indicate the components/types and coverage of your policy.

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM
<input checked="" type="checkbox"/> Formalised guidelines on environmental factors	
<input checked="" type="checkbox"/> Formalised guidelines on social factors	
<input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors	
<input checked="" type="checkbox"/> Asset class-specific RI guidelines	
<input checked="" type="checkbox"/> Sector specific RI guidelines	
<input checked="" type="checkbox"/> Screening / exclusions policy	
<input type="checkbox"/> Other, specify (1)	
<input type="checkbox"/> Other, specify(2)	

**SG 01.3** Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change and related issues

**SG 01.3a CC** Describe how your products or investment strategy might be affected by the transition to a lower-carbon economy.

Swedfund's goal and mission as the Swedish Development Finance Institution is to contribute to poverty reduction by financing sustainable businesses in emerging markets, thereby contributing to the implementation of the Agenda 2030. In our view, the Sustainable Development Goals and the Paris Agreement on Climate Change constitute a transformative plan of action. The goals are indivisible and inter-related. Progress on one goal will trigger progress in others and vice versa. Swedfund's business model is based on three equally important pillars: Impact on society, Sustainability and Financial viability. We measure our performance against each pillar and believe that this structured approach increases our leverage when it comes to contributing to the fulfillment of the Sustainable Development Goals.

At the Annual General Meeting in April 2017, Swedfund's ownership guidelines were revised by our owner, the Swedish Government. In them, the owner clarifies that energy investments, can only be made in renewable energy. Energy is one of our key sectors and this has affected our investment strategy.

Swedfund has developed Position Paper on Climate Impact to guide Swedfund in all aspects of its work. However, it is important to emphasize that Swedfund already integrates environmental and climate-related aspects in its investment process. Within Swedfund's overall mission of contributing to poverty reduction by financing sustainable businesses in emerging markets, Swedfund will seek to minimize the negative climate impact of all our investments, both with respect to new investments, the current portfolio companies and our own operations. After all, Climate change and poverty go hand in hand, and hit the world's poorest people hard.

**SG 01.3b CC** Describe how climate-related risks and opportunities are factored into your investment strategies or products.

- ✓ We factor climate-related risks and strategies into our investment strategies or products.

Swedfund defines a climate investment as either an investment that leads to a net reduction of greenhouse gases compared to a situation where the investment is not made or an investment that leads to increased climate resilience.

Climate investments are investments that a) mitigate the magnitude of climate change, such as investments in renewable energy, energy efficiency solutions or emissions reduction initiatives and/or b) adapt businesses to the adverse impact associated with climate change, such as investments in climate resilient agriculture, water resources and associated infrastructure. Swedfund's focus is expected to be primarily in the field of mitigating negative climate impact. Swedfund will consider adaptation investments if the underlying business model is consistent with our business strategy and our three pillars; Impact on society, Sustainability and Financial viability.

When evaluating a new investment opportunity Swedfund carefully considers climate risks and opportunities associated with that specific company, sector and market. Regarding energy investments, we can only invest in renewable energy. Climate-related and environmental aspects are an integral part of Swedfund's ESG work and we apply IFC's Performance Standards in our investment processes and management.

Swedfund will seek to minimize the negative climate impact inherent in each investment. The specific actions required to mitigate climate risks and to maximize climate opportunities are agreed upon in an Environmental, Social and Governance Action Plan (ESGAP) before we make an investment.

Going forward, Swedfund's aim is the systematic integration and expansion of environmental and climate-related perspectives in all our activities with a focus on our three core sectors: (i) Energy (ii) Financial Institutions and (iii) Manufacturing and Services.

Swedfund measures and analyzes the climate impact of our portfolio companies. This enables us to further understand the climate impact of our portfolio and to assess the potential for an action plan focused on mitigating the climate impact of our portfolio companies. Our current portfolio companies can also be assisted in reaching their climate goals through the support of our targeted technical assistance fund which is a strategic framework for operations initiated to improve climate-linked

performance of our investments. In addition, we will set climate related target after three years of measuring emissions from our portfolio according to our owner's instruction.

We do not factor climate-related risks and strategies into our investment strategies or products.

Other RI considerations, specify (1)

Other RI considerations, specify (2)

**SG 01.4 Describe your organisation's investment principles and overall investment strategy, and how they consider ESG factors and real economy impact.**

Swedfund is Sweden's development finance institution. Through the Ministry for Foreign Affairs, the Swedish government has assigned Swedfund (corporate ID number 556436-2084) to be Sweden's development finance institution for investments in poor countries.

Our mission is to reduce poverty through sustainable business. Our activities shall contribute towards achieving the goals for Sweden's Policy for Global Development (PGD).

In collaboration with strategic partners, we shall participate in economically, socially and environmentally sustainable investments that create better conditions for people living in poverty and under repression. With our strategic partners, we shall participate in investments which are not considered to be realisable through purely commercial financing. The company's activities shall promote progress towards equality. Our overarching and most important goal is to create jobs with good work environments and good working conditions.

**SG 01.5 Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]**

Across its three forms of investment, Swedfund encourages the following:

- Adhere to internationally recognized standards for (i) sustainability; (ii) business integrity; (iii) anticorruption; (iv) corporate governance; and (v) human rights. For example: UN GC, IFC Performance Standards, OECD-guidelines for MNE
- Adopt and implement a whistleblowing service in order to make it easy to anonymously report serious irregularities.

Across its three forms of investment, Swedfund requires the following:

- Comply with legal and regulatory requirements.
- Comply with ILO's Core Conventions and ILO's Basic Terms and Conditions of Employment.
- Comply with the Harmonized EDFI Exclusion List.
- Adhere to applicable IFC Performance Standards.
- Adhere to Swedfund's requirements on anti-corruption.
- Provide ESG information (including human rights) and on development results, as requested by Swedfund.
- Comply with Swedfund's requirements with respect to Swedfund's monitoring of its investments.

In addition to these requirements, Swedfund sets more long-term requirements in its direct investments regarding the supplier chain and human rights. For the full policy, see [swedfund.se](http://swedfund.se)

In addition to the above mentioned norms our RI policy also includes: EDFI Exclusion List, EDFI Guidelines for OFCs, EDFI Harmonized Environmental and Social Standards

**Our Pillars** Our investment activities are based on three pillars - Impact on society, Sustainability and Financial viability - and on long-term commitment and sustainability in our partnerships. These pillars support everything we do - from making a decision to invest, throughout the entire management phase, to regular measurement of results and finally an exit out of the investment.

1. IMPACT ON SOCIETY: Swedfund shall contribute to the creation of jobs with good work environments and good working conditions.

- Job creation
- Tax
- Knowledge and capacity building

2. SUSTAINABILITY

Swedfund shall contribute to the creation of long-term sustainable business in the world's poorest countries, and shall make proactive efforts to tackle corruption internally and within portfolio companies.

- Environment/Climate
- Working conditions
- Business Ethics & Anti-corruption

3. FINANCIAL VIABILITY

Swedfund shall contribute to the creation of businesses that are profitable in the long term and, therefore, financially viable, in the world's poorest countries.

- Growth
- Profitability
- Return on equity

CRITICAL PARTS OF OUR BUSINESS MODEL

Our business model integrates the global goals through our three pillars. But it also manages risks, the inputs we make and the investments we take on.

RISK SHARING

It is part of Swedfund's mission that we accept risk. Together with other development finance institutions, we invest where investment will do the most good and where few other commercial investors are prepared to take the risk. This is part of our additionality approach. Risk is monitored through analyses and measures intended to reduce and manage risks in the most effective way. Accordingly, we act in a responsible manner so that our development capital is used in the right way in the right country to ensure effective poverty reduction. This is one reason why Swedfund almost always shares risk with one or more investment partners. Collaboration also enables us to accomplish more and to act as a catalyst by convincing private players to invest in businesses, which contribute to sustainable development and reduced poverty.

TIME PERSPECTIVE

We always invest with a long-term perspective, usually between 7 and 10 years. A vital long-term objective for our investments is that they must always contribute to realising Agenda 2030. Our strategic sustainability goals relate to a three-year period, which is the medium term for us. Our long-term approach and sustainability are the source of an important part of our additionality and enable us to act as a catalyst. Our long investment cycle also means that we have a portfolio, which combines investments from 2005 and onwards. Earlier investments were made in line with a partially different mission and our working methodology then also differed from our current approach.

GEOGRAPHY

Our mission is to invest in operations and countries which qualify for development financing in accordance with the OECD/DAC's definition. We prioritise investments in the least developed countries and in low-income countries, and also invest in post-conflict countries. We shall invest where the need is greatest, but our new owner directives also give us the opportunity in exceptional cases to invest in upper medium-income countries. One example of an exception may be investment in renewable energy in an upper middle-income country, with the aim of reducing CO2emissions. This kind of investment benefits poorer countries, where climate change may have the most severe consequences.

Our sustainability focus areas

- Decent work
- Environment & Climate
- Gender Equality
- Anticorruption & Business Ethics
- Human Rights
- Tax

SECTORS

Our three priority investment sectors are renewable energy, financial institutions and funds, as well as manufacturing and services

1. FINANCIAL INSTITUTIONS & FUNDS

The finance sector is vital for a country's economic and social development. Lack of access to finance is one of the greatest limiting factors in businesses' ability to grow in developing countries. Swedfund finances banks and funds in under-financed markets, and this enables them to increase their financing and lending to businesses and entrepreneurs. Our ambition is to help build a finance sector which is inclusive with particular focus on women entrepreneurs and owners of small businesses.

2. ENERGY

Entrepreneurs in developing countries cite deficiencies in electricity supply as another major obstacle in running and developing their operations. Swedfund invests in renewable energy since the development of climate-friendly energy is one way of accelerating progress towards Agenda 2030.

3. MANUFACTURING & SERVICES

There is a great need to develop manufacturing industry and the service sector in Africa, particularly south of the Sahara, and in other developing countries. This involves sectors such as healthcare, hotels and various types of manufacturing industry, such as textiles. By investing in these sectors, jobs are created at the same time as the companies contribute to increased value-added in the countries in which they operate. Furthermore, these are sectors which employ a large number of people, in particular women, and often with unregulated employment conditions. That is why Swedfund's focus on job growth and on decent working conditions makes a big difference in these sectors.

No

SG 02	Mandatory	Core Assessed	PRI 6
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SG 02.1 Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

Policy setting out your overall approach

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="http://www.swedfund.se/media/1643/swedfund-policy-for-sustainable-development-2015-09-02.pdf">http://www.swedfund.se/media/1643/swedfund-policy-for-sustainable-development-2015-09-02.pdf</a>
<input type="checkbox"/> Attachment (will be made public)

Formalised guidelines on environmental factors

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="http://www.swedfund.se/media/1123/edfi_principles_responsible_financing-signed_copy_09-05-07.pdf">http://www.swedfund.se/media/1123/edfi_principles_responsible_financing-signed_copy_09-05-07.pdf</a>
<input type="checkbox"/> Attachment (will be made public)

Formalised guidelines on social factors

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="http://www.swedfund.se/media/1123/edfi_principles_responsible_financing-signed_copy_09-05-07.pdf">http://www.swedfund.se/media/1123/edfi_principles_responsible_financing-signed_copy_09-05-07.pdf</a>
<input type="checkbox"/> Attachment (will be made public)

Formalised guidelines on corporate governance factors

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="http://www.swedfund.se/media/1123/edfi_principles_responsible_financing-signed_copy_09-05-07.pdf">http://www.swedfund.se/media/1123/edfi_principles_responsible_financing-signed_copy_09-05-07.pdf</a>
<input type="checkbox"/> Attachment (will be made public)

Asset class-specific RI guidelines

Sector specific RI guidelines

URL/Attachment
<input checked="" type="checkbox"/> URL



[http://www.swedfund.se/media/1123/edfi\\_principles\\_responsible\\_financing-signed\\_copy\\_09-05-07.pdf](http://www.swedfund.se/media/1123/edfi_principles_responsible_financing-signed_copy_09-05-07.pdf)

Attachment (will be made public)

Screening / exclusions policy

URL/Attachment

URL

[http://www.swedfund.se/media/1122/harmonized\\_edfi\\_exclusion\\_list\\_2012.pdf](http://www.swedfund.se/media/1122/harmonized_edfi_exclusion_list_2012.pdf)

Attachment (will be made public)

We do not publicly disclose our investment policy documents

**SG 02.2** Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

URL

<http://www.swedfund.se/media/1643/swedfund-policy-for-sustainable-development-2015-09-02.pdf>

Attachment

Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

URL

[http://www.swedfund.se/media/1862/swedfund-owners-instructions\\_2016-12-08.pdf](http://www.swedfund.se/media/1862/swedfund-owners-instructions_2016-12-08.pdf)

Attachment

Time horizon of your investment

ESG incorporation approaches

URL/Attachment

URL

<http://www.swedfund.se/media/1643/swedfund-policy-for-sustainable-development-2015-09-02.pdf>

Attachment

Active ownership approaches

URL/Attachment

URL

<http://www.swedfund.se/media/1643/swedfund-policy-for-sustainable-development-2015-09-02.pdf>

Attachment

Reporting

URL/Attachment

URL

<http://www.swedfund.se/media/1550/swedfund-portfolio-company-sustainability-report-2014.pdf>

Attachment

Climate-related issues

Climate change and related issues

We do not publicly disclose any investment policy components

**SG 02.3** Indicate if your organisation's investment principles, and overall investment strategy is publicly available

Yes

[https://www.swedfund.se/media/2016/swedfund-owners-instructions\\_2017-04-28.pdf](https://www.swedfund.se/media/2016/swedfund-owners-instructions_2017-04-28.pdf)

