



PRIVATE RI REPORT

2021 PILOT

Swedfund International AB

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About this report

The PRI Reporting Framework helps to build a common language and industry standard for reporting responsible investment activities.

This **Private RI Report** is an export of your responses to the PRI Reporting Framework during the 2021 reporting period. It shows your responses to all completed indicators, even those you chose to keep private. It is designed for your internal review or – if you wish – to share with your stakeholders. The **Private RI Report** supports dialogue within your organisation, as well as with your clients, beneficiaries and other stakeholders if you chose to share it externally.

You will also receive a **Public RI Report**, which only includes responses to mandatory indicators and responses to voluntary indicators that you agreed to make public. Unlike this **Private RI Report**, the **Public RI Report** will be publicly available on the PRI website.

The information is presented exactly as it was reported. Where an indicator offered a multiple-choice response, all options that were available to select from are included for context. While presenting the information verbatim results in lengthy reports, the approach is informed by signatory feedback that signatories prefer that the PRI does not summarise the information.

Context

In consultation with signatories, between 2018 and 2020 the PRI extensively reviewed the Reporting and Assessment processes and set the ambitious objective of launching in 2021 a completely new investor Reporting Framework, together with a new reporting tool.

We ran the new investor Reporting and Assessment process as a pilot in its first year, and such process included providing additional opportunities for signatories to provide feedback on the Reporting Framework, the online reporting tool and the resulting reports. The feedback from this pilot phase has been, and is continuing to be analysed, in order to identify any improvements that can be included in future reporting cycles.

PRI disclaimer

This document presents information reported directly by signatories in the 2021 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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Senior Leadership Statement (SLS)

Senior leadership statement

Our commitment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S1	CORE	N/A	N/A	PUBLIC	Our commitment	GENERAL

- o **Why does your organisation engage in responsible investment?**
- o **What is your organisation's overall approach to responsible investment?**
- o **What are the main differences between your organisation's approach to responsible investment in its ESG practice and in other practices, across asset classes?**

Swedfund International AB is Sweden's development finance institution for sustainable investments in developing countries and plays an important role in the implementation of Agenda 2030. Our mission is to fight poverty through sustainable investments. A developed private sector with decent jobs contributes to stable communities and reduced poverty. Swedfund is a state-owned company and is managed by the Swedish Ministry of Enterprise and Innovation. Its operations are financed by capital injections, for which the Swedish Ministry for Foreign Affairs is responsible, and through reflows from the portfolio. We have defined three sectors within which we focus our investments, and which are particularly important for achieving the goal of reducing poverty: Energy & Climate, Financial Inclusion, in order to increase the proportion of SMEs and promote entrepreneurship, as well as Healthcare. Climate, gender equality and women's empowerment, and digitalisation are three thematic areas that permeate what we do, regardless of the choice of instrument, geography, or sector. We invest in equity, provide loans, and utilise funds as instruments to reach out to more small and medium-sized enterprises. Our business model is based on three pillars: impact on society, sustainability, and financial viability. We are a value driven organisation with a strong conviction that our mission only can be sufficiently implemented by ensuring that a thorough analysis on our three pillars, impact on society, sustainability and financial viability, is made for every potential investment before we decide to invest. Our due diligence assists us in estimating the true value of the investment and what impact it brings to society. It also assists us in our risk assessment and risk mitigation efforts. It is just as important to follow-up on these three pillars and to ensure close cooperation and legally binding obligations with the portfolio companies to ensure that an investee is performing well on all three pillars also during active ownership and at the time of exit. Our approach includes a broad coverage of aspects essential for responsible investments including, in addition to Financial Viability, Human Rights and Decent Work, Gender Equality, Environment and Climate, as well as Business Ethics, Corporate Governance and Anti-Corruption, and Tax. We recognize that these thematic areas are closely interlinked, might overlap and are equally important.

Annual overview

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S2	CORE	N/A	N/A	PUBLIC	Annual overview	GENERAL

- **Discuss your organisation’s progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.**
- **Reflect on your performance with respect to your organisation’s responsible investment objectives and targets during the reporting year. This might involve e.g. outlining your single most important achievement, or describing your general progress, on topics such as the following:**
 - **refinement of ESG analysis and incorporation**
 - **stewardship activities with investees and/or with policy makers**
 - **collaborative engagements**
 - **attainment of responsible investment certifications and/or awards**

Year 2020 was heavily impacted by the pandemic. The importance and relevance of our role has increased, our sectors are at the intersection of the pandemic and our proven business model is robust and works well in a situation with increased risks. We needed to redesign our due diligence process and active ownership efforts into digital format to accommodate the travel restrictions imposed by different countries. We continued to invest and during 2020 contracted 11 new investment with the value of 950 MSEK. In addition to virtual due diligence, we used local consultants to conduct ESG due diligences and identify relevant improvement actions to be included in the contracts with the new portfolio companies. We have been working closely with our portfolio companies to understand risks and monitor ESG performance with specific focus on decent work. We continued to deliver our talent program Women4Growth and transferred it into digital format. We worked with a women’s right organization, The Kvinna till Kvinna Foundation, to strengthen our awareness and capacity to counterfeit Sexual Exploitation and Abuse and Sexual Harassment in our potential investments and portfolio.

In addition, Swedfund had a particular focus on strengthening the work of our fund investments relating to human rights (MR): Swedfund imposes requirements on the funds and their underlying investment which require them to fulfill certain obligations relating to human rights. We started to develop a method to support our fund managers with this during the year. A total of six training sessions were held including an introduction to human rights and relevant international standards and frameworks. Also, a toolkit was developed for the funds to incorporate human rights into their investment process. And finally, Swedfund undertook a project with an external advisor to assess the alignment of Swedfund’s portfolio with the Paris Agreement, on the basis of the Beyond 2°C scenario by the International Energy Agency (IEA). This assessment showed that that 90% of Swedfund’s portfolio is aligned with the Paris Agreement indicating that our investment strategy is well aligned with our portfolio level climate target. Further, the assessment is an important step in order to set relevant targets and actions on the portfolio level. When developing countries were hit by the pandemic, the pressure on health care increased sharply and already vulnerable activities were put under even more pressure.

Swedfund has particularly made investments in smaller clinics, as well as larger hospitals and pharmacies. However, many of these activities often lacked adequate protective equipment even before the coronavirus pandemic. Early on in the pandemic, Swedfund therefore contacted all the portfolio companies in the health sector to understand how we could support them. The portfolio companies responded immediately and it soon became clear that they were in particular need of support within two areas: protective equipment for personal use and equipment to create a safe environment at the clinics, by keeping patients with ovid-19 separate from other patients, e.g. through 'patient locks'. The aim was to improve the safety of staff and patients and limit the spread of the virus. During the year, we were able to provide support for essential equipment for clinics, hospitals and pharmacies in Ghana, Liberia, Ethiopia, Kenya, Uganda, Tanzania, Nigeria, Madagascar and India. To sum up, the multidimensional crisis has required multidimensional response, and new and strengthened partnerships..

Next steps

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S3	CORE	N/A	N/A	PUBLIC	Next steps	GENERAL

What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

The consequences of the pandemic for Africa where Swedfund has a majority of its portfolio are devastating. To support a sustainable recovery of societies through our investment is our top priority. The focus of our commitment is to continue strengthen our work in the field of Human Rights, Environment and Climate, Gender Equality and Decent Work as well as Business Ethics, Corporate Governance and Anti-Corruption, and Tax to form a valid contribution to the advancement of Agenda 2030. Overall,we are looking to do more in fragile contexts where the need for responsible investments has increased and to continue to work with institutional investors to mobilize capital to be able to achieve more.

Endorsement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S4	CORE	N/A	N/A	PUBLIC	Endorsement	GENERAL

The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment.

Name Maria Håkansson

Position CEO

Organisation's name Swedfund International AB

● This endorsement is for the Senior Leadership Statement only and is not an endorsement of the information reported by Swedfund International AB in the various modules of the Reporting Framework. The Senior Leadership Statement is simply provided as a general overview of Swedfund International AB's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such, and is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions.

Organisational Overview (OO)

Organisational information

Categorisation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	Signatory category	Multiple, see guidance	PUBLIC	Categorisation	GENERAL

Select the type that best describes your organisation or the services you provide.

(G) Development finance institution

(1) This is our only (or primary) type

Subsidiary information

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries that are also PRI signatories in their own right?

(A) Yes

(B) No

Reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 3	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

Indicate the year-end date for your reporting year.

	Month	Day	Year
Reporting year end date:	December	31	2020

Assets under management

All asset classes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 4.1, OO 4.2	N/A	PUBLIC	All asset classes	GENERAL

What were your total assets under management (AUM) at the end of the indicated reporting year? Provide the amount in USD.

(A) AUM of your organisation, including subsidiaries US\$ 599,200,000.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only US\$ 0.00

Asset breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	Multiple, see guidance	Multiple, see guidance	PRIVATE	Asset breakdown	GENERAL

Provide a percentage breakdown of your total assets under management at the end of your indicated reporting year.

Percentage of AUM

(A) Listed equity – internal	0.0%
(B) Listed equity – external	0.0%
(C) Fixed income – internal	41.5%
(D) Fixed income – external	0.0%
(E) Private equity – internal	13.1%
(F) Private equity – external	45.4%
(G) Real estate – internal	0.0%
(H) Real estate – external	0.0%
(I) Infrastructure – internal	0.0%
(J) Infrastructure – external	0.0%
(K) Hedge funds – internal	0.0%
(L) Hedge funds – external	0.0%
(M) Forestry – internal	0.0%
(N) Forestry – external	0.0%
(O) Farmland – internal	0.0%

(P) Farmland – external 0.0%

(Q) Other – internal, please specify: 0.0%

(R) Other – external, please specify: 0.0%

(S) Off-balance sheet – internal 0.0%

(T) Off-balance sheet – external 0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.1	CORE	OO 5	Multiple, see guidance	PRIVATE	Asset breakdown	GENERAL

Provide a breakdown of your organisation's externally managed assets between segregated mandates and pooled funds or investments.

(3) Private equity

(A) Segregated mandate(s) 0.0%

(B) Pooled fund(s) or pooled investment(s) 100.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2 FI	CORE	OO 5, OO 5.1	Multiple, see guidance	PRIVATE	Asset breakdown	GENERAL

Provide a further breakdown of your fixed income assets.

(A) Internal allocation

(1) Passive – SSA 0.0%

(2) Passive – corporate	0.0%
(3) Passive – securitised	0.0%
(4) Active – SSA	0.0%
(5) Active – corporate	0.0%
(6) Active – securitised	0.0%
(7) Private debt	100.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2 PE	CORE	OO 5, OO 5.1	N/A	PRIVATE	Asset breakdown	GENERAL

Provide a further breakdown of your private equity assets.

	(A) Internal allocation	(C) External allocation – pooled
(1) Venture capital	0.0%	0.0%
(2) Growth capital	100.0%	100.0%
(3) (Leveraged) buyout	0.0%	0.0%
(4) Distressed, turnaround or special situations	0.0%	0.0%
(5) Secondaries	0.0%	0.0%
(6) Other, please specify:	0.0%	0.0%

Externally managed assets

Captive relationships

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	OO 5	Multiple, see guidance	PUBLIC	Captive relationships	GENERAL

Does your organisation have a captive relationship with some or all of its external investment managers?

- (A) Yes
- (B) No

Investment consultants

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	OO 5	SAM 1	PUBLIC	Investment consultants	GENERAL

Does your organisation engage investment consultants in the selection, appointment or monitoring of your external investment managers?

- (A) Yes
- (B) No

Stewardship

Fixed income

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 FI	CORE	OO 5, OO 5.2 FI	Multiple, see guidance	PUBLIC	Fixed income	2

Does your organisation conduct stewardship activities for your fixed income assets?

(7) Private debt

(A) Through service providers

(C) Through internal staff

(D) Collaboratively

(E) We did not conduct this stewardship activity for this strategy/asset type

Private equity, real estate and infrastructure

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 ALT	CORE	OO 5	Multiple, see guidance	PUBLIC	Private equity, real estate and infrastructure	2

Does your organisation conduct stewardship activities in the following asset classes?

(1) Private equity

(A) Through service providers

(B) Through external managers

(C) Through internal staff

(D) Collaboratively

(E) We did not conduct
stewardship activities for this asset
class

ESG incorporation

Internally managed assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 10	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Internally managed assets	1

For each internally managed asset class, select whether or not you incorporate ESG into your investment decisions.

	(1) ESG incorporated into investment decisions	(2) ESG not incorporated into investment decisions
(I) Fixed income – private debt	<input checked="" type="radio"/>	<input type="radio"/>
(J) Private equity	<input checked="" type="radio"/>	<input type="radio"/>

External manager selection

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	External manager selection	1

For each externally managed asset class, select whether or not you incorporate ESG into external manager selection. Your response should refer to the selection of the external managers who managed the relevant asset classes during the reporting year, regardless of when such selection took place.

(1) ESG incorporated into external manager selection

(2) ESG not incorporated into external manager selection

(E) Private equity



External manager appointment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 12	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	External manager appointment	1

The following externally managed asset classes are reported in OO 5.1 as 100% pooled funds or pooled investments and, therefore, ESG incorporation into external manager appointment is not applicable.

(3) ESG incorporation into external manager appointment is not applicable as we only invest in pooled funds

(E) Private equity



External manager monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 13	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	External manager monitoring	1

For each externally managed asset class, select whether or not you incorporated ESG into external manager monitoring during the reporting year.

	(1) ESG incorporated into external manager monitoring	(2) ESG not incorporated into external manager monitoring
(E) Private equity	<input checked="" type="radio"/>	<input type="radio"/>

Voluntary reporting

Voluntary modules

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 14	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Voluntary modules	GENERAL

The following modules are mandatory to report on as they account for 10% or more of your total AUM or are over USD 10 billion. The ISP (Investment and Stewardship Policy) module is always applicable for reporting.

	(1) Yes, report on the module
ISP: Investment and Stewardship Policy	<input checked="" type="radio"/>
(E) Fixed income – private debt	<input checked="" type="radio"/>
(F) Private equity	<input checked="" type="radio"/>

(L) External manager selection, appointment and monitoring (SAM) – private equity



Pooled funds governance: Appointment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 15	CORE	OO 5.1	SAM 12	PUBLIC	Pooled funds governance: Appointment	GENERAL

Would you like to voluntarily report on ESG incorporation in the appointment of your external managers for pooled funds?

- (A) Yes
- (B) No

ESG/sustainability funds and products

Labelling and marketing

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16	CORE	Multiple, see guidance	Multiple, see guidance	PRIVATE	Labelling and marketing	GENERAL

What percentage of your assets under management in each asset class are ESG/sustainability marketed funds or products, and/or ESG/RI certified or labelled assets? Percentage figures can be rounded to the nearest 5% and should combine internally and externally managed assets.

Percentage

(D) Fixed income – active	0.0%
(E) Private equity	0.0%

Climate investments

Asset breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17	CORE	N/A	N/A	PRIVATE	Asset breakdown	GENERAL

What percentage of your assets under management is in targeted low-carbon or climate-resilient investments?

35.0%

Other asset breakdowns

Geographical breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	Multiple, see guidance	N/A	PRIVATE	Geographical breakdown	GENERAL

What is the geographical breakdown of your organisation's assets under management by investment destination (i.e. where the investments are located)?

	(5) Fixed income – private debt	(6) Private equity
(A) Developed	0.0%	0.0%
(B) Emerging	13.0%	6.0%
(C) Frontier	0.0%	34.0%
(D) Other	87.0%	60.0%

Management by PRI signatories

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 19	CORE	OO 5	N/A	PRIVATE	Management by PRI signatories	GENERAL

What approximate percentage (+/-5%) of your externally managed assets are managed by PRI signatories?

40.0%

Fixed income constraints

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 20	CORE	OO 5.2 FI	OO 20.1	PRIVATE	Fixed income constraints	GENERAL

What percentage of your fixed income assets are subject to constraints? The constraints may be regulatory requirements, credit quality restrictions, currency constraints or similar.

Internal and external fixed income assets subject to constraints

(D) Fixed income – private debt 0.0%

Private equity: Sectors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 21	CORE	OO 5	N/A	PRIVATE	Private equity: Sectors	GENERAL

What is the percentage breakdown of your organisation's internally managed private equity investments by sector?

Percentage of total internally managed private equity AUM

(A) Energy 38.0%

(B) Materials 0.0%

(C) Industrials 7.0%

(D) Consumer discretionary 7.0%

(E) Consumer staples 0.0%

(F) Health care 26.0%

(G) Financials 22.0%

(H) Information technology 0.0%

(I) Communication services 0.0%

(J) Utilities 0.0%

(K) Real estate 0.0%

Private equity: Nature of ownership

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 22	CORE	OO 5	N/A	PRIVATE	Private equity: Nature of ownership	GENERAL

What is the percentage breakdown of your organisation's internally managed private equity investments by investment vehicle?

(A) Direct investment (5) >75%

(B) Fund investment (1) 0%

(C) Separate account (1) 0%

Private equity: Ownership level

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 23	CORE	OO 5	N/A	PRIVATE	Private equity: Ownership level	GENERAL

What is the percentage breakdown of your organisation's private equity investments by level of ownership?

(A) A majority stake (50% and above) (1) 0%

(B) A significant minority stake (between 10–50%) (3) 11–50%

(C) A limited minority stake (less than 10%) (4) 51–75%

Context and explanation

Appointment: Pooled funds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 33	CORE	OO 5.1	N/A	PUBLIC	Appointment: Pooled funds	GENERAL

For your externally managed pooled funds, please describe any other mechanisms in place to set expectations as part of the appointment or commitment process.

■ We set similar ESG requirements to all asset classes and conduct an ESG due diligence.

Investment and Stewardship Policy (ISP)

Responsible investment policy & governance

Responsible investment policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1	CORE	N/A	ISP 1.1, ISP 1.2	PUBLIC	Responsible investment policy	1

Does your organisation have a formal policy or policies covering your approach to responsible investment? Your approach to responsible investment may be set out in a standalone guideline, covered in multiple standalone guidelines or be part of a broader investment policy. Your policy may cover various responsible investment elements such as stewardship, ESG guidelines, sustainability outcomes, specific climate-related guidelines, RI governance and similar.

- (A) Yes, we do have a policy covering our approach to responsible investment
- (B) No, we do not have a policy covering our approach to responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1.1	CORE	ISP 1	Multiple, see guidance	PUBLIC	Responsible investment policy	1

What elements does your responsible investment policy cover? The responsible investment elements may be set out in one or multiple standalone guidelines, or they may be part of a broader investment policy.

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Approach to stewardship
- (F) Approach to sustainability outcomes
- (G) Approach to exclusions
- (H) Asset class-specific guidelines that describe how ESG incorporation is implemented
- (I) Definition of responsible investment and how it relates to our fiduciary duty
- (J) Definition of responsible investment and how it relates to our investment objectives
- (K) Responsible investment governance structure
- (L) Internal reporting and verification related to responsible investment
- (M) External reporting related to responsible investment
- (N) Managing conflicts of interest related to responsible investment
- (O) Other responsible investment aspects not listed here, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1.2	PLUS	ISP 1	N/A	PUBLIC	Responsible investment policy	1

What mechanisms do you have in place to ensure that your policies are implemented in an aligned and consistent way across the organisation?

