



RI TRANSPARENCY REPORT 2017

Swedfund International AB

OO 01	Mandatory	Gateway/Peering	General																																							
OO 01.1	Select the type that best describes your organisation or the services you provide.																																									
<input type="radio"/> Non-corporate pension or superannuation or retirement or provident fund or plan <input type="radio"/> Corporate pension or superannuation or retirement or provident fund or plan <input type="radio"/> Insurance company <input type="radio"/> Foundation <input type="radio"/> Endowment <input checked="" type="radio"/> Development finance institution <input type="radio"/> Reserve - sovereign or government controlled fund <input type="radio"/> Family office <input type="radio"/> Other, specify																																										
OO 02	Mandatory	Peering	General																																							
OO 02.1	Select the location of your organisation's headquarters.																																									
Sweden																																										
OO 02.2	Indicate the number of countries in which you have offices (including your headquarters).																																									
<input type="radio"/> 1 <input checked="" type="radio"/> 2-5 <input type="radio"/> 6-10 <input type="radio"/> >10																																										
OO 02.3	Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).																																									
37																																										
OO 02.4	Additional information. [Optional]																																									
We also have a regional office in Nairobi.																																										
OO 03	Mandatory	Descriptive	General																																							
OO 03.1	Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.																																									
<input type="radio"/> Yes <input checked="" type="radio"/> No																																										
OO 04	Mandatory	Gateway/Peering	General																																							
OO 04.1	Indicate the year end date for your reporting year.																																									
31/12/2016																																										
OO 04.2	Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on.																																									
Total AUM 4,098,000,000SEK																																										
OO 05	Mandatory to Report, Voluntary to Disclose	Gateway	General																																							
OO 05.1	Provide an approximate percentage breakdown of your AUM at the end of your reporting year using the following asset classes:																																									
<table border="1"> <thead> <tr> <th></th> <th>Internally managed (%)</th> <th>Externally managed (%)</th> </tr> </thead> <tbody> <tr> <td>Listed equity</td> <td>0</td> <td>0</td> </tr> <tr> <td>Fixed income</td> <td>10-50%</td> <td>0</td> </tr> <tr> <td>Private equity</td> <td>10-50%</td> <td>10-50%</td> </tr> <tr> <td>Property</td> <td>0</td> <td>0</td> </tr> <tr> <td>Infrastructure</td> <td>0</td> <td>0</td> </tr> <tr> <td>Commodities</td> <td>0</td> <td>0</td> </tr> <tr> <td>Hedge funds</td> <td>0</td> <td>0</td> </tr> <tr> <td>Forestry</td> <td>0</td> <td>0</td> </tr> <tr> <td>Farmland</td> <td>0</td> <td>0</td> </tr> <tr> <td>Inclusive finance</td> <td>0</td> <td>0</td> </tr> <tr> <td>Cash</td> <td>0</td> <td>0</td> </tr> <tr> <td>Other (1), specify</td> <td>0</td> <td>0</td> </tr> </tbody> </table>					Internally managed (%)	Externally managed (%)	Listed equity	0	0	Fixed income	10-50%	0	Private equity	10-50%	10-50%	Property	0	0	Infrastructure	0	0	Commodities	0	0	Hedge funds	0	0	Forestry	0	0	Farmland	0	0	Inclusive finance	0	0	Cash	0	0	Other (1), specify	0	0
	Internally managed (%)	Externally managed (%)																																								
Listed equity	0	0																																								
Fixed income	10-50%	0																																								
Private equity	10-50%	10-50%																																								
Property	0	0																																								
Infrastructure	0	0																																								
Commodities	0	0																																								
Hedge funds	0	0																																								
Forestry	0	0																																								
Farmland	0	0																																								
Inclusive finance	0	0																																								
Cash	0	0																																								
Other (1), specify	0	0																																								

Other (2), specify	0	0
--------------------	---	---

OO 06	Mandatory	Descriptive	General
-------	-----------	-------------	---------

OO 06.1 How you would like to disclose your asset class mix.

☒ as percentage breakdown
☐ as broad ranges

OO 06.3 Provide contextual information on your AUM asset class split. [Optional]

The figures are as of 31 december 2016. Contracted amounts refer to amounts that swedfund is committed to invest in each investment project. Payments are recorded in the balance sheet. Amounts not disbursed are recorded as contingent liabilities.

OO 07	Mandatory to Report, Voluntary to Disclose	Gateway	General
-------	--	---------	---------

OO 07.1 Provide to the nearest 5% the percentage breakdown of your Fixed Income AUM at the end of your reporting year, using the following categories.

Internally managed	SSA	0
	Corporate (financial)	0
	Corporate (non-financial)	100
	Securitised	0

OO 08	Mandatory to Report, Voluntary to Disclose	Peering	General
-------	--	---------	---------

OO 08.1 Provide a breakdown of your organisation's externally managed assets between segregated mandates and pooled funds.

Asset class breakdown	Segregated mandate(s)	Pooled fund(s)
[f] Private equity	<input checked="" type="checkbox"/> 0% <input type="checkbox"/> <10% <input type="checkbox"/> 10-50% <input type="checkbox"/> >50 %	<input type="checkbox"/> 0% <input type="checkbox"/> <10% <input type="checkbox"/> 10-50% <input checked="" type="checkbox"/> >50 %
Total externally managed assets	Please ensure the entire table (both columns combined) totals to 100%	

OO 09	Mandatory to Report, Voluntary to Disclose	Peering	General
-------	--	---------	---------

OO 09.1 Indicate the breakdown of your organisation's AUM by market.

Developed Markets	<input checked="" type="checkbox"/> 0% <input type="checkbox"/> <10% <input type="checkbox"/> 10-50% <input type="checkbox"/> >50 %
Emerging, Frontier and Other Markets	<input type="checkbox"/> 0% <input type="checkbox"/> <10% <input type="checkbox"/> 10-50% <input checked="" type="checkbox"/> >50 %
Total	100%

OO 09.2 Additional information. [Optional]

Swedfund invests in businesses and in countries which, according to the OECD/DAC definition, qualify for development financing. Investments in low-income and post-conflict countries should be given priority.

OO 11	Mandatory	Gateway	General
-------	-----------	---------	---------

OO 11.1 Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

☒ Fixed income - corporate (non-financial)
☒ Private equity
☐ None of the above

OO 11.2	Select the externally managed assets classes where you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes (during the reporting year)
<input checked="" type="checkbox"/> Private equity <input type="checkbox"/> None of the above	

OO 11.3	Additional information. [Optional]
---------	------------------------------------

Our assignment: Reducing poverty through sustainable business
 Through the Ministry for Foreign Affairs, Sweden's government has assigned Swedfund (organization no. 556436-2084) to be Sweden's development finance institution for investments in poor countries. The company was formed in 1979 and is state owned. From January 2015 Swedfund is managed by Sweden's Ministry of Enterprise and Innovation.

Our goals
 Our activities shall contribute towards achieving the goals for Sweden's Policy for Global Development (PGU). In collaboration with strategic partners we shall participate in economically, socially and environmentally sustainable investments that create better conditions for people living in poverty and under repression. The company's activities shall promote the development of gender equality. Our overall and most important goal is creating jobs in good working environments with good employment conditions. Return on equity should exceed the average interest rate on Swedish central government debt of one-year maturity. Return shall be measured over rolling seven-year periods.

New guidelines in 2016
Extraordinary General Meeting was held on 8 December 2016 which set new economic goals for the company and adopted a new shareholder instructions supplemented with the new mission objectives that apply to the Company as well as guidelines for reporting these goals.

Our Pillars
 Our investment activities are based on three pillars - Impact on society, Sustainability and Financial viability - and on long-term commitment and sustainability in our partnerships. These pillars support everything we do - from making a decision to invest, throughout the entire management phase, to regular measurement of results and finally an exit out of the investment.
 IMPACT ON SOCIETY: Job creation, Tax and Capacity/knowledge building
 SUSTAINABILITY (ESG): Environment/climate, Employment terms, Business ethics and anti-corruption
 FINANCIAL VIABILITY: Growth, Profitability, Return on equity

Our time perspective
 As investors, we always have a long-term perspective, remaining active as a rule between seven and ten years. Our strategic sustainability goals run over three years, the medium-term for us. The long-term goal for us is to achieve results and help to realize the UN's new global goals for sustainable development by 2030.

OUR STRATEGIC SUSTAINABILITY TARGETS
 IMPACT ON SOCIETY: We shall contribute to the creation of jobs with a good working environment and good employment terms.
 SUSTAINABILITY: We shall contribute to the creation of long-term sustainable companies in the world's poorest countries.
 FINANCIAL VIABILITY: We shall contribute to the creation in the world's poorest countries of profitable companies over the long-term that are thereby financially viable.
 ANTI-CORRUPTION: We shall make proactive efforts to tackle corruption internally and within portfolio companies.

Our sustainability focus areas
 Decent work
 Environment& Climate
 Gender Equality
 Anti-corruption& Business Ethics
 Human Rights
 Tax

The basis for our mission, poverty reduction through sustainable business, is to analyze and manage business opportunities and risks in a number of fundamental sustainability dimensions. Through our portfolio companies and our active ownership, we can promote a positive development in these areas. In this manner, we also help to realize the global goals for a sustainable development.

OUR SECTORS
 We invest in three strategically selected main sectors. We consider this to be the best way to create new jobs and thus contribute to reducing poverty. Through our investments and our portfolio companies we help to develop the private sector in the countries in which we are active.

Manufacturing and services
 There is a great need to develop manufacturing industry and the services sector in Africa, especially in Sub-Saharan Africa. This includes sectors such as healthcare, hotels and various types of manufacturing. Investing in these sectors creates jobs while the businesses themselves create added value in the countries where they operate. Investments in manufacturing and services contribute to achieving the Sustainable Development Goals: SDG 8 Decent work and economic growth, SDG 9 Innovation and Infrastructure and SDG 12 Responsible consumption and production.

Financial institutions and funds
 Investments in funds and banks create the right conditions for entrepreneurs and companies to grow and create jobs. Access to financing is one of the great limits on the capability of companies to grow in poor countries. Swedfund contributes to support these companies and to develop financial markets by financing funds and banks so they, in turn, can increase financing and loans to businesses and entrepreneurs and extend the services that assist financing. The outcome is increased access to affordable financial services for more and more people.
 Investments in financial institutions and funds contribute to achieving the Sustainable Development Goals: SDG 8 Decent work and economic growth and SDG 9 Innovation and Infrastructure.

Energy
 Business people in developing countries say that the lack of electricity supplies is the single biggest obstacle to doing business. Swedfund focuses on investments in renewable energy but also invests in energy efficiency, i.e. investment in existing infrastructure provided that the requirements in Swedfund's three pillars are met. Investments in the energy sector contribute to achieving the SDG 7 Affordable and Clean energy.

OO 12	Mandatory	Gateway	General
-------	-----------	---------	---------

OO 12.1	Select from below any additional applicable modules or sections you would like to report on voluntarily. You are only required to report on asset classes that represent 10% or more of your AUM.
Core modules	
<input checked="" type="checkbox"/> Organisational Overview <input checked="" type="checkbox"/> Strategy and Governance	

	RI implementation directly or via service providers
	Direct - Fixed Income
<input checked="" type="checkbox"/>	Fixed income - Corporate (non-financial)
	Direct - Other asset classes with dedicated modules
<input checked="" type="checkbox"/>	Private Equity
	RI implementation via external managers
	Indirect - Selection, Appointment and Monitoring of External Managers
<input checked="" type="checkbox"/>	Private Equity
	Closing module
<input checked="" type="checkbox"/>	Closing module

OO 12.2	Additional information. [Optional]
---------	------------------------------------

Swedpartnership is a separate programme offering financial support for new establishments of Swedish SMEs in developing and merging markets.

Swedpartnership, through its support, gives small and medium-sized Swedish businesses a unique opportunity to start sustainable collaborations with other companies in developing and growth markets in which Swedfund operates.

The support is intended primarily for transfer of know-how and investment in machinery and equipment. All activities and resources financed through the support are targeted at the personnel or operations of local enterprises. Through this, the Swedish companies' technology, know-how, culture, willingness to invest and risk-taking help fulfil the aims of Swedpartnership.

SG 01.1	Indicate if you have an investment policy that covers your responsible investment approach.
---------	---

☒ Yes

SG 01.2	Indicate the components/types and coverage of your policy.
---------	--

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="checkbox"/> Applicable policies cover all AUM <input type="checkbox"/> Applicable policies cover a majority of AUM <input type="checkbox"/> Applicable policies cover a minority of AUM

SG 01.3	Indicate if the investment policy covers any of the following
---------	---

- ☒ Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- ☒ Your investment objectives that take ESG factors/real economy influence into account
- ☒ Processes / approaches to incorporating ESG
- ☒ Time horizon of your investment
- ☐ Governance structure of organisational ESG responsibilities
- ☒ ESG incorporation approaches
- ☒ Active ownership approaches
- ☒ Reporting
- ☐ Other RI considerations, specify (1)
- ☐ Other RI considerations, specify (2)

SG 01.4	Indicate what norms you have used to develop your investment policy that covers your responsible investment approach.
---------	---

- ☒ UN Global Compact Principles
- ☒ UN Guiding Principles on Business and Human Rights
- ☒ Universal Declaration of Human Rights
- ☒ International Bill of Human Rights
- ☒ International Labour Organization Conventions
- ☒ United Nations Convention Against Corruption
- ☒ OECD Guidelines for Multinational Enterprises
- ☒ Other, specify (1)

other (1) description

IFC Performance Standards on Environmental and Social Sustainability and IFC Environmental Health and safety Guidelines

- ☒ Other, specify (2)

other (2) description

OECD Convention on combating bribery of foreign public officials in international business transactions

- ☒ Other, specify (3)

other (3) description

The World Bank's Group Corporate Governance Development Framework

- ☐ None of the above

SG 01.5	Describe your organisation's investment principles, and overall investment strategy, and how they consider ESG factors and real economy impact.
---------	---

SWEDFUND IS SWEDEN'S development finance institution. Through the Ministry for Foreign Affairs, the Swedish government has assigned Swedfund (corporate ID number 556436-2084) to be Sweden's development finance institution for investments in poor countries.

