

VERIFICATION STATEMENT

Background

Swedfund International AB (Swedfund) is a signatory of the Operating Principles for Impact Management (the Principles). As per the ninth principle, each signatory takes an independent regular verification of the Principles implementation.

Transcendent Group has been requested as Swedfund's internal auditors to conduct an independent review to verify alignment of the Principles in the Disclosure statement, dated March 31st 2020.

Methodology and Scope

- Verify that policies are aligned with each of the Principles;
- Interviews with staff to understand the process;
- Verify that the Principles, according to policies been implemented and complied with in the investment process for covered assets;

Result & observations

Overall result shows that Swedfund has implemented the Principles in their investment process but with two improvement areas related to principle 5, 6 and 7;

- Follow up and evaluation on investment level is not possible for all investments completed before the implementation of the Principles, which is due to that no impact goals were systematically established for all investments. KPI:s are followed up on a quarterly basis, but Swedfund has improvement potential regarding the process for what measure will be taken if the investment do not meet the impact requirements set in the initial phase.
- In connection to above, there are room for improvement regarding how to determine potential exit based on impact goals for a specific investment.

Conclusion

Based on the procedures performed and the review conducted, the internal audit believes that Swedfund's Statement dated March 31st 2020 is aligned, in all material respects, with the Principles.

Stockholm, March 4, 2021



Niklas Hedström
Internal Audit
Transcendent Group Stockholm AB