No

**SG 02.4** Additional information [Optional].

- Swedfund's Code of conduct: [http://www.swedfund.se/media/1319/swedfund\\_code\\_of\\_conduct.pdf](http://www.swedfund.se/media/1319/swedfund_code_of_conduct.pdf)

- Swedfund's Position on Children's Rights: <http://www.swedfund.se/media/1682/swedfunds-position-on-childrens-rights.pdf>

- EDFI Guidelines for offshore Financial: Centres, [http://www.swedfund.se/media/1125/summary\\_of\\_edfi\\_guidelines\\_ofocs\\_2011.pdf](http://www.swedfund.se/media/1125/summary_of_edfi_guidelines_ofocs_2011.pdf)

- Swedfund's Anti-Corruption Policy: [http://www.swedfund.se/media/1677/swedfunds\\_anti-corruption\\_policy.pdf](http://www.swedfund.se/media/1677/swedfunds_anti-corruption_policy.pdf)

- Swedfund's tax Policy [http://www.swedfund.se/media/1861/swedfund\\_tax\\_policy.pdf](http://www.swedfund.se/media/1861/swedfund_tax_policy.pdf)

- Swedfund's position on Climate Impact : <https://www.swedfund.se/media/2015/swedfunds-position-paper-on-climate-2017-10-27.pdf>

SG 03	Mandatory	Core Assessed	General
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SG 03.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
<input checked="" type="radio"/> Yes	
SG 03.2	Describe your policy on managing potential conflicts of interest in the investment process.
<p>During 2014 Swedfund developed a policy for managing conflicts of interests in the investment process. The policy give instructions on how and when to report conflicts of interest and also comprise of a self assessment form that the employees should fill in when necessary. Swedfund Investment Committee address any potential conflicts of interest in the investment process.</p>	
<input type="radio"/> No	

SG 03.3	Additional information. [Optional]
<p>Swedfund has an obligation to identify and prevent conflicts of interest in the company's operations, based on the following legislation and internationally accepted principles</p> <ul style="list-style-type: none"> <li>• The Companies Act (2005:551)</li> <li>• The Insider Act (1990: 1342); The Market Abuse Act (2005: 377)</li> <li>• ILPA - Private Equity Principles</li> <li>• EFFAS - ACIIA Principles of Ethical Conduct</li> <li>• OECD - Managing Conflict of Interest in the Public Service</li> <li>• CFA Institute - Code of Ethics and Standards of Professional Conduct</li> </ul> <p>In addition to the above there is also so-called deli conflict of interest (Sw. delikatessjäv), i.e. situations where there is a risk of impartiality other than those specified in the law. Those consist of irrelevant considerations due to friendship or hostility. This situation can also arise in family situation, in relation to husband/ wife, or partner, children, grandchildren, siblings, parents, minors under guardianship, etc.</p> <p>Swedfund's procedures for dealing with conflicts of interest:</p> <ul style="list-style-type: none"> <li>• Self-declarations from each employee is submitted continuously, annually at a minimum, and it is each individual's responsibility to immediately submit such declaration for revision to the General Counsel, CFO and the responsible legal counsel if a conflict of interest might have occurred.</li> <li>• In case the review results in that the conflict of interest is material, the employee immediately is released from managing and decision-making in all relationship and communication between Swedfund and the external parties with which the conflict of interest exists.</li> <li>• The self-declarations are filed by the legal department.</li> <li>• Failure to declare conflicts of interest may be regarded as misconduct and may even be punishable.</li> <li>• The above is also described in the staff handbook and referred to in the Investment Manual.</li> </ul>	

SG 04	Voluntary	Descriptive	General
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SG 04.1	Indicate if your organisation has a process for identifying and managing incidents that occur within portfolio companies.
Private	
SG 04.2	Describe your process on managing incidents
Private	

SG 05	Mandatory	Gateway/Core Assessed	General
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SG 05.1	Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.
<input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input checked="" type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad-hoc basis <input type="radio"/> It is not set/reviewed	

SG 05.2	Additional information. [Optional]
<p>Swedfund measures portfolio companies adherence to Swedfund's Sustainability Targets. Fullfillment of the targets is a requirement within three years of the time of Swedfunds investement. Information is collected by a self-declaration from, Swedfund Portfolio Company Annual Sustainability, and the results are presented externally in Swedfund's annual Integrated Report. For further details please see section SG 05.1 - 05.2 in this report.</p> <p>For the purpose of supporting the portfolio companies in their ESG work, in the implementation of ESGAP and in other development efforts to achieve the strategic sustainability goals, Swedfund makes site visits to portfolio companies. Site visits are also an important tool for checking compliance with our sustainability requirements and we carry out site visits to check on all three pillars.</p> <p>At the beginning of the year, a plan is drawn up for which portfolio companies are to be visited during the year. The selection of companies and the type of visit is based on the risk in the portfolio company's operation, our knowledge of the company's challenges and information from the companies through the annual Swedfund's Portfolio Company Sustainability Report, as well as previous audits or visits.</p> <p>Swedfund applies and distinguishes between three different types of visit: external audit which is carried out by an external consultant, internal audit which is carried out by Swedfund's own ESG team, as well as site visits which are less comprehensive than an internal audit, and which are carried out by the ESG team as a component of our active advocacy. Over and above the ESG team's visits, Swedfund's CEO, Investment Managers and Investment Analysts also visit our portfolio companies as part of our active advocacy within all three pillars.</p> <p>The visit plans for the ESG team in 2017 included a total of nine portfolio companies (2016: 11, 2015: 6 The visit plan changed during the year due to</p>	

reprioritisation of the selection of portfolio companies, in two cases due to safety risks but also as a result of the large number of Due Diligence trips carried out during the year.

During the year ESG Managers carried out a total of eight visits; five internal site visits to portfolio companies and two portfolio companies underwent an ESG audit by other finance parties. In addition, at one portfolio company in the exit phase, a third-party analysis focusing on human rights was carried out. The visits usually result in an action list with specific actions and target dates which are monitored by Swedfund's ESG Managers and the Senior Investment Manager with responsibility for the investment.

In March 2017, we visited two hospitals in Kolkata, India. The largest of these, with facilities for 355 patients, is highly effective from an ESG perspective. The smaller one, designed for 30 patients, had not yet opened its doors. During the visit, we discussed a wide-range of environmental and social issues, such as working hours, evacuation plans, resource efficiency for water and energy with the management and senior employees. Anti-corruption issues were also covered. We then also discussed which systems and processes were in place to handle corruption risks such as in the purchase of medicines and the handling of cash payments. The hospital will act as a good example in the ongoing work of strengthening ESG in all hospitals – where the full chain has facilities for 1,225 patients.

During autumn 2017, a company in the construction phase was visited several times, both by Swedfund's personnel and by external consultants. The site visits and the external audits resulted in comprehensive action lists focusing primarily on the environment and on health and safety at the construction site.

ESG internal visits during the year also included a financial institution in May 2017, as well as a hotel and a retail chain in November 2017. The visit to the financial institution resulted in an action list containing activities related to social aspects as well as anti-corruption. For the hotel and the retail chain, we are continuing close discussions and exchanging information relating to ESG issues.

SG 06	Voluntary	Descriptive	General
SG 06.1	List the main responsible investment objectives that your organisation set for the reporting year.		
Private			
SG 06.2	Additional information.		
Private			

SG 07	Mandatory	Core Assessed	General
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SG 07.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.
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Roles present in your organisation	
<input checked="" type="checkbox"/>	Board members or trustees
<input checked="" type="checkbox"/>	Oversight/accountability for responsible investment
<input type="checkbox"/>	Implementation of responsible investment
<input type="checkbox"/>	No oversight/accountability or implementation responsibility for responsible investment
<input checked="" type="checkbox"/>	Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
<input checked="" type="checkbox"/>	Oversight/accountability for responsible investment
<input checked="" type="checkbox"/>	Implementation of responsible investment
<input type="checkbox"/>	No oversight/accountability or implementation responsibility for responsible investment
<input checked="" type="checkbox"/>	Other Chief-level staff or head of department, specify
	Portfolio Director
<input checked="" type="checkbox"/>	Oversight/accountability for responsible investment
<input checked="" type="checkbox"/>	Implementation of responsible investment
<input type="checkbox"/>	No oversight/accountability or implementation responsibility for responsible investment
<input checked="" type="checkbox"/>	Portfolio managers
<input checked="" type="checkbox"/>	Oversight/accountability for responsible investment
<input checked="" type="checkbox"/>	Implementation of responsible investment
<input type="checkbox"/>	No oversight/accountability or implementation responsibility for responsible investment
<input type="checkbox"/>	ESG portfolio manager
<input checked="" type="checkbox"/>	Investment analysts
<input checked="" type="checkbox"/>	Oversight/accountability for responsible investment
<input checked="" type="checkbox"/>	Implementation of responsible investment
<input type="checkbox"/>	No oversight/accountability or implementation responsibility for responsible investment
<input checked="" type="checkbox"/>	Dedicated responsible investment staff
<input checked="" type="checkbox"/>	Oversight/accountability for responsible investment
<input checked="" type="checkbox"/>	Implementation of responsible investment
<input type="checkbox"/>	No oversight/accountability or implementation responsibility for responsible investment
<input checked="" type="checkbox"/>	External managers or service providers
<input checked="" type="checkbox"/>	Oversight/accountability for responsible investment
<input checked="" type="checkbox"/>	Implementation of responsible investment
<input type="checkbox"/>	No oversight/accountability or implementation responsibility for responsible investment

- Investor relations
- Other role, specify (1)

Other description (1)
Legal Counsel

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment

- Other role, specify (2)

Other description (2)
External ESG-consultants

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment

SG 07.2	For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.
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#### INVESTMENT PROCESS

We support private businesses with loans and equity with the aim of generating growth and job opportunities in a sustainable way. We have developed an investment process which makes it possible for us to succeed in our challenging mission.

Investing in countries with less-developed economies and businesses does involve substantial risks. We attempt to manage this through a carefully implemented investment process. When projects come to us, the first step is to make a quick assessment, and for those which conform to our investment strategy and investment criteria, we carry out an in-depth analysis.

Our investment managers and analysts, in collaboration with specialists in ESG, law, and impact on society, carry out a thorough analysis of market data, business plans, financial history, and investment partners. The analysis is then reviewed by Swedfund's investment committee and by the Board of Directors. Every investment must meet the goals set within our three pillars

**INITIAL ASSESSMENT** In the first stage, we make an overall assessment of the country, the company, strategic partners and Swedfund's role. We review the company's business plan and see whether it conforms to our investment strategy and investment criteria.

**CONCEPT CLEARANCE** We then take an initial decision, and determine whether we will carry out Due Diligence or turn the project down. At this stage, we assess whether the project can meet the goals set within our three pillars.

**DUE DILIGENCE** We now scrutinise and analyse the business idea, business plan, market, financial history and forecasts, capital investment appraisal, partner collaboration, legal aspects, expected development results, and ESG issues. This work continues until an agreement is entered into.

**SCREENING** When Due Diligence has been completed (or almost completed), the investment committee decides whether preparations for the investment are to continue and whether the case meets our requirements and is ready for presentation to the Board of Directors. Whether an investment is rejected at this stage may be due to a new fact which emerged during the Due Diligence process. It is normal for new issues to arise, and these are then dealt with in the final Due Diligence process.

**BOARD DECISION** Swedfund's Board, on the basis of Swedfund's three pillars, makes the investment decision, after which an agreement is negotiated.

**ACTIVE VALUE CREATION** After the agreement is signed, the work which began earlier in the investment phase continues. We work actively with our portfolio companies, focusing on the issues, both commercial and sustainability-related, that were identified during Due Diligence. We keep close contact with our companies and monitor how the requirements in the agreement are being observed through active Board of Directors work and through the company's annual self-declaration (Swedfund Portfolio Company Sustainability Report).

**TERMINATING THE PARTNERSHIP** The partnership is terminated either through Swedfund selling its holding if it involves shares, or through the repayment of the loan. We bring together the results and the experiences from the investment in an internal report, which we present and analyse so that we can draw learnings. We exit our investments responsibly, and we take account of our three pillars as we exit the investment.

**AGREEMENT** After the Board has made its decision, the investment agreement can be signed. In addition to the customary legal aspects, the agreement also covers sustainability and reporting requirements.

**DISBURSEMENT** Disbursement takes place after the legal agreement is signed, and when the conditions have been fulfilled.

**SUSTAINABILITY MANAGEMENT** Taking environmental and social issues as well as good corporate governance into consideration, are basic corner stones for sustainable and in the long run profitable businesses that can accelerate development. This involves setting requirements and giving advice on the process of change.

**POLICY** Swedfund's sustainability policy is updated regularly, most recently in 2015. During 2017, we developed a position paper on climate impact.

#### NEW INVESTMENTS ARE ANALYSED

ESG assessment is a part of our analysis of potential investments. ESG Managers are a part of Swedfund's investment team, which is responsible for evaluating new investments. ESG Managers are specifically responsible for evaluating environmental issues, social issues and anti-corruption in portfolio companies. Initial assessment of the environmental and social categories, the identification of significant risks and impact are carried out already in the course of concept clearance.

#### AN ACTION PLAN IS DRAWN UP

For portfolio companies which Swedfund finances, and where we consider it necessary, an ESGAP (ESG Action Plan) is drawn up, with measures targeted at sustainability. The action plan includes a timetable and detailed descriptions of what the company needs to do to obtain financing. It also describes the changes that the company needs to do to meet Swedfund's requirements.