Different entities of Swedfund's organization have different responsibilities for Swedfund's sustainability policy and implementation into the investment process. The Board is responsible for maximising the development of value in Swedfund and administers our affairs in the interest of the owner. The Board has responsibility for ensuring that Swedfund sets a good example in the field of sustainable business and otherwise acts in ways that earn public trust. The Board has adopted the Policy for Sustainable Development, Anti-Corruption Policy, and Tax Policy. The CEO shall oversee the operational management of Swedfund and coordinate activities with due care to the extent required for performing these assignments in accordance with current legislation, the articles of association, CEO instruction, and the ownership policy of the Swedish state. The Director of ESG & Impact has the overall responsibility to implement Swedfund's Sustainability Framework into our operations and to develop, oversee, prioritise, and quality control the ESG considerations in the investment operations. The ESG Team has the operational responsibility for implementing ESG due diligence and value creation into different steps of the investment process for the portfolio companies and projects dedicated to them. In addition, the ESG Team is responsible for identifying new strategic sustainability areas, development of policies, guiding documents and internal processes related to ESG area. The ESG Team is also responsible for identifying ESG training needs internally at Swedfund and in the portfolio companies and conduct related trainings either internally or with the support of external consultants. Finally, the ESG Team is responsible for collecting and verifying ESG data from our portfolio companies and supporting communications in Swedfund's sustainability reporting. As an example it can be mentioned that in 2020 Swedfund's internal audit agenda included an audit of Swedfund's alignment with the Operating Principles on Impact Management. The findings were reported to the board of directors and report on the findings is published at Swedfund's homepage.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 2	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	6

Indicate which of your responsible investment policy elements are publicly available and provide links.

(A) Overall approach to responsible investment. Add link(s):

https://www.swedfund.se/media/2290/swedfund-owners-instructions_2019-12-06.pdf; <https://www.swedfund.se/media/2242/swedfund-policy-for-sustainable-development.pdf>

(B) Guidelines on environmental factors. Add link(s):

<https://www.swedfund.se/media/2242/swedfund-policy-for-sustainable-development.pdf>

(C) Guidelines on social factors. Add link(s):

<https://www.swedfund.se/media/2242/swedfund-policy-for-sustainable-development.pdf>;
https://www.swedfund.se/media/2419/swedfund_guiding-note_human_rights_final.pdf;
https://www.swedfund.se/media/2334/swedfund-guiding-note-gender_20200306.pdf

(D) Guidelines on governance factors. Add link(s):

<https://www.swedfund.se/media/2373/swedfund-anti-corruptionpolicy-june-2020.pdf>;
https://www.swedfund.se/media/1861/swedfund_tax_policy.pdf; <https://www.swedfund.se/media/1118/dfi-corp-gov-approach-statement-of-oct-19-2007.pdf>

(E) Approach to stewardship. Add link(s):

<https://www.swedfund.se/media/2242/swedfund-policy-for-sustainable-development.pdf>;
<https://www.swedfund.se/media/2373/swedfund-anti-corruptionpolicy-june-2020.pdf>

(F) Approach to sustainability outcomes. Add link(s):

<https://www.swedfund.se/media/2242/swedfund-policy-for-sustainable-development.pdf>;
<https://www.swedfund.se/media/2373/swedfund-anti-corruptionpolicy-june-2020.pdf>

(G) Approach to exclusions. Add link(s):

<https://www.swedfund.se/media/2242/swedfund-policy-for-sustainable-development.pdf>;
https://www.swedfund.se/media/1122/harmonized_edfi_exclusion_list_2012.pdf; <https://www.swedfund.se/media/2441/edfi-fossil-fuel-exclusion-list-october-2020.pdf>

(H) Asset class-specific guidelines that describe how ESG incorporation is implemented. Add link(s):

<https://www.swedfund.se/media/2242/swedfund-policy-for-sustainable-development.pdf>

(I) Definition of responsible investment and how it relates to our fiduciary duty. Add link(s):

https://www.swedfund.se/media/2290/swedfund-owners-instructions_2019-12-06.pdf; <https://www.swedfund.se/media/2242/swedfund-policy-for-sustainable-development.pdf>

(J) Definition of responsible investment and how it relates to our investment objectives. Add link(s):

https://www.swedfund.se/media/2290/swedfund-owners-instructions_2019-12-06.pdf; <https://www.swedfund.se/media/2242/swedfund-policy-for-sustainable-development.pdf>

(K) Responsible investment governance structure. Add link(s):

<https://www.swedfund.se/media/2242/swedfund-policy-for-sustainable-development.pdf>;
<https://www.swedfund.se/media/2373/swedfund-anti-corruptionpolicy-june-2020.pdf>;
https://www.swedfund.se/media/2469/swedfund_integrerad-redovisning_2020.pdf

(L) Internal reporting and verification related to responsible investment. Add link(s):

<https://www.swedfund.se/media/2242/swedfund-policy-for-sustainable-development.pdf>;
<https://www.swedfund.se/media/2373/swedfund-anti-corruptionpolicy-june-2020.pdf>; <https://www.swedfund.se/media/2246/swedfunds-code-of-conduct.pdf>

(M) External reporting related to responsible investment. Add link(s):

<https://www.swedfund.se/media/2242/swedfund-policy-for-sustainable-development.pdf>;
<https://www.swedfund.se/media/2373/swedfund-anti-corruptionpolicy-june-2020.pdf>; <https://www.swedfund.se/media/2246/swedfunds-code-of-conduct.pdf>; https://www.swedfund.se/media/2469/swedfund_integrerad-redovisning_2020.pdf

(N) Managing conflicts of interest related to responsible investment. Add link(s):

<https://www.swedfund.se/media/2246/swedfunds-code-of-conduct.pdf>

(P) Our responsible investment policy elements are not publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 3	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	1

What percentage of your total assets under management are covered by your policy elements on overall approach to responsible investment and/or guidelines on environmental, social and governance factors?

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors

AUM coverage of all policy elements in total:

100.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 4	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	1

Which elements does your exclusion policy include?

- (A) Legally required exclusions (e.g. those required by domestic/international law, bans, treaties or embargoes)
- (B) Exclusions based on our organisation's values or beliefs (e.g. regarding weapons, alcohol, tobacco and/or avoiding other particular sectors, products, services or regions)
- (C) Exclusions based on screening against minimum standards of business practice based on international norms (e.g. OECD guidelines, the UN Human Rights Declaration, Security Council sanctions or the UN Global Compact)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 5	CORE	Multiple, see guidance	N/A	PRIVATE	Responsible investment policy	1

What percentage of your total assets under management are covered by your asset class-specific guidelines that describe how ESG incorporation is implemented?

AUM Coverage:

(B) Fixed Income	100.0%
(C) Private Equity	100.0%

Governance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 6	CORE	N/A	ISP 8	PUBLIC	Governance	1

Do your organisation's board, chief-level staff, investment committee and/or head of department have formal oversight and accountability for responsible investment?

- (A) Board and/or trustees
- (B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))
- (C) Investment committee
- (D) Other chief-level staff, please specify:
 - Director of ESG and Impact
- (E) Head of department, please specify department:
 - Director of ESG and Impact
- (F) None of the above roles have oversight and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 7	CORE	N/A	ISP 8	PUBLIC	Governance	1

In your organisation, which internal or external roles have responsibility for implementing responsible investment?

- (A) Board and/or trustees
- (B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))
- (C) Investment committee
- (D) Other chief-level staff [as specified]
- (E) Head of department [as specified]
- (F) Portfolio managers
- (G) Investment analysts
- (H) Dedicated responsible investment staff
- (I) Investor relations
- (J) External managers or service providers
- (K) Other role, please specify:
 - Legal Counsel
- (L) Other role, please specify:
- (M) We do not have roles with responsibility for implementing responsible investment.

People and capabilities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8	CORE	ISP 6, ISP 7	ISP 8.1, ISP 8.2	PUBLIC	People and capabilities	General

What formal objectives for responsible investment do the roles in your organisation have?

	(1) Board and/or trustees	(2) Chief-level staff	(3) Investment committee	(4) Other chief-level staff [as specified]
(A) Objective for ESG incorporation in investment activities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Objective for ESG performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Other objective related to responsible investment [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Other objective related to responsible investment [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(G) No formal objectives for responsible investment exist for this role	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	(5) Head of department [as specified]	(6) Portfolio managers	(7) Investment analysts	(8) Dedicated responsible investment staff
(A) Objective for ESG incorporation in investment activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Objective for ESG performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Other objective related to responsible investment [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(F) Other objective related to responsible investment [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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(G) No formal objectives for responsible investment exist for this role	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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(9) Investor relations

(10) External managers or service providers

(11) Other role

(A) Objective for ESG incorporation in investment activities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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(D) Objective for ESG performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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(E) Other objective related to responsible investment [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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(F) Other objective related to responsible investment [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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(G) No formal objectives for responsible investment exist for this role	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Please specify for "(E) Other objective related to responsible investment".

Swedfund's mission goals as specified in our owner instructions: https://www.swedfund.se/media/2290/swedfund-owners-instructions_2019-12-06.pdf

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8.1	PLUS	ISP 8	N/A	PUBLIC	People and capabilities	General

Describe the key responsible investment performance indicators (KPIs) or benchmarks that your organisation uses to compare and assess the performance of your professionals in relation to their responsible investment objectives.

Climate: CO2 emissions from the portfolio; Gender: Share of gender investments according to 2X Challenge criteria, % of female in boards, in senior management and among employees; Jobs: Number of jobs in portfolio companies and % of portfolio companies showing growth in terms of employment; Decent work: % of portfolio companies that act consistently with the ILO’s Declaration on Fundamental Principles and Rights at Work and the ILO’s Basic Terms and Conditions of Employment; Management Systems: % of portfolio companies that have implemented an environmental and social management system and anti-corruption management system; Financial viability: % of portfolio companies that have increased turnover and profitability. Read more in our Annual Integrated Report 2020.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8.2	CORE	ISP 8	N/A	PUBLIC	People and capabilities	General

Which responsible investment objectives are linked to variable compensation for roles in your organisation?

RI objectives linked to variable compensation for roles in your organisation:

(1) Board and/or trustees

(D) Objective on ESG performance

(E) Other objective related to responsible investment (as specified in ISP 8 option E)

(2) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))

(A) Objective for ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

(D) Objective for ESG performance

(E) Other objective related to responsible investment (as specified in ISP 8 option E)

(3) Investment committee

(A) Objective for ESG incorporation in investment activities

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

(D) Objective for ESG performance

(E) Other objective related to responsible investment (as specified in ISP 8 option E)

(4) Other chief-level staff

(A) Objective for ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

(D) Objective for ESG performance

(E) Other objective related to responsible investment (as specified in ISP 8 option E)

(5) Head of department

(A) Objective for ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

(D) Objective for ESG performance

(E) Other objective related to responsible investment (as specified in ISP 8 option E)

(6) Portfolio managers

(A) Objective on ESG incorporation in investment activities

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

(D) Objective for ESG performance

(E) Other objective related to responsible investment (as specified in ISP 8 option E)

(7) Investment analysts

(A) Objective for ESG incorporation in investment activities

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

(D) Objective for ESG performance

(E) Other objective related to responsible investment (as specified in ISP 8 option E)

(8) Dedicated responsible investment staff

(A) Objective for ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

(D) Objective for ESG performance

(E) Other objective related to responsible investment (as specified in ISP 8 option E)

(9) Investor relations

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

(D) Objective for ESG performance

(E) Other objective related to responsible investment (as specified in ISP 8 option E)

(10) External managers or service providers

(A) Objective for ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

(D) Objective for ESG performance

(E) Other objective related to responsible investment (as specified in ISP 8 option E)

(11) Other role

(A) Objective for ESG incorporation in investment activities

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

(D) Objective for ESG performance

(E) Other objective related to responsible investment (as specified in ISP 8 option E)

(G) We have not linked any RI objectives to variable compensation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 9	CORE	N/A	N/A	PUBLIC	People and capabilities	General

How frequently does your organisation assess the responsible investment capabilities and training needs among your investment professionals?

- (A) Quarterly or more frequently
- (B) **Bi-annually**
- (C) Annually
- (D) Less frequently than annually
- (E) On an ad hoc basis
- (F) We do not have a process for assessing the responsible investment capabilities and training needs among our investment professionals

Strategic asset allocation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 10	CORE	N/A	ISP 10.1	PUBLIC	Strategic asset allocation	1

Does your organisation incorporate ESG factors into your strategic asset allocation?

- (A) **We incorporate ESG factors into calculations for expected risks and returns of asset classes**
- (B) **We specifically incorporate physical, transition and regulatory changes related to climate change into calculations for expected risks and returns of asset classes**
- (C) No, we do not incorporate ESG considerations into our strategic asset allocation
- (D) Not applicable, we do not have a strategic asset allocation process

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 10.1	CORE	ISP 10	N/A	PUBLIC	Strategic asset allocation	1

For what proportion of assets do you incorporate ESG factors into your strategic asset allocation process?

(A) We incorporate ESG factors into calculations for expected risks and returns of asset classes (1) for all of our assets

(B) We specifically incorporate physical, transition and regulatory changes related to climate change into calculations for expected risks and returns of asset classes (1) for all of our assets

Stewardship

Stewardship policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 11	CORE	Multiple, see guidance	N/A	PRIVATE	Stewardship policy	2

What percentage of your assets under management does your stewardship policy cover?

(B) Fixed income 100.0%

(C) Private equity 100.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 12	CORE	ISP 1.1	ISP 12.1	PUBLIC	Stewardship policy	2

Which elements does your organisation's stewardship policy cover? The policy may be a standalone guideline or part of a wider RI policy.

- (A) Key stewardship objectives
- (B) Prioritisation approach of ESG factors and their link to engagement issues and targets
- (C) Prioritisation approach depending on entity (e.g. company or government)
- (D) Specific approach to climate-related risks and opportunities
- (E) Stewardship tool usage across the organisation, including which, if any, tools are out of scope and when and how different tools are used and by whom (e.g. specialist teams, investment teams, service providers, external investment managers or similar)
- (F) Stewardship tool usage for specific internal teams (e.g. specialist teams, investment teams or similar)
- (G) Stewardship tool usage for specific external teams (e.g. service providers, external investment managers or similar)
- (H) Approach to collaboration on stewardship
- (I) Escalation strategies
- (J) Conflicts of interest
- (K) Details on how the stewardship policy is implemented and which elements are mandatory, including how and when the policy can be overruled
- (L) How stewardship efforts and results should be communicated across the organisation to feed into investment decision-making and vice versa
- (M) None of the above elements are captured in our stewardship policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 12.1	PLUS	ISP 12	N/A	PUBLIC	Stewardship policy	2

Describe any additional details related to your stewardship policy elements or your overall stewardship approach.

Once the agreement has been signed and the funds have been disbursed, the work that was begun earlier during the investment phase will continue. We work actively and continuously with our portfolio companies, focusing on commercial and sustainability issues which were identified during the due diligence phase. During the period for active management, which usually extends over 7-12 years, an ongoing dialogue and close contact are maintained with the portfolio companies in order to monitor their performance, goal attainment and contractual conditions, for example through visits and audits, active board work and work in different committees, dialogue and through annual reporting (the Swedfund Sustainability Report). Both internal audits and third-party audits are conducted. The Senior Investment Manager is responsible for following up and ensuring that the companies comply with the agreed conditions, relevant parts of our policies and ESGAP. Within a three-year period from the date of disbursement, companies must achieve Swedfund's sustainability goals. To help companies attain these goals, we can allocate funds in the form of Technical Assistance (TA), which can for example be used for training or consultancy.

Stewardship policy implementation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 13	CORE	ISP 1.1	N/A	PUBLIC	Stewardship policy implementation	2

How is your stewardship policy primarily applied?

- (A) It requires our organisation to take certain actions
- (B) It describes default actions that can be overridden (e.g. by investment teams for certain portfolios)
- (C) It creates permission for taking certain measures that are otherwise exceptional
- (D) We have not developed a uniform approach to applying our stewardship policy

Stewardship objectives

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 15	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship objectives	2

For the majority of assets within each asset class, which of the following best describes your primary stewardship objective?

	(2) Fixed income	(3) Private equity
(A) Maximise the risk–return profile of individual investments	<input type="radio"/>	<input type="radio"/>
(B) Maximise overall returns across the portfolio	<input type="radio"/>	<input type="radio"/>
(C) Maximise overall value to beneficiaries/clients	<input type="radio"/>	<input type="radio"/>
(D) Contribute to shaping specific sustainability outcomes (i.e. deliver impact)	<input checked="" type="radio"/>	<input checked="" type="radio"/>

Stewardship prioritisation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 16	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship prioritisation	2

What key criteria does your organisation use to prioritise your engagement targets? For asset classes such as real estate, private equity and infrastructure, you may consider this as key criteria to prioritise actions taken on ESG factors for assets, portfolio companies and/or properties in your portfolio. Select up to 3 options per asset class from the list.

(2) Fixed income

(3) Private equity

(A) The size of our holdings in the entity or the size of the asset, portfolio company and/or property

(B) The materiality of ESG factors on financial and/or operational performance

(C) Specific ESG factors with systemic influence (e.g. climate or human rights)

(D) The ESG rating of the entity

(E) The adequacy of public disclosure on ESG factors/performance

(F) Specific ESG factors based on input from clients

(G) Specific ESG factors based on input from beneficiaries

(H) Other criteria to prioritise engagement targets, please specify:

(I) We do not prioritise our engagement targets



Please specify for "(H) Other criteria to prioritise engagement targets".

ESG performance towards our targets.

Stewardship methods

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 17	PLUS	Multiple, see guidance	N/A	PUBLIC	Stewardship methods	2

Please rank the methods that are most important for your organisation in achieving its stewardship objectives. Ranking options: 1 = most important, 5 = least important.

(A) Internal resources (e.g. stewardship team, investment team, ESG team or staff)

1

(B) External investment managers, third-party operators and/or external property managers (if applicable)

2

(C) External paid services or initiatives other than investment managers, third-party operators and/or external property managers (paid beyond a membership fee)

We do not use this method

(D) Informal or unstructured collaborations with peers

3

(E) Formal collaborative engagements (e.g. PRI-coordinated collaborative engagements, Climate Action 100+, the Initiative Climat International (iCI) or similar)

4

Collaborative stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 18	CORE	Multiple, see guidance	ISP 18.1	PUBLIC	Collaborative stewardship	2

Which of the following best describes your organisation's default position, or the position of the service providers/external managers acting on your behalf, with regards to collaborative stewardship efforts such as collaborative engagements?

- (A) We recognise that stewardship suffers from a collective action problem, and, as a result, we actively prefer collaborative efforts
- (B) We collaborate when our individual stewardship efforts have been unsuccessful or are likely to be unsuccessful, i.e. as an escalation tool
- (C) We collaborate in situations where doing so would minimise resource cost to our organisation
- (D) We do not have a default position but collaborate on a case-by-case basis
- (E) We generally do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 18.1	PLUS	ISP 18	N/A	PUBLIC	Collaborative stewardship	2

Describe your position on collaborating for stewardship.