Our mission is to reduce poverty through sustainable business. Our activities shall contribute towards achieving the goals for Sweden's Policy for Global Development (PGD).

In collaboration with strategic partners, we shall participate in economically, socially and environmentally sustainable investments that create better conditions for people living in poverty and under repression. With our strategic partners, we shall participate in investments which are not considered to be realisable through purely commercial financing. The company's activities shall promote progress towards equality. Our overarching and most important goal is to create jobs with good work environments and good working conditions.

☐ No

SG 01.6	Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]
<p>Across its three forms of investment, Swedfund encourages the following:</p> <ul style="list-style-type: none"> Adhere to internationally recognized standards for (i) sustainability; (ii) business integrity; (iii) anti-corruption; (iv) corporate governance; and (v) human rights. For example: UN GC, IFC Performance Standards, OECD-guidelines for MNE Adopt and implement a whistleblowing service in order to make it easy to anonymously report serious irregularities. <p>Across its three forms of investment, Swedfund requires the following:</p> <ul style="list-style-type: none"> Comply with legal and regulatory requirements. Comply with ILO's Core Conventions and ILO's Basic Terms and Conditions of Employment. Comply with the Harmonized EDFI Exclusion List. Adhere to applicable IFC Performance Standards. Adhere to Swedfund's requirements on anti-corruption. Provide ESG-information (including human rights) and on development results, as requested by Swedfund. Comply with Swedfund's requirements with respect to Swedfund's monitoring of its investments. <p>In addition to these requirements, Swedfund sets more long-term requirements in its direct investments regarding the supplier chain and human rights. For the full policy, see swedfund.se</p> <p>In addition to the above mentioned norms our RI policy also includes: EDFI Exclusion List, EDFI Guidelines for OFCs, EDFI Harmonized Environmental and Social Standards</p> <p>Our Pillars</p> <p>Our investment activities are based on three pillars - Impact on society, Sustainability and Financial viability - and on long-term commitment and sustainability in our partnerships. These pillars support everything we do - from making a decision to invest, throughout the entire management phase, to regular measurement of results and finally an exit out of the investment.</p> <p>IMPACT ON SOCIETY: Job creation, Tax and Capacity/knowledge building</p> <p>SUSTAINABILITY (ESG): Environment/climate, Employment terms, Business ethics and anti-corruption</p> <p>FINANCIAL VIABILITY: Growth, Profitability, Return on equity</p> <p>Our time perspective</p> <p>As investors, we always have a long-term perspective, remaining active as a rule between seven and ten years. Our strategic sustainability goals run over three years, the medium-term for us. The long-term goal for us is to achieve results and help to realize the UN's new global goals for sustainable development by 2030.</p> <p>Our sustainability focus areas</p> <ul style="list-style-type: none"> Decent work Environment & Climate Gender Equality Anti-corruption & Business Ethics Human Rights Tax <p>Our sectors</p> <p>We invest in three strategically selected main sectors. We consider this to be the best way to create new jobs and thus contribute to reducing poverty. Through our investments and our portfolio companies we help to develop the private sector in the countries in which we are active.</p> <p>Manufacturing and services</p> <p>There is a great need to develop manufacturing industry and the services sector in Africa, especially in Sub-Saharan Africa. This includes sectors such as healthcare, hotels and various types of manufacturing. Investing in these sectors creates jobs while the businesses themselves create added value in the countries where they operate. Investments in manufacturing and services contribute to achieving the Sustainable Development Goals: SDG 8 Decent work and economic growth, SDG 9 Innovation and Infrastructure and SDG 12 Responsible consumption and production.</p> <p>Financial institutions and funds</p> <p>Investments in funds and banks create the right conditions for entrepreneurs and companies to grow and create jobs. Access to financing is one of the great limits on the capability of companies to grow in poor countries. Swedfund contributes to support these companies and to develop financial markets by financing funds and banks so they, in turn, can increase financing and loans to businesses and entrepreneurs and extend the services that assist financing. The outcome is increased access to affordable financial services for more and more people. Investments in financial institutions and funds contribute to achieving the Sustainable Development Goals: SDG 8 Decent work and economic growth and SDG 9 Innovation and Infrastructure.</p> <p>Energy</p> <p>Business people in developing countries say that the lack of electricity supplies is the single biggest obstacle to doing business. Swedfund focuses on investments in renewable energy but also invests in energy efficiency, i.e. investment in existing infrastructure provided that the requirements in Swedfund's three pillars are met. Investments in the energy sector contribute to achieving the SDG 7 Affordable and Clean energy.</p>	

SG 02	Mandatory	Core Assessed	PRI 6
SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.		
<div><input checked="" type="checkbox"/> Policy setting out your overall approach</div>			
		URL/Attachment	
<div><div><input checked="" type="checkbox"/> URL</div><div>http://www.swedfund.se/media/1643/swedfund-policy-for-sustainable-development-2015-09-02.pdf</div><div><input type="checkbox"/> Attachment (will be made public)</div></div>			
<div><input checked="" type="checkbox"/> Formalised guidelines on environmental factors</div>			
		URL/Attachment	
<div><div><input checked="" type="checkbox"/> URL</div><div>http://www.swedfund.se/media/1123/edfi_principles_responsible_financing-signed_copy_09-05-07.pdf</div><div><input type="checkbox"/> Attachment (will be made public)</div></div>			
<div><input checked="" type="checkbox"/> Formalised guidelines on social factors</div>			

URL/Attachment
<input checked="" type="checkbox"/> URL http://www.swedfund.se/media/1123/edfi_principles_responsible_financing-signed_copy_09-05-07.pdf <input type="checkbox"/> Attachment (will be made public)
<input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors
URL/Attachment
<input checked="" type="checkbox"/> URL http://www.swedfund.se/media/1123/edfi_principles_responsible_financing-signed_copy_09-05-07.pdf <input type="checkbox"/> Attachment (will be made public)
<input checked="" type="checkbox"/> Asset class-specific RI guidelines
URL/Attachment
<input checked="" type="checkbox"/> URL http://www.swedfund.se/media/1643/swedfund-policy-for-sustainable-development-2015-09-02.pdf <input type="checkbox"/> Attachment (will be made public)
<input checked="" type="checkbox"/> Sector specific RI guidelines
URL/Attachment
<input checked="" type="checkbox"/> URL http://www.swedfund.se/media/1123/edfi_principles_responsible_financing-signed_copy_09-05-07.pdf <input type="checkbox"/> Attachment (will be made public)
<input checked="" type="checkbox"/> Screening / exclusions policy
URL/Attachment
<input checked="" type="checkbox"/> URL http://www.swedfund.se/media/1122/harmonized_edfi_exclusion_list_2012.pdf <input type="checkbox"/> Attachment (will be made public)
<input type="checkbox"/> We do not publicly disclose our investment policy documents

SG 02.2	Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.		
<input checked="" type="checkbox"/> Your organisation's definition of ESG and/or responsible investment and it's relation to investments	<table border="1"> <thead> <tr> <th>URL/Attachment</th> </tr> </thead> <tbody> <tr> <td> <input checked="" type="checkbox"/> URL http://www.swedfund.se/media/1643/swedfund-policy-for-sustainable-development-2015-09-02.pdf <input type="checkbox"/> Attachment </td> </tr> </tbody> </table>	URL/Attachment	<input checked="" type="checkbox"/> URL http://www.swedfund.se/media/1643/swedfund-policy-for-sustainable-development-2015-09-02.pdf <input type="checkbox"/> Attachment
URL/Attachment			
<input checked="" type="checkbox"/> URL http://www.swedfund.se/media/1643/swedfund-policy-for-sustainable-development-2015-09-02.pdf <input type="checkbox"/> Attachment			
<input checked="" type="checkbox"/> Your investment objectives that take ESG factors/real economy influence into account	<table border="1"> <thead> <tr> <th>URL/Attachment</th> </tr> </thead> <tbody> <tr> <td> <input checked="" type="checkbox"/> URL http://www.swedfund.se/media/1862/swedfund-owners-instructions_2016-12-08.pdf <input type="checkbox"/> Attachment </td> </tr> </tbody> </table>	URL/Attachment	<input checked="" type="checkbox"/> URL http://www.swedfund.se/media/1862/swedfund-owners-instructions_2016-12-08.pdf <input type="checkbox"/> Attachment
URL/Attachment			
<input checked="" type="checkbox"/> URL http://www.swedfund.se/media/1862/swedfund-owners-instructions_2016-12-08.pdf <input type="checkbox"/> Attachment			
<input checked="" type="checkbox"/> Processes / approaches to incorporating ESG	<table border="1"> <thead> <tr> <th>URL/Attachment</th> </tr> </thead> <tbody> <tr> <td> <input checked="" type="checkbox"/> URL http://www.swedfund.se/media/1643/swedfund-policy-for-sustainable-development-2015-09-02.pdf <input type="checkbox"/> Attachment </td> </tr> </tbody> </table>	URL/Attachment	<input checked="" type="checkbox"/> URL http://www.swedfund.se/media/1643/swedfund-policy-for-sustainable-development-2015-09-02.pdf <input type="checkbox"/> Attachment
URL/Attachment			
<input checked="" type="checkbox"/> URL http://www.swedfund.se/media/1643/swedfund-policy-for-sustainable-development-2015-09-02.pdf <input type="checkbox"/> Attachment			
<input type="checkbox"/> Time horizon of your investment			
<input checked="" type="checkbox"/> ESG incorporation approaches	<table border="1"> <thead> <tr> <th>URL/Attachment</th> </tr> </thead> <tbody> <tr> <td> <input checked="" type="checkbox"/> URL http://www.swedfund.se/media/1643/swedfund-policy-for-sustainable-development-2015-09-02.pdf <input type="checkbox"/> Attachment </td> </tr> </tbody> </table>	URL/Attachment	<input checked="" type="checkbox"/> URL http://www.swedfund.se/media/1643/swedfund-policy-for-sustainable-development-2015-09-02.pdf <input type="checkbox"/> Attachment
URL/Attachment			
<input checked="" type="checkbox"/> URL http://www.swedfund.se/media/1643/swedfund-policy-for-sustainable-development-2015-09-02.pdf <input type="checkbox"/> Attachment			
<input checked="" type="checkbox"/> Active ownership approaches	<table border="1"> <thead> <tr> <th>URL/Attachment</th> </tr> </thead> <tbody> <tr> <td> <input checked="" type="checkbox"/> URL http://www.swedfund.se/media/1643/swedfund-policy-for-sustainable-development-2015-09-02.pdf <input type="checkbox"/> Attachment </td> </tr> </tbody> </table>	URL/Attachment	<input checked="" type="checkbox"/> URL http://www.swedfund.se/media/1643/swedfund-policy-for-sustainable-development-2015-09-02.pdf <input type="checkbox"/> Attachment
URL/Attachment			
<input checked="" type="checkbox"/> URL http://www.swedfund.se/media/1643/swedfund-policy-for-sustainable-development-2015-09-02.pdf <input type="checkbox"/> Attachment			
<input checked="" type="checkbox"/> Reporting			

	URL/Attachment		
	<input checked="" type="checkbox"/> URL http://www.swedfund.se/media/1550/swedfund-portfolio-company-sustainability-report-2014.pdf		
	<input type="checkbox"/> Attachment		
	<input type="checkbox"/> We do not publicly disclose any investment policy components		
SG 02.3	Indicate if your organisation's investment principles, and overall investment strategy is publicly available		
	<input checked="" type="radio"/> Yes http://www.swedfund.se/media/1862/swedfund-owners-instructions_2016-12-08.pdf		
	<input type="radio"/> No		
SG 02.4	Additional information [Optional].		
	- Swedfund's Code of conduct: http://www.swedfund.se/media/1319/swedfund_code_of_conduct.pdf - Swedfund's Position on Children's Rights: http://www.swedfund.se/media/1682/swedfunds-position-on-childrens-rights.pdf - EDFI Guidelines for offshore Financial: Centres, http://www.swedfund.se/media/1125/summary_of_edfi_guidelines_ofcs_2011.pdf - Swedfund's Anti-Corruption Policy: http://www.swedfund.se/media/1677/swedfunds_anti-corruption_policy.pdf - Swedfund's tax Policy http://www.swedfund.se/media/1861/swedfund_tax_policy.pdf - NEW 2016		
SG 03	Mandatory	Core Assessed	General
SG 03.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.		
	<input checked="" type="radio"/> Yes		
SG 03.2	Describe your policy on managing potential conflicts of interest in the investment process.		
	During 2014 Swedfund developed a policy for managing conflicts of interests in the investment process. The policy give instructions on how and when to report conflicts of interest and also comprise of a self assessment form that the employees should fill in when necessary. Swedfund Investment Committee address any potential conflicts of interest in the investment process.		
	<input type="radio"/> No		
SG 03.3	Additional information. [Optional]		
	Swedfund has an obligation to identify and prevent conflicts of interest in the company's operations, based on the following legislation and internationally accepted principles <ul style="list-style-type: none"> • The Companies Act (2005:551) • The Insider Act (1990: 1342); The Market Abuse Act (2005: 377) • ILPA - Private Equity Principles • EFFAS - ACIIA Principles of Ethical Conduct • OECD - Managing Conflict of Interest in the Public Service • CFA Institute - Code of Ethics and Standards of Professional Conduct <p>In addition to the above there is also so-called deli conflict of interest (Sw. delikatessjäv), i.e. situations where there is a risk of impartiality other than those specified in the law. Those consist of irrelevant considerations due to friendship or hostility. This situation can also arise in family situation, in relation to husband/ wife, or partner, children, grandchildren, siblings, parents, minors under guardianship, etc.</p> <p>Swedfund's procedures for dealing with conflicts of interest:</p> <ul style="list-style-type: none"> • Self-declarations from each employee is submitted continuously, annually at a minimum, and it is each individual's responsibility to immediately submit such declaration for revision to the General Counsel, CFO and the responsible legal counsel if a conflict of interest might have occurred. • In case the review results in that the conflict of interest is material, the employee immediately is released from managing and decision-making in all relationship and communication between Swedfund and the external parties with which the conflict of interest exists. • The self-declarations are filed by the legal department. • Failure to declare conflicts of interest may be regarded as misconduct and may even be punishable. • The above is also described in the staff handbook and referred to in the Investment Manual. 		
SG 04	Voluntary	Descriptive	General
SG 04.1	Indicate if your organisation has a process for identifying and managing incidents that occur within portfolio companies.		
	<input checked="" type="radio"/> Yes		
	<input type="radio"/> No		
SG 05	Mandatory	Gateway/Core Assessed	General
SG 05.1	Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.		
	<input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input checked="" type="radio"/> Annually		

- ☐ Less frequently than annually
- ☐ Ad-hoc basis
- ☐ It is not reviewed

SG 05.2	Additional information. [Optional]
---------	------------------------------------

Swedfund measures portfolio companies adherence to Swedfund's Sustainability Targets. Fulfillment of the targets is a requirement within three years of the time of Swedfund's investment. Information is collected by a self-declaration from, Swedfund Portfolio Company Annual Sustainability, and the results are presented externally in Swedfund's annual Integrated Report. For further details please see section SG 05.1 - 05.2 in this report.