#### REQUIREMENTS SET OUT IN THE AGREEMENT

Swedfund sets sustainability requirements in agreements and requires portfolio companies to submit sustainability reports. An ESGAP, under requirements which are formulated within it, forms part of the investment agreement. Swedfund's sustainability requirements have developed over time, which means that Swedfund cannot set the same requirements for older portfolio companies that it sets for new ones.

#### MONITORING THROUGH DIALOGUE

The active value creation within the ESG area consists of the requirements set in the agreement and the monitoring of the action plan through ongoing

dialogue with the company, in our Board of Directors work and through the company's annual sustainability reporting and our feedback on this. Through this, we have a good picture of the issues which should be prioritised in the future, and how well the company is complying with our requirements. During the period in which Swedfund is a shareholder in or lender to a portfolio company, the Senior Investment Manager responsible is tasked with monitoring and ensuring compliance with the sustainability policy, the anti-corruption policy, the strategic sustainability goals and ESGAP.

ESG AUDITS

In addition, we carry out regular site visits and/or internal and third-party audits as part of our commitment in the ESG area. Continuous monitoring also takes place during the investment manager's ongoing dialogue with and visits to the portfolio companies.

**SG 07.3** Indicate the number of dedicated responsible investment staff your organisation has.

25

**SG 07.4** Additional information. [Optional]

25 out of 39 in total, this includes personal in the Investment Organisation and Legal.

SG 07 CC	Voluntary	Descriptive	General
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**SG 07.1 CC** Indicate the roles in your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for climate-related issues.

Roles present in your organisation

- Board members or trustees
  - Oversight/accountability for climate-related issues
  - Assessment and management of climate-related issues
  - No responsibility for climate-related issues
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
  - Oversight/accountability for climate-related issues
  - Assessment and management of climate-related issues
  - No responsibility for climate-related issues
- Other Chief-level staff or head of department, specify
  - Portfolio director
    - Oversight/accountability for climate-related issues
    - Assessment and management of climate-related issues
    - No responsibility for climate-related issues
- Portfolio managers
  - Oversight/accountability for climate-related issues
  - Assessment and management of climate-related issues
  - No responsibility for climate-related issues
- ESG portfolio manager
  - Oversight/accountability for climate-related issues
  - Assessment and management of climate-related issues
  - No responsibility for climate-related issues
- Investment analysts
  - Oversight/accountability for climate-related issues
  - Assessment and management of climate-related issues
  - No responsibility for climate-related issues
- Dedicated responsible investment staff
  - Oversight/accountability for climate-related issues
  - Assessment and management of climate-related issues
  - No responsibility for climate-related issues
- External managers or service providers
  - Oversight/accountability for climate-related issues
  - Assessment and management of climate-related issues
  - No responsibility for climate-related issues
- Investor relations
- Other role, specify (1)
  - Legal Council

Other description (1)

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues
- Other role, specify (2)

**SG 07.1a CC** For the board level roles or for which you have climate-related issues oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

Swedfund's Board of Directors, are our investment committee and makes the final investment decision, after which a legal agreement is negotiated. The Board has also approved and signed our Sustainability Policy and our Position Paper on Climate Impact.

**SG 07.1b CC** For the management-level roles which assess and manage climate-related issues, provide further information on the structure and process involved.

Climate-related issues are assessed and managed in the same way as any other issues as a part of the investment process, please see 07.2 for more detailed information.

<b>SG 08</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>General</b>
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**SG 08.1** Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.

**Board members/Board of trustees**

- Responsible investment included in personal development and/or training plan

**SG 08.2** Describe any activities undertaken during the reporting year to develop and maintain Board members' skills and knowledge in relation to responsible investment.

- The board visited Kenya together with the CEO and members from the senior leadership of Swedfund with the purpose to achieve greater knowledge about responsible investments and Swedfunds' work within its three pillars social impact, sustainability and financial viability (please see further details in OO11.4). They increased their knowledge and skills within the field of production of renewable energy, the health sector and by listening to some of the participants in the Women4Growth programme ( please see further details in PE 07.3) intended to ensure that a company optimises the potential of its female workforce and promotes more women in leading positions.
- The board initiated and decided on a position paper on environment and climate (please find external referral SG 02.4).
- An audit committee has been established with representatives from the board and with the mandate to audit impact data and sustainability data as well as financial data which gives it a greater and more extended responsibility in comparison to other audit committees that usually only focus on financial aspects.

- None of the above

**Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee**

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

**Other C-level staff or head of department**

Portfolio Director

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

**Portfolio managers**

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

**Investment analysts**

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

**Dedicated responsible investment staff**

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance

- Responsible investment included in personal development and/or training plan
- None of the above

**Other role (1) [from SG 07]**

Legal Counsel

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

**SG 08.3** Provide any additional information on your organisation's performance management, reward and/or personal development processes in relation to responsible investment.

Portfolio Managers are responsible for the fulfillment of Swedfund's strategic Sustainability Targets for each individual investment. The strategic sustainability targets should be fulfilled within three years from investment time which is followed up annually. On an aggregated portfolio level it is the Investments Directors who are responsible for the ESG-performance and progress of the entire portfolio.

Please see section SG 05-06 about RI objectives and progress and Swedfund's Strategic Sustainability Goals. Please see section SG 07.2 about the investment process.

Swedfund do not pay any bonuses to any employee.

**SG 08.4** Describe the level of experience board members/trustees/chief-level staff have with incorporating ESG factors into investment decision-making processes.

-Swedfund's owner directives clearly states that it should focus equally much on ESG factors as on impact and financial factors when conducting responsible investments. In December 2016, the owner directives were extended to for the first time include indicators on tax revenues, CO2 emissions, number of women in leading positions, additionality and requested reporting on these indicators on portfolio level. -Swedfund's board composition changed with new board members in April 2017 having a solid background in ESG aspects and impact on society. -ESG factors are included as one of three pillars in Swedfund's business model. When an investment is proposed to the board, ESG aspects of that investment is thoroughly described and evaluated. Evaluation of ESG aspects is a prerequisite for the board when deciding on a new investment. -ESG factors are included as one of three pillars in Swedfund's business model. ESG-aspects are summarized in an ESGAP which is legally binding for the investees. Actions on the ESGAP is followed up regularly and the investee companies annually report on their work within the ESG-area which is reported in Swedfund's Integrated Report, where ESG-results are audited with the same level of authority as financial results. The Integrated Report is decided on by the board.

**SG 09** **Mandatory** **Core Assessed** **PRI 4,5**

**SG 09.1** Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

Moderate

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Swedfund is part of the SDG Advisory Committee set up in the end of 2016.

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AFIC – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Code for Responsible Finance in the 21st Century
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- EVCA – Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)

	Your organisation's role in the initiative during the reporting period (see definitions)
Basic	
	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
	Swedfund reports inspired by the Framework by the IIRC
<input type="checkbox"/>	Investor Network on Climate Risk (INCR)/CERES
<input type="checkbox"/>	Local Authority Pension Fund Forum
<input type="checkbox"/>	Principles for Sustainable Insurance
<input type="checkbox"/>	Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
<input type="checkbox"/>	Responsible Finance Principles in Inclusive Finance
<input type="checkbox"/>	Shareholder Association for Research and Education (Share)
<input type="checkbox"/>	United Nations Environmental Program Finance Initiative (UNEP FI)
<input checked="" type="checkbox"/>	United Nations Global Compact
	Your organisation's role in the initiative during the reporting period (see definitions)
Basic	
	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
	Swedfund is a signatory and report in its annual report on progress towards UN GC.
<input checked="" type="checkbox"/>	Other collaborative organisation/initiative, specify
	European Development Finance Institutions (EDFI)
	Your organisation's role in the initiative during the reporting year (see definitions)
Advanced	
	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
	Swedfund is member of the European Development Finance Institutions (EDFI). As one out of 15 members we take an active role in the collaboration within EDFI. We actively participate in all the expert working groups: Environmental & Social (E&S), Development Effects (DE), Legal, HR, Communication and Corporate Governance. <a href="http://www.edfi.be/">http://www.edfi.be/</a>
<input type="checkbox"/>	Other collaborative organisation/initiative, specify
<input checked="" type="checkbox"/>	Other collaborative organisation/initiative, specify
	The Swedish Governments network for state owned companies; Sustainable Business.
	Your organisation's role in the initiative during the reporting year (see definitions)
Moderate	
	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
	We participate in the different workshops and seminars that are arranged for this group of state owned companies. As a consequence of this we, together with a few other companies, have taken the initiative to form a working group on the implementation on UN Guiding Principles.
<input checked="" type="checkbox"/>	Other collaborative organisation/initiative, specify
	IFI's Harmonized Development Results Indicators for Private Sector Investment Operations
	Your organisation's role in the initiative during the reporting year (see definitions)
Moderate	
	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
	Swedfund has participated in the initiative among 25 DFI/IFIs to harmonise results indicators for private sector investment operations. <a href="https://indicators.ifipartnership.org/">https://indicators.ifipartnership.org/</a>

SG 09.2	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1
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	Indicate approximately what percentage (+/- 5%) of your externally managed assets are managed by PRI signatories.
Private	

SG 10	Mandatory	Core Assessed	PRI 4
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SG 10.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
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Yes

SG 10.2	Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.
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Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)



Description		
Through our Technical Assistance funding we have supported selected portfolio companies e.g in areas of environment and social management systems and gender equality (Women4Growth Programme, please see section PE 07.3). We have also published an anti-corruption management system for our portfolio companies including recommended e-learning on anti-corruption (please see SG 06)		
Frequency of contribution		
<input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad hoc <input checked="" type="radio"/> Other		
<table border="1"> <thead> <tr> <th>specify</th> </tr> </thead> <tbody> <tr> <td>When need identified</td> </tr> </tbody> </table>	specify	When need identified
specify		
When need identified		

- Provided financial support for academic or industry research on responsible investment
- Provided input and/or collaborated with academia on RI related work

Description
We have provided interviews to students on our responsible investment practices
Frequency of contribution
<input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input checked="" type="radio"/> Ad hoc <input type="radio"/> Other

- Encouraged better transparency and disclosure of responsible investment practices across the investment industry

Description		
Through membership in SweSif (Sweden's Sustainable Investment Forum)		
Frequency of contribution		
<input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad hoc <input checked="" type="radio"/> Other		
<table border="1"> <thead> <tr> <th>specify</th> </tr> </thead> <tbody> <tr> <td>Continuous membership</td> </tr> </tbody> </table>	specify	Continuous membership
specify		
Continuous membership		

- Spoke publicly at events and conferences to promote responsible investment

Description
Swedfund representatives regularly speak at various events (e.g investment forums, student events, network events) on our work with our three pillars (please see OO 11.4) and the impact gained through responsible investments.
Frequency of contribution
<input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input checked="" type="radio"/> Ad hoc <input type="radio"/> Other

- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
- Wrote and published articles on responsible investment in the media

Description
Swedfund regularly publishes information on investment activities through its blog Swedfund Frankly <a href="http://swedfundfrankly.se/">http://swedfundfrankly.se/</a>

	<b>Frequency of contribution</b>
	<input checked="" type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc <input type="checkbox"/> Other
	<input type="checkbox"/> A member of PRI advisory committees/ working groups, specify <input type="checkbox"/> On the Board of, or officially advising, other RI organisations (e.g. local SIFs) <input checked="" type="checkbox"/> Other, specify
	<b>specify description</b>
	Please refer to SG 10.3 below
	<b>Description</b>
	Please refer to SG 10.3 below
	<b>Frequency of contribution</b>
	<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc <input checked="" type="checkbox"/> Other
	<b>specify</b>
	Please refer to SG 10.3 below
<input type="radio"/> No	

<b>SG 10.3</b>	<b>Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]</b>
	<ul style="list-style-type: none"> <li>In 2017, Swedfund participated in two delegations led by the Foreign Ministry to promote responsible investments in Tanzania and Bangladesh. The delegation represented various parts of society and the program included visits to investments that Swedfund had made, to aid-cooperation projects and meeting with local stake holders for Governments, civil society among others.</li> <li>Swedfund has held stakeholder dialogues on United Nations Guidelines on Businesses and Human Rights (UNGP).</li> <li>Swedfund has held stakeholder dialogues on its annual Integrated Report.</li> </ul>

<b>SG 11</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 4,5,6</b>
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<b>SG 11.1</b>	Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or regulators in support of responsible investment in the reporting year.
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Private

<b>SG 11.4</b>	Provide a brief description of the main topics your organisation has engaged with public policy-makers or regulators on.
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Private

<b>SG 12</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 4</b>
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<b>SG 12.1</b>	Indicate whether your organisation uses investment consultants.
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- Yes, we use investment consultants  
 No, we do not use investment consultants.

<b>SG 13</b>	<b>Mandatory</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>SG 13.1</b>	Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.
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- We execute scenario analysis which includes factors representing the investment impacts of future environmental trends  
 We execute scenario analysis which includes factors representing the investment impacts of future social trends  
 We execute scenario analysis which includes factors representing the investment impacts of future governance trends  
 We consider scenario analysis that includes factors representing the investment impacts of future climate-related risks and opportunities  
 We execute other scenario analysis, specify  
 We do not execute such scenario analysis and/or modelling

<b>SG 14</b>	<b>Mandatory to Report, Voluntary to Disclose</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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**SG 14.1** Describe the process used to identify short, medium and long-term risks and opportunities that could have a material impact on your organisation and its activities.