As a relatively small development finance institution, cross-border partnerships are crucial if Swedfund is to succeed in its mission and contribute to Agenda 2030. Entering into partnerships is an opportunity to grow, share knowledge and be additional. However, just as in any relationship, constant efforts are needed to build up confidence, realise the full potential of a partnership and understand the new partnerships that are necessary. In collaboration with strategic partners, we participate in investments which are not considered to be realisable through purely commercial financing. We provide loans for and invest in shares and funds to develop the private sector, create decent jobs and improve access to essential products and services, such as renewable energy and healthcare. Swedfund is one of 15 European development finance institutions, known as DFIs. We carry out most of our investments together with our European partners. Our platform for cooperation is the organisation EDFI, which is led by a secretariat which coordinates the exchange of knowledge between our respective organisations and works to raise awareness of the important work of the DFI. In 2019, Swedfund CEO Maria Håkansson was elected onto EDFI's board of directors. Swedfund's Director of ESG & Impact was a member of EDFI Harmonisation Task Force during the reporting year. In addition, we actively participate in several the expert working groups including Environmental & Social (E&S), Development Effects (DE), Legal, CEO, HR, Communication and Corporate Governance. We apply Harmonised EDFI Environmental and Social Standards in our investment process. We also collaborate with Civil Society Organisation around different topics including regular stakeholder dialogues or in depth partnerships around capacity building, such as collaboration on Sexual Exploitation and Abuse and Sexual Harassment together with women's right organization the Kvinna till Kvinna Foundation.

Escalation strategies

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 19	PLUS	Multiple, see guidance	N/A	PUBLIC	Escalation strategies	2

Which of these measures did your organisation, or the service providers/external managers acting on your behalf, use most frequently when escalating initial stewardship approaches that were deemed unsuccessful?

(2) Fixed income

(A) Collaboratively engaging the entity with other investors

(B) Filing/co-filing/submitting a shareholder resolution or proposal

(C) Publicly engaging the entity (e.g. open letter)

(D) Voting against the re-election of one or more board directors

(E) Voting against the chair of the board of directors

(F) Voting against the annual financial report

(G) Divesting or implementing an exit strategy

(H) We did not use any escalation measures during the reporting year. Please explain why below

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 20	CORE	Multiple, see guidance	N/A	PUBLIC	Escalation strategies	2

If initial stewardship approaches were deemed unsuccessful, which of the following measures are excluded from the potential escalation actions of your organisation or those of the service providers/external managers acting on your behalf?

(2) Fixed income

(A) Collaboratively engaging the entity with other investors

(B) Filing/co-filing/submitting a shareholder resolution or proposal

(C) Publicly engaging the entity (e.g. open letter)

(D) Voting against the re-election of one or more board directors

(E) Voting against the chair of the board of directors

(F) Voting against the annual financial report

(G) Divesting or implementing an exit strategy

(H) We do not have any restrictions on the escalation measures we can use

Alignment and effectiveness

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 21	PLUS	Multiple, see guidance	N/A	PUBLIC	Alignment and effectiveness	2

Describe how you coordinate stewardship across your organisation to ensure that stewardship progress and results feed into investment decision-making and vice versa.

An investment team is formalised for all investments and includes typically Senior Investment Manager, Investment Manager, Investment Analyst, ESG and Impact experts and legal competence. The investment team analyses investment prior investment decision and once the investment decision is made, the same team continues to monitor the investment during active ownership. The investment team conducts a thorough analysis of all potential investments including business plans, investment partners, sustainability (environment, employment conditions and anti-corruption) and impact on society. The analysis is then reviewed by Swedfund's Investment Committee and the process is concluded with a decision by the Board of Directors. Each investment must achieve the goals set in our three pillars: Impact on Society, Sustainability and Financial Viability, over time. We do engage with companies to whom we have provided financing to. Our engagement includes follow up on ESGAPs, audits, technical assistance and visits to the companies we have financed. When providing debt through syndications to commercial banks, the lead arranger is also in the lead of following up requirements with regards to ESG. This can include follow up on ESGAP, monitoring, reporting and audits. The applicable sustainability requirements form part of the contract with the portfolio company. In the event of a breach, a number of contractual remedies are available to Swedfund. Ahead of the exit process, the portfolio company is analysed on the basis of Swedfund's three pillars. During this process, we consider whether further initiatives are necessary. An exit report is prepared for each closure, where we analyse what we have learned and what relevant knowledge and experiences we can take with us into future investments.

Stewardship examples

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 22	PLUS	Multiple, see guidance	N/A	PUBLIC	Stewardship examples	2

Describe stewardship activities that you participated in during the reporting year that led to desired changes in the entity you interacted with. Include what ESG factor(s) you engaged on and whether your stewardship activities were primarily focused on managing ESG risks and opportunities or delivering sustainability outcomes.

	(1) Engagement type	(2) Primary goal of stewardship activity
(A) Example 1	a) Internally (or service provider) led	c) Both managing ESG risks and delivering outcomes

(B) Example 2	a) Internally (or service provider) led	c) Both managing ESG risks and delivering outcomes
(C) Example 3	a) Internally (or service provider) led	b) Delivering sustainability outcomes
	(3) The ESG factors you focused on in the stewardship activity	(4) Description of stewardship activity and the desired change(s) you achieved
(A) Example 1	Social sustainability including Human Rights and Labour Rights	We engaged into a dialogue with one of our lenders regarding retrenchment plan for employees. In addition to close dialogue, we sent formal CEO Letter and engaged an external advisor to give an external opinion and advise on Human Right related matters. The retrenchment plan was improved and impact on employees and local communities including mitigation measures were planned and documented prior retrenchment.
(B) Example 2	Environmental and Social Management, Gender Equality, Anti-Corruption	After gaps against our sustainability requirements were identified, we provided technical assistance funding for the borrower to develop and implement an Environmental and Social as well as Anti-Corruption Management System and support to activities to improve gender equality.
(C) Example 3	Gender Equality and Women Empowerment	Implementation of Women4Growth talent program to improve gender equality and empower female employees aligned with SDG 5.

Engaging policymakers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23	CORE	N/A	Multiple, see guidance	PUBLIC	Engaging policymakers	2

How does your organisation, or the external investment managers or service providers acting on your behalf, engage with policymakers for a more sustainable financial system?

- (A) We engage with policymakers directly
- (B) We provide financial support, are members of and/or are in another way affiliated with third-party organisations, including trade associations and non-profit organisations, that engage with policymakers
- (C) We do not engage with policymakers directly or indirectly

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23.1	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers	2

What methods do you, or the external investment managers or service providers acting on your behalf, use to engage with policymakers for a more sustainable financial system?

- (A) We participate in "sign-on" letters on ESG policy topics. Describe:
- (B) We respond to policy consultations on ESG policy topics. Describe:
We respond to policy consultations and participate in networks on ESG-policy issues organized by the Foreign Ministry, the Ministry of Enterprise and Innovation as well as other networks organized by stake-holders on ESG-policy such as the EDFI working groups to increase harmonization and enhance policy coherence between European development finance institutions.
- (C) We provide technical input on ESG policy change. Describe:
Yes, we are an active member of EDFI (European Development Finance Institution) and GIIN (Global impact investor network) and provide technical expertise and support the development of new policies, frameworks etc. Our CEO is on the board of both organisations. We also contribute with advise on the strategic objectives of other organisations.
- (D) We proactively engage financial regulators on financial regulatory topics regarding ESG integration, stewardship, disclosure or similar. Describe:
In our role as a state owned company, we are closely engaged with the governmental authorities on various aspects and the channels are formally regulated by our owners (please see (A) ISP 23.1).
- (E) We proactively engage regulators and policymakers on other policy topics. Describe:
We engage policymakers on topics such as sustainable finance and investments and the relevance of sustainable finance in light of pandemic and increased importance of sustainable investments to ensure sustainable recovery of the private sector in developing countries where poverty is increasing partly because of job losses, less investments and increased insecurity due to the pandemic.
- (F) Other methods used to engage with policymakers. Describe:

We are organizing round table discussions on ESG topics to which we invite stake holders and policymakers; we participate in seminars and other competence increasing events to advance sustainability issues; we promote our integrated report to increase knowledge of the value of reporting integrated to ensure delivery on all aspects of sustainable investments; we use active external communication to reach out and invite to a discussion of topics relevant for development finance. 2020 we sent out questionnaires to relevant stakeholders and policy makers to map their view on our results, what they would like to understand better and their view on us as a promotor of sustainable investments.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23.2	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers	2

Do you have governance processes in place (e.g. board accountability and oversight, regular monitoring and review of relationships) that ensure your policy activities, including those through third parties, are aligned with your position on sustainable finance and your commitment to the 6 Principles of the PRI?

● (A) Yes, we have governance processes in place to ensure that our policy activities are aligned with our position on sustainable finance and our commitment to the 6 Principles of the PRI. Describe your governance processes:

Different entities of Swedfund’s organization have different responsibilities for Swedfund’s sustainability policy and implementation into the investment process. The Board is responsible for maximising the development of value in Swedfund and administers our affairs in the interest of the owner. The Board has responsibility for ensuring that Swedfund sets a good example in the field of sustainable business and otherwise acts in ways that earn public trust. The Board has adopted the Policy for Sustainable Development, Anti-Corruption Policy, and Tax Policy. The CEO shall oversee the operational management of Swedfund and coordinate activities with due care to the extent required for performing these assignments in accordance with current legislation, the articles of association, CEO instruction, and the ownership policy of the Swedish state. The Director of ESG & Impact has the overall responsibility to implement Swedfund’s Sustainability Framework into our operations and to develop, oversee, prioritise, and quality control the ESG considerations in the investment operations. The ESG Team has the operational responsibility for implementing ESG due diligence and value creation into different steps of the investment process for the portfolio companies and projects dedicated to them. In addition, the ESG Team is responsible for identifying new strategic sustainability areas, development of policies, guiding documents and internal processes related to ESG area. The ESG Team is also responsible for identifying ESG training needs internally at Swedfund and in the portfolio companies and conduct related trainings either internally or with the support of external consultants. Finally, the ESG Team is responsible for collecting and verifying ESG data from our portfolio companies and supporting communications in Swedfund’s sustainability reporting.

○ (B) No, we do not have these governance processes in place. Please explain why not:

Engaging policymakers – Policies

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 24	CORE	ISP 23	ISP 24.1	PUBLIC	Engaging policymakers – Policies	2

Do you have policies in place that ensure that your political influence as an organisation is aligned with your position on sustainable finance and your commitment to the 6 Principles of the PRI?

(A) Yes, we have a policy(ies) in place. Describe your policy(ies):

Yes, based on our mission and our Business plan 2020-2023 where sustainable finance is at its core we have developed a communication strategy, tools such as a messaging platform etc., aligned with our position as a relevant actor in the field of sustainable finance. By this, we ensure that we communicate to relevant stakeholders and increase our influence as an organization and generate a deeper understanding of what sustainable finance entails, its importance and working methods to achieve our goal to fight poverty by sustainable investments in developing countries.

(B) No, we do not have a policy(ies) in place. Please explain why not:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 24.1	CORE	ISP 24	N/A	PUBLIC	Engaging policymakers – Policies	2

Is your policy that ensures alignment between your political influence and your position on sustainable finance publicly disclosed?

(A) Yes. Add link(s):

(B) No, we do not publicly disclose this policy(ies)

Engaging policymakers – Transparency

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 25	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers – Transparency	2

During the reporting year, did your organisation publicly disclose your policy engagement activities or those conducted on your behalf by external investment managers/service providers?

- (A) We publicly disclosed details of our policy engagement activities. Add link(s):
- (B) We publicly disclosed a list of our third-party memberships in or support for trade associations, think-tanks or similar that conduct policy engagement activities with our support or endorsement. Add link(s):
https://www.swedfund.se/media/2469/swedfund_integrerad-redovisning_2020.pdf
- (C) No, we did not publicly disclose our policy engagements activities during the reporting year. Explain why:
- (D) Not applicable, we did not conduct policy engagement activities

Climate change

Public support

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 26	CORE	N/A	N/A	PUBLIC	Public support	General

Does your organisation publicly support the Paris Agreement?

- (A) Yes, we publicly support the Paris Agreement Add link(s) to webpage or other public document/text expressing support for the Paris Agreement:
<https://www.swedfund.se/media/2242/swedfund-policy-for-sustainable-development.pdf>
- (B) No, we currently do not publicly support the Paris Agreement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 27	CORE	N/A	N/A	PUBLIC	Public support	General

Does your organisation publicly support the Task Force on Climate-Related Financial Disclosures (TCFD)?

(A) Yes, we publicly support the TCFD Add link(s) to webpage or other public document/text expressing support for the TCFD:

<https://www.fsb-tcfd.org/supporters/>

(B) No, we currently do not publicly support the TCFD

Governance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 28	CORE	N/A	N/A	PUBLIC	Governance	General

How does the board or the equivalent function exercise oversight over climate-related risks and opportunities?

(A) By establishing internal processes through which the board or the equivalent function are informed about climate-related risks and opportunities. Specify:

The board of directors takes the final decision on new investments and monitors progress on portfolio including climate risks and opportunities included in individual investment proposals and portfolio reports as well as annual integrated reporting, as applicable.

(B) By articulating internal/external roles and responsibilities related to climate. Specify:

Different entities of Swedfund's organization have different responsibilities for Swedfund's sustainability policy and implementation into the investment process. The Board is responsible for maximising the development of value in Swedfund and administers our affairs in the interest of the owner. The Board has responsibility for ensuring that Swedfund sets a good example in the field of sustainable business and otherwise acts in ways that earn public trust. The Board has adopted the Policy for Sustainable Development, Anti-Corruption Policy, and Tax Policy. The CEO shall oversee the operational management of Swedfund and coordinate activities with due care to the extent required for performing these assignments in accordance with current legislation, the articles of association, CEO instruction, and the ownership policy of the Swedish state. The Director of ESG & Impact has the overall responsibility to implement Swedfund's Sustainability Framework into our operations and to develop, oversee, prioritise, and quality control the ESG considerations in the investment operations. The ESG Team has the operational responsibility for implementing ESG due diligence and value creation into different steps of the investment process for the portfolio companies and projects dedicated to them. In addition, the ESG Team is responsible for identifying new strategic sustainability areas, development of policies, guiding documents and internal processes related to ESG area. The ESG Team is also responsible for identifying ESG training needs internally at Swedfund and in the portfolio companies and conduct related trainings either internally or with the support of external consultants. Finally, the ESG Team is responsible for collecting and verifying ESG data from our portfolio companies and supporting communications in Swedfund's sustainability reporting.

(C) By engaging with beneficiaries to understand how their preferences are evolving with regard to climate change. Specify:

(D) By incorporating climate change into investment beliefs and policies. Specify:

The board of directors has approved and signed our Policy for Sustainable Development including statement on Climate.

(E) By monitoring progress on climate-related metrics and targets. Specify:

The board of directors approves the Annual Integrated Report including reporting on performance towards climate-related goals and metrics.

(F) By defining the link between fiduciary duty and climate risks and opportunities. Specify:

(G) **Other measures to exercise oversight, please specify:**

The board of directors was actively involved in the project on the new owner instructions for Swedfund during 2019 and the new goals in the instructions include ambitions climate targets: Swedfund shall have a climate-neutral portfolio in 2045 which captures as much carbon dioxide as it emits and emissions per invested SEK from Swedfund portfolio shall decrease 2020 as a baseline year.

(H) The board or the equivalent function does not exercise oversight over climate-related risks and opportunities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 29	CORE	N/A	N/A	PUBLIC	Governance	General

What is the role of management in assessing and managing climate-related risks and opportunities?

(A) **Management is responsible for identifying climate-related risks/opportunities and reporting them back to the board or the equivalent function. Specify:**

Climate-related issues are assessed and managed the same way as any other issues as a part of the investment process. Management is represented in Swedfund's Investment Committee that has an advisory and decision role also regarding climate impact and risks of the investment.

(B) **Management implements the agreed-upon risk management measures. Specify:**

Swedfund's risk policy includes climate related risks and management has the responsibility of overseeing and mitigating also the climate related risks according to Swedfund's policies and frameworks.

(C) **Management monitors and reports on climate-related risks and opportunities. Specify:**

Climate-related risks and opportunities are evaluated as a part of the strategy review and new actions are taken as applicable. Annual review of portfolio companies ESG & Impact performance include climate-related issues, and emissions from the investment portfolio are estimated annually and reported to the board of directors and owner as a part of the Annual Integrated Report.

(D) **Management ensures adequate resources, including staff, training and budget, are available to assess, implement and monitor climate-related risks/opportunities and measures. Specify:**

Director of ESG & Impact holds the responsibility for implementing climate-related issues into investment process and ensuring the resources and competence of ESG & Impact experts. External technical experts are engaged when needed.

(E) Other roles management takes on to assess and manage climate-related risks/opportunities, please specify:

(F) Our management does not have responsibility for assessing and managing climate-related risks and opportunities

Strategy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 30	CORE	N/A	Multiple, see guidance	PUBLIC	Strategy	General

Which climate-related risks and opportunities has your organisation identified within its investment time horizon(s)?

(A) Specific financial risks in different asset classes. Specify:

(B) **Specific sectors and/or assets that are at risk of being stranded. Specify:**

The sectors that are in general primarily expected to be affected by the transition climate risks, such as energy production from fossil fuels. At the portfolio level, Swedfund has very limited exposure to these sectors, as Swedfund has invested only in renewable energy production since 2015.

(C) **Assets with exposure to direct physical climate risk. Specify:**

The sectors that are in general primarily expected to be affected by the physical climate risks, such as drought, rising sea levels, extreme weather events and floods, are transport sector, infrastructure and the agricultural sector. Swedfund has very limited exposure to these sectors, as they are not focus sectors for our investment strategy. Physical assets within Swedfund's sector Energy & Climate can be affected by physical climate risks and therefore incorporating climate risks into technical due diligence and construction is getting more common.

(D) **Assets with exposure to indirect physical climate risk. Specify:**

Sectors like microfinance can be impacted indirectly on physical climate risks, as many microfinance clients' income is dependent on agriculture, which is a sector with exposure to the physical climate risks, such as drought, rising sea levels, extreme weather events and floods.

(E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios. Specify:

(F) **Specific sectors and/or assets that contribute significantly to achieving our climate goals. Specify:**

Swedfund's investments in the sector Energy & Climate contribute significantly to achieve climate goals e.g. by contributing to mitigation and to some extent also to adaptation.

(G) **Other climate-related risks and opportunities identified. Specify:**

The sectors that are primarily affected by transition risks - regulatory, technological, market and reputational risks - are high-emitting sectors. Swedfund's business model largely excludes high-emitting sectors and therefore mitigates the associated transition risks. Swedfund has invested only in renewable energy production since 2015.

(H) We have not identified specific climate-related risks and opportunities within our organisation's investment time horizon

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 30.1	CORE	ISP 30	N/A	PUBLIC	Strategy	General

For each of the identified climate-related risks and opportunities, indicate within which investment time-horizon they were identified.

	(1) 3–5 months	(2) 6 months to 2 years	(3) 2–4 years	(4) 5–10 years
(B) Specific sectors and/or assets that are at risk of being stranded [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Assets with exposure to direct physical climate risk [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Assets with exposure to indirect physical climate risk [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Specific sectors and/or assets that contribute significantly to achieving our climate goals [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Other climate-related risks and opportunities identified [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	(5) 11–20 years	(6) 21–30 years	(7) >30 years	
(B) Specific sectors and/or assets that are at risk of being stranded [as specified]	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
(C) Assets with exposure to direct physical climate risk [as specified]	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

(D) Assets with exposure to indirect physical climate risk [as specified]

(F) Specific sectors and/or assets that contribute significantly to achieving our climate goals [as specified]

(G) Other climate-related risks and opportunities identified [as specified]

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 31	CORE	N/A	N/A	PUBLIC	Strategy	General

Which climate-related risks and opportunities has your organisation identified beyond its investment time horizon(s)?