For the purpose of supporting the portfolio companies in their ESG work, in the implementation of ESGAP and in other development efforts to achieve the strategic sustainability goals, Swedfund makes site visits. Site visits are also an important tool for checking compliance with the ILO and the terms of employment, which makes them a natural part of all three pillars. We choose, however, only to report this once. 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 undertaking visit is based on the risk in the portfolio company's operation, our knowledge of the company's challenges and information from the companies through the annual Swedfund's Portfolio Company Sustainability Report, as well as previous audits or visits.

Swedfund 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. The visit planned for 2016 included a total of eleven portfolio companies (2015: 6, 2014: 10, 2013: 5). One of these companies went through an external audit, six went through internal audits and the remaining four had site visits only. The visits usually result in an action list with specific actions and target dates which are monitored by Swedfund's ESG Managers and the Senior Investment Manager with responsibility for the investment. With respect to Swedfund's direct investments, one external audit was carried out during the year, three internal audits and two site visits.

In 2014, Swedfund's Board resolved on a standpoint towards the Children's Rights principles, and refocus during the year on the ILO's core conventions on child labour (conventions 138 and 182), where we carried out an external subcontractors audit on one portfolio company. The audit began by analysing the company's operation, focusing on children's rights. Five of the company's subcontractors were also covered. The study revealed deficiencies in formal processes among several of the subcontractors in investigating the ages of their staff. The portfolio company has established a system to involve itself with its subcontractors, but there are improvement opportunities both at portfolio company level and with respect to the requirements placed on subcontractors.

An additional subcontractor audit was carried out internally during the year in another portfolio company within the manufacturing and service sector. The focus was on analysing the portfolio company's systems and processes for purchases, and on giving advice on improvement opportunities. Both the external and internal audits resulted in recommendations and action plans. During the year, three internal audits were carried out, as well as one site visit in the Financial Institutions sector. In two of the cases, the audit began with a meeting with the financial institution, in which the policy and processes, as well as implementation and execution in practice were discussed and checked.

In addition, the companies' compliance with Swedfund's sustainability policy was analysed, followed by two or three visits to the financial institution's clients/investments. During the audits, interviews were also held with the CFO, HR, E&S staff, quality, IT and more. In the first portfolio company, the audit was carried out as a first visit to the company, during which the E&S categorisation (FI-B) in accordance with the procedures requires a visit frequency of every two or three years. The visit resulted in recommendations on how the company could improve, and the timetable for the execution of these recommendations. In the second portfolio company, the audit was carried out because the ESG team, in its analysis of the annual Swedfund's Portfolio Company Sustainability Report, noticed that the company had not fulfilled all the strategic sustainability goals. The portfolio company itself was extremely positive about the visit and the support they were able to obtain for improvement measures. This visit also led to an environmental and social action plan. A further internal audit was carried out at a bank, as well as a site visit. A site visit was made during the year to a fund manager.

SG 06	Voluntary	Descriptive	General
SG 06.1	List the main responsible investment objectives that your organisation set for the reporting year.		
	Responsible investment processes		
	<input checked="" type="checkbox"/> Provide training on ESG incorporation		
	Key performance indicator		
	ESG-training for Swedfund employees - focus Human Rights		
	Progress achieved		
	<p>TO ENSURE that Swedfund complies with the UNGP we carried out a gap analysis of our approach to human rights during 2016. The recommendations were reported in a workshop format.</p> <p>During 2017, Swedfund intends to prioritise recommendations. The work will begin by identifying high-risk situations, implement a number of Human Rights Impact Assessments. We will also identify salient risks in our operation as a part of developing our approach.</p> <p>During the year, we worked on human rights in a couple of investments:</p> <ul style="list-style-type: none">• In carrying out Due Diligence on a new investment, we identified risks related to shortage of water, both for surrounding communities and for the company itself. As a result, an in-depth study of water supplies in the area was carried out, as well as of future water provision in the area. As a result of the study, the company undertook to implement a number of measures to reduce the burden on water.• During Due Diligence on another investment, risks relating to land acquisition and land-use were identified, as well as the rights of the local people to practice their religion. An in-depth study on land use. The study is ongoing.		
	<input checked="" type="checkbox"/> Provide training on ESG engagement		
	Key performance indicator		
	Update of Swedfund's Anti Corruption Policy		
	Progress achieved		
	<p>During 2016, the Board of Directors adopted a revised anti-corruption policy with our more stringent standards for anti-corruption work both internally and in our portfolio companies. The revised anti-corruption policy does not involve any change in our view of corruption; we have zero tolerance.</p> <p>There is a supplement to the policy: an explanation of Swedfund's fourth sustainability target which deals with anti-corruption. In consequence of the anti-corruption target, the policy is no longer divided between the requirements applicable to Swedfund's internal operations and the requirements applicable to the portfolio companies. Instead, all operations are subject to the same premises. The concept of corruption has also been expanded to cover moneylaundering and financing terrorism, as well as cronyism.</p> <p>The policy covers the following categories within Swedfund's operation: employees and members of Swedfund's Board of Directors, as well as</p>		

external Board Members of portfolio companies, and consultants. The policy also covers Swedpartnership's borrowers. The policy now mentions that serious offences can now be reported via Swedfund's whistleblower system. During 2016, we have also adopted a policy on gifts, hospitality and inappropriate benefits.

- ☐ Improved communication of ESG activities within the organisation
- ☐ Improved engagement to encourage change with regards to management of ESG issues
- ☒ Improved ESG incorporation into investment decision making processes

Key performance indicator

ESG-training for Swedfund employees -focus on Human rights

Progress achieved

Please refer to previous comment.

- ☐ Other, specify (1)
- ☐ Other, specify (2)
- ☐ Other, specify (3)

Financial performance of investments

- ☐ Increase portfolio performance by consideration of ESG factors
- ☒ Other, specify (1)

other description (1)

financial viability of portfolio companies

Key performance indicator

Growth Profitability Return on equity

Progress achieved

Swedfund to monitor and report on the financial performance of our investments. It is preferable to do this individually for each company, on the basis of the companies' specific conditions in the markets in which they operate. The monitoring of each individual investment is carried out internally, and this is an important part of the investment managers' work. With reference to each company's operation, and commercial secrecy in the investment agreements we have entered into, it is not possible for us to report key ratios at individual company level. For that reason, we have decided to report key ratios at an aggregate level for the enterprises, since this gives a picture of their performance.

The median values of direct investments in shares and loans in terms of sales growth (percentage change in sales 2014–2015), return on equity and profit margin (profit after tax/sales) are given below. The figures are based on the latest available audited financial statements starting with the 47 direct investments via shares and/or loans in Swedfund's portfolio at the end of 2015.

- ☐ Other, specify (2)
- ☐ Other, specify (3)

ESG characteristics of investments

- ☐ Over or underweight companies based on ESG characteristics
- ☒ Improve ESG ratings of portfolio

Key performance indicator

Strategic Sustainability Goal - Adherence to ILO Core Conventions Strategic Sustainability Goal - Job creation and number of jobs Gender equality Taxes

Progress achieved

Strategic Sustainability Goal - Adherence to ILO Core Conventions

19 out of 24 companies reply that they comply with the ILO's core conventions.

Job creation and number of jobs

THE AVERAGE job growth in the 27 companies in the portfolio in both 2014 and 2015, and where information on the number of employees is available, amounted to 2.7 percent (2014: 1.5 percent). Through its investments, Swedfund helps support a total of 111,791 job opportunities (2014: 108,221, 2013: 104,390).

Taxes

The portfolio companies' tax amounted to the equivalent of SEK 1,206 million (2014: SEK 502 million, 2013: SEK 347 million). The report for 2015 includes reports from 16 direct investments and five fund investments and their holdings.

Gender equality

The proportion of women employed amounted to 19 percent (25 percent), the proportion of women in senior executive positions was 21 percent (2014: 777 women) and the number of women in corporate boardrooms was 72 (2014: 78 women). Due to lack of information, we are unable to report the proportion of women on portfolio companies' Boards of Directors.

- ☒ Setting carbon reduction targets for portfolio

Key performance indicator

CO2 measurement of portfolio

Progress achieved

With start 2017 Swedfund will map also emissions occurring in the companies in which we have invested. Looking ahead, Swedfund hopes to be able to present climate impact for our entire investment portfolio.

☒ Other, specify (1)

Other description (1)
TARGET: Adoption and implementation of a management system for handling anti-corruption issues shall be completed among portfolio companies within three years
Key performance indicator
Adoption and implementation internally and at portfolio companies of management system for handling anti-corruption issues.
Progress achieved
To determine if a portfolio company meets the sustainability target, Swedfund checks if the company has implemented a management system that contains relevant components. This enables areas of improvement to be identified. Nine questions are asked in the following areas of an anti-corruption management system. Anti-corruption policy: Shall be established as starting point for anti-corruption management system. Responsibility: Manager in senior management team. System: Processes, procedures or checks to detect corruption. Competence: Identification and training of key individuals (those most exposed to corruption). Reporting: Regular, annual report as minimum. 83 percent of the reporting companies have an anti-production policy, and have appointed a manager to implement it.

☒ Other, specify (2)

Other description (2)
Sustainability Target: Implementation of ESG management systems at each company within three years of the start of financing.
Key performance indicator
INDICATOR: Implementation in all portfolio companies and at Swedfund itself of ESG management systems which, where relevant, cover environmental and social issues, and corporate governance
Progress achieved
To determine if a portfolio company meets the sustainability target, Swedfund checks if the company has implemented a management system and whether it contains the components that are relevant. This helps identify opportunities for improvement. Ten questions are asked about the following components of a management system: Policy Identification of risks and impact Result assessments Responsibilities and skills Emergencies Reporting Stakeholders Of Swedfund's 24 (2014: 27) direct investments, 13 (2014: 12) report that they have an environmental and social management system.

☒ Other, specify (3)

Other description (3)
Target: Fulfilment of ILO's core conventions and ILO's basic terms and conditions of employment in all companies within three years of the start
Key performance indicator
INDICATOR: Fulfilment of the ILO's core conventions and ILO Basic Terms and Conditions of Employment
Progress achieved
16 specific questions are asked to determine if a portfolio company fulfils the ILO's core conventions and ILO's basic terms and conditions of employment. This means Swedfund covers the key areas of the ILO core conventions and ILO basic terms and conditions of employment and hence possible areas for improvement can be identified and Swedfund can proactively advocate to achieve its targets. Questions are asked about the following areas: Trade union rights, ILO 87, 98 Minimum pay, ILO 26, 131 Enforced labour, ILO 29, 105 Child labour, ILO 182 Occupational safety and health, ILO 155 Equal remuneration, ILO 100 Discrimination, ILO 111 Minimum age, ILO 138 Working hours and overtime, ILO 1 19 out of 24 companies reply that they comply with the ILO's core conventions.

Other activities
<input type="checkbox"/> Joining and/or participation in RI initiatives <input type="checkbox"/> Encouraging others to join a RI initiative <input type="checkbox"/> Documentation of best practice case studies <input checked="" type="checkbox"/> Using case studies to demonstrate engagement and ESG incorporation to clients
Key performance indicator
Case stories presented in annual integrated report to show how ESG is integrated.
Progress achieved
Please refer to our Integrated report for 2016.

☒ Other, specify (1)

other description (1)
Gender equality
Key performance indicator
Percentage of female employees Percentage of female on mgmt positions
Progress achieved
GENDER EQUALITY 19 % Proportion of women employed 21% Proportion of women in management positions For the second year we are reporting the proportion of women employed in portfolio companies including investment funds and their holdings, and the women in management positions and on company boards. The proportion of women employed was 19 per cent (2014: 25 per cent), the percentage of women in management positions 21 per cent (2014: 777 women) Disclosure is part of an initiated work on gender equality.

☒ Other, specify (2)

other description (2)
TARGET: On average for all of Swedfund's investments the number of jobs shall increase every year.
Key performance indicator
INDICATOR: A growing number of jobs within Swedfund's portfolio companies.
Progress achieved
JOB CREATION The average job growth in the 27 companies in the portfolio in both 2014 and 2015, and where information on the number of employees is available, amounted to 2.7 percent (2014: 1.5 percent). Through its investments, Swedfund helps support a total of 111,791 job opportunities (2014: 108,221, 2013: 104,390). Direct jobs also generate a large number of indirect jobs. Swedfund has no estimates of, and does not account for the indirect jobs that are created, but in 2016 we will introduce a model for calculating indirect jobs. The World Bank's investment organization IFC estimates that the number of indirect jobs created in the IFC's portfolio companies is 7-25 per direct job created. Many of these indirect jobs benefit uneducated and poor people. Swedfund estimates that the impact on employment locally and overall is substantially larger than the jobs reported above.