The main elements of the process are (i) our mission and owner instruction, (ii) the challenges and opportunities we see through our operations, (iii) the dialogue with our stakeholders, and (iv) regular reviews of our strategy and working model: Swedfund's material aspects follow from our mission as a development finance institution, our owner instruction and the needs, challenges and opportunities we see in investments, in collaborations and in the countries in which we operate. Through a close dialogue with our owner, partner and other stakeholders, we aim to develop in the most essential aspects of our operations. Over the course of 2013-2014, we introduced the model which rests on three pillars: impact on society, sustainability and financial viability which permeate every step of the investment process. During 2017 the model was evaluated - whether our model is still relevant in a situation of new challenges, the global goals in Agenda 2030, and new owner's instruction. We decided the model is still relevant, but in 2018 we will add additional indicators and also develop our work and in particular regarding the part, which touches on the development impact generated by our work.

**SG 14.1 CC** Describe the processes used to determine which climate-related short, medium and long-term risks and opportunities could have a material impact on your organisation and its activities.

We started to prepare our climate strategy by reviewing our business plan and sectors in relation to climate issues such as energy, water, waste etc. and external factors such as geography, political situation in our markets etc. Then, we conducted a stakeholder dialogue with our external stakeholders in March 2016 to understand their views on the climate risks and opportunities related to Swedfund's operations. After the stakeholder dialogue, our owner, the Swedish Government, revised our owner instructions in April 2017, and stated that energy investments shall solely be in renewables. In December 2017, Swedfund's Board of Directors, approved Swedfund's position paper on climate impact.

Swedfund always invests with a long-term perspective and commitment - medium and long-term risks and opportunities are given equal considerations.

**SG 14.2** Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following you act on.

- Changing demographics
- Climate change and related issues

**SG 14.2a cc** Please describe how you define "short", "medium" and "long term", and describe your material climate-related issues over these time horizons.

	Definition	Description of material climate-related issues
Short term	n/a	No short term analysis/definition within Swedfund
Medium term	3 years	Swedfund does not do any short term investments. We handle the medium (3 years) and long-term (7-10 year) investments in the similar way. Both in medium and long-term, Swedfund will seek to minimize the negative climate impact inherent in each investment. The specific actions required to mitigate climate risks and to maximize climate opportunities are agreed upon in an Environmental, Social and Governance Action Plan (ESGAP) before we make an investment. Within the broader concept of "Energy" Swedfund has chosen to focus primarily on renewable energy production and distribution. In the Manufacturing and Services sector, Swedfund seeks to continuously maximize the implementation of solutions that contribute to improved energy usage, energy efficiency and resource efficiency (e.g., efficiency gains in the production processes, product improvements leading to a longer life cycle). Swedfund recognizes that investments in Financial Institutions need to shift from supporting high to low carbon activities. An investment in a Financial Institution creates a multiplier effect as its capital flows are distributed to different parts of the economy and reaches thousands of clients across a number of sectors. When making investments in Financial Institutions, Swedfund will seek to support the financing of a broad range of climate change initiatives such as energy efficiency improvements, renewable energy, risk management and relevant insurance products. In general we recognize e.g. following climate related issues in our markets in the medium and long term: poverty, gradually rising sea levels, stronger tropical storms, extreme drought, more unpredictable rainfall, more extensive and longer-lasting heat waves, and gender differentiating effects.
Long term	7-10 years	Swedfund does not do any short term investments. We handle the medium (3 years) and long-term (7-10 year) investments in the similar way. Both in medium and long-term, Swedfund will seek to minimize the negative climate impact inherent in each investment. The specific actions required to mitigate climate risks and to maximize climate opportunities are agreed upon in an Environmental, Social and Governance Action Plan (ESGAP) before we make an investment. Within the broader concept of "Energy" Swedfund has chosen to focus primarily on renewable energy production and distribution. In the Manufacturing and Services sector, Swedfund seeks to continuously maximize the implementation of solutions that contribute to improved energy usage, energy efficiency and resource efficiency (e.g., efficiency gains in the production processes, product improvements leading to a longer life cycle). Swedfund recognizes that investments in Financial Institutions need to shift from supporting high to low carbon activities. An investment in a Financial Institution creates a multiplier effect as its capital flows are distributed to different parts of the economy and reaches thousands of clients across a number of sectors. When making investments in Financial Institutions, Swedfund will seek to support the financing of a broad range of climate change initiatives such as energy efficiency improvements, renewable energy, risk management and relevant insurance products. In general we recognize e.g. following climate related issues in our markets in the medium and long term: poverty, gradually rising sea levels, stronger tropical storms, extreme drought, more unpredictable rainfall, more extensive and longer-lasting heat waves, and gender differentiating effects.

**SG 14.3** Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

**SG 14.4** Indicate which of the following tools you use to manage emissions risks and opportunities

- Scenario analysis
- Disclosure on emissions risk to clients/trustees/management/beneficiaries
- Climate-related targets
- Encourage internal and/or external portfolio managers to monitor emissions risk
- Emissions risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

- Resource scarcity
- Technology developments
- Other, specify(1)
- Other, specify(2)
- None of the above

**SG 14.4a CC** Please provide further details on these key metric(s) used to assess climate related risks and opportunities.

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology	Metric Trend	Limitations / Weaknesses
Climate-related targets	All	Baseline and reporting	Compliance / non-compliance	GHG protocol	n/a	According to Swedfund's owner instruction all investments shall be environmentally and climate sustainable. Therefore Swedfund has now started to measure CO 2 per investment and within three years a relevant target level for the company shall be decided.
Carbon footprint (scope 1 and 2)	All	Monitoring and reporting	CO2e	GHG protocol	Unchanged	n/a
Portfolio carbon footprint	All	Monitoring and reporting	CO2e	GHG protocol	n/a	n/a
Total carbon emissions	All	Monitoring and reporting	CO2	GHG protocol	n/a	n/a
Exposure to carbon-related assets	Minority	Monitoring	CO2e	GHG protocol	Reduced (debt investment, reduced coverage over time)	n/a

**SG 14.4b CC** Please describe in further detail your key targets.

Target type	Time Frame	Base Year	KPI	Target Methodology	Limitations / Weaknesses	Attachments
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target	within three years a relevant target level for the company shall be decided	2016	compliance / non-compliance	GHG protocol		

**SG 14.6** Additional information [Optional]

Please find below some of our recent climate related investments

During 2017, Swedfund invested in a range of energy projects based on wind, solar, hydro and geothermal energy. One example is an investment in Renewable Energy Asia Fund II, which focuses on the construction and operation of small and medium-sized renewable energy projects in South and Southeast Asia.

**FRONTIER ENERGY FUND**

In 2016 Swedfund got a investment decision to invest in Forntier energy fund that focuses on small renewable energy projects in east africa.

ICCF

Jointly with twelve European development finance institutions, Swedfund owns the co-financing facility, ICCF (Interact Climate Change Facility), which focuses on financing renewable energy projects in Africa and other places. The co-ownership makes larger investments possible, with wide-ranging expert knowledge in the areas of sustainability and effective financing.

**DBL Group**

In 2015 Swedfund announced a partnership with H&M to contribute in building a sustainable textile industry in Ethiopia. Water management, waste management, decent work are important parts of the partnership. In 2016 the agreement with the DBL Group and with the Ethiopian Investment Bank as financial partner. The project also demonstrates the importance of partnership, risk-sharing, standard-setting in respect of sustainability and knowledge exchange in our investment process.

**GREEN KEY CERTIFIED RADISSON NAIROBI**

Swedfund has a number of investments in quality hotels in Africa, including Radisson Blu Hotels in both Nairobi and Addis Ababa. The investments were made jointly with the Nordic Development Finance Institutions and with Rezidor as the hotel operator. Working with Rezidor, which has a strong commitment to sustainability issues, also means that significant resources are devoted to employee education and training. The Radisson Blu Nairobi is Green Key certified with solar panels on the roof and a closed waste water system with purification, in which 95 percent of the water is recycled. The hotel creates 350 direct job opportunities, of which around 45 percent are held by women. Rezidor places a great deal of weight on labour rights issues, as well as on the continuous training of personnel, equal pay, overtime payment and parental leave.

**SG 14.7 CC Describe your risk management processes for identifying, assessing, and managing climate-related risks.**

Our process for climate-related risks is integrated into overall risk management

**Please describe**

Swedfund integrates environmental and climate-related aspects in its investment process. Within Swedfund's overall mission of contributing to poverty reduction by financing sustainable businesses in emerging markets, Swedfund will seek to minimize the negative climate impact of all our investments, both with respect to new investments, the current portfolio companies and our own operations.

When evaluating a new investment opportunity Swedfund carefully considers climate risks and opportunities associated with that specific company, sector and market. Climate-related and environmental aspects are an integral part of Swedfund's ESG work and we apply IFC's Performance Standards in our investment processes and management.

Swedfund will seek to minimize the negative climate impact inherent in each investment. The specific actions required to mitigate climate risks and to maximize climate opportunities are agreed upon in an Environmental, Social and Governance Action Plan (ESGAP) before we make an investment.

Swedfund's Board of Directors is responsible for defining and managing risks. By working actively within our three pillars, we strive to generate results and long-term value. At the same time, we manage all the risks arising in our investment operations. To aid us in this, there are a number of control instruments, including Swedfund's policies and the delegation of responsibility to office holders and management bodies in the organization.

Our process for climate-related risks is not integrated into our overall risk management

**SG 14.8 CC Describe your processes for prioritising climate-related risks.**

Climate risks are prioritised as a part of our standard investment process and are therefore evaluated even prior to the concept clearance and/or screening process is commenced. Investments in which major climate risks are identified are either ruled out already during concept clearance, or taken into further investigation on the specific topics during the screening. In the screening process the main climate risks are concluded and formalised based on our due diligence work process. Finally, our investment proposals are taken for decision by our Board, based on our reporting material in which all relevant risks and information, including potential climate risks, to conclude whether or not to invest.

See also SG 14.7 CC

**SG 14.9 CC Do you conduct engagement activity with investee companies to encourage better disclosure and practices around climate-related risks?**

Yes

**Please describe**

Swedfund will seek to minimize the negative climate impact inherent in each investment. The specific actions required to mitigate climate risks and to maximize climate opportunities are agreed upon in an Environmental, Social and Governance Action Plan (ESGAP) before we make an investment.

The active value creation within the ESG area consists of monitoring the action plan through our ongoing dialogue with the company, in our work on the Board and through the company's annual self-declaration and our feedback on this. Through this, we have a good picture of the issues which should be prioritised in the future, and how well the company is complying with our requirements. In addition, we carry out regular site visits and/or internal and third-party audits as part of our commitment in the ESG area. Monitoring also takes place continuously within the framework of the Senior Investment Managers' regular dialogue and visits to portfolio companies. Our current portfolio companies can also be assisted in reaching their climate goals through the support of our targeted technical assistance fund.

No, we do not engage

**SG 14.10 CC Describe how you use data from climate-related disclosures.**

Swedfund measures and analyzes the climate impact of our portfolio companies as of 2017. This will enable us to further understand the climate impact of our portfolio and to assess the potential for an action plan focused on mitigating the climate impact of our portfolio companies. Our current portfolio companies can also be assisted in reaching their climate goals through the support of our targeted technical assistance fund which is a strategic framework for operations initiated to improve climate-linked performance of our investments. In addition, we will set climate related target after three years of measuring emissions from our portfolio according to our owner's instruction.

**SG 15 Mandatory to Report, Voluntary to Disclose Descriptive PRI 1**

**SG 15.1 Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.**

Yes

**SG 15.2 Indicate the percentage of your total AUM invested in environmental and social themed areas.**

100%

Area													
<input checked="" type="checkbox"/>	Clean technology (including renewable energy)												
<table border="1"> <thead> <tr> <th colspan="2">Asset class invested</th> </tr> </thead> <tbody> <tr> <td><input type="checkbox"/></td> <td>Fixed income - SSA</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Fixed income - Corporate (financial)</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Fixed income - Corporate (non-financial)</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Fixed income - Securitised</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Private equity</td> </tr> </tbody> </table>		Asset class invested		<input type="checkbox"/>	Fixed income - SSA	<input type="checkbox"/>	Fixed income - Corporate (financial)	<input type="checkbox"/>	Fixed income - Corporate (non-financial)	<input type="checkbox"/>	Fixed income - Securitised	<input checked="" type="checkbox"/>	Private equity
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<input checked="" type="checkbox"/>	Green buildings												
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<input type="checkbox"/>	Sustainable forestry												
<input type="checkbox"/>	Sustainable agriculture												
<input checked="" type="checkbox"/>	Microfinance												
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Please refer to SG 01.5 and our investments in the financial sector (FIs and Funds).

Around one-third (30-37 percent) of all small and medium-sized enterprises in developing countries are run by women. The Global Findex database shows that 20 percent fewer women than men have a bank account, and 17 percent fewer women than men have taken out a loan. Women are also less likely to have access to savings and insurance. The World Bank has concluded that women are more financially excluded than men on all parameters.

In 2016 the the Swedfund Women Entrepreneur Facility (Swef) was set up. One of the investments in Swedfund's programme is the IFC's Women Entrepreneurs Debt Fund. Swedfund has contributed USD 20 million, jointly with Andra AP-fonden. The fund's total resources will eventually amount to USD 150 million, and will be included in an even greater initiative backed by IFC and Goldman Sachs. In the project, USD 600 million will be lent to around 100,000 women entrepreneurs in developing countries. IFC is a world leader in female entrepreneurship and has operated a programme called "Banking on women" since 2010, which has made 40 targeted investments totalling more than USD 1.2 billion.

- Social enterprise / community investing
- Affordable housing
- Education
- Global health

**Asset class invested**

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity

**Brief description and measures of investment**

Healthcare investments will lead to achievement of several SDGs including SDG 3, SDG 5, SDG 8, and SDG 9. Development financing can create new and innovative sustainable models that can deliver efficient and effective healthcare. Effects: Improve quality of care, job creation, creation of ancillary services, improve the social well being of the patients which in turns leads to economic development

- Water
- Other area, specify

No

SG 18	Voluntary	Descriptive	General
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**SG 18.1** Indicate whether any specific features of your approach to responsible investment are particularly innovative.