- (A) Specific financial risks in different asset classes. Specify:
- (B) **Specific sectors and/or assets that are at risk of being stranded. Specify:**
Swedfund has invested only in renewable energy production since 2015 within its sector Energy & Climate. Within the Financial Inclusion (FI) sector, Swedfund will focus on supporting the a green transition of our financial institutions. We recognize that financial institutions need to shift their sector focus to finance low carbon activities. By reducing the exposure of the financial institutions to emission intensive sectors, they will be able to reduce transition risks, including the risk of stranded assets.
- (C) **Assets with exposure to direct physical climate risk. Specify:**
Physical assets within Swedfund's sector Energy & Climate can be affected by physical climate risks and therefore incorporating climate risks into technical due diligence and construction is getting more common.
- (D) Assets with exposure to indirect physical climate risk. Specify:
- (E) **Specific sectors and/or assets that are likely to benefit under a range of climate scenarios. Specify:**
Swedfund will invest in climate, low emission pathways and climate resilient development as part of the Energy & Climate sector. Since 2015, Swedfund has focused on renewable energy production and distribution, in line with SDG 7 and no longer makes direct investments into fossil fuels. Recognising that climate investments encompass a wider remit than sustainable energy production, Swedfund will invest in other sustainable climate mitigation projects such as energy efficiency, resource efficiency, water, waste to energy and waste management.
- (F) **Specific sectors and/or assets that contribute significantly to achieving our climate goals. Specify:**
Even though the focus of Swedfund's climate strategy is to work to reduce the emissions of the portfolio companies, investments in carbon removal projects are required in order to reach our goal of a carbon neutral portfolio by 2045. We aim envision to support starting to assess assessing investment opportunities in carbon capture or storage projects, for example by investing in sustainable forestry and supporting potential new economic models and technological innovations for carbon sequestration.
- (G) **Other climate-related risks and opportunities identified, please specify:**

Swedfund has recently undertaken a project with an external advisor to assess the alignment of Swedfund’s portfolio with the Paris Agreement, on the basis of the Beyond 2°C scenario by the International Energy Agency (IEA). This assessment shows high alignment of Swedfund’s portfolio with the Paris Agreement indicating that our investment strategy is well aligned with our portfolio level climate target. Further, the assessment is an important step in order to set relevant targets and actions on the portfolio level.

(H) We have not identified specific climate-related risks and opportunities beyond our organisation's investment time horizon

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 32	PLUS	N/A	N/A	PUBLIC	Strategy	General

Describe the impact of climate-related risks and opportunities on your organization's investment strategy, products (where relevant) and financial planning.

Climate change is one of the biggest challenges the global community is currently facing and one of the greatest barriers to development. Climate change severely affects private and public sector businesses, the livelihoods of people and has a negative impact on inclusive growth and sustainable development. Climate change and poverty go hand in hand, and the impacts of climate change are disproportionately burdening developing countries. Vulnerable groups, such as women, are particularly exposed to the effects of climate change and climate change creates new type of poverty. Therefore, Swedfund has committed to align with the goals of the Paris Agreement, which aims to keep the global temperature rise this century well below 2 degrees Celsius above pre-industrial levels. Swedfund will invest in climate, low emission pathways and climate resilient development as part of the Energy & Climate sector.

Since 2015, Swedfund has focused on renewable energy production and distribution, in line with SDG 7, and no longer makes direct investments into fossil fuels. Recognising that climate investments encompass a wider remit than sustainable energy production, Swedfund will invest in other climate mitigation projects such as energy efficiency, resource efficiency, water, waste to energy and waste management. Even though the focus of Swedfund’s climate strategy is to work to reduce the emissions of the portfolio companies, investments in carbon removal projects are required in order to reach our goal of a carbon neutral portfolio by 2045. We envision to start assessing investment opportunities in carbon capture or storage projects, for example by investing in sustainable forestry and potential new economic models and technological innovations for carbon sequestration. The sectors that are in general primarily expected to be affected by the transition climate risks, such as energy production from fossil fuels. At the portfolio level, Swedfund has very limited exposure to these sectors, as Swedfund has invested only in renewable energy production since 2015.

The sectors that are in general primarily expected to be affected by the physical climate risks, such as drought, rising sea levels, extreme weather events and floods, are transport sector, infrastructure and the agricultural sector. Swedfund has very limited exposure to these sectors, as they are not focus sectors for our investment strategy. Within the Financial Inclusion sector, Swedfund will focus on supporting a green transition. We recognize that financial institutions need to shift their sector focus to finance low carbon activities. By reducing the exposure of the financial institutions to emission intensive sectors, they will be able to reduce transition risks, including the risk of stranded assets. When making investments in Financial Institutions, Swedfund will seek to support the financing of climate change activities in our investee companies, including (a) climate risk assessments in FI portfolios; (b) climate initiatives to mitigate climate impacts, including for example energy efficiency improvements, renewable energy, waste and resource efficiency; (c) the development of green or sustainable finance products and initiatives..

Strategy: Scenario analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 33	CORE	N/A	ISP 33.1	PUBLIC	Strategy: Scenario analysis	General

Does your organisation use scenario analysis to assess climate-related investment risks and opportunities? Select the range of scenarios used.

- (A) An orderly transition to a 2°C or lower scenario
- (B) An abrupt transition consistent with the Inevitable Policy Response
- (C) A failure to transition, based on a 4°C or higher scenario
- (D) Other climate scenario, specify:
- (E) We do not use scenario analysis to assess climate-related investment risks and opportunities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 33.1	PLUS	ISP 33	N/A	PUBLIC	Strategy: Scenario analysis	General

Describe how climate scenario analysis is used to test the resilience of your organisation's investment strategy and inform investments in specific asset classes.

- (A) An orderly transition to a 2°C or lower scenario

In 2020, Swedfund undertook an assessment of the Paris alignment of our investment portfolio. The aim was to assess the alignment of our portfolio and investment strategy with the Beyond 2°C scenario by the International Energy Agency (IEA) (2017) in 2030 and 2045. The draft methodology by the Science based targets initiative (SBTi) for the financial institution served as the main point of orientation. We assessed the alignment of each individual investment in the portfolio, including both direct investments and indirect investments through our funds and financial institutions, with a sectoral decarbonisation pathway. The results showed that 90% of Swedfund's portfolio is line with the B2DS scenario, therefore indicating that transition risks in the overall portfolio are limited. This is a result of Swedfund's sector focus and investment strategy – 30% of our portfolio is in renewable energy and we have not made any direct fossil fuel investments since 2015. The investments where there may be increased transition risks are primarily in our indirect lending activities through financial institutions, where we have minor exposure to fossil fuels and other high emission sectors. Additionally, there are legacy investments in the portfolio in higher emissive sectors, but these will be exited by 2030 latest. Based on these results, we assess that our investment strategy is largely consistent with climate-related scenarios, as these were used to also inform the strategy a few years ago. Further focus on investments in renewable energy and climate mitigation projects is planned as part of our strategy. These results from the scenario analysis are being used to prioritise activities with our financial institution investees to assist them to (i) assess potential transition (and physical) risks and (ii) shift lending activities to "greener" or more sustainable sectors to reduce future transition risks and stranded assets.

- (C) A failure to transition, based on a 4°C or higher scenario

In 2018, Swedfund undertook an assessment of physical and transition risks in our investment portfolio based on a 4 degree scenario. The potential financial implications were considered. Swedfund invests in Sub-Saharan Africa and South/Southeast Asia, regions that are expected to be significantly affected by physical climate risks. The country vulnerability to physical risks in our investment markets is expected to be high under this scenario. However, the findings from this analysis showed that due to Swedfund's investment strategy, investing in healthcare, renewable energy and financial institutions, there is limited exposure to physical risks in the portfolio. The largest physical risks in Swedfund's investment portfolio are in the renewable energy sector, particularly in hydropower projects, as well in our financial institutions' underlying investments. The scenario analysis confirmed that as a result of our investment strategy, Swedfund faces limited climate related risks. However, this also demonstrated the need to systematically assess both transition and physical risks at a project level. As part of the investment process, Swedfund is now assessing the physical and transition risks for each new project using an internal tool, in order to identify risk hotspots. Where considerable climate risks are identified, Swedfund works closely with investees to mitigate these risks and to ensure climate risk considerations are integrated in project planning and design.

Risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 34	PLUS	ISP 30	N/A	PUBLIC	Risk management	General

Which risk management processes do you have in place to identify and assess climate-related risks?

(A) Internal carbon pricing. Describe:

(B) **Hot spot analysis. Describe:**

'- Using an internal climate risk tool, potential physical and transition climate risks are screened in new investments; - If physical risk hotspots are identified, a deeper analysis is performed using the World Bank Climate and Disaster Risk Screening Tool; - If transition risk hotspots are identified, additional research is undertaken on the country's climate policies, regulations and potential risks for the sector; - Adaptive actions should be discussed with the investee company and actions potentially included in the ESGAP

(C) Sensitivity analysis. Describe:

(D) TCFD reporting requirements on external investment managers where we have externally managed assets. Describe:

(E) TCFD reporting requirements on companies. Describe:

(F) **Other risk management processes in place, please describe:**

In its operations, Swedfund is exposed to a variety of risk factors, some of which are not easily influenced. We manage risks at different levels: strategic, investment, operational and financial. Sound risk management is both a prerequisite for the business and ultimately a potential way of improving development results. Strategic risks focus on structural factors related to our mission to be active in the "least developed countries". The risks include, but are not limited to, macro risks, including risks relating to climate, corruption, human rights violations and political instability. It is also important to give strategic consideration to country and concentration risks. When we assess potential investments, we strive to establish a balance in the portfolio between countries/regions, sectors and instruments.

(G) We do not have any risk management processes in place to identify and assess climate-related risks

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 35	PLUS	Multiple, see guidance	N/A	PUBLIC	Risk management	General

In which investment processes do you track and manage climate-related risks?

(A) In our engagements with investee entities, and/or in engagements conducted on our behalf by service providers and/or external managers. Describe:

We assess climate vulnerability and risks when evaluating potential new investment: •Using an internal climate risk tool, potential physical and transition climate risks are screened in new investments; •If physical risk hotspots are identified, a deeper analysis is performed using the World Bank Climate and Disaster Risk Screening Tool; •If transition risk hotspots are identified, additional research is undertaken on the country’s climate policies, regulations and potential risks for the sector; •Adaptive actions should be discussed with the investee company and actions potentially included in the ESGAP.

(C) In our external investment manager selection process. Describe:

We require all our investments, including external fund managers to assess climate impact and undertake efforts to combat climate change as appropriate to the size and nature of the business. The climate vulnerability and risk assessment is conducted also as applicable when selecting external managers.

(D) In our external investment manager monitoring process. Describe:

We follow up implementation of potential climate-related actions included in ESG Action Plan and provide technical assistance funding as applicable.

(E) In the asset class benchmark selection process. Describe:

(F) In our financial analysis process. Describe:

(G) Other investment process(es). Describe:

(H) We are not tracking and managing climate-related risks in specific investment processes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 36	PLUS	N/A	N/A	PUBLIC	Risk management	General

How are the processes for identifying, assessing and managing climate-related risks incorporated into your organisation's overall risk management?

(A) The risk committee or the equivalent function is formally responsible for identifying, assessing and managing climate risks. Describe:

(B) Climate risks are incorporated into traditional risks (e.g. credit risk, market risk, liquidity risk or operational risk). Describe:

(C) Climate risks are prioritised based on their relative materiality, as defined by our organisation's materiality analysis. Describe:

(D) Executive remuneration is linked to climate-related KPIs. Describe:

(E) Management remuneration is linked to climate-related KPIs. Describe:

(F) Climate risks are included in the enterprise risk management system. Describe:

In its operations, Swedfund is exposed to a variety of risk factors, some of which are not easily influenced. We manage risks at different levels: strategic, investment, operational and financial. Sound risk management is both a prerequisite for the business and ultimately a potential way of improving development results. Strategic risks focus on structural factors related to our mission to be active in the "least developed countries". The risks include, but are not limited to, macro risks, including risks relating to climate, corruption, human rights violations and political instability. It is also important to give strategic consideration to country and concentration risks. When we assess potential investments, we strive to establish a balance in the portfolio between countries/regions, sectors and instruments. Identified risk types including climate risks are managed through well-defined business processes with integrated risk management measures, as well as through the clear division of responsibility and tasks, and an appropriate decision-making policy. This means that specific approval is required for investments and other important transactions to ensure that assets are managed appropriately.

- (G) Other methods for incorporating climate risks into overall risk management, please describe:
- (H) Processes for identifying, assessing and managing climate-related risks are not integrated into our overall risk management

Metrics and targets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 37	PLUS	N/A	ISP 37.1	PUBLIC	Metrics and targets	General

Have you set any organisation-wide targets on climate change?

- (A) Reducing carbon intensity of portfolios
- (B) Reducing exposure to assets with significant climate transition risks
- (C) Investing in low-carbon, energy-efficient climate adaptation opportunities in different asset classes
- (D) Aligning entire group-wide portfolio with net zero
- (E) Other target, please specify:
- (F) No, we have not set any climate-related targets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 37.1	PLUS	ISP 37	N/A	PUBLIC	Metrics and targets	General

Provide more details about your climate change target(s).

	(1) Absolute- or intensity-based	(3) Baseline year [between 1900–2020]
(A) Reducing carbon intensity of portfolios	(2) Intensity-based	2020
(D) Aligning entire group-wide portfolio with net zero	(1) Absolute-Based	2020
	(4) Baseline amount	(5) Target date dd/mm/yyyy

(A) Reducing carbon intensity of portfolios 2019: 44 ton CO2e; 2020:n/a 31/12/2045

(D) Aligning entire group-wide portfolio with net zero 2019: 44 ton CO2e; 2020:n/a 31/12/2045

(8) Other details

(A) Reducing carbon intensity of portfolios The total release of GHG emissions per invested krona shall accordingly decline over time with 2020 as the base year.

(D) Aligning entire group-wide portfolio with net zero Not later than 2045, the investment portfolio of the Company shall be climate-neutral, by which is meant that the portfolio shall have a net zero release of GHG in accordance with the IPCC definition.

Metrics and targets: Transition risk

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 38	PLUS	N/A	ISP 38.1	PUBLIC	Metrics and targets: Transition risk	General

What climate-related metric(s) has your organisation identified for transition risk monitoring and management?

- (A) Total carbon emissions
- (B) Carbon footprint
- (C) Carbon intensity
- (D) Weighted average carbon intensity
- (E) Implied temperature warming
- (F) Percentage of assets aligned with the EU Taxonomy (or similar taxonomy)
- (G) Avoided emissions metrics (real assets)
- (H) Other metrics, please specify:
- (I) No, we have not identified any climate-related metrics for transition risk monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 38.1	PLUS	ISP 38	N/A	PUBLIC	Metrics and targets: Transition risk	General

Provide details about the metric(s) you have identified for transition risk monitoring and management.

	(1) Coverage of AUM	(2) Purpose
(A) Total carbon emissions	(1) for all of our assets	Report performance towards our climate targets
(B) Carbon footprint	(1) for all of our assets	Report performance towards our climate targets
	(3) Metric unit	(4) Methodology
(A) Total carbon emissions	CO2e	GHG Protocol
(B) Carbon footprint	tCO2e/MSEK	Total carbon emissions according to GHG Protocol divided with portfolio value
	(5) Disclosed value	
(A) Total carbon emissions	44 000 tons	
(B) Carbon footprint	n/a	

Metrics and targets: Physical risk

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 39	PLUS	N/A	ISP 39.1	PUBLIC	Metrics and targets: Physical risk	General

What climate-related metric(s) has your organisation identified for physical risk monitoring and management?

- (A) Weather-related operational losses for real assets or the insurance business unit
- (B) Proportion of our property, infrastructure or other alternative asset portfolios in an area subject to flooding, heat stress or water stress
- (C) Other metrics, please specify:
- (D) Other metrics, please specify:
- (E) We have not identified any metrics for physical risk monitoring

Sustainability outcomes

Set policies on sustainability outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 40	CORE	ISP 1.1	N/A	PUBLIC	Set policies on sustainability outcomes	1, 2

Where is your approach to sustainability outcomes set out? Your policy/guideline may be a standalone document or part of a wider responsible investment policy.

- (A) Our approach to sustainability outcomes is set out in our responsible investment policy
- (B) Our approach to sustainability outcomes is set out in our exclusion policy
- (C) Our approach to sustainability outcomes is set out in our stewardship policy
- (D) Our approach to sustainability outcomes is set out in asset class-specific investment guidelines
- (E) Our approach to sustainability outcomes is set out in separate guidelines on specific outcomes (e.g. the SDGs, climate or human rights)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 41	CORE	ISP 1.1	N/A	PUBLIC	Set policies on sustainability outcomes	1, 2

Which global or regionally recognised frameworks do your policies and guidelines on sustainability outcomes refer to?

- (A) The SDG goals and targets
- (B) The Paris Agreement
- (C) The UN Guiding Principles on Business and Human Rights
- (D) The OECD Guidelines for Multinational Enterprises, including guidance on Responsible Business Conduct for Institutional Investors
- (E) Other frameworks, please specify:
 - For full disclosure, please see our Ethical Compass: <https://www.swedfund.se/media/2432/ethical-compass-17112020.pdf>
- (F) Other frameworks, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 42	PLUS	ISP 1.1	N/A	PUBLIC	Set policies on sustainability outcomes	1, 2

What are the main reasons that your organisation has established policies or guidelines on sustainability outcomes? Select a maximum of three options.

- (A) Because we understand which potential financial risks and opportunities are likely to exist in (and during the transition to) an SDG-aligned world
- (B) Because we see it as a way to identify opportunities, such as through changes to business models, across supply chains and through new and expanded products and services
- (C) Because we want to prepare for and respond to legal and regulatory developments, including those that may lead to stranded assets
- (D) Because we want to protect our reputation and licence-to-operate (i.e. the trust of beneficiaries, clients and other stakeholders), particularly in the event of negative sustainability outcomes from investments
- (E) Because we want to meet institutional commitments on global goals (including those based on client or beneficiaries' preferences), and communicate on progress towards meeting those objectives
- (F) Because we consider materiality over longer time horizons to include transition risks, tail risks, financial system risks and similar
- (G) Because we want to minimise negative sustainability outcomes and increase positive sustainability outcomes of investments

Identify sustainability outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 43	CORE	N/A	Multiple, see guidance	PUBLIC	Identify sustainability outcomes	1

Has your organisation identified the intended and unintended sustainability outcomes from any of its activities?

- (A) No, we have not identified the sustainability outcomes from our activities
- (B) Yes, we have identified one or more sustainability outcomes from some or all of our activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 44	CORE	ISP 43	ISP 44.1	PUBLIC	Identify sustainability outcomes	1

What frameworks/tools did your organisation use to identify the sustainability outcomes from its activities? Indicate the tools or frameworks you have used to identify and map some or all of your sustainability outcomes.

- (A) The UN Sustainable Development Goals (SDGs) and targets
- (B) The Paris Agreement
- (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (D) The OECD Guidelines for Multinational Enterprises, including guidance on Responsible Business Conduct for Institutional Investors
- (E) The EU Taxonomy
- (F) Other taxonomies (e.g. similar to the EU Taxonomy), please specify:
- (G) Other framework/tool, please specify:
 For full disclosure, please see our Ethical Compass: <https://www.swedfund.se/media/2432/ethical-compass-17112020.pdf>
- (H) Other framework/tool, please specify:
- (I) Other framework/tool, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 44.1	CORE	ISP 44	N/A	PUBLIC	Identify sustainability outcomes	1

At what level(s) did your organisation identify the sustainability outcomes from its activities?