☐ Other, specify (3)

SG 06.2	Additional information.
---------	-------------------------

Additional information on progress/results achieved in relation to Swedfund's strategic sustainability targets listed ab

Sustainability Target: Adherence to ILO Core Conventions

19 out of 24 companies reply that they comply with the ILO's core conventions. Four companies report more overtime than in the preceding year, and exceed the ILO's recommendation. This can partly be explained by the fact that in many

cases the staff wish to work longer than the permitted working hours, which is a challenge for us and an issue that we believe will have to be tackled more actively in the future. Of the nine (2015:9) funds which responded to the questions relating to the ILO's core conventions and labour standards, all nine (2014:10) replied that they comply with the conventions. Three funds did not answer the questions. The strategic sustainability goal of compliance

with the ILO's core conventions applies to the fund manager and not to its portfolio companies. With effect from 1 January 2015, the fund managers are encouraged to set the same standards on the portfolio companies through their environmental and social management system/ESG standards. When Swedfund invests in a financial institution,

it commences the Due Diligence process to ensure that the financial institution complies with the ILO's core conventions and labour standards. Checks on compliance are then included in the bank's annual monitoring report in which Swedfund monitors whether any changes are taking place in the environmental and social management system in which the ILO's core conventions are included.

Sustainability Target: ESG Management System

Of Swedfund's 24 (2014: 27) direct investments, 13 (2014: 12) report that they have an environmental and social management system. To fulfil the requirements for an approved management system, the companies must respond on ten targets. 13 (2014: 5) answer that they have important parts of a management system, while eight (2014: 11) lack important parts of a management system. Of those which have implemented a management system, six companies have independently-certified management systems.

Sustainability or environmental policy

A sustainability policy lays the basis for how an operation shall run its sustainability work. It is vital that a sustainability policy is not just a piece of paper, but is actually implemented in the portfolio companies' operations. 96 percent of the reported direct investments state that they have a sustainability policy, compared with 78 percent in the preceding year. One (1) direct investment still does not have environmental or sustainability policies, and the company also faces challenges in respect of its financial viability. Swedfund's portfolio companies have widely differing operations, in various sectors within manufacturing and services. Swedfund's advocacy efforts have helped ensure that the majority of portfolio companies now have a sustainability or environmental policy, and that the process of implementing the adopted policies is proceeding continuously.

Identification of risks and effect

67 percent (2014: 63 percent) of Swedfund's direct investments state that they carry out a risk and effect analysis of their operation. The risk and effect analysis forms the basis for the actions the companies need to take to reduce their risks. It is essential that a risk and effect analysis remains an ongoing process at all times. During the year, unforeseen events happen in our portfolio companies, which we deal with immediately. One such was the discovery of waste from one of our companies in the municipal waste disposal site intended for domestic garbage. When this was discovered, we contacted the portfolio company immediately and then checked on-site a few weeks later that action had been taken and to ensure that

the situation had been handled in the best possible way and would not arise again.

ESG Manager

The portfolio companies' responsibility for reporting on ESG lies at Board level, at management level or on the operational side. The responsibility for these issues often constitutes part of a wider management responsibility in the companies, and this is also reflected in the result. The proportion of direct investments which have an ESG Manager is 75 percent (2014: 74 percent), 13 percent have no manager and 13 percent did not answer the questions. The portfolio companies which have a specifically appointed ESG Manager or ESG team work much more proactively on improvement measures throughout the year.

Disaster preparation

An important part of disaster preparation are fire precautions and fire drill, which all the portfolio companies report that they have in place. During the year, we held discussions with two companies which had lacked disaster preparation in the previous year. Swedfund also monitored continuously where the portfolio companies have disaster preparedness in place, not just to ensure checks are carried out on firefighting equipment and evacuation plans, but also to ensure the tactical implementation of the systems and processes which should be in place, such as evacuation drills. A problematic and particular challenge we have encountered is with fire drills in hospitals, where there are patients who are difficult to move.

Sustainability Target: Anti-corruption management system

SWEDFUND'S PORTFOLIO COMPANIES undertake in agreements to adopt and implement a management system to handle anti-corruption issues. An important and often initial step in operating an active anti-corruption effort is to establish and implement an anti-corruption policy. 83 percent of the reporting companies have an anti-production policy,

and have appointed a manager to implement it. To assist the portfolio companies in their efforts in this area, since 2012, Swedfund has offered an Anti-Corruption Policy Model which portfolio companies can adapt to their own needs. As the graph shows, many portfolio companies have now implemented the policy, developed competence, appointed a manager for anti-corruption issues and developed systems and processes for reporting and monitoring. Many companies have not, however, answered the questions which indicates a lack of management systems for anti-corruption work.

Eight of the twelve reporting fund companies said that they have an anti-corruption policy. Four did not answer the question. Five of the funds had fully implemented an anti-corruption management system (anti-corruption policy, responsibility, system, competence and reporting), and a further three have partly implemented this system.

SG 07	Mandatory	Core Assessed	General																										
SG 07.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.																												
	<table border="1"> <thead> <tr> <th>Roles present in your organisation</th> </tr> </thead> <tbody> <tr> <td><input checked="" type="checkbox"/> Board members or trustees</td> </tr> <tr> <td><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</td> </tr> <tr> <td><input type="checkbox"/> Implementation of responsible investment</td> </tr> <tr> <td><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</td> </tr> <tr> <td><input checked="" type="checkbox"/> Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee</td> </tr> <tr> <td><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</td> </tr> <tr> <td><input checked="" type="checkbox"/> Implementation of responsible investment</td> </tr> <tr> <td><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</td> </tr> <tr> <td><input checked="" type="checkbox"/> Other Chief-level staff or head of department, specify</td> </tr> <tr> <td>Portfolio Director</td> </tr> <tr> <td><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</td> </tr> <tr> <td><input checked="" type="checkbox"/> Implementation of responsible investment</td> </tr> <tr> <td><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</td> </tr> <tr> <td><input checked="" type="checkbox"/> Portfolio managers</td> </tr> <tr> <td><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</td> </tr> <tr> <td><input checked="" type="checkbox"/> Implementation of responsible investment</td> </tr> <tr> <td><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</td> </tr> <tr> <td><input checked="" type="checkbox"/> Investment analysts</td> </tr> <tr> <td><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</td> </tr> <tr> <td><input checked="" type="checkbox"/> Implementation of responsible investment</td> </tr> <tr> <td><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</td> </tr> <tr> <td><input checked="" type="checkbox"/> Dedicated responsible investment staff</td> </tr> <tr> <td><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</td> </tr> <tr> <td><input checked="" type="checkbox"/> Implementation of responsible investment</td> </tr> <tr> <td><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</td> </tr> </tbody> </table>			Roles present in your organisation	<input checked="" type="checkbox"/> Board members or trustees	<input checked="" type="checkbox"/> Oversight/accountability for responsible investment	<input type="checkbox"/> Implementation of responsible investment	<input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment	<input checked="" type="checkbox"/> Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee	<input checked="" type="checkbox"/> Oversight/accountability for responsible investment	<input checked="" type="checkbox"/> Implementation of responsible investment	<input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment	<input checked="" type="checkbox"/> Other Chief-level staff or head of department, specify	Portfolio Director	<input checked="" type="checkbox"/> Oversight/accountability for responsible investment	<input checked="" type="checkbox"/> Implementation of responsible investment	<input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment	<input checked="" type="checkbox"/> Portfolio managers	<input checked="" type="checkbox"/> Oversight/accountability for responsible investment	<input checked="" type="checkbox"/> Implementation of responsible investment	<input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment	<input checked="" type="checkbox"/> Investment analysts	<input checked="" type="checkbox"/> Oversight/accountability for responsible investment	<input checked="" type="checkbox"/> Implementation of responsible investment	<input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment	<input checked="" type="checkbox"/> Dedicated responsible investment staff	<input checked="" type="checkbox"/> Oversight/accountability for responsible investment	<input checked="" type="checkbox"/> Implementation of responsible investment	<input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment
Roles present in your organisation																													
<input checked="" type="checkbox"/> Board members or trustees																													
<input checked="" type="checkbox"/> Oversight/accountability for responsible investment																													
<input type="checkbox"/> Implementation of responsible investment																													
<input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment																													
<input checked="" type="checkbox"/> Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee																													
<input checked="" type="checkbox"/> Oversight/accountability for responsible investment																													
<input checked="" type="checkbox"/> Implementation of responsible investment																													
<input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment																													
<input checked="" type="checkbox"/> Other Chief-level staff or head of department, specify																													
Portfolio Director																													
<input checked="" type="checkbox"/> Oversight/accountability for responsible investment																													
<input checked="" type="checkbox"/> Implementation of responsible investment																													
<input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment																													
<input checked="" type="checkbox"/> Portfolio managers																													
<input checked="" type="checkbox"/> Oversight/accountability for responsible investment																													
<input checked="" type="checkbox"/> Implementation of responsible investment																													
<input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment																													
<input checked="" type="checkbox"/> Investment analysts																													
<input checked="" type="checkbox"/> Oversight/accountability for responsible investment																													
<input checked="" type="checkbox"/> Implementation of responsible investment																													
<input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment																													
<input checked="" type="checkbox"/> Dedicated responsible investment staff																													
<input checked="" type="checkbox"/> Oversight/accountability for responsible investment																													
<input checked="" type="checkbox"/> Implementation of responsible investment																													
<input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment																													

- ☒ External managers or service providers
- ☒ Oversight/accountability for responsible investment
- ☒ Implementation of responsible investment
- ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Investor relations
- ☒ Other role, specify (1)

Legal Counsel

Other description (1)

- ☒ Oversight/accountability for responsible investment
- ☒ Implementation of responsible investment
- ☐ No oversight/accountability or implementation responsibility for responsible investment

- ☒ Other role, specify (2)

Other description (2)

External ESG-consultants

- ☐ Oversight/accountability for responsible investment
- ☐ Implementation of responsible investment
- ☒ No oversight/accountability or implementation responsibility for responsible investment

SG 07.2 For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

By investing in and building (through our activities) sustainable and profitable companies, we aim to achieve long-term sustainable results in our three pillars – impact on society, sustainability (for Swedfund, sustainability is the same as ESG) and financial viability. The reduction of poverty through sustainable business is our overall goal.

Our employees have knowledge in finance, investment, ESG (Environmental, Social and Governance), law, specific sectors and the intangible values learnt over many years developing Swedfund's business model, management systems and processes.

INITIAL ASSESSMENT

During an initial selection an assessment is made of the country, company, strategic partner and Swedfund's role in the investment. Each new investment proposal is judged against Swedfund checklist, which includes testing the strengths of the company's business plan, and against the list of excluded industries.

CONCEPT CLEARANCE

An assessment of the investment is made on the basis of Swedfund's three pillars – Impact on society, Sustainability and Financial viability. Approval must be granted before the investment continues.

DUE DILIGENCE

Business concept, market, financial history and forecast, investment calculation, other partners, legal aspects, expected development results and ESG issues are all analyzed. The different areas are assessed in parallel with more in-depth analysis as needed. What are the company's market conditions? What are the financial projections? Assessments continue until investment money is paid out.

SCREENING

During in-depth analysis of the potential investment it is assessed against Swedfund's three pillars. Additional issues may arise. If approval is given, the proposal is prepared for a board decision.

BOARD DECISION

Based on Swedfund's three pillars, Swedfund's board makes an investment decision, whereupon a contract will be negotiated.

VALUE-CREATING ADVOCACY

Swedfund works with the portfolio companies and influences them through board involvement, exchanges of experience and follow-up. This means work focused on strategic direction/development, profitability, growth, sustainability, etc. In our investment process we manage risks while creating and protecting values. Every year or second year, the Swedfund ESG team makes site visits or audits, working with local consultants as necessary. The Swedfund ESG team formulates an ESG Action Plan (AP), including actions to ensure that the portfolio companies follow Swedfund's policies. The ESG AP is implemented in the portfolio company's operating procedures and is monitored. In this way, value-creation advocacy work starts before go-ahead on the investment is decided.

EXIT

When a portfolio company can continue with the same development without Swedfund's involvement, an exit is made. Swedfund sells its holding in the portfolio company and ends its involvement. An internal exit report is written, presenting an analysis of the investment results and lessons drawn.

ESGAP

Swedfund's ESG team is responsible for the evaluation of environmental, social issues, corporate governance and anti-corruption in the portfolio companies. For each portfolio company that Swedfund invests in, an ESG Action Plan (ESGAP) is established and implemented. This plan contains measures to ensure that companies comply with our Sustainability Policy and our Anti-Corruption Policy. The action plan contains detailed descriptions of what the company needs to do to receive funding and the company approves it. The risk that human rights will be disregarded is also analyzed, based on UN Guiding Principles on Business and Human Rights.

We follow up compliance with the Action Plan during our ongoing dialogue with the company, in board work and through the company's annual self-declaration (Swedfund Portfolio Company Sustainability Report) to Swedfund. This gives us a good idea of what questions should be prioritized in the future and how well the company lives up to our requirements. The action plan may also require the portfolio companies to do a risk analysis of their supply chain and take corrective action if necessary.

We regularly make site visits and/or do audits to follow up implementation of the ESG Action Plan. We adopted a Sustainability Policy in 2010 which we then updated in 2013, 2014 2015. This means that Swedfund cannot set the same requirements for older portfolio companies that it sets for new ones. In companies with older contracts, we try anyway to highlight the importance of issues that may not be included in our agreements. For business ventures that are sustainable and profitable over the long term, an ESG Action Plan is an important tool, both for the investment decisions and for follow-up.

Audit plan

Each year an audit plan is developed that states which portfolio companies will be visited during the year. The purpose of the audit is to help the company implement changes to achieve the strategic sustainability goals and make other improvements identified at the time of investment and during the annual self-declaration (Swedfund's Portfolio Company Sustainability Report).

The selection of companies and the format for visits is based on the risk in the portfolio company's business, our knowledge of the company's challenges, information that Swedfund obtains from the companies through self-declarations and the date of previous visits or audits. The audit is done either with external consultants or through a site visit by Swedfund's ESG managers. . The visit planned for 2016 included a total of eleven portfolio companies (2015: 6, 2014: 10, 2013: 5). One of these companies went through an external audit, six went through internal audits and the remaining four had site visits only. The visits usually result in an action list with specific actions and target dates which are monitored by Swedfund's ESG Managers and the Senior Investment Manager with responsibility for the investment. With respect to Swedfund's direct investments, one external audit was carried out during the year, three internal audits and two site visits.