Yes

**SG 18.2** Describe any specific features of your approach to responsible investment that you believe are particularly innovative.

- Swedfund has decided on a new business plan for 2018-2020. One innovative approach is that we have decided that the issue of women empowerment and climate should be streamlined throughout the portfolio, i.e. in every new investment these two themes should be analysed and followed-up through decided indicators.
- Swedfund has contributed to innovative partnerships to foster responsible investments in the world poorest countries by initiating stakeholder dialogues and learning opportunities for actors who do not usually meet such as state owned companies, civil society and politicians.
- Swedfund has taken its work on anti-corruption one step further by ensuring that company staff are all educated in in anti-corruption measures as well as in the implementation of Agenda 2030.
- Swedfund has taken the work on UN guiding Principles on Business and Human Rights one step further through the development of a tool to assess Human Rights risks before initiating an investment and decided that human rights due diligence should be conducted in investments before they are exited.
- Swedfund has analysed its portfolio companies and measured its CO2 emissions and identified portfolio companies and measures to be taken to reduce CO2 emissions.

No

SG 19	Mandatory	Core Assessed	PRI 6
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**SG 19.1** Indicate whether your organisation proactively discloses asset class specific information. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

**Fixed income**

**Do you disclose?**

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

**The information disclosed to clients/beneficiaries is the same**

Yes

No

<b>Disclosure to public and URL</b>	
Disclosure to public and URL	
<input type="radio"/> Broad approach to RI incorporation <input checked="" type="radio"/> Detailed explanation of RI incorporation strategy used	
Annually	
<a href="https://www.swedfund.se/media/1937/swedfund_integrated-report_2016_part_1.pdf">https://www.swedfund.se/media/1937/swedfund_integrated-report_2016_part_1.pdf</a> <a href="https://www.swedfund.se/media/1938/swedfund_integrated-report_2016_part_2.pdf">https://www.swedfund.se/media/1938/swedfund_integrated-report_2016_part_2.pdf</a>	

### Private equity

<b>Do you disclose?</b>	
<input type="radio"/> We do not disclose to either clients/beneficiaries or the public. <input type="radio"/> We disclose to clients/beneficiaries only. <input checked="" type="radio"/> We disclose to the public	
The information disclosed to clients/beneficiaries is the same	
<input checked="" type="radio"/> Yes <input type="radio"/> No	

<b>Disclosure to public and URL</b>	
Disclosure to public and URL	
<input checked="" type="checkbox"/> ESG information in relationship to our pre-investment activities <input checked="" type="checkbox"/> ESG information in relationship to our post-investment monitoring and ownership activities <input checked="" type="checkbox"/> Information on our portfolio companies' ESG performance <input type="checkbox"/> Other	
Annually	
<a href="https://www.swedfund.se/media/1937/swedfund_integrated-report_2016_part_1.pdf">https://www.swedfund.se/media/1937/swedfund_integrated-report_2016_part_1.pdf</a> <a href="https://www.swedfund.se/media/1938/swedfund_integrated-report_2016_part_2.pdf">https://www.swedfund.se/media/1938/swedfund_integrated-report_2016_part_2.pdf</a>	

### Selection, Appointment and Monitoring

<b>Do you disclose?</b>	
<input type="radio"/> We do not disclose to either clients/beneficiaries or the public. <input type="radio"/> We disclose to clients/beneficiaries only. <input checked="" type="radio"/> We disclose to the public	
The information disclosed to clients/beneficiaries is the same	
<input checked="" type="radio"/> Yes <input type="radio"/> No	

<b>Disclosure to public and URL</b>	
Disclosure to public and URL	
<input checked="" type="checkbox"/> How responsible investment considerations are included in manager selection, appointment and monitoring processes <input type="checkbox"/> Details of the responsible investment activities carried out by managers on your behalf <input checked="" type="checkbox"/> E, S and/or G impacts and outcomes that have resulted from your managers' investments and/or active ownership <input checked="" type="checkbox"/> Other	
Specify	
Case studies of good ESG management and impact of selected portfolio companies successful fund managers	
Annually	
<a href="https://www.swedfund.se/media/1937/swedfund_integrated-report_2016_part_1.pdf">https://www.swedfund.se/media/1937/swedfund_integrated-report_2016_part_1.pdf</a> <a href="https://www.swedfund.se/media/1938/swedfund_integrated-report_2016_part_2.pdf">https://www.swedfund.se/media/1938/swedfund_integrated-report_2016_part_2.pdf</a>	



**SAM 02.1** Indicate what RI-related information your organisation typically covers in the majority of selection documentation for your external managers

	Private equity
Investment strategy and how ESG objectives relate to it	<input checked="" type="checkbox"/>
ESG incorporation requirements	<input checked="" type="checkbox"/>
ESG reporting requirements	<input checked="" type="checkbox"/>
Other	<input checked="" type="checkbox"/>
No RI information covered in the RFPs	<input type="checkbox"/>

**SAM 02.2** Explain how your organisation evaluates the investment manager's ability to align between your investment strategy and their investment approach

#### Strategy

	Private equity
Assess the time horizon of the investment manager's offering vs. your/beneficiaries' requirements	<input checked="" type="checkbox"/>
Assess the quality of investment policy and its reference to ESG	<input checked="" type="checkbox"/>
Assess the investment approach and how ESG objectives are implemented in the investment process	<input checked="" type="checkbox"/>
Review the manager's firm-level vs. product-level approach to RI	<input type="checkbox"/>
Assess the ESG definitions to be used	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>
None of the above	<input type="checkbox"/>

#### ESG people/oversight

	Private equity
Assess ESG expertise of investment teams	<input checked="" type="checkbox"/>
Review the oversight and responsibilities of ESG implementation	<input checked="" type="checkbox"/>
Review how is ESG implementation enforced /ensured	<input checked="" type="checkbox"/>
Review the manager's RI-promotion efforts and engagement with the industry	<input type="checkbox"/>
Other	<input type="checkbox"/>
None of the above	<input type="checkbox"/>

#### Process/portfolio construction/investment valuation

	Private equity
Review the process for ensuring the quality of the ESG data used	<input type="checkbox"/>
Review and agree the use of ESG data in the investment decision making process	<input checked="" type="checkbox"/>
Review and agree the impact of ESG analysis on investment decisions	<input checked="" type="checkbox"/>
Review and agree ESG objectives (e.g. risk reduction, return seeking, real-world impact)	<input type="checkbox"/>
Review and agree manager's ESG risk framework	<input checked="" type="checkbox"/>
Review and agree ESG risk limits at the portfolio level (portfolio construction) and other ESG objectives	<input type="checkbox"/>
Review how ESG materiality is evaluated by the manager	<input checked="" type="checkbox"/>
Review process for defining and communicating on ESG incidents	<input checked="" type="checkbox"/>
Review and agree ESG reporting frequency and detail	<input checked="" type="checkbox"/>
Other, specify	<input type="checkbox"/>
None of the above	<input type="checkbox"/>

**SAM 02.3** Indicate the selection process and its ESG/RI components

- Review ESG/RI responses to RfP, RfI, DDQ etc.
- Review responses to PRI's Limited Partners' Responsible Investment Due Diligence Questionnaire (LP DDQ)
- Review publicly available information on ESG/RI
- Review assurance process on ESG/RI data and processes
- Review PRI Transparency Reports
- Request and discuss PRI Assessment Reports
- Meetings with the potential shortlisted managers covering ESG/RI themes
- Site visits to potential managers offices
- Other, specify

**SAM 02.4** When selecting external managers does your organisation set any of the following:

	Private equity
ESG performance development targets	<input type="checkbox"/>
ESG score	<input checked="" type="checkbox"/>
ESG weight	<input type="checkbox"/>
Real world economy targets	<input type="checkbox"/>
Other RI considerations	<input type="checkbox"/>
None of the above	<input type="checkbox"/>

**SAM 04** Mandatory Core Assessed PRI 1

**SAM 04.1** Indicate if in the majority of cases and where the structure of the product allows, your organisation does any of the following as part of the manager appointment and/or commitment process

- Sets standard benchmarks or ESG benchmarks
- Defines ESG objectives
- Sets incentives and controls linked to the ESG objectives
- Requires reporting on ESG objectives
- Requires the investment manager to adhere to ESG guidelines, regulations, principles or standards
- None of the above
- None of the above, we invest only in pooled funds and have a thorough selection process

**SAM 04.2** Provide an example per asset class of your benchmarks, objectives, incentives/controls and reporting requirements that would typically be included in your managers' appointment.

Asset class							
<input checked="" type="checkbox"/> Private equity <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Benchmark</th> </tr> </thead> <tbody> <tr> <td> <input type="checkbox"/> Standard benchmark, specify  <input checked="" type="checkbox"/> ESG benchmark, specify            See module SG         </td> </tr> <tr> <th>ESG Objectives</th> </tr> <tr> <td> <input type="checkbox"/> ESG related strategy, specify  <input type="checkbox"/> ESG related investment restrictions, specify  <input checked="" type="checkbox"/> ESG integration, specify            See module SG about requirements for an ESMS  <input type="checkbox"/> Engagement, specify  <input type="checkbox"/> Voting, specify  <input type="checkbox"/> Promoting responsible investment  <input type="checkbox"/> ESG specific improvements  <input checked="" type="checkbox"/> ESG guidelines/regulation, principles/standards, specify            See module SG         </td> </tr> <tr> <th>Incentives and controls</th> </tr> <tr> <td> <input checked="" type="checkbox"/> We do not set incentives and controls         </td> </tr> <tr> <th>Reporting requirements</th> </tr> </tbody> </table>	Benchmark	<input type="checkbox"/> Standard benchmark, specify <input checked="" type="checkbox"/> ESG benchmark, specify See module SG	ESG Objectives	<input type="checkbox"/> ESG related strategy, specify <input type="checkbox"/> ESG related investment restrictions, specify <input checked="" type="checkbox"/> ESG integration, specify See module SG about requirements for an ESMS <input type="checkbox"/> Engagement, specify <input type="checkbox"/> Voting, specify <input type="checkbox"/> Promoting responsible investment <input type="checkbox"/> ESG specific improvements <input checked="" type="checkbox"/> ESG guidelines/regulation, principles/standards, specify See module SG	Incentives and controls	<input checked="" type="checkbox"/> We do not set incentives and controls	Reporting requirements
Benchmark							
<input type="checkbox"/> Standard benchmark, specify <input checked="" type="checkbox"/> ESG benchmark, specify See module SG							
ESG Objectives							
<input type="checkbox"/> ESG related strategy, specify <input type="checkbox"/> ESG related investment restrictions, specify <input checked="" type="checkbox"/> ESG integration, specify See module SG about requirements for an ESMS <input type="checkbox"/> Engagement, specify <input type="checkbox"/> Voting, specify <input type="checkbox"/> Promoting responsible investment <input type="checkbox"/> ESG specific improvements <input checked="" type="checkbox"/> ESG guidelines/regulation, principles/standards, specify See module SG							
Incentives and controls							
<input checked="" type="checkbox"/> We do not set incentives and controls							
Reporting requirements							

- Ad-hoc/when requested
- Annually
- Bi-annually
- Quarterly
- Monthly

**SAM 04.4** Indicate which of these actions your organisation might take if any of the requirements are not met

- Discuss requirements not met and set project plan to rectify
- Place investment manager on a "watch list"
- Track and investigate reason for non-compliance
- Re-negotiate fees
- Failing all actions, terminate contract with the manager
- Other, specify  
Require action plan from manager
- No actions are taken if any of the ESG requirements are not met

**SAM 05** Mandatory Core Assessed PRI 1

**SAM 05.1** When monitoring managers, indicate which of the following types of responsible investment information your organisation typically reviews and evaluates

	Private equity
ESG objectives linked to investment strategy	<input checked="" type="checkbox"/>
Evidence on how the ESG incorporation strategy(ies) affected the investment decisions and financial / ESG performance of the portfolio/fund	<input checked="" type="checkbox"/>
Compliance with investment restrictions and any controversial investment decisions	<input checked="" type="checkbox"/>
ESG portfolio characteristics	<input checked="" type="checkbox"/>
How ESG materiality has been evaluated by the manager in the monitored period	<input checked="" type="checkbox"/>
Information on any ESG incidents	<input checked="" type="checkbox"/>
Metrics on the real economy influence of the investments	<input type="checkbox"/>
PRI Transparency Reports	<input type="checkbox"/>
PRI Assessment Reports	<input type="checkbox"/>
RI-promotion and engagement with the industry to enhance RI implementation	<input type="checkbox"/>
Other general RI considerations in investment management agreements; specify	<input type="checkbox"/>
None of the above	<input type="checkbox"/>

**SAM 05.2** When monitoring external managers, does your organisation set any of the following to measure compliance/progress

	Private equity
ESG score	<input checked="" type="checkbox"/>
ESG weight	<input type="checkbox"/>
ESG performance minimum threshold	<input checked="" type="checkbox"/>
Real world economy targets	<input type="checkbox"/>
Other RI considerations	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>

If you select any 'Other' option(s), specify

**IFC performance standards:**  
[http://www.ifc.org/wps/wcm/connect/Topics\\_Ext\\_Content/IFC\\_External\\_Corporate\\_Site/Sustainability-At-IFC/Policies-Standards/Performance-Standards](http://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/Sustainability-At-IFC/Policies-Standards/Performance-Standards)

**SAM 08** Mandatory to Report, Voluntary to Disclose Descriptive PRI 1

**SAM 08.1** Describe how you ensure that best RI practice is applied to managing your assets

- Encourage improved RI practices with existing investment managers

**Measures**

Please refer to module SG (our investment policy, strategy and objectives and targets)

- Move assets over to investment managers with better RI practices
- Other, specify
- None of the above

**SAM 09** **Mandatory** **Additional Assessed** **PRI 1,6**

**SAM 09.1** Provide examples of how ESG issues have been addressed in the manager selection, appointment and/or monitoring process for your organisation during the reporting year.