- (A) At the asset level
- (B) At the economic activity level
- (C) At the company level
- (D) At the sector level
- (E) At the country/region level
- (F) At the global level
- (G) Other level(s), please specify:
 Portfolio level
- (H) We do not track at what level(s) our sustainability outcomes were identified

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 45	CORE	ISP 43	SO 1	PUBLIC	Identify sustainability outcomes	1

How has your organisation determined your most important sustainability outcome objectives?

- (A) Identifying sustainability outcomes that are closely linked to our core investment activities
- (B) Consulting with key clients and/or beneficiaries to align with their priorities
- (C) Assessing the potential severity (e.g. probability and amplitude) of specific negative outcomes over different timeframes
- (D) Focusing on the potential for systemic impacts (e.g. due to high level of interconnectedness with other global challenges)
- (E) Evaluating the potential for certain outcome objectives to act as a catalyst/enabler to achieve a broad range of goals (e.g. gender or education)
- (F) Analysing the input from different stakeholders (e.g. affected communities, civil society or similar)
- (G) Understanding the geographical relevance of specific sustainability outcome objectives
- (H) Other method, please specify:
- (I) We have not yet determined our most important sustainability outcome objectives

Transparency & Confidence-Building Measures

Information disclosed – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 49	CORE	N/A	N/A	PUBLIC	Information disclosed – All assets	6

For the majority of your total assets under management, what information about your ESG approach do you (or the external managers/service providers acting on your behalf) include in material shared with clients, beneficiaries and/or the public? The material may be marketing material, information targeted towards existing or prospective clients or information for beneficiaries.

- (A) A commitment to responsible investment (e.g. that we are a PRI signatory)
- (B) Industry-specific and asset class-specific standards that we align with (e.g. TCFD, or GRESB for property and infrastructure)
- (C) Our responsible investment policy (at minimum a summary of our high-level approach)
- (D) A description of our investment process and how ESG is considered
- (E) ESG objectives of individual funds
- (F) Information about the ESG benchmark(s) that we use to measure fund performance
- (G) Our stewardship approach
- (H) A description of the ESG criteria applied (e.g. sectors, products, activities, ratings and similar)
- (I) The thresholds for the ESG criteria applied in our investment decisions or universe construction
- (J) A list of our main investments and holdings
- (K) ESG case study/example from existing fund(s)
- (L) We do not include our approach to ESG in material shared with clients/beneficiaries/the public for the majority of our assets under management

Confidence-building measures

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 52	CORE	OO 16.1	Multiple, see guidance	PUBLIC	Confidence-building measures	6

What verification has your organisation had regarding the information you have provided in your PRI Transparency Report this year?

- (A) We received third-party independent assurance of selected processes and/or data related to our responsible investment processes, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls/governance or processes to be able to conduct an external assurance next year
- (C) The internal audit function team performed an independent audit of selected processes/and or data related to our responsible investment processes reported in this PRI report
- (D) Our board, CEO, other C-level equivalent and/or investment committee has signed off on our PRI report
- (F) We conducted an external ESG audit of our ESG/sustainability marketed funds or products (excluding ESG/RI certified or labelled assets)
- (G) We conducted an external ESG audit of our holdings to check that our funds comply with our RI policy (e.g. exclusion list or investee companies in portfolio above certain ESG rating)
- (H) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- (I) Responses related to our RI practices documented in this report have been internally reviewed before submission to the PRI
- (J) None of the above

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 53	CORE	ISP 52, OO 14	N/A	PUBLIC	Confidence-building measures	6

Which responsible investment processes and/or data did your organisation have third-party external assurance on?

- | | |
|---|--|
| (A) Investment and stewardship policy | (3) Processes and related data assured |
| <hr/> | |
| (B) Manager selection, appointment and monitoring | (3) Processes and related data assured |
| <hr/> | |
| (D) Fixed income | (3) Processes and related data assured |
| <hr/> | |

(E) Private equity

(3) Processes and related data assured

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 54	CORE	ISP 52	ISP 54.1	PUBLIC	Confidence-building measures	6

What standard did your third-party external assurance provider use?

- (A) PAS 7341:2020
- (B) ISAE 3000 and national standards based on this
- (C) Dutch Standard 3810N (Assurance engagements regarding sustainability reports)
- (D) RevR6 (Assurance of Sustainability)
- (E) IDW AsS 821 (Assurance Standard for the Audit or Review of Reports on Sustainability Issues)
- (F) Accountability AA1000 Assurance Standard (AA1000AS)
- (G) IFC performance standards
- (H) SSAE 18 and SOC 1
- (I) Other national auditing/assurance standard with guidance on sustainability, please specify:
- (J) Invest Europe Handbook of Professional Standards
- (K) ISAE 3402
- (L) AAF 01/06
- (M) AAF 01/06 Stewardship Supplement
- (N) ISO 26000 Social Responsibility
- (O) ASAE 3410 Assurance Engagements on Greenhouse Gas Statements
- (P) PCAF
- (Q) NGRS audit framework (National Greenhouse and Energy Reporting)
- (R) Auditor's proprietary assurance framework for assuring RI-related information
- (S) Other greenhouse gas emissions assurance standard, please specify:
- (T) None of the above

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 54.1	PLUS	ISP 54	N/A	PUBLIC	Confidence-building measures	6

Attach your third-party external assurance provider's report that contains the assurance conclusion.

File uploaded: https://priassociation.eu.qualtrics.com/ControlPanel/File.php?F=F_ZeIY9xFcLqifxX

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 55	PLUS	ISP 52	N/A	PUBLIC	Confidence-building measures	6

Provide details of the third-party external assurance. Include details such as the level of assurance attained, who conducted it, limitations, the expertise of the assurer in the subject matter and/or usage of multiple standards.

Ernst & Young AB conducted a limited assurance engagement according to the ISAE 3000 standard. The review is limited to the current report and historical information and does not therefore include future oriented information. Ernst & Young AB is a professional service firm providing assurance (which includes financial audit), tax, consulting and advisory services to its clients.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 58	CORE	ISP 52	N/A	PUBLIC	Confidence-building measures	6

Who has reviewed/verified the entirety of or selected data from your PRI report?

(A) Board and/or trustees (4) report not reviewed

(B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO)) (1) the entire report

(C) Investment committee (4) report not reviewed

(D) Other chief-level staff, please specify:
 Director of Strategy and Communication (1) the entire report

(E) Head of department, please specify:
 Director of ESG & Impact (1) the entire report

(F) Compliance/risk management team (4) report not reviewed

(G) Legal team (4) report not reviewed

(H) RI/ ESG team

(1) the entire report

(I) Investment teams

(4) report not reviewed

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 61	PLUS	ISP 52	N/A	PUBLIC	Confidence-building measures	6

Provide details of the ESG audit carried out as part of your risk management, engagement identification or investment decision-making.

A thorough analysis is carried out prior investment decision-making including assessment of all Swedfund's three pillars: Impact on Society, Sustainability, and Financial Viability. Different factors are examined, including expected development effects and sustainability risks and impacts, i.e. the environment and climate, working conditions, human rights and gender, corporate governance and anti-corruption. During the due diligence phase, the investment team meets representatives of different functions of the potential investment in order to gain a deeper understanding of the company and the processes, routines and documents that they have shared with Swedfund. If necessary, external expertise is hired to assess/audit specific issues and risks - at least in all high risk projects. The assessment/audit is conducted against the requirements set in Swedfund's Policy for Sustainable Development. Before the audit, the company will be asked to complete a comprehensive questionnaire on environmental, social and corporate governance related issues. Audits are being conducted by qualified international or local experts depending on risk levels and specific requirements. Finds from the assessment/audit are being summarised in an ESG Action Plan that will form a part of the investment agreement. In 2020 Swedfund's internal audit agenda included an audit of Swedfund's alignment with IFC Operating Principles on Impact Management. The findings were reported to the board of directors and report on the finding is published at Swedfund's homepage.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 62	PLUS	ISP 52	N/A	PUBLIC	Confidence-building measures	6

Describe your organisation's approach to ensuring that your responsible investment processes are implemented as per your policies and guidelines. In your description please include the frequency of ensuring that your processes follow stated policies and include the choice of ESG fund audit, internal audit function and/or third-party external assurance.

We work actively and continuously with our portfolio companies, focusing on commercial and sustainability issues which were identified during the due diligence phase. During the period for active management, which usually extends over 7-12 years, an ongoing dialogue and close contact are maintained with the portfolio companies in order to monitor their ESG performance and contractual conditions, both through visits, active board work and dialogue and through their annual report (the Swedfund Sustainability Report). Both internal audits and third-party audits are conducted. 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 and value creation opportunities in the portfolio company's operation, our knowledge of the company's challenges and information from the companies through the annual Swedfund Sustainability Report, as well as previous audits or visits. 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 ownership/stewardship. 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.

Manager Selection, Appointment and Monitoring (SAM)

Selection

Responsible investment policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 2	CORE	OO 11	SAM 2.1	PUBLIC	Responsible investment policy	1, 4

During the reporting year, did your organisation include compliance with your responsible investment policy as a pre-requisite when selecting external managers? (If you did not select any external managers during the reporting year, refer to the last reporting year in which you did select external managers.)

	(1) Yes, only when selecting external managers of ESG/sustainability funds	(2) Yes, when selecting external managers of ESG/sustainability funds and mainstream funds (This option also applies to signatories who may not hold ESG/sustainability funds)	(3) We did not include compliance with our responsible investment policy as a pre-requisite when selecting external managers
(E) Private equity	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 2.1	CORE	SAM 2	N/A	PUBLIC	Responsible investment policy	1,4

In what proportion of cases did your organisation include compliance with your responsible investment policy as a pre-requisite when selecting external managers?

(5) Private equity

(B) When selecting external managers of ESG/sustainability funds and mainstream funds (1) in all cases

Research and screening

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 3	CORE	OO 11	N/A	PUBLIC	Research and screening	1

When selecting external managers, which aspects of their organisation do you, or the investment consultant acting on your behalf, assess against responsible investment criteria? (Per asset class, indicate the proportion of your AUM to which each of these selection practices applies, regardless of when you selected your different external managers.)

(5) Private equity

(A) Firm culture (4) for none of our externally managed AUM

(B) Investment approach, objectives and philosophy (1) for all of our externally managed AUM

(C) Investment policy or guidelines (1) for all of our externally managed AUM

(D) Governance structure and management oversight, including diversity (1) for all of our externally managed AUM

(E) Investment strategy and fund structure (1) for all of our externally managed AUM

(F) Investment team competencies (1) for all of our externally managed AUM

(G) Other, please specify: Expected societal impact (1) for all of our externally managed AUM

Investment practices

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 4	CORE	OO 11	N/A	PUBLIC	Investment practices	1

Which responsible investment practices does your organisation, or the investment consultants acting on your behalf, require as part of your external manager selection criteria? (Per asset class, indicate the proportion of your AUM to which each of these selection practices applies, regardless of when you selected your different external managers.) As part of the selection criteria, we require that external managers:

(5) Private equity

(A) Incorporate material ESG factors in all of their investment analyses and decisions (1) for all of our externally managed AUM

(B) Incorporate their own responsible investment policy into their asset allocation decisions (1) for all of our externally managed AUM

(C) Have adequate resources and processes to analyse ESG factors (1) for all of our externally managed AUM

(D) Incorporate material ESG factors throughout their portfolio construction (1) for all of our externally managed AUM

(E) Engage with underlying portfolio assets to address ESG risks and opportunities (1) for all of our externally managed AUM

(F) Comply with their own exclusions policy (1) for all of our externally managed AUM

(G) Embed ESG considerations in contractual documentation (1) for all of our externally managed AUM

(H) Implement adequate disclosure and accountability mechanisms (1) for all of our externally managed AUM

(I) Are willing to work in partnership with our organisation to develop their responsible investment approach (1) for all of our externally managed AUM

(J) Track the positive and negative sustainability outcomes of their activities (1) for all of our externally managed AUM

(K) Other, please specify: Expected societal impact (1) for all of our externally managed AUM

Stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 6	CORE	OO	N/A	PUBLIC	Stewardship	2

How does your organisation, or the investment consultants acting on your behalf, assess the stewardship policies of investment managers during the selection process? (Per asset class, indicate the proportion of your AUM to which each of these selection practices applies, regardless of when you selected your different external managers.)

(5) Private equity

(A) We assess the degree to which their stewardship policy aligns with ours (1) for all of our externally managed AUM

(B) We require that their stewardship policy prioritises systemic issues (1) for all of our externally managed AUM

(C) We require that their stewardship policy prioritises ESG factors beyond corporate governance (1) for all of our externally managed AUM

(D) We require that their stewardship policy allows for and encourages the use of a variety of stewardship tools (1) for all of our externally managed AUM

(E) We require that their stewardship policy allows for and encourages participation in collaborative initiatives (4) for none of our externally managed AUM

(F) We require that their stewardship policy includes adequate escalation strategies for instances where initial efforts are unsuccessful (1) for all of our externally managed AUM

(G) Other, please specify: We assess if they have an impact framework and Theory of Change to enhance societal impacts (1) for all of our externally managed AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 7	CORE	OO	N/A	PUBLIC	Stewardship	2

How does your organisation, or the investment consultants acting on your behalf, assess the stewardship practices of external managers as part of the selection process? (Per asset class, indicate the proportion of your AUM to which each of these selection practices applies, regardless of when you selected your different external managers.)

(5) Private equity

(A) We assess whether they allocate sufficient resources to stewardship overall (1) for all of our externally managed AUM

(B) We assess whether they allocate sufficient resources for systemic stewardship (4) for none of our externally managed AUM

(C) We assess the degree of implementation of their stewardship policy (1) for all of our externally managed AUM

(D) We assess whether their investment team is involved in stewardship activities (1) for all of our externally managed AUM

(E) We assess whether stewardship actions and results are fed back into the investment process and decisions (1) for all of our externally managed AUM

(F) We assess whether they make full use of a variety of tools to advance their stewardship priorities (1) for all of our externally managed AUM

(G) We assess whether they deploy their escalation process to advance their stewardship priorities where initial efforts are unsuccessful (1) for all of our externally managed AUM

(H) We assess whether they participate in collaborative stewardship initiatives (4) for none of our externally managed AUM

(I) We assess whether they take an active role in their participation in collaborative stewardship initiatives (4) for none of our externally managed AUM

(J) Other, please specify: We assess whether they have processes and allocate resources to enhance and measure the societal impact (1) for all of our externally managed AUM

Sustainability outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 10	PLUS	OO 11	N/A	PUBLIC	Sustainability outcomes	1

How does your organisation, or the investment consultant acting on your behalf, assess external managers' approaches to their sustainability outcomes as part of your selection process? (Indicate the proportion of your AUM to which each of these selection practices applies, regardless of when you selected your different external managers.)

(A) We assess their track records on advancing sustainability outcomes across their assets (1) for all of our externally managed AUM

(B) We assess whether they have set targets for the sustainability outcomes of their activities or are willing to incorporate our own targets (1) for all of our externally managed AUM

(C) We assess how they use key levers including asset allocation, engagement and stewardship activities to advance sustainability outcomes (1) for all of our externally managed AUM

(D) We assess how well they report on their progress on sustainability outcomes across their assets (1) for all of our externally managed AUM

Documentation and track record

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 11	CORE	OO 11	N/A	PUBLIC	Documentation and track record	1

As part of your selection process, which documents does your organisation, or the investment consultants acting on your behalf, review to gain confidence in external managers' responsible investment practices? (Indicate the proportion of your AUM to which each of these selection practices applies, regardless of when you selected your different external managers.)

(A) Standard client reporting, responsible investment reports or impact reports (1) for all of our externally managed AUM

(B) Responsible investment methodology and its influence on past investment decisions	(1) for all of our externally managed AUM
(C) Historical voting and engagement activities with investees	(4) for none of our externally managed AUM
(D) Historical engagement activities with policymakers	(4) for none of our externally managed AUM
(E) Compliance manuals and portfolios to ensure universal construction rules are applied (e.g. exclusions, thematic, best-in-class definitions and thresholds)	(1) for all of our externally managed AUM
(F) Controversies and incidence reports	(1) for all of our externally managed AUM
(G) Code of conduct or codes of ethics	(1) for all of our externally managed AUM
(H) Other, please specify: Management Systems for Environmental and Social matters and Anti-Corruption	(1) for all of our externally managed AUM

Monitoring

Investment practices

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 14	CORE	OO 13	N/A	PUBLIC	Investment practices	1

During the reporting year, which aspects of your external manager's responsible investment practices did you, or your investment consultant acting on your behalf, monitor?

(5) Private equity

(A) We monitored their alignment with our organisation's responsible investment strategy	(1) for all of our externally managed AUM
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(B) We monitored any changes in their responsible investment-related policies, resourcing, oversight and responsibilities or investment processes (1) for all of our externally managed AUM

(C) We monitored their use of ESG data, benchmarks, tools and certifications (1) for all of our externally managed AUM

(D) We monitored how ESG incorporation affected investment decisions (1) for all of our externally managed AUM

(E) We monitored how ESG incorporation affected the fund's financial and ESG performance (1) for all of our externally managed AUM

(F) We monitored any changes in ESG risk management processes (1) for all of our externally managed AUM

(G) We monitored their response to material ESG incidents (1) for all of our externally managed AUM

(H) Other, please specify: Implementation of Management Systems for Environmental and Social matters and Anti-Corruption as well as alignment with ILO Core Conventions (1) for all of our externally managed AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 16	PLUS	OO 13	N/A	PUBLIC	Investment practices	1

Provide an example of a leading practice you adopted as part of your monitoring of your external managers' responsible investment practices in private equity, real estate and/ or infrastructure during the reporting year.

Please provide examples below:

(A) Private equity

In 2020, Swedfund had a special focus on strengthening the work of our PE funds within human rights. Swedfund requires that the funds and their underlying portfolio companies shall meet certain requirements regarding human rights and begun to develop methods to support this. The work has been done in collaboration with Danish Institute for Human Rights (DIHR). The work involved DIHR analyzing two funds: GEF South Asia Growth Fund II and Quadria Capital Fund II. The analysis resulted in two reports with recommendations on further developments within the area of human rights. In parallel, human rights training was conducted and a toolbox created to guide the funds and their portfolio companies to work more thoroughly and systematically with human rights matters. Six training sessions were conducted focusing on UNGP and ILO Fundamental Principles and Rights at Work.

Stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 17	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship	1, 2

During the reporting year, how did your organisation, or the investment consultants acting on your behalf, monitor your external managers' stewardship activities?

