



## Swedfund's Anti-Corruption Policy

### 1. Context and purpose

Swedfund's goal and mission - as the Swedish Development Finance Institution - is to fight poverty by investing in sustainable businesses in emerging markets and thereby contributing to the implementation of Agenda 2030.

As a state-owned enterprise, Swedfund shall work towards high standards of business ethics and active prevention of corruption. This anti-corruption policy (the "**Policy**") describes Swedfund's commitment and requirements in respect of corruption.

This Policy shall be seen in the light of Swedish and international legislation and against the background of international framework agreements and guidelines in the field of corruption, to which Sweden has acceded, or which Swedfund strives to act in accordance with.<sup>1</sup>

### 2. Scope

This Policy applies to Swedfund's own activities and to all our investments.

By "*corruption*" we mean any of the below acts and this applies to both public officials and private entities:

- *Bribery – when a person requests, receives, accepts, offers, pays, seeks or accepts an offer or an improper advantage or reward in connection with his or her position, office or assignment.*
- *Fraud – any intentional or deliberate act to deprive someone of property or money by deception or other unfair means.*
- *Facilitation payments – direct or indirect unofficial payments made to secure or expedite a performance of a routine or necessary action to which the payer of the facilitation payment has legal or other entitlement.*
- *Nepotism and cronyism – favouritism based on familiar and acquaintances relationships where someone in an official position exploits his or her power and authority to provide a job or favour to a family member or friend, even though he or she may not be qualified or deserving.*
- *Sextortion - when a person with entrusted authority abuses this authority to obtain a sexual favor in exchange for a service or benefit which is within that person's power to grant or withhold.*
- *Extortion – the direct or indirect utilisation of one's power, position or knowledge to demand unmerited cooperation or compensation as a result of coercive threats.*
- *Political contributions – this includes contributions made in cash or in services, e.g. gifts of property or services, advertising or promotional activities or endorsing a political party.*

<sup>1</sup> This Policy forms an integral part of Swedfund's Sustainability Framework. A complete list of Swedfund's external commitments and central policies is included in our Ethical Compass. For Swedfund's Sustainability Framework and Ethical Compass, please refer to <https://www.swedfund.se/en/about-swedfund/>

- *Money laundering – any act or attempted act to conceal or disguise the identity of illegally obtained proceeds so that they appear to have originated from legitimate sources.*
- *Terrorism financing – the usage of funds for terrorist activities., which may involve funds raised from legitimate sources, such as profits from businesses as well as from criminal sources.*

### **3. Our commitment**

Swedfund is committed to counteract corruption. This applies to our employees and our board members, to consultants engaged by us, to our portfolio companies as well as to board members appointed by us in those companies. This is also equally applicable to Swedpartnership's clients.

We are committed to conducting our business in accordance with, and routinely improve, Swedfund's anti-corruption management system, dedicated to the systematic and structural improvement of the anti-corruption performance of Swedfund.

We recognise that the prevalence of corruption is high in the markets where we operate. In our investment activities, we will work against corruption through assessing and evaluating the risk of corruption prior to making an investment, by including relevant provisions in the agreements governing our investments and by continuously monitoring adherence to those provisions.

### **4. Swedfund's anti-corruption management system**

Swedfund's anti-corruption management system shall include the following components:

- *Anti-corruption policy – we shall regularly evaluate the results of implementing this Policy, have it reviewed annually and updated when necessary, taking into account input from our stakeholders. We will have it distributed to our employees and portfolio companies and keep it publicly available at [www.swedfund.se](http://www.swedfund.se).*
- *Accountability – we will keep a person appointed at management level responsible for the practical and day-to-day development, implementation and operation of our anti-corruption management system.*
- *System – we will maintain processes, procedures and controls to detect, minimize and manage corruption risks.*
- *Competence – we will provide regular, compulsory, training on anti-corruption to our employees and our board members.*
- *Information – we will transparently provide relevant information regarding our anti-corruption activities, including but not limited to in our annual integrated reports, while taking into account our confidentiality undertakings.*

All suspected acts of corruption will be acted upon promptly and diligently.

We will hold available, via [www.swedfund.se](http://www.swedfund.se), a whistleblowing service in order to make it easier to anonymously report serious irregularities.

Our employees and board members have a responsibility to report suspected acts of corruption in our internal information and reporting channels, to the chairman of Swedfund's board or in Swedfund's whistleblowing service.

## 5. Anti-corruption requirements for Swedfund's investments

We expect our portfolio companies to be committed to our below anti-corruption requirements, which shall form part of the agreements governing our investments. In the event of a breach, contractual remedies will be available to Swedfund.

We require that our portfolio companies implement anti-corruption management systems satisfactory to Swedfund within three years of our initial investment, and then maintain and routinely improve those systems. The anti-corruption management system shall be dedicated to the systematic and structural improvement of the anti-corruption performance of the portfolio company.

The anti-corruption management systems of our portfolio companies shall include the following components:

- *Anti-corruption policy – development, adoption and maintenance of an anti-corruption policy.*
- *Accountability – appointment of a person at management level responsible for the practical and day-to-day development, implementation and operation of the anti-corruption management system.*
- *System – implementation and maintenance of processes, procedures and controls to detect, minimize and manage corruption risks.*
- *Competence – making all employees aware of the anti-corruption policy, and identification and training of the employees with the greatest potential exposure to acts of corruption.*
- *Information – transparent provision of information on anti-corruption activities.*

Our portfolio companies shall conduct its operations in accordance with their anti-corruption management systems, consult with us on any material changes thereto and - as requested by us - inform us on their anti-corruption activities.

In our fund investments, we will require that the fund manager shall require its investees to develop anti-corruption management systems appropriate to the size and nature of its business. This requirement is strict when it comes to equity fund managers. When it comes to credit fund managers, the circumstances in each case will be considered.

We further require that our portfolio companies shall have appropriate internal information and reporting channels where suspected acts of corruption in their operations can be reported, and that acts of corruption shall be acted upon promptly. When becoming aware, or having reasonable suspicion, of acts of corruption we also require that our portfolio companies inform us promptly.

We encourage our portfolio companies to adopt and implement a whistleblowing service, and also to communicate throughout their organisations about Swedfund's whistleblowing service. Swedfund's whistleblowing service is not intended to replace internal information and reporting channels, or any whistleblowing systems, within the portfolio companies but is available also for our portfolio companies and their employees, and thus provides an alternative way to anonymously report serious irregularities.

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This Policy was adopted by the Board of Directors of Swedfund International AB on 20 June 2022.