

Categorisations for environmental and social responsibility

As part of Swedfund’s investment process, each investment is subject to environmental and social responsibility categorisation based on the guidelines agreed by the European Development Funds (EDFI).

Categorisations for direct investments:

	High risk (A)	Medium High Risk (B+)	Medium Low Risk (B)	Low risk (C)
Category Definition	Projects with significant potential adverse social or environmental impacts that are diverse, irreversible or unprecedented. These impacts cannot be mitigated or remedied or only at significant costs	Projects with generally limited potential adverse social or environmental impacts that are site-specific and readily addressed through mitigation measures, but having some specific features which can have potential significantly more adverse social or environmental impacts.	Projects with limited potential adverse social or environmental impacts that are site-specific and readily addressed through well-known mitigation measures.	Projects with minimal or no adverse social or environmental impacts.

Categorisations for financial institutions (FI) and Funds:

	FI/Fund-A	FI/Fund-B	FI/Fund-C
Category Definition	Financial institutions with business activities or projects with significant potential adverse social or environmental impacts or risks.	Financial institutions with business activities or projects with limited potential adverse social or environmental impacts or risks.	Financial institutions with business activities or projects with minimal or no adverse social or environmental impacts or risks.