(5) Private equity

(A) We monitored any changes in stewardship policies and processes

(1) for all of our externally managed AUM

(B) We monitored the degree of implementation of their stewardship policy (1) for all of our externally managed AUM

(C) We monitored their prioritisation of systemic issues (1) for all of our externally managed AUM

(D) We monitored their prioritisation of ESG factors beyond corporate governance (1) for all of our externally managed AUM

(E) We monitored their investment team's level of involvement in stewardship activities (1) for all of our externally managed AUM

(F) We monitored whether stewardship actions and results were fed back into the investment process and investment decisions (1) for all of our externally managed AUM

(G) We monitored whether they had made full use of a variety of stewardship tools to advance their stewardship priorities (4) for none of our externally managed AUM

(H) We monitored the deployment of their escalation process in cases where initial stewardship efforts were unsuccessful (1) for all of our externally managed AUM

(I) We monitored whether they had participated in collaborative stewardship initiatives (4) for none of our externally managed AUM

(J) We monitored the degree to which they had taken an active role in their participation in collaborative stewardship initiatives (4) for none of our externally managed AUM

(K) Other, please specify: Implementation of channels for stakeholder complaints/grievance mechanism (1) for all of our externally managed AUM

Sustainability outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 19	PLUS	OO 13	N/A	PUBLIC	Sustainability outcomes	1

During the reporting year, how did your organisation, or the investment consultants acting on your behalf, monitor your external managers' progress on sustainability outcomes?

- (A) We reviewed progress on the sustainability outcomes of their activities
- (B) We reviewed how they used asset allocation individually or in partnership with others to make progress on sustainability outcomes
- (C) We reviewed how they used individual or collaborative investee engagement, including voting, to make progress on sustainability outcomes
- (D) We reviewed how they used individual or collaborative systemic stewardship, including policy engagement, to make progress on sustainability outcomes
- (E) We reviewed how they contributed to public goods (such as research) or public discourse (such as media) or collaborated with other actors to track and communicate progress against global sustainability goals
- (F) Other, please specify:
- (G) We did not review their progress on sustainability outcomes

Review

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 20	CORE	OO 13	N/A	PUBLIC	Review	1

During the reporting year, how often did your organisation, or the investment consultants acting on your behalf, require your external managers to report to you on their responsible investment practices?

(5) Private equity

(A) Quarterly or more often (4) for none of our externally managed AUM

(B) Every six months (4) for none of our externally managed AUM

(C) Annually (1) for all of our externally managed AUM

(D) Less than once a year (4) for none of our externally managed AUM

(E) On an ad hoc basis (e.g. whenever significant changes, incidents or ESG-linked events occur) (4) for none of our externally managed AUM

Verification

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 21	PLUS	OO 13	N/A	PUBLIC	Verification	1

During the reporting year, how did your organisation, or the investment consultants acting on your behalf, verify the information reported by external managers on their responsible investment practices?

(5) Private equity

(A) We required evidence of internal monitoring or compliance

(3) for a minority of our externally managed AUM

(B) We required evidence of external monitoring or compliance

(3) for a minority of our externally managed AUM

(C) We required that they had an independent ESG advisory board or committee

(3) for a minority of our externally managed AUM

(D) We required verification by an external, independent auditor

(3) for a minority of our externally managed AUM

(E) Other, please specify:

Engagement and escalation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 22	CORE	OO 13	N/A	PUBLIC	Engagement and escalation	1

Which actions does your organisation, or the investment consultants acting on your behalf, include in its formal escalation process to address concerns raised during monitoring?

(5) Private equity

(A) We notify the external manager about their placement on a watch list

(B) We engage the external manager's board or investment committee

(C) We reduce exposure with the external manager until any non-conformances have been rectified

(D) We terminate the contract with the external manager if failings persist over a (notified) period of time and explain the reasons for the termination

(E) Other, please specify

(F) Our organisation does not have a formal escalation process to address concerns raised by monitoring

Please specify for "(E) Other" above.

We engage actively and use our leverage to address the issue, if applicable, we can provide TA-funding to support in corrective actions.

Fixed Income (FI)

Pre-investment phase

Materiality analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1	CORE	OO 10	FI 1.1	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify material ESG factors for its fixed income assets?

(4) Private debt

(A) Yes, we have a formal process to identify material ESG factors for all of our assets



(B) Yes, we have a formal process to identify material ESG factors for the majority of our assets



(C) Yes, we have a formal process to identify material ESG factors for a minority of our assets



(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their own discretion



(E) No, we do not have a formal process to identify material ESG factors



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1.1	CORE	FI 1	N/A	PUBLIC	Materiality analysis	1

How does your current investment process incorporate material ESG factors?

(4) Private debt

(A) The investment process incorporates material governance factors

(B) The investment process incorporates material environmental and social factors

(C) The investment process incorporates material ESG factors beyond our organisation's typical investment time horizon

(D) The investment process incorporates the effect of material ESG factors on revenues and business operations

ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2	CORE	OO 10	FI 2.1	PUBLIC	ESG risk management	1

How are material ESG factors incorporated into your portfolio risk management process?

(4) Private debt

(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto

(B) Companies, sectors, countries and currency are monitored for changes in ESG exposure and for breaches of risk limits

(C) Overall exposure to specific ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on individual issuers' sensitivity to these factors

(D) Other method of incorporating ESG factors into risk management process, please specify below:

(E) We do not have a process to incorporate ESG factors into our portfolio risk management

Please specify for "(D) Other method of incorporating ESG factors into risk management process".

ESG risks are included in Swedfund's risk policy and monitored through risk management process the same way than any other risks.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2.1	CORE	FI 2	N/A	PUBLIC	ESG risk management	1

For what proportion of your fixed income assets are material ESG factors incorporated into your portfolio risk management process?

(4) Private debt

(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto (1) for all of our assets

(B) Companies, sectors, countries and currency are monitored for changes in ESG exposure and for breaches of risk limits (1) for all of our assets

(C) Overall exposure to specific ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on individual issuers' sensitivity to these factors (1) for all of our assets

(D) Other method of incorporating ESG factors into risk management process

(1) for all of our assets

ESG incorporation in asset valuation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3	CORE	OO 10	FI 3.1	PUBLIC	ESG incorporation in asset valuation	1

How do you incorporate the evolution of ESG factors into your fixed income asset valuation process?

(4) Private debt

(A) We incorporate it into the forecast of cash flow, revenues and profitability

(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer

(C) We do not incorporate the evolution of ESG factors into our fixed income asset valuation process

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3.1	CORE	FI 3	N/A	PUBLIC	ESG incorporation in asset valuation	1

In what proportion of cases do you incorporate the evolution of ESG factors into your fixed income asset valuation process?

(4) Private debt

(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer

(1) in all cases

Performance monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 4	PLUS	OO 5.2 FI, OO 10	N/A	PUBLIC	Performance monitoring	1

Provide an example of an ESG factor that your organisation incorporated into your fixed income valuation or portfolio construction and describe how that affected the returns of those assets.

Example:

(A) Example from your active management strategies:

Microfinance can be impacted indirectly on physical climate risks, as many microfinance clients' income is dependent on agriculture, which is a sector with exposure to the physical climate risks, such as drought, rising sea levels, extreme weather events and floods. Including climate risk assessment improves quality of due diligence and assessment of expected returns.

ESG incorporation in portfolio construction

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 5	CORE	OO 10	FI 5.1	PUBLIC	ESG incorporation in portfolio construction	1

How do ESG factors influence your portfolio construction?

(4) Private debt

(A) The selection of individual assets within our portfolio is influenced by ESG factors

(B) The holding period of individual assets within our portfolio is influenced by ESG factors

(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors

(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process

(E) Other expressions of conviction, please specify below:

(F) The portfolio construction or benchmark selection does not explicitly include the incorporation of ESG factors

Please specify "(E) Other expressions of conviction".

■ Mission targets including e.g. gender and climate steer selection of portfolio companies.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 5.1	CORE	FI 5	N/A	PUBLIC	ESG incorporation in portfolio construction	1

In what proportion of cases do ESG factors influence your portfolio construction?

(4) Private debt

(A) The selection of individual assets within our portfolio is influenced by ESG factors (1) in all cases

(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors (1) in all cases

(E) Other expressions of conviction (1) in all cases

ESG incorporation in assessment of issuers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 7	CORE	OO 10	N/A	PUBLIC	ESG incorporation in assessment of issuers	1

When assessing issuers'/borrowers' credit quality, how does your organisation incorporate material ESG risks in the majority of cases?

(4) Private debt

(A) In the majority of cases, we incorporate material governance-related risks

(B) In addition to incorporating governance-related risks, in the majority of cases we also incorporate material environmental and social risks

(C) We do not incorporate material ESG risks for the majority of our credit quality assessments of issuers/borrowers

Private debt

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 10	CORE	OO 10	FI 10.1	PUBLIC	Private debt	1

Indicate how your organisation incorporates ESG factors when selecting private debt investments during the due diligence phase.

- (A) We use a qualitative ESG checklist
- (B) We assess quantitative ESG data, such as energy consumption, carbon footprint and gender diversity
- (C) We require that the investment has its own ESG policy
- (D) We hire specialised third parties for additional ESG assessments
- (E) We require the review and sign-off of our ESG due diligence process by our investment committee or the equivalent function
- (F) Other method of incorporating ESG into the selection of private debt during due diligence (please specify below):
- (G) We do not incorporate ESG factors when selecting private debt during the due diligence phase

Please specify "(F) Other method of incorporating ESG into selection of private debt during due diligence".

We require the investment to have an Environmental and Social Management System and Anti-Corruption Management System and to act according to relevant ILO Conventions. Any identified gaps are being negotiated into an ESG Action Plan included in the loan agreement. Site visit by ESG personnel conducted as needed.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 10.1	CORE	FI 10	N/A	PUBLIC	Private debt	1

In what proportion of cases do you incorporate ESG factors when selecting private debt investments during the due diligence phase?

	(1) in all cases	(2) in the majority of cases	(3) in a minority of cases
(A) We use a qualitative ESG checklist	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(B) We assess quantitative ESG data, such as energy consumption, carbon footprint and gender diversity	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) We require that the investment has its own ESG policy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(D) We hire specialised third parties for additional ESG assessments	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
(E) We require the review and sign off of our ESG due diligence process by our investment committee, or the equivalent function	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(F) Other method of incorporating ESG into the selection of private debt during due diligence	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Post-investment phase

ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 12	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

Do your regular reviews incorporate ESG risks?

(4) Private debt

(A) Our regular reviews include quantitative information on material ESG risks specific to individual fixed income assets

(B) Our regular reviews include aggregated quantitative information on material ESG risks at a fund level

(C) Our regular reviews only highlight fund holdings where ESG ratings have changed

(D) We do not conduct regular reviews. Risk reviews of ESG factors are conducted at the discretion of the individual fund manager and vary in frequency

(E) We do not conduct reviews that incorporate ESG risks

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 13	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

Do you regularly identify and incorporate ESG incidents into the investment process for your fixed income assets?

(4) Private debt

(A) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into all of our investment decisions



(B) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into the majority of our investment decisions



(C) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into a minority of our investment decisions



(D) Yes, we have an ad hoc process in place for identifying and incorporating ESG incidents



(E) We do not have a process in place for regularly identifying and incorporating ESG incidents into our investment decision-making



Long-term ESG trend analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 15	CORE	OO 10	N/A	PUBLIC	Long-term ESG trend analysis	1

Do you continuously monitor a list of identified long-term ESG trends related to your fixed income assets?

(4) Private debt

(A) We monitor long-term ESG trends for all of our assets



(B) We monitor long-term ESG trends for the majority of our assets



(C) We monitor long-term ESG trends for a minority of our assets



(D) We do not continuously monitor long-term ESG trends in our investment process



Examples of leading practice

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 17	PLUS	OO 10	N/A	PUBLIC	Examples of leading practice	1 to 6

Describe any leading responsible investment practices that you have adopted for some or all of your fixed income assets.

Description per fixed income asset type:

(D) Private debt

Swedfund has supported several of its financial institutions with Technical Assistance funding to develop an Environmental and Social Management System including policy and processes to incorporate ESG factors into their credit process and monitoring of loans.

Engagement

Engaging with issuers/borrowers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 22	CORE	OO 9 FI	FI 22.1	PUBLIC	Engaging with issuers/borrowers	2

At which stages does your organisation engage with issuers/borrowers?

(4) Private debt

(A) At the pre-issuance/pre-deal stage

(B) At the pre-investment stage

(C) During the holding period

(D) At the refinancing stage

(E) When issuers/borrowers default

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 22.1	PLUS	FI 22	N/A	PUBLIC	Engaging with issuers/borrowers	2

Describe your approach to engagement.

Engagement approach per fixed income asset type or general description for all your fixed income engagement:

(A) Description of engagement approach for all of our fixed income

We do engage with companies to whom we have provided debt to. Our engagement includes regular reporting, follow up on ESG Action Plans, internal and external audits, Technical Assistance funding and visits to the companies we have financed. When providing debt through syndications to commercial banks the lead arranger is also in the lead of following up requirements with regards to ESG. This can include follow up on ESG Action Plan, monitoring visits and audits and regular reporting.

(E) Description of engagement approach for our private debt fixed income

We do engage with companies to whom we have provided debt to. Our engagement includes regular reporting, follow up on ESG Action Plans, internal and external audits, Technical Assistance funding and visits to the companies we have financed. When providing debt through syndications to commercial banks the lead arranger is also in the lead of following up requirements with regards to ESG. This can include follow up on ESG Action Plan, monitoring visits and audits and regular reporting.

Private Equity (PE)

Policy

Investment guidelines

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 1	CORE	N/A	N/A	PUBLIC	Investment guidelines	1 to 6

What private equity-specific ESG guidelines are currently covered in your organisation's responsible investment policies?

- (A) Guidelines on how we adapt our ESG approach for the different sectors and geographies we invest in
- (B) Guidelines on how we adapt our ESG approach for the different strategies and company stages we invest in (e.g. venture capital, buy-out, distressed etc.)
- (C) Guidelines on screening investments
- (D) Guidelines on minimum ESG due diligence requirements
- (E) Guidelines on our approach to ESG integration into 100-day plans (or equivalent) and long-term value creation efforts
- (F) Guidelines on our approach to monitoring ESG risks, opportunities and incidents
- (G) Guidelines on our approach to ESG reporting
- (H) Identification of individuals or a group with ultimate responsibility for ESG
- (I) Our policies do not cover private equity-specific ESG guidelines

Fundraising

Commitments to investors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 2	CORE	N/A	N/A	PUBLIC	Commitments to investors	1, 4

For all of your funds that you closed during the reporting year, what type of formal responsible investment commitments did you make in Limited Partnership Agreements (LPAs) or side letters? (If you did not close any funds during this reporting year, refer to the last reporting year in which you did close funds.)

- (A) We incorporated responsible investment commitments in LPAs as a standard, default procedure
- (B) We added responsible investment commitments in LPAs upon client request
- (C) We added responsible investment commitments in side letters upon client request
- (D) We did not make any formal responsible investment commitments for the relevant reporting year
- (E) Not applicable as we have never raised funds
- (F) Not applicable as we have not raised funds in the last 5 years

Pre-investment phase

Materiality analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 3	CORE	N/A	PE 3.1	PUBLIC	Materiality analysis	1

During the reporting year, how did you conduct ESG materiality analysis for your potential private equity investments?

- | | |
|---|--|
| (A) We assessed materiality at the portfolio company level, as each case is unique | (1) for all of our potential private equity investments |
| (B) We performed a mix of industry-level and portfolio company-level materiality analysis | (4) for none of our potential private equity investments |
| (C) We assessed materiality at the industry level only | (4) for none of our potential private equity investments |

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 3.1	CORE	PE 3	N/A	PUBLIC	Materiality analysis	1

During the reporting year, what tools, standards and data did you use in your ESG materiality analysis of potential private equity investments?

- (A) We used GRI Standards to inform our private equity materiality analysis
- (B) We used SASB to inform our private equity materiality analysis
- (C) We used environmental and social factors detailed in the IFC Performance Standards (or other similar standards) in our private equity materiality analysis
- (D) We used climate risk disclosures such as the TCFD recommendations (or other climate risk analysis tools) to inform our private equity materiality analysis
- (E) We used geopolitical and macro-economic considerations in our private equity materiality analysis
- (F) Other, please specify:
UNGP, ILO Conventions, 2X Challenge gender criteria.

Due diligence

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 4	CORE	N/A	N/A	PUBLIC	Due diligence	1

During the reporting year, how did ESG factors affect the selection of your private equity investments?

- | | |
|---|---|
| (A) ESG factors helped identify risks | (1) for all of our private equity investments selected |
| (B) ESG factors were discussed by the investment committee (or equivalent) | (1) for all of our private equity investments selected |
| (C) ESG factors helped identify remedial actions for our 100-day plans (or equivalent) | (1) for all of our private equity investments selected |
| (D) ESG factors helped identify opportunities for value creation | (1) for all of our private equity investments selected |
| (E) ESG factors led to the abandonment of potential investments | (3) for a minority of our private equity investments selected |
| (F) ESG factors impacted investments in terms of price offered and/or paid by having an effect on revenue assumptions | (3) for a minority of our private equity investments selected |

(G) ESG factors impacted investments in terms of price offered and/or paid by having an effect on CAPEX assumptions (4) for none of our private equity investments selected

(H) ESG factors impacted investments in terms of price offered and/or paid by having an effect on OPEX assumptions (3) for a minority of our private equity investments selected

(I) ESG factors impacted investments in terms of price offered and/or paid by having an effect on the cost of capital or discount rate assumptions (4) for none of our private equity investments selected

(J) Other, please specify:
n/a (4) for none of our private equity investments selected

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 5	CORE	N/A	N/A	PUBLIC	Due diligence	1

Once material ESG factors have been identified, what processes do you use to conduct due diligence on these factors for potential investments?

(A) We do a high-level/desktop review against an ESG checklist for initial red flags (1) for all of our potential private equity investments

(B) We send detailed ESG questionnaires to target companies (1) for all of our potential private equity investments

(C) We hire third-party consultants to do technical due diligence on specific issues (3) for a minority of our potential private equity investments

(D) We conduct site visits and in-depth interviews with management and personnel (1) for all of our potential private equity investments

(E) We incorporate actions based on the risks and opportunities identified in the due diligence process into the 100-day plan (or equivalent) (1) for all of our potential private equity investments

(F) We incorporate ESG due diligence findings in all of our relevant investment process documentation in the same manner as for other key due diligence (e.g. commercial, accounting and legal) (1) for all of our potential private equity investments

(G) Our investment committee (or an equivalent decision-making body) is ultimately responsible for ensuring all ESG due diligence is completed in the same manner as for other key due diligence (e.g. commercial, accounting and legal)

(1) for all of our potential private equity investments

(H) Other, please specify:

n/a

(1) for all of our potential private equity investments

Post-investment phase

Monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 6	CORE	N/A	PE 6.1	PUBLIC	Monitoring	1

During the reporting year, did you track one or more core ESG KPIs across all your private equity investments?

- (A) Yes, we tracked environmental KPIs
- (B) Yes, we tracked social KPIs
- (C) Yes, we tracked governance KPIs
- (D) We did not track ESG KPIs across our private equity investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 6.1	PLUS	PE 6	N/A	PUBLIC	Monitoring	1

Provide examples of the core ESG KPIs you tracked across all of your private equity investments.

- (A) ESG KPI #1
Share of portfolio companies that act consistently with the ILO's Declaration on Fundamental Principles and Rights at Work
- (B) ESG KPI #2
Share of portfolio companies that have implemented an Environmental and Social Management System
- (C) ESG KPI #3
Share of portfolio companies that have implemented an Anti-Corruption Management System
- (D) ESG KPI #4
Number of reported incidents
- (E) ESG KPI #5

- (F) ESG KPI #6
- (G) ESG KPI #7
- (H) ESG KPI #8
- (I) ESG KPI #9
- (J) ESG KPI #10

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 7	CORE	N/A	N/A	PUBLIC	Monitoring	1

For the majority of the core KPIs that you tracked, how did you set targets across your private equity investments?