- Add Example 1

Topic or issue	Strengthening of ESG Performance
Conducted by	Internal staff
Asset class	Private equity
Scope and process	In 2017 Swedfund invested MUSD 15 (total MUSD 60) in Frontier Energy Fund II - a private equity fund entirely focused on small renewable energy projects in East Africa; primarily geothermal, wind, solar and hydro. The fund manager, Frontier Investment Manager, and the two key investors, CDC and GEEREF (EIB), have extensive knowledge and experience in the area of ESG and Impact. The fund thus presents a primary opportunity for Swedfund to leverage on these partners and ultimately contribute to (i) increase access to renewable energy (ii) support industry development for renewable energy (iii) provide important demonstration effects of sector viability. During the due diligence the performance of the Fund Managers ESG performance was evaluated in detail. Some issues such as legal ESG wording for portfolio companies, ESG Monitoring process, ESG Capacity of the Fund Manager and Portfolio Companies, ESG Training of the Fund Manager and Portfolio Companies, and strengthening of the Fund Manager and Portfolio Companies work on Business Integrity, KYC and Anti-Corruption gave room for improvements
Outcomes	A detailed ESGAP (Action Plan) was developed during the due diligence which the Fund Manager has committed to implement

- Add Example 2
- Add Example 3
- Add Example 4
- Add Example 5
- We are not able to provide examples

FI 01	Mandatory	Gateway	PRI 1
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**FI 01.1** Indicate 1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and 2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.

Corporate (non-financial)	Screening alone	0
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	0
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	100
	No incorporation strategies applied	0

**FI 01.2** Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

When investing in debt, Swedfund follow the same investment process and criteria as for the other direct investments, which includes compliance with Swedfund's Code of Conduct, Sustainability Policy, Anti-Corruption Policy and Exclusion list as well as Anti-Corruption Clauses in the contract. For further guidance please see Strategy and Governance in this report.

FI 02	Mandatory to Report, Voluntary to Disclose	Core Assessed	PRI 1
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**FI 02.1** Indicate which ESG factors you systematically research as part of your analysis on issuers.

Private

**FI 02.2** Indicate what format your ESG information comes in and where you typically source it

Private

**FI 02.3** Provide a brief description of the ESG information used, highlighting any differences in sources of information across your ESG incorporation strategies.

Private

**FI 02.4** Additional information. [Optional]

Private

FI 03	Mandatory	Additional Assessed	PRI 1
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**FI 03.1** Indicate how you ensure that your ESG research process is robust:

- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
  - Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
  - Internal audits of ESG research are undertaken in a systematic way
  - ESG analysis is benchmarked for quality against other providers
  - Other, specify
- |                     |
|---------------------|
| specify description |
|---------------------|
- Please see section SG 06 for information about investment process, ESGAP, audits. As well as PE 09 about ESG issues considered during DD
- None of the above

**FI 03.2** Describe how your ESG information or analysis is shared among your investment team.

- ESG information is held within a centralised database and is accessible to all investment staff
- ESG information is a standard item on all individual issuer summaries, 'tear sheets', 'dashboards' or similar documents
- Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- Records capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

**FI 03.3** Additional information. [Optional]

Our investment activities are based on three pillars - Impact on society, Sustainability and Financial viability - and on long-term commitment and sustainability in our partnerships. These pillars support everything we do - from making a decision to invest, throughout the entire management phase, to

regular measurement of results and finally an exit out of the investment.  
Please see OO 11.4 and SG 7 for more detailed information.

FI 04	Mandatory	Gateway	PRI 1
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FI 04.1	Indicate the type of screening you conduct.
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	Corporate (non-financial)
Negative/exclusionary screening	<input checked="" type="checkbox"/>
Positive/best-in-class screening	<input type="checkbox"/>
Norms-based screening	<input checked="" type="checkbox"/>

FI 04.2	Describe your approach to screening for internally managed active fixed income
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When investing in debt, Swedfund follow the same investment process and criteria as for the other direct investments, which includes compliance with Swedfund's Code of Conduct, Sustainability Policy, Anti-Corruption Policy and Exclusion list as well as as well as Anti-Corruption Clauses in the contract. For further guidance please see Strategy and Governance in its entirety for information about: exclusion list, Swedfund's Ethical Compass, international norms Swedfund adheres to, Swedfund's Sustainability Policy and more.

FI 05	Mandatory	Descriptive	PRI 1
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FI 05.1	Indicate why you conduct negative screening.
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Corporate (non-fin)	
<input type="checkbox"/> For legal reasons	
<input checked="" type="checkbox"/> For non-legal reasons	

FI 05.2	Describe your approach to ESG-based negative screening of issuers from your investable universe.
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When investing in debt, Swedfund follow the same investment process and criteria as for the other direct investments, which includes compliance with Swedfund's Code of Conduct, Sustainability Policy, Anti-Corruption Policy and Exclusion list as well as as well as Anti-Corruption Clauses in the contract. For further guidance please see Strategy and Governance in this report.

Swedfund adheres to Harmonized EDFI Exclusion list (Please refer to FI 05.3 for information about the exclusion list) The reasons for applying this exclusion list is ethical and based on perceived risks in the areas covered. We do not believe that these areas of operations or aspects contribute to a long term sustainable value creation, thus they do not contribute to realizing the Sustainable Development Goals.

FI 05.3	Additional information. [Optional]
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Harmonized EDFI Exclusion List According to The European Development Finance Institution (EDFI) "Principles for Responsible Financing", EDFI members have mutually agreed on the following Harmonized EDFI Exclusion List for co-financed projects: EDFI Members will not finance any activity, production, use, distribution, business or trade involving:

1. Forced labor or child labor
2. Activities or materials deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international phase-depleting substances, PCB's (Polychlorinated Biphenyls) and other specific, hazardous Convention on International Trade in Endangered Species (CITES) unsustainable fishing methods (e.g., blast fishing and drift net fishing in the marine environment using nets in excess of 2.5 km in length).
3. Cross-border trade in waste and waste products, unless compliant with the Basel Convention and the underlying regulations.
4. Destruction of High Conservation Value areas
5. Radioactive materials and unbounded asbestos fibers.
6. Pornography and/or prostitution
7. Racist and/or anti-democratic media
8. In the event that any of the following products form a substantial part of a project's primary financed business activities
  - Alcoholic Beverages (except beer and wine);
  - Tobacco;
  - Weapons and munitions; or
  - Gambling, casinos and equivalent enterprises.

FI 06	Voluntary	Additional Assessed	PRI 1
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FI 06.1	Provide examples of how ESG factors are included in your screening criteria.
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Private

FI 06.2	Additional information.
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Private

FI 07	Mandatory	Core Assessed	PRI 1
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FI 07.1	Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.
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Type of screening	Checks

<p><b>Negative/exclusionary screening?</b></p>	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria</li> <li><input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least every 2 years.</li> <li><input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria</li> <li><input checked="" type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit or compliance functions</li> <li><input checked="" type="checkbox"/> Other, specify</li> </ul> <div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> <p style="background-color: #0070C0; color: white; padding: 2px;">other description</p> <p>Please see section SG 05-06 about RI objectives and progress and Swedfund's Strategic Sustainability Goals. Please see section SG 07.2 about Swedfund's investment process</p> </div> <ul style="list-style-type: none"> <li><input type="checkbox"/> None of the above</li> </ul>
<p><b>Norms-based screening</b></p>	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria</li> <li><input type="checkbox"/> We ensure that data used for the screening criteria is updated at least every 2 years.</li> <li><input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria</li> <li><input checked="" type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit or compliance functions</li> <li><input checked="" type="checkbox"/> Other, specify</li> </ul> <div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> <p style="background-color: #0070C0; color: white; padding: 2px;">other description</p> <p>Please see section SG 05-06 about RI objectives and progress and Swedfund's Strategic Sustainability Goals. Please see section SG 07.2 about Swedfund's investment process</p> </div> <ul style="list-style-type: none"> <li><input type="checkbox"/> None of the above</li> </ul>

FI 08	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1
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FI 08.1	Indicate what proportion of your thematic investments are:
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Private

FI 08.2	Describe your organisation's approach to thematic fixed income investing
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Private

FI 08.3	Additional information [OPTIONAL]
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Private

FI 09	Mandatory	Core Assessed	PRI 1
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FI 09.1	Indicate whether you encourage transparency and disclosure relating to the issuance of themed bonds as per the Green Bonds Principles, Social Bond Principles, or Sustainability Bond Guidelines..
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- We require that themed bond proceeds are only allocated to environmentally or socially beneficial projects
  - We require the issuer (or 3rd party assurer) to demonstrate a process which determines the eligibility of projects to which themed bond proceeds are allocated
  - We require issuers to demonstrate a systematic and transparent process of disbursing themed bond proceeds to eligible projects until all funds are allocated
  - We require issuers to report at least once per year on the projects to which proceeds have been allocated including a description of those projects
  - Other, specify
- We do not invest in green bonds but we encourage transparency and disclosure of information by the companies we invest in.
- None of the above

FI 09.2	Describe the actions you take when issuers do not disburse bond proceeds as described in the offering documents.
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See additional information below.

FI 09.3	Additional information. [Optional]
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We were recommended by UN PRI to report on the above section although we do not invest in green bonds or bonds at all. The disclosure principles under the green bonds principles can be applied to our investments also. Please see the following sections: OO 11.4 about Swedfunds mission and investment modell standing on three pillars. SG 01-02 about international norms applicable to all Swedfund's investments, including private equity. SG 05-06 about RI objectives and progress and reporting on Swedfund's Strategic Sustainability Goals. SG 07.2 about Swedfund's investment process, the use of ESG audits and action plans.

FI 10	Mandatory	Additional Assessed	PRI 1
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FI 10.1	Indicate how you assess the environmental or social impact of your thematic investments
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- We require issuers to report at least once per year on specific environmental or social impacts resulting from our themed investments
- We ensure independent audits are conducted on the environmental or social impact of our investments
- We have a proprietary system to measure environmental and social impact
- We measure the impact of our themed bond investments on specific ESG factors such as carbon emissions or human rights
- Other, specify

Please see section 00 11. about Swedfunds mission and investment modell standing on three pillars and SG 01 about international norms  
 None of the above

FI 11	Mandatory	Descriptive	PRI 1
FI 11.1	Describe your approach to integrating ESG into traditional financial analysis.		
<p>Please see section 00 11.3 about Swedfunds mission and investment modell standing on three pillars.          Please see section SG 01 about international norms applicable to all Swedfund's investments, including private equity.          Please see section SG 05-06 about RI objectives and progress and Swedfund's Strategic Sustainability Goals.          Please see section SG 07 about Swedfund's investment process, the use of ESGAP and audit plans.</p>			
FI 11.2	Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.		
	Corporate (non-financial)		
<p>Swedfund has the same approach to direct private debt and loan investments (according to UN PRI - fixed income) as when investeing in direct or indirect equity. See asnwer to question FI 11.1</p>			

FI 12	Mandatory	Core Assessed	PRI 1
FI 12.1	Indicate how ESG information is typically used as part of your investment process.		
	Corporate (non-financial)		
	ESG analysis is integrated into fundamental analysis	<input checked="" type="checkbox"/>	
	ESG analysis is integrated into security weighting decisions	<input type="checkbox"/>	
	ESG analysis is integrated into portfolio construction decisions	<input checked="" type="checkbox"/>	
	ESG analysis is a standard part of internal credit ratings or assessment	<input checked="" type="checkbox"/>	
	ESG analysis for issuers is a standard agenda item at investment committee meetings	<input checked="" type="checkbox"/>	
	ESG analysis is regularly featured in internal research notes or similar	<input checked="" type="checkbox"/>	
	ESG analysis is a standard feature of ongoing portfolio monitoring	<input checked="" type="checkbox"/>	
	ESG analysis features in all internal issuer summaries or similar documents	<input checked="" type="checkbox"/>	
	Other, specify	<input type="checkbox"/>	
FI 12.2	Additional information [OPTIONAL]		
<p>ESG is one of three pillars in Swedfund's investment model and is integrated through the whole investment cycle. Please refer to:          OO 11.4 about Swedfunds mission and investment modell standing on three pillars.          SG 01-02 about international norms applicable to all Swedfund's investments, including private equity.          SG 05-06 about RI objectives and progress and reporting on Swedfund's Strategic Sustainability Goals.          SG 07.2 about Swedfund's investment process, the use of ESG audits and action plans.</p>			

FI 13	Mandatory	Additional Assessed	PRI 1														
FI 13.1	Indicate the extent to which ESG issues are reviewed in your integration process.																
	<table border="1"> <thead> <tr> <th></th> <th>Environment</th> <th>Social</th> <th>Governance</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Corporate (non-financial)</td> <td><input checked="" type="radio"/> Systematically</td> <td><input checked="" type="radio"/> Systematically</td> <td><input checked="" type="radio"/> Systematically</td> </tr> <tr> <td><input type="radio"/> Occasionally</td> <td><input type="radio"/> Occasionally</td> <td><input type="radio"/> Occasionally</td> </tr> <tr> <td><input type="radio"/> Not at all</td> <td><input type="radio"/> Not at all</td> <td><input type="radio"/> Not at all</td> </tr> </tbody> </table>		Environment	Social	Governance	Corporate (non-financial)	<input checked="" type="radio"/> Systematically	<input checked="" type="radio"/> Systematically	<input checked="" type="radio"/> Systematically	<input type="radio"/> Occasionally	<input type="radio"/> Occasionally	<input type="radio"/> Occasionally	<input type="radio"/> Not at all	<input type="radio"/> Not at all	<input type="radio"/> Not at all		
	Environment	Social	Governance														
Corporate (non-financial)	<input checked="" type="radio"/> Systematically	<input checked="" type="radio"/> Systematically	<input checked="" type="radio"/> Systematically														
	<input type="radio"/> Occasionally	<input type="radio"/> Occasionally	<input type="radio"/> Occasionally														
	<input type="radio"/> Not at all	<input type="radio"/> Not at all	<input type="radio"/> Not at all														
FI 13.2	Please provide more detail on how you review E, S and G factors in your integration process.																
	Corporate (non-financial)																
<p>Please refer to section:          OO 11.4 about Swedfunds mission and investment modell standing on three pillars.          SG 01-02 about international norms applicable to all Swedfund's investments, including private equity.          SG 05-06 about RI objectives and progress and reporting on Swedfund's Strategic Sustainability Goals.          SG 07.2 about Swedfund's investment process, the use of ESG audits and action plans.</p>																	

FI 15	Mandatory to Report, Voluntary to Disclose	Core Assessed	PRI 2
FI 15.1	Indicate the proportion of your fixed income assets on which you engage. Please exclude any engagements carried out solely in your capacity as a shareholder.		
Private			
FI 15.3	Additional information.[OPTIONAL]		



FI 16	Mandatory to Report, Voluntary to Disclose	Additional Assessed	PRI 1,2
FI 16.1	Indicate how you typically engage with issuers as a fixed income investor, or as both a fixed income and listed equity investor. (Please do not include engagements where you are both a bondholder and shareholder but engage as a listed equity investor only.)		
	Private		
FI 16.2	Indicate how your organisation prioritises engagements with issuers		
	Private		
	If 'other' has been selected, please give a description		
	Private		
FI 16.3	Indicate when your organisation conducts engagements with issuers.		
	Private		
FI 16.4	Indicate how your organisation conducts engagements with issuers.		
	Private		
FI 16.5	Indicate what your organisation conducts engagements with issuers on.		
	Private		
FI 16.6	Indicate how your organisation shares the outcomes of the engagements internally.		
	Private		
	If 'other' has been selected, please give a description		
	Private		
FI 16.7	Additional information.[OPTIONAL]		
	Private		
FI 17	Mandatory to Report, Voluntary to Disclose	Additional Assessed	PRI 1,2
FI 17.1	Indicate if your publicly available policy documents explicitly refer to fixed income engagement separately from engagements in relation to other asset classes.		
	Private		
FI 17.3	Additional information [OPTIONAL]		
	Private		
FI 18	Mandatory to Report, Voluntary to Disclose	Additional Assessed	General
FI 18.1	Indicate whether your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or ESG performance.		
	Private		
FI 18.2	Describe how your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or ESG performance. [OPTIONAL]		
	Private		
FI 18.3	Additional information.[OPTIONAL]		
	Private		
FI 19	Voluntary	Descriptive	PRI 1,2
FI 19.1	Provide examples of how your incorporation of ESG analysis and/or your engagement of issuers has affected your fixed income investment outcomes during the reporting year.		
	Private		
FI 19.2	Additional information.		
	Private		

PE 01	Voluntary	Descriptive	PRI 1-6
PE 01.1	Provide a brief overview of your organisation's approach to responsible investment in private equity.		
	<p>Please see section 00 11.4 about Swedfund's mission and investment model standing on three pillars.</p> <p>Please see section SG 01 about international norms applicable to all Swedfund's investments, including private equity.</p> <p>Please see section SG 05-06 about RI objectives and progress and Swedfund's Strategic Sustainability Goals.</p> <p>Please see section SG 07.2 about Swedfund's investment process, the use of ESG audits and action plans</p>		
PE 02	Mandatory	Core Assessed	PRI 2
PE 02.1	Indicate whether your organisation's investment activities are guided by a responsible investment policy / follow responsible investment guidelines.		
	<p><input checked="" type="checkbox"/> Our investment activities are guided by a responsible investment policy</p>		
PE 02.2	Describe how your organisation outlines expectations on staff and portfolio companies' approach towards ESG issues in investment activities.		
	<p>When investing private equity, Swedfund follow the same investment process and criteria as for the other direct investments, which include compliance with Swedfund's</p> <ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Swedfund's Policy for Sustainable Development</li> <li>• Anti Corruption Policy</li> <li>• EDFI Exclusion list as well as,</li> <li>• Anti-Corruption Clauses in the Contract</li> </ul> <p>For further guidance please see the entire module Strategy and Governance in this report.</p> <p><input type="checkbox"/> Our investment activities are not guided by a responsible investment policy</p> <p><input type="checkbox"/> We do not have a responsible investment policy</p>		
PE 05	Mandatory	Gateway	PRI 1
PE 05.1	During due-diligence indicate if your organisation typically incorporates ESG issues when selecting private equity investments.		
	<p><input checked="" type="checkbox"/> Yes</p>		
PE 05.2	Describe your organisation's approach to incorporating ESG issues in private equity investment selection.		
	<p>Please see section 00 11.4 about Swedfund's mission and investment model standing on three pillars.</p> <p>Please see section SG 01 about international norms applicable to all Swedfund's investments, including private equity.</p> <p>Please see section SG 05-06 about RI objectives and progress and Swedfund's Strategic Sustainability Goals.</p> <p>Please see section SG 07.2 about Swedfund's investment process, the use of ESG audits and action plans</p> <p><input type="checkbox"/> No</p>		
PE 06	Mandatory	Core Assessed	PRI 1,3
PE 06.1	Indicate what type of ESG information your organisation typically considers during your private equity investment selection process.		
	<p><input checked="" type="checkbox"/> Raw data from target company</p> <p><input type="checkbox"/> Benchmarks against other companies</p> <p><input type="checkbox"/> Sector level data/benchmarks</p> <p><input checked="" type="checkbox"/> Country level data/benchmarks</p> <p><input checked="" type="checkbox"/> Reporting standards, industry codes and certifications</p> <p><input checked="" type="checkbox"/> International initiatives, declarations or standards</p> <p><input checked="" type="checkbox"/> Engagements with stakeholders (e.g. customers and suppliers)</p> <p><input checked="" type="checkbox"/> Advice from external resources</p> <p><input checked="" type="checkbox"/> Other, specify</p> <p>Company Policies, Integrity Checks are examples on information we require and investigations that we do.</p> <p><input type="checkbox"/> We do not track this information</p>		
PE 06.2	Describe how this information is reported to, considered and documented by the Investment Committee or similar.		
	<p>We send out an ESG DD Questionnaire that we send out to all our potential investments where Swedfund is lead investor. Among core information is to understand the companies attitude towards sustainable business.</p>		
PE 07	Voluntary	Additional Assessed	PRI 1,2
PE 07.1	During deal structuring, what is the process for integrating ESG-related considerations into the deal documentation and/or the post-investment action plan?		
	<p><input checked="" type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> Formally/through a post-investment action plan or value enhancement plan</p> <p><input type="checkbox"/> Verbally/through dialogue</p>		

Other, specify

**PE 07.2** Describe the nature of these improvements and provide examples (if any) from the reporting year

Compliance with ILO Core Conventions and Basic Terms and Conditions of Employment, implementation of Environmental Management and/or Social Management Systems as well as implementation of an Anti-Corruption Management System. All investment are assessed based on above mentioned criteria. For more detailed information please refer to:

- OO 11.4 about Swedfunds mission and investment modell standing on three pillars.
- SG 01 about international norms applicable to all Swedfund's investments, including private equity.
- SG 05-06 about RI objectives and progress and Swedfund's Strategic Sustainability Goals.
- SG 07.2 about Swedfund's investment process, the use of ESG audits and action plans

One person in the portfolio company's management shall have the ultimate responsibility for Sustainable Business Development. Competence to manage environmental and social issues as well as an Anti-Corruption policy should be implemented and maintained through continuous education for relevant staff.

In one example during the investment year, we for instance required the board to have ESG competences to monitor implementation of contractual ESG requirements

We do not set expectations for portfolio companies on ESG-related considerations

**PE 07.3** Additional information.

**DECENT WORK**

- Through investment in the private sector – where the majority of all jobs in our markets are generated – we help create more jobs.
- During our Due Diligence, we look at whether the company complies with the ILO's core conventions and the ILO's fundamental working conditions. If deficiencies are identified, these are addressed through an ESGAP (Environmental Social Governance Action Plan), with a set target date for rectifying the situation. ESGAP forms a part of the investment agreement with the portfolio companies.
- By developing financially sustainable businesses, we create the conditions for continued and additional employment in companies that survive and progress.
- **We measure**
  - the number of jobs in our portfolio companies, and one of our objectives is that they must increase over time
  - and set standards for the portfolio companies' compliance with the ILO's Core conventions and the ILO's fundamental working conditions.

**GENDER EQUALITY**

- Swedfund invests in companies which have employing women as an explicit goal.
- We invest in banks which focus on lending to women-owned or women-managed SMEs.
- In our Due Diligence in preparation for an investment, we analyse the company's approach to equality such as the availability of parental leave, equal pay for equal work and non-discrimination. We start from the ILO's core conventions and the ILO's fundamental working conditions.
- Through Women4Growth, a talent development programme for women employed in our portfolio companies, we make targeted interventions to strengthen them in a professional role and to further develop them to achieve leading positions.
- We set requirements and constantly measure key ratios linked to compliance with the ILO's core conventions and the ILO's fundamental working conditions.
- We measure:
  - Compliance with the ILO's core conventions and fundamental working conditions.
  - Equality in the form of proportion of women
    - among employees
    - in leading positions
    - on the Board of Directors

This way we highlight women in our data. We know that what is measured is visible - and highlighting facts is the start of change!

**THE ENVIRONMENT & CLIMATE**

- In our Due Diligence in preparation for an investment, we analyse the company's resource utilisation and impact on the environment.
- We work actively to minimise resource use and negative environmental impact. We place requirements on the implementation of environmental and social management systems within three years from the date of the investment.
- Swedfund invests in projects for the production of renewable energy.
- DFIs fulfil an important role as sources of finance in the early stages of high-risk energy projects. In this, we act as catalysts and accelerate private investment within the renewable energy sector in Africa.
- We set requirements on and measure the degree of implementation of environmental and social management systems in our portfolio.
- We measure GWh of renewable electricity generated.

**TAX**

- Tax forms part of Swedfund's Due Diligence. This means that, in preparation for an investment, we review the project and its structure from a tax perspective. Swedfund will not, for example, invest in corporate structures which lead to unjustified profit transfers from the operating country to another country, leading to an unbalanced tax situation. We also require that our portfolio companies submit reports on their tax situation. In the course of its normal activities, Swedfund will encourage its portfolio companies to act responsibly on taxation matters.
- Swedfund reports the taxes reported by portfolio companies in its annual report, and aims to record information on the amount of tax paid by the companies, using a harmonised definition.
- We also report the amount of tax which our portfolio companies declare in their annual reports in an aggregate country- by-country report.
- The Chief legal Counsel and Investment Managers are responsible for tax issues in portfolio companies.

**HUMAN RIGHTS**

- Swedfund's responsibility to respect human rights has been long enshrined in the guidelines and duties that guide us. These include Sweden's national action plan for business and human rights, the state's owners' policy, the UN's Global Compact and the OECD's guidelines. In 2014, we began the implementation of the UN Guiding Principles on Business and Human Rights by updating Swedfund's sustainability policy in the light of these principles.
- Human rights are an integral part of the Due Diligence which covers all our new investments

**ANTI-CORRUPTION**

- Swedfund aims for zero tolerance to all forms of corruption. There is a high prevalence of corruption in Swedfund's markets. In the event of a serious case of corruption, Swedfund ultimately has the right to withdraw from the investment.
- In every Due Diligence carried out on all new investments, corruption risks are analysed, as is the company's approach to combating corruption. For each direct investment, an ESG Action Plan is drawn up, with measures to ensure that the companies comply with Swedfund's Sustainability policy and Anti-corruption policy.
- To make things easier for the portfolio companies, Swedfund has produced a template for an anti-corruption policy, which portfolio companies are

welcome to use.

- Education and skills development on anti-corruption issues, internally and in portfolio companies, are another important component of Swedfund's anti-corruption work.
- Swedfund requires that portfolio companies implement a management system in respect of anti-corruption issues. This is one of Swedfund's strategic sustainability goals.