SG 07.3	Indicate the number of dedicated responsible investment staff your organisation has.
---------	--

22

SG 07.4	Additional information. [Optional]
---------	------------------------------------

22 out of 37 in total, this includes personal in the Investment Organisation (18) and Legal (4).

SG 08	Voluntary	Additional Assessed	General
-------	-----------	---------------------	---------

SG 08.1	Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.
---------	---

- ☒ Responsible investment included in personal development and/or training plan

SG 08.2	Describe any activities undertaken during the reporting year to develop and maintain Board members' skills and knowledge in relation to responsible investment.
---------	---

Internal workshops and training within the programme "Swedfund University":

- In 2016, Swedfund performed a gap analysis regarding the implementation of UN Guiding Principles on Human Rights and Business. The findings of the gap analysis were presented in a workshop format.

- ☐ None of the above

- ☒ Responsible investment KPIs and/or goals included in objectives

- ☒ Responsible investment included in appraisal process

- ☐ Variable pay linked to responsible investment performance

- ☒ Responsible investment included in personal development and/or training plan

- ☐ None of the above

Portfolio Director

- ☒ Responsible investment KPIs and/or goals included in objectives

- ☒ Responsible investment included in appraisal process

- ☐ Variable pay linked to responsible investment performance

- ☒ Responsible investment included in personal development and/or training plan

- ☐ None of the above

- ☒ Responsible investment KPIs and/or goals included in objectives

- ☒ Responsible investment included in appraisal process

- ☐ Variable pay linked to responsible investment performance

- ☒ Responsible investment included in personal development and/or training plan

- ☐ None of the above

- ☒ Responsible investment KPIs and/or goals included in objectives

- ☒ Responsible investment included in appraisal process

- ☐ Variable pay linked to responsible investment performance

- ☒ Responsible investment included in personal development and/or training plan

- ☐ None of the above

- ☒ Responsible investment KPIs and/or goals included in objectives

- ☒ Responsible investment included in appraisal process

- ☐ Variable pay linked to responsible investment performance

- ☒ Responsible investment included in personal development and/or training plan

- ☐ None of the above

Legal Counsel

- ☒ Responsible investment KPIs and/or goals included in objectives

- ☒ Responsible investment included in appraisal process

- ☐ Variable pay linked to responsible investment performance

- ☒ Responsible investment included in personal development and/or training plan

- ☐ None of the above

SG 08.3	Provide any additional information on your organisation's performance management, reward and/or personal development processes in relation to responsible investment.
---------	---

Portfolio Managers are responsible for the fulfillment of Swedfund's strategic Sustainability Targets for each individual investment. The strategic sustainability targets should be fulfilled within three years from investment time which is followed up annually. On an aggregated portfolio level it is the Investments Directors who are responsible for the ESG-performance and progress of the entire portfolio.

Please see section SG 05- 06 about RI objectives and progress and Swedfund's Strategic Sustainability Goals. Please see section SG 07.2 about the investment process.

Swedfund do not pay any bonuses to any employee.

SG 09	Mandatory	Core Assessed	PRI 4,5
-------	-----------	---------------	---------

SG 09.1	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
---------	---

☒ Principles for Responsible Investment

	Your organisation's role in the initiative during the reporting period (see definitions)
Moderate	

	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
Swedfund is part of the SDG Advisory Committee set up in the end of 2016.	

- ☐ AFIC – La Commission ESG
- ☐ Asian Corporate Governance Association
- ☐ Australian Council of Superannuation Investors
- ☐ BVCA – Responsible Investment Advisory Board
- ☐ CDP Climate Change
- ☐ CDP Forests
- ☐ CDP Water
- ☐ CFA Institute Centre for Financial Market Integrity
- ☐ Code for Responsible Investment in SA (CRISA)
- ☐ Code for Responsible Finance in the 21st Century
- ☐ Council of Institutional Investors (CII)
- ☐ ESG Research Australia
- ☐ Eumedion
- ☐ EVCA – Responsible Investment Roundtable
- ☐ Extractive Industries Transparency Initiative (EITI)
- ☐ Global Investors Governance Network (GIGN)
- ☐ Global Impact Investing Network (GIIN)
- ☐ Global Real Estate Sustainability Benchmark (GRESB)
- ☐ Green Bond Principles
- ☐ Institutional Investors Group on Climate Change (IIGCC)
- ☐ Interfaith Center on Corporate Responsibility (ICCR)
- ☐ International Corporate Governance Network (ICGN)
- ☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)
- ☒ International Integrated Reporting Council (IIRC)

	Your organisation's role in the initiative during the reporting period (see definitions)
Basic	

	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
Swedfund reports inspired by the Framework by the IIRC and have been prize-awarded for it's integrated reports.	

- ☐ Investor Network on Climate Risk (INCR)/CERES
- ☐ Local Authority Pension Fund Forum
- ☐ Principles for Sustainable Insurance
- ☐ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- ☐ Responsible Finance Principles in Inclusive Finance
- ☐ Shareholder Association for Research and Education (Share)
- ☐ United Nations Environmental Program Finance Initiative (UNEP FI)
- ☒ United Nations Global Compact

	Your organisation's role in the initiative during the reporting period (see definitions)
Basic	

	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
Swedfund is a signatory and report in its annual report on progress towards UN GC.	

- ☒ Other collaborative organisation/initiative, specify
European Development Finance Institutions (EDFI)

	Your organisation's role in the initiative during the reporting year (see definitions)
Advanced	
	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
<p>Swedfund is member of the European Development Finance Institutions (EDFI). As one out of 15 members we take an active role in the collaboration within EDFI. We actively participate in all the expert working groups: Environmental & Social (E&S), Development Effects (DE), Legal, HR, Communication. In 2016 Swedfund hosted the bi-annual working group meeting for Legal expertise.</p> <p>http://www.edfi.be/</p>	

- ☐ Other collaborative organisation/initiative, specify

- ☒ Other collaborative organisation/initiative, specify

The Swedish Governments network for state owned companies; Sustainable Business.

	Your organisation's role in the initiative during the reporting year (see definitions)
Moderate	
	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
<p>We participate in the different workshops and seminars that are arranged for this group of state owned companies. As a consequence of this we, together with a few other companies, have taken the initiative to form a working group on the implementation on UN Guiding Principles.</p>	

- ☒ Other collaborative organisation/initiative, specify

IFI's Harmonized Development Results Indicators for Private Sector Investment Operations

	Your organisation's role in the initiative during the reporting year (see definitions)
Moderate	
	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
<p>Swedfund has participated in the initiative among 25 DFI/IFIs to harmonise results indicators for private sector investment operations. During 2017 a follow-up session of the harmonisation will be held. https://indicators.ifipartnership.org/</p>	

SG 10	Mandatory	Core Assessed	PRI 4
-------	-----------	---------------	-------

SG 10.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
---------	--

- ☒ Yes

SG 10.2	Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.
<p><input checked="" type="checkbox"/> Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations</p> <p><input type="checkbox"/> Provided financial support for academic or industry research on responsible investment</p> <p><input checked="" type="checkbox"/> Encouraged better transparency and disclosure of responsible investment practices across the investment industry</p> <p><input checked="" type="checkbox"/> Spoke publicly at events and conferences to promote responsible investment</p> <p><input type="checkbox"/> Wrote and published in-house research papers on responsible investment</p> <p><input checked="" type="checkbox"/> Encouraged the adoption of the PRI</p> <p><input type="checkbox"/> Wrote articles on responsible investment in the media.</p> <p><input checked="" type="checkbox"/> Other, specify</p>	
	specify description
Please refer to SG 09.3 below	

- ☐ No

SG 10.3	Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]
---------	---

- In 2016 Swedfund CEO (being a member of the UN Global Entrepreneurs Council) hosted the UN Global Entrepreneurs Council visit to Sweden. Through this role Swedfund's CEO promotes responsible investments as crucial driver for entrepreneurship and job creation.

- As part of the official Swedish delegation to midterm Review of the Istanbul Program of Action for LDCs Swedfund participated in side events, panels and bilateral meetings and could show that the company's priorities complies with the Swedish priorities: environmental and climate sustainability, equality and gender equality, combating capital and tax evasion, fair working conditions (decent work) and focus on the least developed countries (LDCs). Swedfund could illustrate this with practical examples from our activities: monitoring of the portfolio companies' compliance of the ILO's core conventions, climate investments through ICCF, Women4Growth, country-by-country reporting tax, partnership with H & M and Scania, etc.

- Swedfund has held stakeholder dialogues on tax

- Stakeholder dialogue on climate.

- Stakeholder dialogue on Swedfund's results reporting (Integrated report).

- In September, the CEO of Swedfund as a speaker in a panel discussion at the Triple Bottom Line Investing (TBLI) - Conference at Stockholm Nasdaq. The discussion focused Impact on Investments and ways to overcome barriers for institutional investors

SG 11	Voluntary	Additional Assessed	PRI 4,5,6
-------	-----------	---------------------	-----------

SG 11.1	Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or regulators in support of responsible investment in the reporting year.
<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> Yes, individually <input type="checkbox"/> Yes, in collaboration with others	
SG 11.2	Select the methods you have used.
<input type="checkbox"/> Endorsed written submissions to governments, regulators or public policy-makers developed by others <input checked="" type="checkbox"/> Drafted your own written submissions to governments, regulators or public-policy markers <input checked="" type="checkbox"/> Participated in face-to-face meetings with government members or officials to discuss policy <input type="checkbox"/> Other, specify	
SG 11.3	Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.
<input checked="" type="radio"/> Yes, publicly available http://www.regeringen.se/contentassets/8306a2b298b341fd842401a4ae5457ea/remissvar/swedfund-international-ab.pdf <input type="radio"/> No <input type="radio"/> No	
SG 11.4	Provide a brief description of the main topics your organisation has engaged with public policy-makers or regulators on.
<p>Consultation response - POLICY FRAMEWORK FOR DEVELOPMENT COOPERATION</p> <p>The Swedish Government Offices requested comments on the draft the letter "Policy Framework for the Swedish development cooperation" by 1 July 2016. The policy framework an account of the Government's overall development policy focus. The approach is formulated in the policy framework will then be fleshed out in the budget bills, instructions, strategies and appropriation. When policy framework is adopted, it ceases earlier aid policy platform to apply. Swedfund highlighted the positive role the private sector can play generally for the implementation of Agenda 2030 and the importance of development financiers' activities to create sustainable growth. Through sustainable investments creating decent jobs in the world's poorest is a powerful tool for lifting people out of poverty and contribute to the implementation of the Agenda by 2030</p> <p>- As part of the official Swedish delegation to midterm Review of the Istanbul Program of Action for LDCs Swedfund participated in side events, panels and bilateral meetings and could show that the company's priorities complies with the Swedish priorities: environmental and climate sustainability, equality and gender equality, combating capital and tax evasion, fair working conditions (decent work) and focus on the least developed countries (LDCs). Swedfund could illustrate this with practical examples from our activities: monitoring of the portfolio companies' compliance</p> <p>of the ILO's core conventions, climate investments through ICCF, Women4Growth, country-by-country reporting</p> <p>tax, partnership with H & M and Scania, etc.</p>	

SG 12	Mandatory	Descriptive	PRI 1
-------	-----------	-------------	-------

SG 12.1	Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.
<input type="checkbox"/> We execute scenario analysis which includes factors representing the investment impacts of future environmental trends <input type="checkbox"/> We execute scenario analysis which includes factors representing the investment impacts of future social trends <input type="checkbox"/> We execute scenario analysis which includes factors representing the investment impacts of future governance trends <input type="checkbox"/> We execute other scenario analysis, specify <input checked="" type="checkbox"/> We do not execute such scenario analysis and/or modelling	
SG 12.2	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.
<input checked="" type="checkbox"/> We do the following <input checked="" type="checkbox"/> Allocation between asset classes <input type="checkbox"/> Determining fixed income duration <input checked="" type="checkbox"/> Allocation of assets between geographic markets <input checked="" type="checkbox"/> Sector weightings <input type="checkbox"/> Other, specify <input type="radio"/> We do not consider ESG issues in strategic asset allocation	
SG 12.3	Additional information. [OPTIONAL]
<p>Our investment activities are based on three pillars - Impact on society, Sustainability and Financial viability - and on long-term commitment and sustainability in our partnerships. These pillars support everything we do - from making a decision to invest, throughout the entire management phase, to regular measurement of results and finally an exit out of the investment.</p>	

FINANCING FORMS

Financing forms include loans, shares or investment in funds. The choice of instrument depends on the portfolio company's financing needs. Swedfund continues to focus on the ownership role through which we can influence the company's development via the contracts it signs and the work of its board.

SECTORS

Prioritised sectors include manufacturing, services, financial institutions, such as banks and mutual funds, renewable energy.

GEOGRAPHY

Swedfund invests in businesses and in countries which, according to the OECD/DAC definition, qualify for development financing. Investments in low-income and post-conflict countries should be given priority.

SG 13	Mandatory to Report, Voluntary to Disclose	Additional Assessed	PRI 1
-------	--	---------------------	-------

SG 13.1	Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following you act on.
---------	--

☒ Changing demographics

☒ Climate change

SG 13.2	Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity
---------	--

☐ Established a climate change sensitive or climate change integrated asset allocation strategy

☐ Targeted low carbon or climate resilient investments

☐ Reduced portfolio exposure to emissions intensive or fossil fuel holdings

☐ Used emissions data or analysis to inform investment decision making

☐ Sought climate change integration by companies

☐ Sought climate supportive policy from governments

☒ Other, specify

	other description
--	-------------------

Please see section 13.5

☐ None of the above

SG 13.3	Indicate which of the following tools you use to manage emissions risks and opportunities
---------	---

☒ Carbon footprinting

☐ Scenario testing

☐ Disclosure on emissions risk to clients/trustees/management/beneficiaries

☐ Target setting for emissions risk reduction

☐ Encourage internal and/or external portfolio managers to monitor emissions risk

☐ Emissions risk monitoring and reporting are formalised into contracts when appointing managers

☐ Other, specify

☐ None of the above

☒ Resource scarcity

☒ Technology developments

☐ Other, specify(1)

☐ Other, specify(2)

☐ None of the above

SG 13.5	Additional information [Optional]
---------	-----------------------------------

The Swedish government supported Swedfund with a capital contribution of SEK 400 million in 2016 aimed at promoting investment in sustainable solutions for the environment and climate that will lead to a switch to renewable energy. The government is also proposing capital contributions of SEK 400 million annually for 2017-2018.