- (A) We set targets to achieve incremental improvements based on past performance
- (B) We set targets using industry benchmarks/standards
- (C) We set targets against global benchmarks or thresholds (e.g. on climate change and/or the SDGs)
- (D) We did not set targets for the core ESG KPIs that we tracked
- (E) We did not set targets as we don't track core ESG KPIs

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 8	CORE	N/A	PE 8.1	PUBLIC	Monitoring	1,2

What processes do you have in place to support meeting your ESG targets for your private equity investments?

- | | |
|---|--|
| (A) We use operational-level benchmarks to assess and analyse the performance of portfolio companies against sector performance | (4) for none of our private equity investments |
| (B) We implement international best practice standards such as the IFC Performance Standards to guide ongoing assessment and analysis | (1) for all of our private equity investments |
| (C) We implement certified environmental management systems across our portfolio | (3) for a minority of our private equity investments |
| (D) We make sufficient budget available to ensure that the systems and procedures needed to achieve the target are put in place | (1) for all of our private equity investments |
| (E) We hire external verification services to audit performance, systems and procedures | (3) for a minority of our private equity investments |
| (F) We develop minimum health and safety standards | (1) for all of our private equity investments |

(G) We conduct ongoing engagement with all key stakeholders at the portfolio company level (e.g. local communities, NGOs, governments and end-users)

(3) for a minority of our private equity investments

(H) Other, please specify:

We follow up implementation of ESG Action Plans closely and we are active owners through board work and/or work in sustainability committees.

(1) for all of our private equity investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 8.1	PLUS	PE 8	N/A	PUBLIC	Monitoring	1,2

Describe up to two processes that you put in place during the reporting year to support meeting your ESG targets.

Processes to support meeting ESG targets

(A) Process 1

Within healthcare sector, we have worked intensively to support portfolio companies in dealing with the pandemic through Technical Assistance (TA) funds. Actively providing assistance has served a dual purpose: If sufficient protective equipment is not available, the health of the staff is put at risk and, by extension, patients may become reluctant to visit the healthcare institution. In turn, this could result in the entire operation being forced to close down. In this way, these TA initiatives represent both an investment in care that saves lives and a way of reducing the financial risk in our investments.

(B) Process 2

Swedfund has supported selected portfolio companies to develop and implement an Environmental and Social Management System (ESMS) to identify and manage ESG risks. The implementation of the ESMS has in some cases been verified with the support of an internal audit that provides an additional corrective action plan to meet Swedfund's ESG criteria.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 9	PLUS	N/A	N/A	PUBLIC	Monitoring	1, 2

Describe ESG risks and opportunities that you integrate into your 100-day plans, including who is accountable for their successful completion and how the process is monitored.

Based on ESG due diligence findings Swedfund creates an ESG Action Plan that forms a part of the investment agreement. The ESGAP includes specific activities that aim to improve the ESG management, minimise risks and leverage on opportunities. ESGAP typically include requirements to get the portfolio company to act according to relevant ILO Conventions, implementation of Environmental Management and/or Social Management Systems as well as implementation of an Anti-Corruption Management System. An ongoing dialogue and close contact are maintained with the portfolio company in order to monitor the performance and contractual requirements, both through visits, active board work and dialogue and through the annual sustainability report. Both internal audits and third-party audits are conducted. The Senior Investment Managers together with ESG Managers are responsible for following up and ensuring that the portfolio companies comply with the ESGAP.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 10	CORE	N/A	N/A	PUBLIC	Monitoring	1, 2

Post-investment, how do you manage material ESG-related risks and opportunities to create value during the holding period of your investments?

- (A) We develop company-specific ESG action plans based on pre-investment research, due diligence and materiality findings (1) for all of our private equity investments
-
- (B) We adjust our ESG action plans regularly based on performance monitoring findings (2) for the majority of our private equity investments
-
- (C) We hire external advisors to provide support with specific ESG value creation opportunities (3) for a minority of our private equity investments
-
- (D) Other, please specify:
- We follow up implementation of ESG Action Plans closely, we are active owners through board work or sustainability committees and provide Technical Assistance (TA) funding as applicable. (1) for all of our private equity investments
-

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 11	PLUS	N/A	N/A	PUBLIC	Monitoring	2

Describe how your long-term ESG action plans are currently defined, implemented and monitored.

See PE 9 for further information.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 12	CORE	N/A	PE 12.1	PUBLIC	Monitoring	1, 2

How do you ensure that adequate ESG-related competence exists at the portfolio company level?

(A) We assign the board responsibility for ESG matters	(2) for the majority of our private equity investments
(B) We mandate that material ESG matters are discussed by the board at least once a year	(3) for a minority of our private equity investments
(C) We provide training on ESG aspects and management best practices relevant to the portfolio company to C-suite executives only	(3) for a minority of our private equity investments
(D) We provide training on ESG aspects and management best practices relevant to the portfolio company to employees (excl. C-suite executives)	(1) for all of our private equity investments
(E) We support the portfolio company in developing and implementing its ESG strategy	(2) for the majority of our private equity investments
(F) We support portfolio companies by finding external ESG expertise (e.g. consultants or auditors)	(2) for the majority of our private equity investments
(G) We share best practices across portfolio companies (e.g. educational sessions or implementation of environmental and social management systems)	(1) for all of our private equity investments
(H) We include incentives to improve ESG performance in management remuneration schemes	(4) for none of our private equity investments

(I) Other, please specify:

We provide Technical Assistance funding for portfolio companies to improve quality of ESG related matters through trainings and capacity building, when applicable.

(1) for all of our private equity investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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PE 12.1	PLUS	PE 12	N/A	PUBLIC	Monitoring	1, 2
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Describe up to two initiatives taken as part of your ESG competence-building efforts during the reporting year.

ESG competence-building initiatives

(A) Initiative 1

Management awareness raising training on gender equality as a part of Swedfund's talent program Women4Growth.

(B) Initiative 2

We have supported an investment within healthcare sector to develop its ESG policies and monitoring at the Board level.

Exit

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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PE 13	CORE	N/A	N/A	PUBLIC	Exit	4, 6
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During the reporting year, what responsible investment information has your organisation shared with potential buyers of private equity investments?

(A) We shared our firm's high-level commitment to responsible investment (e.g. that we are a PRI signatory)

(2) for the majority of our private equity investments

(B) We shared a description of what industry and asset class standards our firm aligns with (e.g. TCFD or GRESB)

(2) for the majority of our private equity investments

(C) We shared our firm's responsible investment policy (at minimum, a summary of key aspects and firm-specific approach)

(2) for the majority of our private equity investments

(D) We shared our firm's ESG risk assessment methodology (topics covered, in-house and/or with external support)

(4) for none of our private equity investments

(E) We shared the outcome of our latest ESG risk assessment on the asset or portfolio company

(3) for a minority of our private equity investments

(F) We shared key ESG performance data on the asset or portfolio company being sold

(4) for none of our private equity investments

(G) Other, please specify:

n/a

(4) for none of our private equity investments

Reporting/Disclosure

ESG portfolio information

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 14	CORE	N/A	N/A	PUBLIC	ESG portfolio information	6

During the reporting year, how did you report on core ESG data and targets to your investors or beneficiaries?

- (A) We reported in aggregate through a publicly disclosed sustainability report
- (B) We reported in aggregate through formal reporting to investors or beneficiaries
- (C) We reported on the portfolio company level through formal reporting to investors or beneficiaries
- (D) We reported through a limited partners advisory committee
- (E) We reported back at digital or physical events or meetings with investors or beneficiaries
- (F) We did ad hoc or informal reporting on serious ESG incidents
- (G) Other, please specify:
 - Through specific questions or dialogues.
- (H) We did not report on core ESG data and targets to our investors or beneficiaries during the reporting year

Sustainability Outcomes (SO)

Set targets on sustainability outcomes

Outcome objectives

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 1	PLUS	ISP 45	SO 1.1, SO 2	PUBLIC	Outcome objectives	1

Has your organisation chosen to shape any specific sustainability outcomes?

- (A) Yes
 (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2	PLUS	SO 1	SO 3	PUBLIC	Outcome objectives	1

Please list up to 10 of the specific sustainability outcomes that your organisation has chosen to shape.

Sustainability outcomes

(A) Sustainability Outcome #1

SDG 5: Gender equality

(B) Sustainability Outcome #2

SDG 8: Decent work and economic growth

(C) Sustainability Outcome #3

SDG 13: Climate action

Target-setting process

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3	PLUS	SO 2	SO 3.1	PUBLIC	Target-setting process	1

Have you set any targets for your sustainability outcomes? Indicate how many targets you have set for each sustainability outcome.

(A) Sustainability Outcome #1: (3) Two or more targets

(B) Sustainability Outcome #2: (3) Two or more targets

(C) Sustainability Outcome #3: (3) Two or more targets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3.1	PLUS	SO 3	Multiple, see guidance	PUBLIC	Target-setting process	1

For each sustainability outcome, name and provide a brief description of up to two of your targets and list the metrics or key performance indicators (KPIs) associated with them, the targets' deadlines and the percentage of your assets under management to which the targets apply.

	Target name	Target description
(A1) Sustainability Outcome #1: (Target 1)	Increased gender equality	Increased gender equality in the Company's investment portfolio
(A2) Sustainability Outcome #1: (Target 2)	Gender investments	Increased gender equality in the Company's investment portfolio in terms of 2x-Challenge criteria or comparable criteria shall be met in not less than 60% of the Company's investments not later than three years from the date of investment.

(B1) Sustainability Outcome #2: (Target 1)	Decent work	100% of portfolio companies act consistently with ILO's Declaration on Fundamental Principles and Rights of Work and ILO Basic Terms and Conditions of Employment within 3 years from investment
(B2) Sustainability Outcome #2: (Target 2)	Financial sustainability/Economic growth	Turnover and profitability shall increase in not less than 60% of the investments during the holding period with a base year corresponding to the investment year.
(C1) Sustainability Outcome #3: (Target 1)	Climate neutral portfolio	Not later than 2045, the investment portfolio of the Company shall be climate-neutral, by which is meant that the portfolio shall have a net zero release of greenhouse gases in accordance with the IPCC definition.
(C2) Sustainability Outcome #3: (Target 2)	Decreasing emissions	The total release of greenhouse gases ¹ per invested krona shall accordingly decline over time with 2020 as the base year.
	KPIs/metrics	Target deadline: Year
(A1) Sustainability Outcome #1: (Target 1)	% of female in Boards, Senior Management and employees in portfolio companies	
(A2) Sustainability Outcome #1: (Target 2)	% of portfolio companies that meet 2X criteria	
(B1) Sustainability Outcome #2: (Target 1)	% of portfolio companies acting consistently with the relevant ILO conventions	
(B2) Sustainability Outcome #2: (Target 2)	% of portfolio companies with increasing profitability and turnover	
(C1) Sustainability Outcome #3: (Target 1)	Total CO ₂ e from the portfolio, CO ₂ e sequestration from the portfolio; The Paris Alignment of the portfolio	2045

(C2) Sustainability Outcome #3: Total CO2e per invested SEK
(Target 2)

	Coverage: % of assets under management
(A1) Sustainability Outcome #1: (Target 1)	100
(A2) Sustainability Outcome #1: (Target 2)	100
(B1) Sustainability Outcome #2: (Target 1)	100
(B2) Sustainability Outcome #2: (Target 2)	100
(C1) Sustainability Outcome #3: (Target 1)	100
(C2) Sustainability Outcome #3: (Target 2)	100

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4	PLUS	SO 3.1	N/A	PRIVATE	Target-setting process	1

Which global goals (or other references) did your organisation use to determine your sustainability outcomes targets? Explain whether you have derived your target from global goals, e.g. by translating a global goal into a target at the national, regional, sub-national, sectoral or sub-sectoral level. Alternatively, explain why you have set your target independently from global goals.

Global goals/references

(A1) Sustainability Outcome #1: (Target 1)	SDG 5 Goal has been the overarching ambition for Swedfund but the actual measurable target has been set by our owner, the Swedish State and articulated in Swedfund's owner instruction.
(A2) Sustainability Outcome #1: (Target 2)	SDG 5 Goal has been the overarching ambition for Swedfund but the actual measurable target has been set by our owner, the Swedish State and articulated in Swedfund's owner instruction.

(B1) Sustainability Outcome #2: (Target 1)	SDG 8 Goal has been the overarching ambition for Swedfund but the actual measurable target has been set by our owner, the Swedish State and articulated in Swedfund's owner instruction.
(B2) Sustainability Outcome #2: (Target 2)	SDG 8 Goal has been the overarching ambition for Swedfund but the actual measurable target has been set by our owner, the Swedish State and articulated in Swedfund's owner instruction.
(C1) Sustainability Outcome #3: (Target 1)	SDG 13 Goal has been the overarching ambition for Swedfund but the actual measurable target has been set by our owner, the Swedish State and articulated in Swedfund's owner instruction.
(C2) Sustainability Outcome #3: (Target 2)	SDG 13 Goal has been the overarching ambition for Swedfund but the actual measurable target has been set by our owner, the Swedish State and articulated in Swedfund's owner instruction.

Tracking progress

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5	PLUS	SO 3.1	SO 5.1, SO 5.2	PUBLIC	Tracking progress	1

Does your organisation track intermediate performance and progress against your sustainability outcomes targets?

(A1) Sustainability Outcome #1: (Target 1)	(1) Yes
(A2) Sustainability Outcome #1: (Target 2)	(1) Yes
(B1) Sustainability Outcome #2: (Target 1)	(1) Yes
(B2) Sustainability Outcome #2: (Target 2)	(1) Yes
(C1) Sustainability Outcome #3: (Target 1)	(1) Yes
(C2) Sustainability Outcome #3: (Target 2)	(1) Yes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5.1	PLUS	SO 5	N/A	PUBLIC	Tracking progress	1

How does your organisation track intermediate performance and progress against your sustainability outcomes targets?

Please describe below:

(A1) Sustainability Outcome #1: (Target 1)	Annual data collection and public reporting in Integrated Reporting
(A2) Sustainability Outcome #1: (Target 2)	Annual data collection and public reporting in Integrated Reporting
(B1) Sustainability Outcome #2: (Target 1)	Annual data collection and public reporting in Integrated Reporting
(B2) Sustainability Outcome #2: (Target 2)	Annual data collection and public reporting in Integrated Reporting
(C1) Sustainability Outcome #3: (Target 1)	Annual data collection and public reporting in Integrated Reporting
(C2) Sustainability Outcome #3: (Target 2)	Annual data collection and public reporting in Integrated Reporting

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5.2	PLUS	SO 5	N/A	PUBLIC	Tracking progress	1

Describe any qualitative or quantitative progress achieved during the reporting year against your sustainability outcomes targets.

	(1) Qualitative progress	(2) Quantitative progress
(A1) Sustainability Outcome #1: (Target 1)	See our Annual Integrated Report 2020 for information.	See our Annual Integrated Report 2020 for information.
(A2) Sustainability Outcome #1: (Target 2)	See our Annual Integrated Report 2020 for information.	See our Annual Integrated Report 2020 for information.

(B1) Sustainability Outcome #2: (Target 1)	See our Annual Integrated Report 2020 for information.	See our Annual Integrated Report 2020 for information.
(B2) Sustainability Outcome #2: (Target 2)	See our Annual Integrated Report 2020 for information.	See our Annual Integrated Report 2020 for information.
(C1) Sustainability Outcome #3: (Target 1)	See our Annual Integrated Report 2020 for information.	See our Annual Integrated Report 2020 for information.
(C2) Sustainability Outcome #3: (Target 2)	See our Annual Integrated Report 2020 for information.	See our Annual Integrated Report 2020 for information.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 6	PLUS	SO 3.1	SO 6.1	PUBLIC	Tracking progress	2

Despite your organisation's efforts to make progress on your sustainability outcomes, there may be stakeholders who have been negatively affected by your organisation's activities. For each of your sustainability outcomes, indicate whether your organisation ensures that stakeholders who have been negatively affected are able to seek an effective remedy.

(A) Sustainability Outcome #1:	(1) Yes
(B) Sustainability Outcome #2:	(1) Yes
(C) Sustainability Outcome #3:	(1) Yes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 6.1	PLUS	SO 6	N/A	PUBLIC	Tracking progress	2

How does your organisation ensure that stakeholders negatively affected by your activities are able to seek an effective remedy?

Please describe below:

(A) Sustainability Outcome #1:

Swedfund recognises that individuals and communities that are subject to risks or impacts from Swedfund or our portfolio companies also need to be able to lodge a grievance directly with Swedfund. Therefore, Swedfund will make a grievance mechanism available on Swedfund’s website to respond in a timely manner to legitimate concerns and grievances about Swedfund and Swedfund’s portfolio companies. In addition, via Swedfund’s website, Swedfund makes a whistleblowing service available for employees, contractors, interns, etc., at our portfolio companies to make it easy to anonymously report serious irregularities.

(B) Sustainability Outcome #2:

Swedfund recognises that individuals and communities that are subject to risks or impacts from Swedfund or our portfolio companies also need to be able to lodge a grievance directly with Swedfund. Therefore, Swedfund will make a grievance mechanism available on Swedfund’s website to respond in a timely manner to legitimate concerns and grievances about Swedfund and Swedfund’s portfolio companies. In addition, via Swedfund’s website, Swedfund makes a whistleblowing service available for employees, contractors, interns, etc., at our portfolio companies to make it easy to anonymously report serious irregularities.

(C) Sustainability Outcome #3:

Swedfund recognises that individuals and communities that are subject to risks or impacts from Swedfund or our portfolio companies also need to be able to lodge a grievance directly with Swedfund. Therefore, Swedfund will make a grievance mechanism available on Swedfund’s website to respond in a timely manner to legitimate concerns and grievances about Swedfund and Swedfund’s portfolio companies. In addition, via Swedfund’s website, Swedfund makes a whistleblowing service available for employees, contractors, interns, etc., at our portfolio companies to make it easy to anonymously report serious irregularities.

Investors' individual and collective actions shape outcomes

Levers for shaping outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 7	PLUS	SO 3.1	SO 7.1 - SO 22,	PRIVATE	Lever for shaping outcomes	1, 2, 5

Which levers did your organisation or service providers/external investment managers acting on your behalf use to make progress on your sustainability outcomes during the reporting year?

	(1) Individually	(2) With other investors or stakeholders
(A) Asset allocation	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(B) Investee engagement including voting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Systemic stewardship including policy engagement	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) None of the above	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 7.1	PLUS	SO 7	N/A	PRIVATE	Lever for shaping outcomes	1, 2, 5

Considering all the levers you indicated in the previous question, indicate the overall budget you allocated specifically to shaping sustainability outcomes in the reporting year. This indicator refers to the budget dedicated exclusively to shaping sustainability outcomes. Please refer to the Explanatory notes for detailed guidance to determine what to include in the budget figure.

(A) Asset allocation	US\$ 0.00
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(B) Investee engagement including voting US\$ 0.00

(C) Systemic stewardship including policy engagement US\$ 0.00

Asset allocation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 8	PLUS	SO 7	N/A	PUBLIC	Asset allocation	1

Describe how your organisation used asset allocation specifically to make progress on your sustainability outcomes during the reporting year, excluding participation in structures involving other stakeholders, such as blended finance. Provide details on how you expect these measures to make a significant change to the cost and/or availability of capital to finance progress on your sustainability outcomes.