PE 08	Voluntary	Additional Assessed	PRI 1
PE 08.1	Indicate how ESG issues impacted your private equity investment selection processes during the reporting year.		
Private			
PE 08.2	ESG issues were included in the post-investment action plan /100 day plan		
Private			
PE 08.3	Additional information.		
Private			

PE 09	Mandatory	Gateway/Core Assessed	PRI 2
PE 09.1	Indicate whether your organisation incorporates ESG issues in investment monitoring of portfolio companies.		
<input checked="" type="checkbox"/> Yes			
PE 09.2	Indicate the proportion of portfolio companies where your organisation included ESG performance in investment monitoring during the reporting year.		
<input checked="" type="checkbox"/> >90% of portfolio companies <input type="checkbox"/> 51-90% of portfolio companies <input type="checkbox"/> 10-50% of portfolio companies <input type="checkbox"/> <10% of portfolio companies			
PE 09.3	Indicate ESG issues for which your organisation typically sets and monitors targets (KPIs or similar) and provide examples per issue.		
<input checked="" type="checkbox"/> Environmental Implementation of ESG Management System. Please refer to section SG 05-06 <input checked="" type="checkbox"/> Social Adherence to ILO Core Conventions, please refer to section SG 05-06 <input checked="" type="checkbox"/> Governance Implementation of Anticorruption Management System. Please refer to section SG 05-06 <input type="checkbox"/> We do not set and/or monitor against targets			
<input type="checkbox"/> No			

PE 10	Mandatory	Core Assessed	PRI 2
PE 10.1	Indicate if your organisation tracks the proportion of your portfolio companies that have an ESG/sustainability-related policy (or similar guidelines).		
<input checked="" type="checkbox"/> Yes			
PE 10.2	Indicate what percentage of your portfolio companies has an ESG/sustainability policy (or similar guidelines).		
<input type="checkbox"/> >90% of portfolio companies <input checked="" type="checkbox"/> 51-90% of portfolio companies <input type="checkbox"/> 10-50% of portfolio companies <input type="checkbox"/> <10% of portfolio companies <input type="checkbox"/> 0% of portfolio companies			
<input type="checkbox"/> No			
PE 10.3	Additional information. [Optional]		
Please see section Strategy and Governance			

PE 11	Voluntary	Additional Assessed	PRI 2
PE 11.1	Indicate the types of actions taken by your portfolio companies to incorporate ESG issues into operations and what proportion of your portfolio companies have implemented these actions.		
<input checked="" type="checkbox"/> Allocate responsibility for ESG issues to board/senior management			
<input type="checkbox"/> >90% of portfolio companies <input checked="" type="checkbox"/> 51-90% of portfolio companies <input type="checkbox"/> 10-50% of portfolio companies <input type="checkbox"/> <10% of portfolio companies <input type="checkbox"/> We do not track this information			

- Composition of board ensure ESG expertise
- Consider ESG issues in risk management processes
  - >90% of portfolio companies
  - 51-90% of portfolio companies
  - 10-50% of portfolio companies
  - <10% of portfolio companies
  - We do not track this information
- Define performance targets for applicable ESG issues in operations
- Identify and engage external parties or stakeholders that could add value or decrease risk through ESG issues
- Developing/implementing an environmental/social management system (ESMS) or similar
- Other actions, specify
  - Emergency readiness
    - >90% of portfolio companies
    - 51-90% of portfolio companies
    - 10-50% of portfolio companies
    - <10% of portfolio companies
    - We do not track this information
- None of the above

**PE 11.2** Describe how your organisation contributes to the portfolio companies' resourcing and management of ESG issues.

The above stated percentages are based on the following sample of portfolio companies:

Of Swedfund's 19 (2015: 24) direct investments that reported in the annual Sustainability Report declaration, 15 have a sustainability policy which constitutes an important part of an environmental and social management system. To enable us to evaluate whether the portfolio companies fulfil the requirements for an approved management system, the companies must respond to ten questions on policy, identifying risks and impact, environmental and social responsibility at various levels and whether the portfolio companies have implemented emergency preparedness. The answers to the questions forms the basis for the active sustainability dialogue we then hold with the portfolio companies during the year.

Swedfund's portfolio companies have widely differing operations, in various sectors including financial institutions and funds, energy and manufacturing. Some of the enterprises in the portfolio are small sole proprietorships, while others are part of large group structures. A sustainability policy lays the basis for how a company shall run its sustainability work. It is vital that a sustainability policy is not just a piece of paper, but is actually implemented in the portfolio companies' operations. 79 percent of the reported direct investments state that they have a sustainability policy, compared with 96 percent in the preceding year. The percentage reduction was due to four portfolio companies. Three direct investments do not have environmental or sustainability policies, and one portfolio company did not respond to the question. Two of these portfolio companies which do not have policies faced major challenges during the year in relation to financial viability, and this affected the companies' efforts in the ESG area. In the light of this, Swedfund held serious discussions with the two companies during the year with the aim of understanding them better and supporting them in further developing their efforts to achieve sustainability despite the financial challenges they face. This year, the third company responded that they do not have a policy, despite reporting last year that a policy was in place. In our follow-up with the portfolio company after collecting the questionnaires, we ensured that the portfolio company has a certified environmental management system including an appropriate policy. Accordingly, only three of the reporting companies do not have a policy. To improve the response frequency and simplify the process for our portfolio companies, during the year we revised the process for sending out and collecting responses for our annual sustainability report.

In one portfolio company we also provided an external consultant to help the company implement an environmental and social management system during the year. This initiative included environmental and social risk analysis, developing policies, systems and processes to handle these, as well as training employees.

Swedfund's advocacy efforts have helped ensure that the majority of portfolio companies now have a sustainability or environmental policy, and that the process of implementing the adopted policies is proceeding continuously. All twelve of the fund companies in Swedfund's portfolio have a sustainability policy.

Please see section SG 05-06 about RI objectives and progress and Swedfund's Strategic Sustainability Goals

Please see section SG 07 about Swedfund's investment process, the use of ESG audits and action plans

**PE 12** Voluntary Descriptive PRI 2,3

**PE 12.1** Indicate the type and frequency of reports you request and/or receive from portfolio companies covering ESG issues.

- Overarching portfolio company reports (or similar) where management disclosure, financial and ESG data are integrated
- Standalone reports highlighting targets and/or KPIs covering ESG issues
  - Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad-hoc/when requested, specify
- Other, specify
- No reporting on ESG issues requested and/or provided by portfolio companies

**PE 12.2** Describe what level of reporting you require from portfolio companies, and indicate what percentage of your assets are covered by ESG reporting.[OPTIONAL]

ESG data is collected through Swedfund Portfolio Company Annual Sustainability Report which is sent out to all Swedfund's portfolio companies annually.

The questionnaire covers about 160 questions to follow up on the companies performance in relation to ESG and Development effects.

PE 13	Voluntary	Additional Assessed	PRI 2
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PE 13.1 Indicate whether during the reporting year your organisation disclosed information on ESG issues to potential buyers prior to exit for private equity investments.

Private

PE 13.2 Apart from disclosure, describe how your organisation considers ESG issues at exit.

Private

PE 13.3 Additional information.

Private

PE 14	Voluntary	Additional Assessed	PRI 1,2
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PE 14.1 Indicate whether your organisation measures how your approach to responsible investment in Private Equity investments has affected financial and/or ESG performance.

We measure whether our approach to ESG issues impacts the financial performance of investments

Describe the impact on:	Impact
Financial performance of investments	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact

We measure whether our approach to ESG issues impacts the ESG performance of investments

Describe the impact on:	Impact
ESG performance of investments	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact

None of the above

PE 14.2 Describe how you are able to determine these outcomes.

Through Swedfund Portfolio Company Sustainability Reports, Annual Reports, and any other type of reporting, which we receive regularly from our portfolio companies. Based on this information as well as knowledge we can report on how they are performing in relation to our Sustainability Targets including Financial viability. Please refer to SG 5-6.

PE 15	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1,2
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PE 15.1 Provide examples of ESG issues that you identified in your potential and/or existing private equity investments during the reporting year.

Private

PE 15.2 Describe how you define and evaluate the materiality of ESG factors.

Private

CM1 01.1	Mandatory	Core Assessed	General
CM1 01.1	Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:		
<input checked="" type="checkbox"/> Third party assurance over selected responses from this year's PRI Transparency Report <input checked="" type="checkbox"/> Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year <input type="checkbox"/> Third party assurance or audit of the implementation of RI processes (that have been reported to the PRI this year) <input type="checkbox"/> Internal audit conducted by internal auditors of the implementation of RI processes and/or RI data that have been reported to the PRI this year) <input checked="" type="checkbox"/> Internal verification of responses before submission to the PRI (e.g. by the CEO or the board) <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Whole PRI Transparency Report has been internally verified</li> <li><input type="checkbox"/> Selected data has been internally verified</li> </ul> <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above			

CM1 01.3 & 01.9	Mandatory	Descriptive	General
CM1 01.3	We undertook third party assurance on last year's PRI Transparency Report		
<input checked="" type="checkbox"/> Whole PRI Transparency Report was assured last year			
CM1 01.9a	Whole report was assured in last year's PRI Transparency Report		
	Who has conducted the assurance		
	EY Sweden		
	Assurance standard used		
<input checked="" type="checkbox"/> ISAE/ ASEA 3000 <input type="checkbox"/> ISAE 3402 <input type="checkbox"/> ISO standard <input type="checkbox"/> AAF01/06 <input type="checkbox"/> AA1000AS <input type="checkbox"/> IFC performance standards <input type="checkbox"/> ASAE 3410 Assurance Engagements on Greenhouse Gas Statements. <input type="checkbox"/> National standard <input type="checkbox"/> Other			
	Level of assurance sought		
<input checked="" type="checkbox"/> Limited or equivalent <input type="checkbox"/> Reasonable or equivalent			
	Link to auditors report		
	<a href="https://www.swedfund.se/media/2040/swedfund-unpri-auditors-assurance-report-2018.pdf">https://www.swedfund.se/media/2040/swedfund-unpri-auditors-assurance-report-2018.pdf</a>		
<input type="checkbox"/> Selected data was assured in last year's PRI Transparency Report <input type="checkbox"/> We did not assure last year's PRI Transparency report, or we did not have such a report last year.			

CM1 01.4, 10-12	Mandatory	Descriptive	General
CM1 01.4	We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:		
<input type="checkbox"/> We adhere to an RI certification or labelling scheme <input checked="" type="checkbox"/> We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report			
CM1 01.11	Provide a link to the public report (such as a sustainability report) that you carry out third party assurance over and for which you have used extracts of in this year's PRI Transparency Report. Also include a link to the auditor's report.		
	<a href="https://www.swedfund.se/media/2044/swedfund-integrerad-redovisning-2017-del-1-och-2.pdf">https://www.swedfund.se/media/2044/swedfund-integrerad-redovisning-2017-del-1-och-2.pdf</a> <a href="https://www.swedfund.se/media/2040/swedfund-unpri-auditors-assurance-report-2018.pdf">https://www.swedfund.se/media/2040/swedfund-unpri-auditors-assurance-report-2018.pdf</a>		
<input checked="" type="checkbox"/> ESG audit of holdings			
CM1 01.12	Describe the process of external/third party ESG audit of holdings, including which data has been assured.		
	Description of process (including what data has been assured)		
	Please refer to the description of ESG audits in SG 05.2		
<input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above			

CM1 01.5	Mandatory	Descriptive	General
CM1 01.5	Provide details related to the third party assurance over selected responses from this year's PRI Transparency Report and/or over data points from other sources that have subsequently been used in your PRI responses this year		
	What data has been assured		
	<input checked="" type="checkbox"/> Financial and organisational data <input checked="" type="checkbox"/> Data related to RI activities <input type="checkbox"/> RI Policies <input type="checkbox"/> RI Processes (e.g. engagement process) <input checked="" type="checkbox"/> ESG operational data of the portfolio <input type="checkbox"/> Other		
	Relevant modules		
	<input checked="" type="checkbox"/> Organisational Overview <div style="margin-left: 20px;"> <input type="checkbox"/> Corresponding Indicator number            All indicators/data         </div> <input checked="" type="checkbox"/> Strategy and Governance <div style="margin-left: 20px;"> <input type="checkbox"/> Corresponding Indicator number            All indicators/data         </div> <input checked="" type="checkbox"/> Indirect – Manager Selection, Appointment and Monitoring <div style="margin-left: 20px;"> <input type="checkbox"/> Corresponding Indicator number            All indicators/data         </div> <input checked="" type="checkbox"/> Direct - Fixed Income <div style="margin-left: 20px;"> <input type="checkbox"/> Corresponding Indicator number            All indicators/data         </div> <input checked="" type="checkbox"/> Direct – Private Equity <div style="margin-left: 20px;"> <input type="checkbox"/> Corresponding Indicator number            All indicators/data         </div>		
	Who has conducted the assurance		
	EY Sweden		
	Assurance standard used		
	<input checked="" type="checkbox"/> ISAE/ ASEA 3000 <input type="checkbox"/> ISAE 3402 <input type="checkbox"/> ISO standard <input type="checkbox"/> AAF01/06 <input type="checkbox"/> AA1000AS <input type="checkbox"/> IFC performance standards <input type="checkbox"/> ASAE 3410 Assurance Engagements on Greenhouse Gas Statements. <input type="checkbox"/> National standard <input type="checkbox"/> Other		
	Level of assurance sought		
	<input checked="" type="radio"/> Limited or equivalent <input type="radio"/> Reasonable or equivalent		
	Please provide:		
	<a href="https://www.swedfund.se/media/2040/swedfund-unpri-auditors-assurance-report-2018.pdf">https://www.swedfund.se/media/2040/swedfund-unpri-auditors-assurance-report-2018.pdf</a> <a href="https://www.swedfund.se/media/2044/swedfund-integrerad-redovisning-2017-del-1-och-2.pdf">https://www.swedfund.se/media/2044/swedfund-integrerad-redovisning-2017-del-1-och-2.pdf</a>		

CM1 01.7	Mandatory	Descriptive	General
CM1 01.7	Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed		
	<input checked="" type="checkbox"/> CEO or other Chief-Level staff <div style="margin-left: 20px;"> <input type="checkbox"/> Sign-off or review of responses  <input checked="" type="checkbox"/> Sign-off         </div>		



- Review of responses
- The Board
- Investment Committee
- Compliance Function
- RI/ESG Team
- Investment Teams
- Legal Department
- Other (specify)