FRONTIER ENERGY FUND

In 2016 Swedfund got a investment decision to invest in Forntier energy fund that focuses on small renewable energy projects in east africa.

ICCF

Jointly with twelve European development finance institutions, Swedfund owns the co-financing facility, ICCF (Interact Climate Change Facility), which focuses on financing renewable energy projects in Africa and other places. The co-ownership makes larger investments possible, with wide-ranging expert knowledge in the areas of sustainability and effective financing. "European development finance institutions are responsible for a significant part of all investment in renewable energy in Sub-Saharan Africa. The Lake Turkana wind power project is an excellent example of what can be achieved when we join forces", says Anna Ryott, CEO, Swedfund. In autumn 2016, Swedfund contributed an additional SEK 70 million of long-term loan capital to ICCF, part of which is

helping finance Africa's largest wind farm.

DBL Group

In 2015 Swedfund announced a partnership with H&M to contribute in building a sustainable textile industry in Ethiopia. Water management, waste management, decent work are important parts of the partnership. In 2016 the agreement with the DBL Group and with the Ethiopian Investment Bank as financial partner. The project also demonstrates the importance of partnership, risk-sharing, standard-setting in respect of sustainability and knowledge exchange in our investment process.

CLIMATE STRATEGY

In 2015 Swedfund initiated to formulate a climate strategy that will be launched in 2017. In 2016 we initiated a project to start carbon footprinting our investment portfolio

GREEN KEY CERTIFIED RADISSON NAIROBI

Swedfund has a number of investments in quality hotels in Africa, including Radisson Blu Hotels in both Nairobi and Addis Ababa. The investments were made jointly with the Nordic Development Finance Institutions and with Rezidor as the hotel operator. Working with Rezidor, which has a strong commitment to sustainability issues, also means that significant resources are devoted to employee education and training. The Radisson Blu Nairobi is Green Key certified with solar panels on the roof and a closed waste water system with purification, in which 95 percent of the water is recycled. The hotel creates 350 direct job opportunities, of which around 45 percent are held by women. Rezidor places a great deal of weight on labour rights issues, as well as on the continuous training of personnel, equal pay, overtime payment and parental leave.

SG 14		Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1
SG 14.1		Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.		
✔ Yes				
SG 14.2		Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.		
		Area		
		<input checked="" type="checkbox"/> Clean technology (including renewable energy) Private equity		
		Brief description and measures of investment		
		Please see section SG 01.6 for information about investments in Energy sector. Please see section SG13.5 for information on Frontier Energy Fund and ICCF.		
		<input checked="" type="checkbox"/> Green buildings Private equity		
		Brief description and measures of investment		
		Please see section SG 13.5 for information about Green-key certified Radisson BLU Hotel Nairobi		
		<input type="checkbox"/> Sustainable forestry		
		<input type="checkbox"/> Sustainable agriculture		
		<input type="checkbox"/> Microfinance		
		<input checked="" type="checkbox"/> SME financing Fixed income - Corporate (non-financial)		
		Brief description and measures of investment		
		Please refer to SG 01.6 and our investments in the financial sector (FIs and Funds). Around one-third (30-37 percent) of all small and medium-sized enterprises in developing countries are		

run by women. The Global Findex database shows that 20 percent fewer women than men have a bank account, and 17 percent fewer women than men have taken out a loan. Women are also less likely to have access to savings and insurance. The World Bank has concluded that women are more financially excluded than men on all parameters.

In 2016 the the Swedfund Women Entrepreneur Facility (Swef) was set up. One of the investments in Swedfund's programme is the IFC's Women Entrepreneurs Debt Fund. Swedfund has contributed USD 20 million, jointly with Andra AP-fonden.

The fund's total resources will eventually amount to USD 150 million, and will be included in an even greater initiative backed by IFC and Goldman Sachs In the project, USD 600 million will be lent to around 100,000 women entrepreneurs in developing countries. IFC is a world leader in female entrepreneurship and has operated a programme called "Banking on women" since 2010, which has made 40 targeted investments totalling more than USD 1.2 billion.

- ☐ Social enterprise / community investing
- ☐ Affordable housing
- ☐ Education
- ☐ Global health
- ☒ Water
- Private equity

Brief description and measures of investment

Please refer to section SG 12.5 for information about partnership with DBL Group and H&M.

- ☒ Other area, specify

SME financing
Fixed income - Corporate (non-financial)

Brief description and measures of investment

In 2016 Swedfund is provided NMB with a 7-year loan of USD 5 million. This loan as part of a larger financing package totalling USD 25 million which is being made jointly with other development finance institutions: the French Proparco and the Dutch FMO. The loan will give more entrepreneurs the opportunity to apply for financing to NMB. It will involve a wide range of small and medium-sized enterprises. A large proportion of the business sector concentrates on the processing of locally-grown foodstuffs, but there are also enterprises in areas such as healthcare, small-scale retailing and various types of transport operations. In addition to its loan business for entrepreneurs in the country, NMB also offers financing to innovative farmers. This is an area which Ineke Bussemaker would like to expand, and it will, in turn, increase financial inclusion in the country.

☐ No

SG 17	Voluntary	Descriptive	General
SG 17.1	Indicate whether any specific features of your approach to responsible investment are particularly innovative.		
<input checked="" type="checkbox"/> Yes			

SG 17.2	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.
---------	---

Please refer to section SG 12.5 and our partnership with H&M to contribute to esatblsh a sustainable textile indsutry in Ethiopia. Swedfund as an owner and H&M as a buyer have aligned interest and requirements when it comes to the integration of good ESG practices into the textile producer that Swedfund will invest in.

Please refer to section SG 14.2 and our initiatives to support and finance female entreprensurs and SMEs.

GENDER EQUALITY

- ▼ We invest in banks which focus on lending to women-owned or women-managed SMEs.
 - ▼ In our Due Diligence in preparation for an investment, we analyse the company's approach to equality such as the availability of parental leave, equal pay for equal work and non-discrimination. We start from the ILO's core conventions and the ILO's fundamental working conditions.
 - ▼ Through Women4Growth, a talent development programme for women employed in our portfolio companies, we make targeted interventions to strengthen them in a professional role and to further develop them to achieve leading positions.
- WE MEASURE RESULTS:
- ▼ We set requirements and constantly measure key ratios linked to compliance with the ILO's core conventions and the ILO's fundamental working conditions.
 - ▼ We measure:
 - 1) Compliance with the ILO's core conventions and fundamental working conditions.
 - 2) Equality in the form of proportion of women
 - a) among employees
 - b) in leading positions
 - c) on the Board of Directors
- In this way, we highlight women in our data. We know that what is measured, is visible. And highlighting facts is the start of change!
- SUSTAINABLE DEVELOPMENT GOALS IN FOCUS THROUGH OUR WORK:
- ▼ SDG 5.1: End all forms of discrimination against all women and girls everywhere.
 - ▼ SDG 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.
- GOVERNING POLICY & RESPONSIBILITY:
- ▼ Sustainability policy
 - ▼ The investment managers

☐ No

SG 17.3	Additional information.
---------	-------------------------

From 2016 the Sustainable Development Goals (SDGs) are an integrated part of our investment analysis and investment decisions process.

SAM 01	Mandatory	Core Assessed	PRI 4
--------	-----------	---------------	-------

SAM 01.1	Indicate whether your organisation uses investment consultants and/or fiduciary managers.
<input type="checkbox"/> Yes, we use investment consultants <input type="checkbox"/> Yes, we use a fiduciary manager that delegates management of some or all of our assets to third-party managers. <input checked="" type="checkbox"/> No, we do not use investment consultants or fiduciary managers.	

SAM 02	Mandatory	Gateway	PRI 1
--------	-----------	---------	-------

SAM 02.1	Indicate for which of the following externally managed asset classes your organisation, and/or your investment consultants, consider responsible investment factors in investment manager: (a) Selection, (b) Appointment (investment management agreements/contracts), and (c) Monitoring								
<table border="1"> <thead> <tr> <th>Asset classes</th> <th>(a) Selection</th> <th>(b) Appointment</th> <th>(c) Monitoring</th> </tr> </thead> <tbody> <tr> <td>Private equity</td> <td><input checked="" type="checkbox"/> Selection</td> <td><input checked="" type="checkbox"/> Appointment</td> <td><input checked="" type="checkbox"/> Monitoring</td> </tr> </tbody> </table>		Asset classes	(a) Selection	(b) Appointment	(c) Monitoring	Private equity	<input checked="" type="checkbox"/> Selection	<input checked="" type="checkbox"/> Appointment	<input checked="" type="checkbox"/> Monitoring
Asset classes	(a) Selection	(b) Appointment	(c) Monitoring						
Private equity	<input checked="" type="checkbox"/> Selection	<input checked="" type="checkbox"/> Appointment	<input checked="" type="checkbox"/> Monitoring						
SAM 02.2	Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.								
<p>When investing in funds, Swedfund follow the same investment process and criteria as for the other direct investments, which include compliance with Swedfund's Code of Conduct, Sustainability Policy, Anti-Corruption Policy and Exclusion list as well as Anti-Corruption Clauses in the contract. For further guidance please see description of Strategy & Governance Module. These descriptions apply to externally managed assets as well.</p>									

SAM 05	Mandatory	Core Assessed	PRI 1
--------	-----------	---------------	-------

SAM 05.1	Indicate what RI-related information your organisation typically covers in the majority of selection documentation for your external managers																														
<table border="1"> <thead> <tr> <th></th> <th>Private equity</th> </tr> </thead> <tbody> <tr> <td>Investment strategy and how ESG objectives relate to it</td> <td><input checked="" type="checkbox"/> Investment strategy and how ESG objectives relate to it - PE</td> </tr> <tr> <td>ESG incorporation requirements</td> <td><input checked="" type="checkbox"/> ESG incorporation requirements - PE</td> </tr> <tr> <td>ESG reporting requirements</td> <td><input checked="" type="checkbox"/> ESG reporting requirements - PE</td> </tr> <tr> <td>Other</td> <td><input checked="" type="checkbox"/> Other - PE</td> </tr> <tr> <td>No RI information covered in the RFPs</td> <td><input type="checkbox"/> No RI information covered in the RFPs - PE</td> </tr> </tbody> </table>			Private equity	Investment strategy and how ESG objectives relate to it	<input checked="" type="checkbox"/> Investment strategy and how ESG objectives relate to it - PE	ESG incorporation requirements	<input checked="" type="checkbox"/> ESG incorporation requirements - PE	ESG reporting requirements	<input checked="" type="checkbox"/> ESG reporting requirements - PE	Other	<input checked="" type="checkbox"/> Other - PE	No RI information covered in the RFPs	<input type="checkbox"/> No RI information covered in the RFPs - PE																		
	Private equity																														
Investment strategy and how ESG objectives relate to it	<input checked="" type="checkbox"/> Investment strategy and how ESG objectives relate to it - PE																														
ESG incorporation requirements	<input checked="" type="checkbox"/> ESG incorporation requirements - PE																														
ESG reporting requirements	<input checked="" type="checkbox"/> ESG reporting requirements - PE																														
Other	<input checked="" type="checkbox"/> Other - PE																														
No RI information covered in the RFPs	<input type="checkbox"/> No RI information covered in the RFPs - PE																														
<p>If you select any 'Other' option(s), specify</p> <p>Please refer to SG 05 and SG 06 for information on targets on the implementation of ESMS, ESGAP etc which also applies to funds.</p>																															
SAM 05.2	Explain how your organisation evaluates the investment manager's ability to align between your investment strategy and their investment approach																														
<table border="1"> <thead> <tr> <th colspan="2">Strategy</th> </tr> </thead> <tbody> <tr> <td></td> <td>Private equity</td> </tr> <tr> <td>Assess the time horizon of the investment manager's investment strategy</td> <td><input checked="" type="checkbox"/> Assess the time horizon of the investment manager's investment strategy - PE</td> </tr> <tr> <td>Assess the quality of investment policy and its reference to ESG</td> <td><input checked="" type="checkbox"/> Assess the quality of investment policy and its reference to ESG - PE</td> </tr> <tr> <td>Assess the investment approach and how ESG objectives are implemented in the investment process (asset class specific)</td> <td><input checked="" type="checkbox"/> Assess the investment approach and how ESG objectives are implemented in the investment process (asset class specific) - PE</td> </tr> <tr> <td>Assess the ESG definitions to be used</td> <td><input checked="" type="checkbox"/> Assess the ESG definitions to be used - PE</td> </tr> <tr> <td>Other</td> <td><input type="checkbox"/> Other - PE</td> </tr> <tr> <td>None of the above</td> <td><input type="checkbox"/> None of the above - PE</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="2">ESG people/oversight</th> </tr> </thead> <tbody> <tr> <td></td> <td>Private equity</td> </tr> <tr> <td>Assess ESG expertise of investment teams</td> <td><input checked="" type="checkbox"/> Assess ESG expertise of investment teams - PE</td> </tr> <tr> <td>Review the ownership of the ESG implementation</td> <td><input checked="" type="checkbox"/> Review the ownership of the ESG implementation - PE</td> </tr> <tr> <td>Review how is ESG implementation enforced /ensured</td> <td><input checked="" type="checkbox"/> Review how is ESG implementation enforced /ensured - PE</td> </tr> <tr> <td>Other</td> <td><input type="checkbox"/> Other - PE</td> </tr> <tr> <td>None of the above</td> <td><input type="checkbox"/> None of the above - PE</td> </tr> </tbody> </table>		Strategy			Private equity	Assess the time horizon of the investment manager's investment strategy	<input checked="" type="checkbox"/> Assess the time horizon of the investment manager's investment strategy - PE	Assess the quality of investment policy and its reference to ESG	<input checked="" type="checkbox"/> Assess the quality of investment policy and its reference to ESG - PE	Assess the investment approach and how ESG objectives are implemented in the investment process (asset class specific)	<input checked="" type="checkbox"/> Assess the investment approach and how ESG objectives are implemented in the investment process (asset class specific) - PE	Assess the ESG definitions to be used	<input checked="" type="checkbox"/> Assess the ESG definitions to be used - PE	Other	<input type="checkbox"/> Other - PE	None of the above	<input type="checkbox"/> None of the above - PE	ESG people/oversight			Private equity	Assess ESG expertise of investment teams	<input checked="" type="checkbox"/> Assess ESG expertise of investment teams - PE	Review the ownership of the ESG implementation	<input checked="" type="checkbox"/> Review the ownership of the ESG implementation - PE	Review how is ESG implementation enforced /ensured	<input checked="" type="checkbox"/> Review how is ESG implementation enforced /ensured - PE	Other	<input type="checkbox"/> Other - PE	None of the above	<input type="checkbox"/> None of the above - PE
Strategy																															
	Private equity																														
Assess the time horizon of the investment manager's investment strategy	<input checked="" type="checkbox"/> Assess the time horizon of the investment manager's investment strategy - PE																														
Assess the quality of investment policy and its reference to ESG	<input checked="" type="checkbox"/> Assess the quality of investment policy and its reference to ESG - PE																														
Assess the investment approach and how ESG objectives are implemented in the investment process (asset class specific)	<input checked="" type="checkbox"/> Assess the investment approach and how ESG objectives are implemented in the investment process (asset class specific) - PE																														
Assess the ESG definitions to be used	<input checked="" type="checkbox"/> Assess the ESG definitions to be used - PE																														
Other	<input type="checkbox"/> Other - PE																														
None of the above	<input type="checkbox"/> None of the above - PE																														
ESG people/oversight																															
	Private equity																														
Assess ESG expertise of investment teams	<input checked="" type="checkbox"/> Assess ESG expertise of investment teams - PE																														
Review the ownership of the ESG implementation	<input checked="" type="checkbox"/> Review the ownership of the ESG implementation - PE																														
Review how is ESG implementation enforced /ensured	<input checked="" type="checkbox"/> Review how is ESG implementation enforced /ensured - PE																														
Other	<input type="checkbox"/> Other - PE																														
None of the above	<input type="checkbox"/> None of the above - PE																														

Process/portfolio construction/investment valuation	
	Private equity
Review the process ensuring the quality of the ESG data used	<input type="checkbox"/> Review the process ensuring the quality of the ESG data used - PE
Review and agree the investment decision making process (and ESG data use in it)	<input checked="" type="checkbox"/> Review and agree the investment decision making process (and ESG data use in it) - PE
Review and agree the ESG incorporation strategy impact of ESG analysis on investment decisions	<input checked="" type="checkbox"/> Review and agree the ESG incorporation strategy impact of ESG analysis on investment decisions - PE
Review and agree how the manager is targeting returns and ESG objectives	<input type="checkbox"/> Review and agree how the manager is targeting returns and ESG objectives - PE
Review and agree how the manager identifies, measures and manages ESG risk	<input checked="" type="checkbox"/> Review and agree how the manager identifies, measures and manages ESG risk - PE
Review and agree return and risk in combination at a portfolio level (portfolio construction) and ESG objectives	<input type="checkbox"/> Review and agree return and risk in combination at a portfolio level (portfolio construction) and ESG objectives - PE
Review how ESG materiality is evaluated by the manager in the monitored period	<input checked="" type="checkbox"/> Review how ESG materiality is evaluated by the manager in the monitored period - PE
Review process for defining and communicating on ESG incidents	<input checked="" type="checkbox"/> Review process for defining and communicating on ESG incidents - PE
Other, specify	<input type="checkbox"/> Other, specify - PE
None of the above	<input type="checkbox"/> None of the above - PE

SAM 05.3 Describe the selection process

- ☒ Review responses to RfP, RfI, DDQ etc.
- ☒ Review Limited Partners' Responsible Investment Due Diligence Questionnaire (PE DDQ)
- ☒ Review publicly available information
- ☐ Review assurance process
- ☒ Review PRI Transparency Reports
- ☒ Request and discuss PRI Assessment Reports
- ☒ Meetings with the potential shortlisted managers
- ☒ Site visits to potential managers offices
- ☐ Other, specify

SAM 05.4 When selecting external managers does your organisation set any of the following:

	Private equity
ESG score	<input checked="" type="checkbox"/> ESG score - PE
ESG weight	<input type="checkbox"/> ESG weight - PE
Real world economy targets	<input type="checkbox"/> Real world economy targets - PE
Other RI considerations	<input type="checkbox"/> Other RI considerations - PE
None of the above	<input type="checkbox"/> None of the above - PE

SAM 07.1 Mandatory Core Assessed PRI 1

SAM 07.1 Indicate if in the majority of cases and where the structure of the product allows, your organisation does any of the following as part of the manager appointment

- ☒ Sets standard or ESG benchmarks
- ☒ Defines ESG objectives
- ☐ Sets incentives and controls linked to the objectives
- ☒ Requires reporting on these objectives
- ☐ None of the above
- ☐ None of the above, we invest only in pooled funds and have a thorough selection process

SAM 07.2-5 Mandatory Core Assessed PRI 1

SAM 07.2 Provide an example per asset class of your benchmarks, objectives, incentives/controls and reporting requirements that would typically be included in your managers' appointment.

	Asset class
<input checked="" type="checkbox"/> Private equity	

	Benchmark
<input type="checkbox"/> Standard benchmark, specify <input checked="" type="checkbox"/> ESG benchmark, specify	
	Objectives
<input type="checkbox"/> Voting, specify <input type="checkbox"/> Engagement, specify <input checked="" type="checkbox"/> Integration, specify <input type="checkbox"/> Investment restrictions, specify <input type="checkbox"/> Strategy, specify	
	Incentives and controls
<input checked="" type="checkbox"/> We do not set incentives and controls	
	Reporting requirements
<input type="radio"/> Ad-hoc/when requested <input checked="" type="radio"/> Annually <input type="radio"/> Bi-annually <input type="radio"/> Quarterly <input type="radio"/> Monthly	

SAM 07.3	Explain how your organisation evaluates the reporting capacity of the manager to meet your reporting requirements during the selection process
-----------------	---

	Private equity
Agree upon ESG reporting requirements	<input checked="" type="checkbox"/> Agree upon ESG reporting requirements - PE
Review ESG reporting processes and capacity in place	<input checked="" type="checkbox"/> Review ESG reporting processes and capacity in place - PE
Agree processes for raising ad-hoc ESG issues	<input type="checkbox"/> Agree processes for raising ad-hoc ESG issues - PE
Other, specify	<input type="checkbox"/> Other, specify - PE
None of the above	<input type="checkbox"/> None of the above - PE

SAM 07.4	Explain which of these actions your organisation might take if any of the requirements are not met
-----------------	---

- ☒ Discuss requirements not met and set project plan to rectify
- ☒ Review performance in more detail
- ☐ Place investment manager on a "watch list"
- ☒ Investigate reason for non-compliance
- ☒ Require action plan from the manager
- ☐ Negotiate fees
- ☐ Failing all actions, terminate contract with the manager
- ☐ Other, specify
- ☐ No actions are taken if any of the requirements are not met

SAM 08	Mandatory	Core Assessed	PRI 1
---------------	------------------	----------------------	--------------

SAM 08.1	When monitoring managers, indicate which of the following types of responsible investment information your organisation typically reviews and evaluates from the investment manager in meetings/calls
-----------------	--

	Private equity
ESG objectives linked to investment strategy	<input checked="" type="checkbox"/> ESG objectives linked to investment strategy - PE
Investment restrictions and any controversial investment decisions	<input checked="" type="checkbox"/> Investment restrictions and any controversial investment decisions - PE
ESG incorporation objectives (with examples)	<input type="checkbox"/> ESG incorporation objectives (with examples) - PE
ESG portfolio characteristics	<input checked="" type="checkbox"/> ESG portfolio characteristics - PE
How ESG materiality has been evaluated by the manager in the monitored period	<input type="checkbox"/> How ESG materiality has been evaluated by the manager in the monitored period - PE
Information on any ESG incidents	<input checked="" type="checkbox"/> Information on any ESG incidents - PE
Metrics on the real economy influence of the investments	<input type="checkbox"/> Metrics on the real economy influence of the investments - PE

PRI Transparency Reports	<input type="checkbox"/> PRI Transparency Reports - PE
PRI Assessment Reports	<input type="checkbox"/> PRI Assessment Reports - PE
Other general RI considerations in investment management agreements; specify	<input checked="" type="checkbox"/> Other general RI considerations in investment management agreements; specify - PE
None of the above	<input type="checkbox"/> None of the above - PE

If you select any 'Other' option(s), specify

See module SG and information about ESGAP which forms part of the investments agreement.

SAM 08.2 When monitoring external managers, does your organisation set any of the following to measure compliance/progress

	Private equity
ESG score	<input checked="" type="checkbox"/> ESG score - PE
ESG weight	<input type="checkbox"/> ESG weight - PE
Real world economy targets	<input type="checkbox"/> Real world economy targets - PE
Other RI considerations	<input checked="" type="checkbox"/> Other RI considerations - PE
None of the above	<input type="checkbox"/> None of the above - PE

If you select any 'Other' option(s), specify

Please see module SG about Ri objectives and targets.

SAM 11 Mandatory to Report, Voluntary to Disclose Descriptive PRI 1

SAM 11.1 Indicate approximately what percentage (+/- 5%) of your externally managed assets are managed by PRI signatories.

10%

SAM 11.2 Describe how you ensure that best RI practice is applied to managing your assets

- ☒ Encourage improved RI practices with existing investment managers
- ☐ Move assets over to investment managers with better RI practices
- ☐ Other, specify
- ☐ None of the above

SAM 12 Mandatory Additional Assessed PRI 1,6

SAM 12.1 Provide examples of how ESG issues have been addressed in the manager selection, appointment and/or monitoring process for your organisation during the reporting year.

☒ Add Example 1

Topic or issue	Gender equality - financing female own or led enterprises
Conducted by	Internal staff
Asset class	Private equity

Scope and process	<p>In 2016 Swedfund invested the IFC's Women Entrepreneurs Debt Fund. Swedfund has contributed USD 20 million, jointly with Andra AP-fonden.</p> <p>The fund's total resources will eventually amount to USD 150 million, and will be included in an even greater initiative backed by IFC and Goldman Sachs In the project, USD 600 million will be lent to around 100,000 women entrepreneurs in developing countries. This is the first fund of its time, and is an element in the World Bank's efforts to achieve its equality targets.</p> <p>The investments being made in the fund by institutional or private investors go to national banks, which then increase their lending to local women entrepreneurs. Acting jointly with IFC enables Swedfund to reach more prioritised countries. It is expected that the capital of USD 20 million will be invested in over 20 banks. The objective of the investment is to achieve results within Swedfund's three pillars, with a particular focus on increased lending to women. The aim of the fund is that this will help women become mainstream customers of the banks. IFC has an additional objective of wanting banks who receive financing to become better at promoting their female employees.</p>
Outcomes	The fund investement was made in 2016 and results will thus be reported later on.

- ☐ Add Example 2
- ☐ Add Example 3
- ☐ Add Example 4
- ☐ Add Example 5
- ☐ We are not able to provide examples

SAM 13	Mandatory	Core Assessed	PRI 6
--------	-----------	---------------	-------

SAM 13.1	Indicate if your organisation proactively discloses any information about responsible investment considerations in your indirect investments.
----------	---

- ☒ Yes, we disclose information publicly
<http://www.swedfund.sehttp://www.swedfundfrankly.se>

SAM 13.2	Indicate if the level of information you disclose to the public is the same as that disclosed to clients and/or beneficiaries.
----------	--

- ☐ Yes
- ☒ No

SAM 13.3	Indicate what type of information your organisation proactively discloses to the public and clients and/or beneficiaries about your indirect investments.
----------	---

Information	Public	Clients/beneficiaries
How responsible investment considerations are included in manager selection, appointment and monitoring processes	<input checked="" type="checkbox"/> Public	<input checked="" type="checkbox"/> Clients/beneficiaries
Details of the responsible investment activities carried out by managers on your behalf	<input type="checkbox"/> Public	<input checked="" type="checkbox"/> Clients/beneficiaries
E, S and/or G impacts and outcomes that have resulted from your managers' investments and active ownership	<input checked="" type="checkbox"/> Public	<input checked="" type="checkbox"/> Clients/beneficiaries
Other, specify below	<input type="checkbox"/> Public	<input type="checkbox"/> Clients/beneficiaries

- ☐ Yes, we disclose information to clients/beneficiaries only
- ☐ We do not proactively disclose information to the public and/or clients/beneficiaries

SAM 13.4	Additional information. [Optional]
----------	------------------------------------

Swedfund publicly disclose information about the investment cases on Swedfund's website and blog and news are published on

Mynewsdesk. <http://www.mynewsdesk.com/swedfund>.

Swedfund's Integrated report 2016 includes a description on how ESG is integrated into our investment process. Please refer to SG for more information about RI consideration in our investment policy and strategy.