Please describe below:

(A) Sustainability Outcome #1:

As with development cooperation generally, Swedfund aims to contribute to the goal of Sweden's policy of fair and sustainable global development. In order to achieve the goals of the policy, Swedfund will integrate poor people's perspectives on development, a rights perspective, a conflict perspective, a gender perspective and an environmental and climate perspective. Swedfund's work will contribute to outcomes which are sustainable in the long term. There is a clear link between Swedfund's new goals and the UN's sustainable development goals. According to the new owner directive, Swedfund will further strengthen its focus on women's economic empowerment, climate, decent jobs and private capital mobilisation, and aims to increase the profitability of 60 percent of portfolio companies during the holding period.

(B) Sustainability Outcome #2:

As with development cooperation generally, Swedfund aims to contribute to the goal of Sweden's policy of fair and sustainable global development. In order to achieve the goals of the policy, Swedfund will integrate poor people's perspectives on development, a rights perspective, a conflict perspective, a gender perspective and an environmental and climate perspective. Swedfund's work will contribute to outcomes which are sustainable in the long term. There is a clear link between Swedfund's new goals and the UN's sustainable development goals. According to the new owner directive, Swedfund will further strengthen its focus on women's economic empowerment, climate, decent jobs and private capital mobilisation, and aims to increase the profitability of 60 percent of portfolio companies during the holding period.

(C) Sustainability Outcome #3:

As with development cooperation generally, Swedfund aims to contribute to the goal of Sweden's policy of fair and sustainable global development. In order to achieve the goals of the policy, Swedfund will integrate poor people's perspectives on development, a rights perspective, a conflict perspective, a gender perspective and an environmental and climate perspective. Swedfund's work will contribute to outcomes which are sustainable in the long term. There is a clear link between Swedfund's new goals and the UN's sustainable development goals. According to the new owner directive, Swedfund will further strengthen its focus on women's economic empowerment, climate, decent jobs and private capital mobilisation, and aims to increase the profitability of 60 percent of portfolio companies during the holding period.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 10	PLUS	Multiple, see guidance	N/A	PUBLIC	Asset allocation	1, 5

In which asset classes did your organisation, or your external investment managers acting on your behalf, use asset allocation to make progress on your sustainability outcomes during the reporting year? For each asset class, indicate the proportion of assets under management that you dedicated to making progress on your sustainability outcomes.

(2) Fixed income

(A) Sustainability Outcome #1:	(1) We used all of our AUM to advance our sustainability outcomes
(B) Sustainability Outcome #2:	(1) We used all of our AUM to advance our sustainability outcomes
(C) Sustainability Outcome #3:	(1) We used all of our AUM to advance our sustainability outcomes
(3) Private equity	
(A) Sustainability Outcome #1:	(1) We used all of our AUM to advance our sustainability outcomes
(B) Sustainability Outcome #2:	(1) We used all of our AUM to advance our sustainability outcomes
(C) Sustainability Outcome #3:	(1) We used all of our AUM to advance our sustainability outcomes

Investee engagement including voting

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 11	PLUS	SO 7	N/A	PUBLIC	Investee engagement including voting	2

During the reporting year, how did your organisation or service providers/external investment managers acting on your behalf engage with investees specifically to make progress on your sustainability outcomes? This indicator refers to the engagement activities dedicated exclusively to shaping sustainability outcomes.

	(1) Sustainability Outcome #1:	(2) Sustainability Outcome #2:	(3) Sustainability Outcome #3:
(A) At shareholder meetings, we voted in favour of all resolutions or proposals that advanced our sustainability outcomes and voted against all those that undermined them	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(B) We filed or co-filed shareholder resolutions or proposals that advanced our sustainability outcomes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) We used our positions on investee boards and board committees to advance our sustainability outcomes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) We negotiated with and monitored the stewardship actions of suppliers in the investment chain	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) Where necessary, we resorted to litigation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(F) Other, please specify: Through different forms of active ownership including site visits and audits, Technical Assistance (TA) funding, ongoing dialogue, etc.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 12	PLUS	SO 7	N/A	PUBLIC	Investee engagement including voting	2

What is your organisation's approach to engaging with investees as a means to make progress on your sustainability outcomes? Please discuss the reasons why you have chosen any specific engagement tools to make progress on each of your sustainability outcomes. Please also explain how you combine different engagement tools to advance each sustainability outcome.

Please describe below:

(A) Sustainability Outcome #1:

We engage continuously with our portfolio companies, focusing on the commercial and sustainable development matters, which were identified during the due diligence phase. During the period when we act as a lender or the co-owner of a company or fund, which usually extends over 7-10 years, an ongoing dialogue and close contact are maintained with the portfolio companies in order to monitor their performance, goal attainment and contractual conditions, both through visits, active board work and dialogue and through their annual report (the Swedfund Portfolio Company Sustainability Report). ACTIVE OWNERSHIP PHASE EXIT PHASE Both internal audits and third party audits are conducted. In connection with fund investments, we can have direct contact with the underlying holdings of the funds, e.g. **(response continued in row below)**

through visits, analyses, ESG initiatives and TA funds, and through their feedback. The Senior Investment Manager is responsible for following up and ensuring that the companies comply with the agreed conditions, relevant parts of our policies and ESGAPaction plans. Within a three-year period from the date of disbursement, companies must achieve Swedfund's strategic sustainability goals. To help companies attain these goals, we can allocate funds in the form of technical assistance, which can for example be used for training or consultancy..

(B) Sustainability Outcome #2:

We engage continuously with our portfolio companies, focusing on the commercial and sustainable development matters, which were identified during the due diligence phase. During the period when we act as a lender or the co-owner of a company or fund, which usually extends over 7-10 years, an ongoing dialogue and close contact are maintained with the portfolio companies in order to monitor their performance, goal attainment and contractual conditions, both through visits, active board work and dialogue and through their annual report (the Swedfund Portfolio Company Sustainability Report). ACTIVE OWNERSHIP PHASE EXIT PHASE Both internal audits and third party audits are conducted. In connection with fund investments, we can have direct contact with the underlying holdings of the funds, e.g. **(response continued in row below)**

through visits, analyses, ESG initiatives and TA funds, and through their feedback. The Senior Investment Manager is responsible for following up and ensuring that the companies comply with the agreed conditions, relevant parts of our policies and ESGAPaction plans. Within a three-year period from the date of disbursement, companies must achieve Swedfund's strategic sustainability goals. To help companies attain these goals, we can allocate funds in the form of technical assistance, which can for example be used for training or consultancy..

(C) Sustainability Outcome #3:

We engage continuously with our portfolio companies, focusing on the commercial and sustainable development matters, which were identified during the due diligence phase. During the period when we act as a lender or the co-owner of a company or fund, which usually extends over 7-10 years, an ongoing dialogue and close contact are maintained with the portfolio companies in order to monitor their performance, goal attainment and contractual conditions, both through visits, active board work and dialogue and through their annual report (the Swedfund Portfolio Company Sustainability Report). ACTIVE OWNERSHIP PHASE EXIT PHASE Both internal audits and third party audits are conducted. In connection with fund investments, we can have direct contact with the underlying holdings of the funds, e.g. **(response continued in row below)**

through visits, analyses, ESG initiatives and TA funds, and through their feedback. The Senior Investment Manager is responsible for following up and ensuring that the companies comply with the agreed conditions, relevant parts of our policies and ESGAP action plans. Within a three-year period from the date of disbursement, companies must achieve Swedfund's strategic sustainability goals. To help companies attain these goals, we can allocate funds in the form of technical assistance, which can for example be used for training or consultancy..

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 13	PLUS	SO 7	N/A	PUBLIC	Investee engagement including voting	2

Please provide at least one example of how your organisation's individual engagement with investees, either directly or via service providers/external investment managers acting on your behalf, helped make progress on each of your sustainability outcomes during the reporting year, excluding collaborative initiatives.

Example 1

(A) Sustainability Outcome #1:

In February 2020, we carried out the first part of the Women4Growth programme with Victoria Commercial Bank in Nairobi, Kenya. Despite the coronavirus pandemic, the second part was successfully implemented in August, after the programme had been reworked into a digital format.

(B) Sustainability Outcome #2:

We have also worked intensively to support portfolio companies in dealing with the pandemic through TA funds. Actively providing assistance through TA funds has served a dual purpose. If sufficient protective equipment is not available, the health of the staff is put at risk and, by extension, patients may become reluctant to visit the healthcare institution. In turn, this could result in the entire operation being forced to close down. In this way, these TA initiatives represent both an investment in care that saves lives and a way of reducing the financial risk in our investments.

(C) Sustainability Outcome #3:

We have monitored the ESG Action Plans of our active investments including improvements regarding climate assessments.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 14	PLUS	SO 7	N/A	PUBLIC	Investee engagement including voting	2, 5

During the reporting year, in which collaborative initiatives focused on engaging with investees did your organisation or service providers/external investment managers acting on your behalf participate to make progress on your sustainability outcomes?

Please describe below:

(A) Sustainability Outcome #1:

2X Challenge, Gender Finance Collaborative, EDFI Harmonisation

(B) Sustainability Outcome #2:

EDFI Harmonisation, GIIN IRIS+ Navigating Impact on Quality Jobs

(C) Sustainability Outcome #3:

EDFI Harmonisation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 15	PLUS	SO 7	N/A	PUBLIC	Investee engagement including voting	2

Which of the following best describes your organisation's default position regarding collaborative initiatives to engage with investees in order to make progress on your sustainability outcomes?

- (A) We recognise that progress on sustainability outcomes suffers from a collective action problem, and, as a result, we actively prefer collaborative efforts
- (B) We collaborate when our individual efforts have been unsuccessful or are likely to be unsuccessful, i.e. as an escalation tool
- (C) We collaborate in situations where doing so would minimise resource cost to our organisation
- (D) We do not have a default position but collaborate on a case-by-case basis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 16	PLUS	SO 7	SO 16.1	PUBLIC	Investee engagement including voting	2

During the reporting year, how did your organisation or the service providers/external investment managers acting on your behalf contribute to collaborative initiatives to engage with investees in order to make progress on your sustainability outcomes?

- | | |
|---|----------------------------|
| (A) By leading coordination efforts | (3) in a minority of cases |
| (B) By providing financial support | (3) in a minority of cases |
| (C) By providing pro bono advice | (1) in all cases |
| (D) By providing pro bono research | (3) in a minority of cases |
| (E) By providing pro bono training | (3) in a minority of cases |
| (F) By providing administrative support | (4) in no cases |

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 16.1	PLUS	SO 16	N/A	PUBLIC	Investee engagement including voting	2

Please provide details of how you contributed to collaborative initiatives to engage with investees in order to make progress on your sustainability outcomes.

Provide describe below:

(A) By leading coordination efforts

In several cases Swedfund has taken a leading role in different investments to promote e.g. gender equality or climate mitigation by drafting joint actions and plans for active ownership.

(B) By providing financial support

Through collaborative Technical Assistance projects.

(C) By providing pro bono advice	Our ESG & Impact Team is closely engaged in different dialogues and provide assessment results or advice to accelerate joint efforts to target relevant outcomes.
(D) By providing pro bono research	We have participated in different research projects through interviews.
(E) By providing pro bono training	As applicable, Swedfund's ESG & Impact Team provides advise and in some cases informal or formal trainings to create awareness and build capacity within relevant outcomes.

Systemic stewardship including policy engagement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 17	PLUS	SO 7	N/A	PUBLIC	Systemic stewardship including policy engagement	2

Provide one example of how your organisation engaged with policymakers, either directly or via service providers or external investment managers acting on your behalf, to make progress on each of your sustainability outcomes during the reporting year, excluding collaborative initiatives.

Example:

(A) Sustainability Outcome #1:

As with development cooperation generally, Swedfund aims to contribute to the goal of Sweden's policy of fair and sustainable global development. In order to achieve the goals of the policy, Swedfund will integrate poor people's perspectives on development, a rights perspective, a conflict perspective, a gender perspective and an environmental and climate perspective. Swedfund's work will contribute to outcomes which are sustainable in the long term. There is a clear link between Swedfund's new goals and the UN's sustainable development goals. According to the new owner directive, Swedfund will further strengthen its focus on women's economic empowerment, climate, decent jobs and private capital mobilisation, and aims to increase the profitability of 60 percent of portfolio companies during the holding period. Read more on ISP 23.1

(B) Sustainability Outcome #2:

As with development cooperation generally, Swedfund aims to contribute to the goal of Sweden's policy of fair and sustainable global development. In order to achieve the goals of the policy, Swedfund will integrate poor people's perspectives on development, a rights perspective, a conflict perspective, a gender perspective and an environmental and climate perspective. Swedfund's work will contribute to outcomes which are sustainable in the long term. There is a clear link between Swedfund's new goals and the UN's sustainable development goals. According to the new owner directive, Swedfund will further strengthen its focus on women's economic empowerment, climate, decent jobs and private capital mobilisation, and aims to increase the profitability of 60 percent of portfolio companies during the holding period. Read more on ISP 23.1

(C) Sustainability Outcome #3:

As with development cooperation generally, Swedfund aims to contribute to the goal of Sweden's policy of fair and sustainable global development. In order to achieve the goals of the policy, Swedfund will integrate poor people's perspectives on development, a rights perspective, a conflict perspective, a gender perspective and an environmental and climate perspective. Swedfund's work will contribute to outcomes which are sustainable in the long term. There is a clear link between Swedfund's new goals and the UN's sustainable development goals. According to the new owner directive, Swedfund will further strengthen its focus on women's economic empowerment, climate, decent jobs and private capital mobilisation, and aims to increase the profitability of 60 percent of portfolio companies during the holding period. Read more on ISP 23.1

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 18	PLUS	SO 7	N/A	PUBLIC	Systemic stewardship including policy engagement	2, 5

Provide at least one example of how your organisation participated, either directly or via service providers or external investment managers acting on your behalf, in collaborative initiatives to engage policymakers in order to make progress on your sustainability outcomes.

Example:

(A) Sustainability Outcome #1:

As with development cooperation generally, Swedfund aims to contribute to the goal of Sweden's policy of fair and sustainable global development. In order to achieve the goals of the policy, Swedfund will integrate poor people's perspectives on development, a rights perspective, a conflict perspective, a gender perspective and an environmental and climate perspective. Swedfund's work will contribute to outcomes which are sustainable in the long term. There is a clear link between Swedfund's new goals and the UN's sustainable development goals. According to the new owner directive, Swedfund will further strengthen its focus on women's economic empowerment, climate, decent jobs and private capital mobilisation, and aims to increase the profitability of 60 percent of portfolio companies during the holding period. Read more on ISP 23.1

(B) Sustainability Outcome #2:

As with development cooperation generally, Swedfund aims to contribute to the goal of Sweden's policy of fair and sustainable global development. In order to achieve the goals of the policy, Swedfund will integrate poor people's perspectives on development, a rights perspective, a conflict perspective, a gender perspective and an environmental and climate perspective. Swedfund's work will contribute to outcomes which are sustainable in the long term. There is a clear link between Swedfund's new goals and the UN's sustainable development goals. According to the new owner directive, Swedfund will further strengthen its focus on women's economic empowerment, climate, decent jobs and private capital mobilisation, and aims to increase the profitability of 60 percent of portfolio companies during the holding period. Read more on ISP 23.1

(C) Sustainability Outcome #3:

As with development cooperation generally, Swedfund aims to contribute to the goal of Sweden's policy of fair and sustainable global development. In order to achieve the goals of the policy, Swedfund will integrate poor people's perspectives on development, a rights perspective, a conflict perspective, a gender perspective and an environmental and climate perspective. Swedfund's work will contribute to outcomes which are sustainable in the long term. There is a clear link between Swedfund's new goals and the UN's sustainable development goals. According to the new owner directive, Swedfund will further strengthen its focus on women's economic empowerment, climate, decent jobs and private capital mobilisation, and aims to increase the profitability of 60 percent of portfolio companies during the holding period. Read more on ISP 23.1

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 19	PLUS	SO 7	N/A	PUBLIC	Systemic stewardship including policy engagement	2

Does your organisation have governance processes in place to ensure that your engagement with policymakers is aligned with your sustainability outcomes?

(1) Yes. Please describe:

(A) Sustainability Outcome #1: [Read more at ISP 23.2](#)

(B) Sustainability Outcome #2: [Read more at ISP 23.2](#)

(C) Sustainability Outcome #3: [Read more at ISP 23.2](#)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 20	PLUS	SO 7	N/A	PUBLIC	Systemic stewardship including policy engagement	2, 4

Provide an example of how your organisation or the service providers/external investment managers acting on your behalf contributed during the reporting year to a public policy development that will help make progress on your sustainability outcomes.

Example:

(B) Sustainability Outcome #2: [Read more at ISP 23.1](#)

(C) Sustainability Outcome #3: [Read more at ISP 23.1](#)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 21	PLUS	SO 7	N/A	PUBLIC	Systemic stewardship including policy engagement	2, 5

Which of the following best describes your organisation's default position regarding collaborative initiatives to engage with policymakers in order to make progress on your sustainability outcomes?

- (A) We recognise that progress on sustainability outcomes suffers from a collective action problem, and, as a result, we actively prefer collaborative efforts
- (B) We collaborate when our individual efforts have been unsuccessful or are likely to be unsuccessful, i.e. as an escalation tool
- (C) We collaborate in situations where doing so would minimise resource cost to our organisation
- (D) We do not have a default position but collaborate on a case-by-case basis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 22	PLUS	SO 7	SO 22.1	PUBLIC	Systemic stewardship including policy engagement	2, 5

During the reporting year, how did your organisation or the service providers/external investment managers acting on your behalf contribute to collaborative initiatives to engage with policymakers in order to make progress on your sustainability outcomes?

	(1) in all cases	(2) in the majority of cases	(3) in a minority of cases	(4) in no cases
(A) By leading coordination efforts	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
(B) By providing financial support	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
(C) By providing pro bono advice	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(D) By providing pro bono research	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
(E) By providing pro bono training	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

(F) By providing administrative support

(G) Other, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 22.1	PLUS	SO 22	N/A	PUBLIC	Systemic stewardship including policy engagement	2, 5

Please provide details of how you contributed to collaborative initiatives to engage with policymakers in order to make progress on your sustainability outcomes.

Please describe below:

(A) By leading coordination efforts [Read more at ISP 23.1 & SO 16.1](#)

(B) By providing financial support [Read more at ISP 23.1 & SO 16.1](#)

(C) By providing pro bono advice [Read more at ISP 23.1 & SO 16.1](#)

(D) By providing pro bono research [Read more at ISP 23.1 & SO 16.1](#)

(E) By providing pro bono training [Read more at ISP 23.1 & SO 16.1](#)

Global stakeholders collaborate to achieve outcomes

Tracking progress against global goals

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 23	PLUS	SO 3.1	N/A	PUBLIC	Tracking progress against global goals	4

Does your organisation engage with standard setters, reporting bodies or similar organisations to help track and communicate progress against global sustainability goals?

(A) Yes. Please describe:

Primarily via EDFI Harmonisation efforts

(B) No. Please describe why not:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 24	PLUS	SO 3.1	N/A	PUBLIC	Tracking progress against global goals	4

Does your organisation contribute to public goods (such as research) or public discourse (such as media coverage) to make progress on global sustainability goals?

(A) Yes. Please describe:

By giving interviews and sharing insights through different publications as well as seminars and networks, as applicable.

(B) No. Please describe why not: