

Swedfund

Transparency and Disclosure Policy for Swedfund International

January 2022



Transparency and Disclosure Policy for Swedfund International

The principles for Swedfund International AB's disclosures of information are laid out in the policy document below. This policy has been adopted by the management on 13 January 2022. The policy will be reviewed annually by management and updated when necessary.

Fundamental principles for transparency

Swedfund's transparency policy is based on the principle that we as a state-owned company, as also expressed in the *State Ownership Policy for state-owned companies*, should act exemplary in the field of sustainable businesses and otherwise act in such a way that we gain trust from the public.

Against this background, Swedfund takes its starting point when it comes to the company's transparency policy and hence also communication strategy. This means that we as a state-owned company, which also receive capital contributions from the state budget, are actively taking a stand and working for transparency to the extent possible, without, for that matter, violating either laws, agreements or confidentiality obligations that may harm investments or partners. We operate on a commercial market with private partners, and we are not subject to the principle of public access to information. We are a private limited company governed by the Swedish Companies Act.

Transparency from a trust perspective

The principles for state-owned companies intend to ensure that state-owned companies handle accounting, reporting and other disclosure in a transparent and professional manner.

Furthermore, the *State's ownership policy* clarifies that by having an open and constructive dialogue with its main stakeholders, state-owned companies should act transparently regarding the management of risks and opportunities in the area of sustainable entrepreneurship. Furthermore,

companies with state ownership must communicate their work with sustainable business both externally and internally.

The Ownership Instructions for Swedfund state that, in addition to the reporting required by applicable regulations and guidelines, Swedfund shall assist in the execution of the transparency guarantee in order to increase the transparency of Swedish development cooperation, among other things by actively increasing public access to information about the company's operations. For this purpose Swedfund certain information about Swedfund's investment operations can be found in the Openaid portal, which can be found here: <https://openaid.se/en>.

Swedfund discloses the following information regarding corporate governance, its investment activities, Technical Assistance funding and the Project Accelerator.

Corporate Governance

Swedfund publishes the following information regarding its corporate governance on its website:

- i) the composition of the management team;
- ii) the composition of the Board of Directors;
- iii) the Investment Process;
- iv) fundamental governing documents for the business such as the *Articles of Association*
- v) and *Ownership Instructions* for Swedfund;
- vi) publication of notice of the annual general meeting;
- vii) audited annual integrated reports (including corporate governance reports) and interim reports; and
- viii) fundamental governing policies such as the *Code of Conduct* and *Swedfund's Policy for Sustainable Development*.

Investment Operations

Swedfund publishes the following information about its portfolio companies on its website, through press releases and in its external reporting.

In addition to the below, we also, through our integrated annual report, publish aggregated results on a portfolio level regarding our investment portfolio's performance against our indicators within impact on society, sustainability and financial viability (including areas such as number of

decent jobs, reported taxes, gender equality, climate impact, profitability and growth).

For direct investments:

Key description of the project and the financing thereof, such as:

- i) key details of the investment, such as the name of the company, the business of the company and the company's website (if available);
- ii) key description of the financing of the company, such as signing date of the agreements, the total amount of funding of the company, the amount of Swedfund's funding, the funding and development impact objective; and
- iii) the name(s) of any co-investor(s) (subject to their consent).

For indirect investments:

Key description of the project and the financing thereof, such as:

- i) key details of each of the fund and the General Partner, such as their name, its businesses and its websites (if available);
- ii) the amount of the total funding of the fund and the amount of the Swedfund's investment to in the fund;
- iii) the country in which the fund is domiciled and the countries in which the fund has made an investment (including the domicile of each portfolio company and any holding company);
- iv) key description of the fund and the financing of the fund, such as signing date of the agreements, structure of the fund, the total amount of the fund, the funding and development impact objective; and
- v) the name(s) of any co-investor(s) (subject to their consent).

Technical Assistance

Technical Assistance funding is a tool which is used to strengthen the development results in our portfolio companies through funding projects within all three of Swedfund's pillars: impact on society, sustainability and financial viability. The TA-funding shall primarily be used to strengthen Swedfund's investments in relation to development impacts, equality and sustainability, including environment and climate, decent working conditions and business integrity and anti-corruption. We publish the following information regarding TA-funding:

- i) a general description of Technical Assistance on our web page; and
- ii) a general description of Technical Assistance and a list of all Technical Assistance projects conducted by Swedfund, in our integrated annual report, which is also published on our web page.

Project Accelerator

The Swedfund Project Accelerator is a facility within Swedfund with the overall purpose to accelerate the implementation of sustainable projects in DAC-countries. The Project Accelerator provides untied grant financing for studies and initiatives, typically feasibility studies. The funding is used to finance consultants and experts that support and strengthens the institutional capacity at the local project owner. We publish the following information about the Project Accelerator:

- i) a general description on our web page about the Project Accelerator and what the process looks like as well as the criteria for financing certain projects;
- ii) a report on how we have allocated funding from the government resolutions is submitted annually to the Legal, Financial and Administrative Services Agency (Sw. *Kammarkollegiet*); and
- iii) a description in our integrated annual report about all projects funded through the Project Accelerator, which is published on our web page.

Restrictions on disclosure and publishing of information

As much as Swedfund strives to live up to the transparency initiatives to which we have committed and the transparency requirements imposed on us by our owners, there is certain information which we are unable to disclose.

Our investments are usually made together with private investors in non-public companies. In this context we receive non-publicly available information for the purpose of assessing new investment opportunities or monitoring and managing existing investments. In order to protect the trade secrets of our partners and portfolio companies or other information that may be commercially sensitive we are unable to disclose information that is confidential based on contractual obligations, regulations on insider information and trade secrets and other applicable laws.

Furthermore, we do not publicly disclose or publish information shared with our co-investors and financiers, e.g., development finance institutions, banks, international organizations and other parties.

A number of Swedfund's older investments were made at a time when the landscape in which we invested, as well as governing policies and disclosure rights were different than they are today.

Therefore, information regarding older heritage investments that are still in our portfolio may not be as readily available to us in comparison to our newer investments.

Timing for disclosure and publishing of information

Disclosure and publishing of information relating to an investment project or funding through Technical Assistance and the Project Accelerator will be made in close connection with the financing having been agreed and all agreements having been finally negotiated and executed.

Disclosure and publishing of information relating to corporate governance will be updated regularly as soon as possible after any updates have been made to the various policies and other internal documentation.