FI 01	Mandatory to Report, Voluntary to Disclose	Gateway	General
FI 01.1	Provide a breakdown of your internally managed fixed income securities by active and passive strategies		
Corporate (non-financial)		Passive	
	0		
		Active - quantitative (quant)	
	0		
		Active - fundamental and active - other	
	100		
FI 01.2	Additional information. [Optional]		
Swedfund's investment strategy for private debt is the same as for investments in PE, direct and indirect managed. See module Strategy & Governance for our RI Strategy and our RI policies.			
FI 03	Mandatory to Report, Voluntary to Disclose	Descriptive	General
FI 03.2	Indicate the approximate (+/- 5%) breakdown of your corporate and securitised investments by investment grade or high-yield securities.		
Corporate (non-financial)		High-yield	
	100		
		Investment grade	
	0		
FI 03.3	Additional information. [Optional]		
Swedfund invests in private debt and loans, not in securitised lending. Private debt and loans in which Swedfund invest are not rated. Swedfund does not invest in bonds. Neither companies (issuers) nor debt that Swedfund invests in are rated (only in very rare cases). We were advised by UN PRI staff to mark "High Yield" although the definition is not really applicable to Swedfund's investment in private debt.			
FI 04	Mandatory	Gateway	PRI 1
FI 04.1	Indicate 1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and 2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.		
Corporate (non-financial)		Screening alone	
	0		
		Thematic alone	
	0		
		Integration alone	
	0		
		Screening + integration strategies	
	0		
		Thematic + integration strategies	
0			
	Screening + thematic strategies		
0			
	All three strategies combined		
100			
	No incorporation strategies applied		
0			
FI 04.2	Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.		
When investing in debt, Swedfund follow the same investment process and criteria as for the other direct investments, which includes compliance with Swedfund's Code of Conduct, Sustainability Policy, Anti-Corruption Policy and Exclusion list as well as Anti-Corruption Clauses in the contract. For further guidance please see Strategy and Governance in this report.			
FI 04.3	Additional information [Optional].		
When investing in debt, Swedfund follow the same investment process and criteria as for the other direct investments, which includes compliance with Swedfund's Code of Conduct, Sustainability Policy, Anti-Corruption Policy and Exclusion list as well as Anti-Corruption Clauses in the contract. For further guidance please see Strategy and Governance in this report.			
FI 05	Mandatory to Report, Voluntary to Disclose	Core Assessed	PRI 1
FI 05.1	Indicate which ESG factors you systematically research as part of your analysis on issuers.		

	Corporate (non-financial)
Environmental data	<input checked="" type="checkbox"/> Corp.
Social data	<input checked="" type="checkbox"/> Corp.
Governance data	<input checked="" type="checkbox"/> Corp.

FI 05.2	Indicate what format your ESG information comes in and where you typically source it
---------	--

- ☒ Raw ESG company data
- ☐ ESG research provider
- ☐ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☒ In-house – FI analyst, PM or risk team
- ☐ Other, specify
- ☒ ESG factor specific analysis
- ☐ ESG research provider
- ☐ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☒ In-house – FI analyst, PM or risk team
- ☐ Other, specify
- ☒ Issuer-level ESG analysis
- ☐ ESG research provider
- ☐ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☒ In-house – FI analyst, PM or risk team
- ☐ Other, specify
- ☒ Sector-level ESG analysis
- ☐ ESG research provider
- ☐ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☒ In-house – FI analyst, PM or risk team
- ☐ Other, specify
- ☒ Country-level ESG analysis
- ☐ ESG research provider
- ☐ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☒ In-house – FI analyst, PM or risk team
- ☐ Other, specify

FI 05.3	Provide a brief description of the ESG information used, highlighting any differences in sources of information across your ESG incorporation strategies.
---------	---

When investing in debt, Swedfund follow the same investment process and criteria as for the other direct investments, which includes compliance with Swedfund's Code of Conduct, Sustainability Policy, Anti-Corruption Policy and Exclusion list as well as Anti-Corruption Clauses in the contract. For further guidance please see Strategy and Governance in this report.

FI 05.4	Additional information. [Optional]
---------	------------------------------------

Please see section PE 07-10 for information about type of ESG information that Swedfund considers during investment in private debt.

FI 06	Mandatory	Additional Assessed	PRI 1
-------	-----------	---------------------	-------

FI 06.1	Indicate how you ensure that your ESG research process is robust:
---------	---

- ☒ Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- ☒ Internal audits of ESG research are undertaken in a systematic way
- ☒ ESG analysis is benchmarked for quality against other providers
- ☒ Other, specify

	specify description
--	---------------------

Please see section SG 06.2 for information about investment process, ESGAP, audits. As well as PE 09.1 about ESG issues considered during DD.

- ☐ None of the above

FI 06.2	Describe how your ESG information or analysis is shared among your investment team.
---------	---

- ☒ ESG information is held within a centralised database and is accessible to all investment staff

- ☒ ESG information is a standard item on all individual issuer summaries, 'tear sheets', 'dashboards' or similar documents
- ☒ Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- ☒ Records capture how ESG information and research was incorporated into investment decisions
- ☐ Other, specify
- ☐ None of the above

FI 06.3	Additional information. [Optional]
<p>Our investment activities are based on three pillars - Impact on society, Sustainability and Financial viability - and on long-term commitment and sustainability in our partnerships. These pillars support everything we do - from making a decision to invest, throughout the entire management phase, to regular measurement of results and finally an exit out of the investment.</p> <p>Please see module Strategy & Governance and in particular SG 07 for more information.</p>	

FI 07	Mandatory	Gateway	PRI 1
-------	-----------	---------	-------

FI 07.1	Indicate the type of screening you conduct.								
	<table border="1"> <thead> <tr> <th></th><th>Corporate (non-financial)</th></tr> </thead> <tbody> <tr> <td>Negative/exclusionary screening</td><td><input checked="" type="checkbox"/> Corp.</td></tr> <tr> <td>Positive/best-in-class screening</td><td><input type="checkbox"/> Corp.</td></tr> <tr> <td>Norms-based screening</td><td><input checked="" type="checkbox"/> Corp.</td></tr> </tbody> </table>		Corporate (non-financial)	Negative/exclusionary screening	<input checked="" type="checkbox"/> Corp.	Positive/best-in-class screening	<input type="checkbox"/> Corp.	Norms-based screening	<input checked="" type="checkbox"/> Corp.
	Corporate (non-financial)								
Negative/exclusionary screening	<input checked="" type="checkbox"/> Corp.								
Positive/best-in-class screening	<input type="checkbox"/> Corp.								
Norms-based screening	<input checked="" type="checkbox"/> Corp.								

FI 07.2	Describe your approach to screening for internally managed active fixed income
<p>When investing in debt, Swedfund follow the same investment process and criteria as for the other direct investments, which includes compliance with Swedfund's Code of Conduct, Sustainability Policy, Anti-Corruption Policy and Exclusion list as well as as well as Anti-Corruption Clauses in the contract. For further guidance please see Strategy and Governance in its entirety for information about: exclusion list, Swedfund's Ethical Compass, international norms Swedfund adheres to, Swedfund's Sustainability Policy etc.</p>	

FI 08	Mandatory	Descriptive	PRI 1
-------	-----------	-------------	-------

FI 08.1	Indicate why you conduct negative screening.						
	<table border="1"> <thead> <tr> <th></th><th>Corporate (non-fin)</th></tr> </thead> <tbody> <tr> <td><input type="checkbox"/> For legal reasons</td><td></td></tr> <tr> <td><input checked="" type="checkbox"/> For non-legal reasons</td><td></td></tr> </tbody> </table>		Corporate (non-fin)	<input type="checkbox"/> For legal reasons		<input checked="" type="checkbox"/> For non-legal reasons	
	Corporate (non-fin)						
<input type="checkbox"/> For legal reasons							
<input checked="" type="checkbox"/> For non-legal reasons							

FI 08.2	Describe your approach to ESG-based negative screening of issuers from your investable universe.
<p>When investing in debt, Swedfund follow the same investment process and criteria as for the other direct investments, which includes compliance with Swedfund's Code of Conduct, Sustainability Policy, Anti-Corruption Policy and Exclusion list as well as as well as Anti-Corruption Clauses in the contract. For further guidance please see Strategy and Governance in this report.</p> <p>Swedfund adheres to Harmonized EDFI Exclusion list. See information about the exclusion list.</p> <p>The reasons for applying this exclusion list is ethical and based on perceived risks in the areas covered. We do not believe that these areas of operations or aspects contribute to a long term sustainable value creation, thus they do not contribute to realizing the Sustainable Development Goals.</p>	

FI 08.3	Additional information. [Optional]
<p>Harmonized EDFI Exclusion List According to The European Development Finance Institution (EDFI) "Principles for Responsible Financing", EDFI members have mutually agreed on the following Harmonized EDFI Exclusion List for co-financed projects: EDFI Members will not finance any activity, production, use, distribution, business or trade involving:</p> <ol style="list-style-type: none"> 1. Forced labor¹ or child labor 2. Activities or materials deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international phase-depleting substances, PCB's (Polychlorinated Biphenyls) and other specific, hazardous Convention on International Trade in Endangered Species (CITES) unsustainable fishing methods (e.g., blast fishing and drift net fishing in the marine environment using nets in excess of 2.5 km in length). 3. Cross-border trade in waste and waste products, unless compliant with the Basel Convention and the underlying regulations. 4. Destruction of High Conservation Value areas 5. Radioactive materials⁵ and unbounded asbestos fibers. 6. Pornography and/or prostitution 7. Racist and/or anti-democratic media 8. In the event that any of the following products form a substantial part of a project's primary financed business activities <p>6 : a) Alcoholic Beverages (except beer and wine)</p>	

FI 09	Voluntary	Additional Assessed	PRI 1
-------	-----------	---------------------	-------

FI 09.1	Provide examples of how ESG factors are included in your screening criteria.				
	<p><input checked="" type="checkbox"/> Example 1</p> <table border="1"> <thead> <tr> <th></th><th>Type of fixed income</th></tr> </thead> <tbody> <tr> <td><input checked="" type="checkbox"/> Corporate (non-financial)</td><td></td></tr> </tbody> </table>		Type of fixed income	<input checked="" type="checkbox"/> Corporate (non-financial)	
	Type of fixed income				
<input checked="" type="checkbox"/> Corporate (non-financial)					

	ESG factors
<input checked="" type="checkbox"/>	Environmental
<input checked="" type="checkbox"/>	Social
<input checked="" type="checkbox"/>	Governance

	Screening
<input checked="" type="checkbox"/>	Negative/ exclusionary
<input checked="" type="checkbox"/>	Norms-based

	Description of how ESG factors are used as the screening criteria
	Our investment activities are based on three pillars - Impact on society, Sustainability and Financial viability - and on long-term commitment and sustainability in our partnerships. These pillars support everything we do - from making a decision to invest, throughout the entire management phase, to regular measurement of results and finally an exit out of the investment. Our second pillar - sustainability covers ESG: Environment/climate, Employment terms a Business ethics and anti-corruption

☒ Example 2

	Type of fixed income
<input checked="" type="checkbox"/>	Corporate (non-financial)

	ESG factors
<input checked="" type="checkbox"/>	Environmental
<input checked="" type="checkbox"/>	Social
<input checked="" type="checkbox"/>	Governance

	Screening
<input checked="" type="checkbox"/>	Negative/ exclusionary
<input checked="" type="checkbox"/>	Norms-based

	Description of how ESG factors are used as the screening criteria
	Please see section SG 07.2 about Swedfund's investment process, the use of ESGAP and audit plans.

☐ Example 3

☐ Example 4

☐ Example 5

FI 10	Mandatory	Core Assessed	PRI 1
-------	-----------	---------------	-------

FI 10.1 Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.

Type of screening	Checks				
Negative/exclusionary screening?	<input checked="" type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria				
	<input checked="" type="checkbox"/> Data used for the screening criteria is updated at least every 2 years				
	<input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria				
	<input checked="" type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit or compliance functions				
	<input checked="" type="checkbox"/> Other, specify				
	<table border="1"> <tr> <td></td> <td>other description</td> </tr> <tr> <td></td> <td>Please see section SG 05-06 about RI objectives and progress and Swedfund's Strategic Sustainability Goals. Please see section SG 07.2 about Swedfund's investment process</td> </tr> </table>		other description		Please see section SG 05-06 about RI objectives and progress and Swedfund's Strategic Sustainability Goals. Please see section SG 07.2 about Swedfund's investment process
	other description				
	Please see section SG 05-06 about RI objectives and progress and Swedfund's Strategic Sustainability Goals. Please see section SG 07.2 about Swedfund's investment process				
	<input type="checkbox"/> None of the above				

Norms-based screening	<input checked="" type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria <input type="checkbox"/> Data used for the screening criteria is updated at least every 2 years <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit or compliance functions <input checked="" type="checkbox"/> Other, specify
	<div>other description</div>
	Please see section SG 05-06 about RI objectives and progress and Swedfund's Strategic Sustainability Goals. Please see section SG 07 about Swedfund's investment process, <input type="checkbox"/> None of the above

FI 11	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1
-------	--	-------------	-------

FI 11.1	Indicate the type of sustainability thematic funds or mandates that your organisation manages.
---------	--

- ☐ Environmentally themed funds
☐ Socially themed funds
☒ Combination of themes

FI 11.2	Indicate whether you invest in 'green' or 'climate' bonds
---------	---

- ☐ Yes
☒ No

FI 11.3	Indicate whether you apply criteria (your own or those of a third party) to decide whether a bond can be considered a 'green' bond.
---------	---

- ☐ Yes
☒ No

FI 11.4	Describe your organisation's approach to all sustainability-themed fixed income investing and the criteria you apply to determine whether a bond can be considered for a thematic fund, mandate or similar.
---------	---

Our investment activities are based on three pillars - Impact on society, Sustainability and Financial viability - and on long-term commitment and sustainability in our partnerships. These pillars support everything we do - from making a decision to invest, throughout the entire management phase, to regular measurement of results and finally an exit out of the investment. Our second pillar - sustainability covers ESG: Environment/climate, Employment terms a Business ethics and anti-corruption.

When investing in debt, Swedfund follow the same investment process and criteria as for the other direct investments, which includes compliance with Swedfund's Code of Conduct, Sustainability Policy, Anti-Corruption Policy and Exclusion list as well as Anti-Corruption Clauses in the contract. For further guidance please see Strategy and Governance in this report.

We do not invest in bonds.

FI 12	Mandatory	Core Assessed	PRI 1
-------	-----------	---------------	-------

FI 12.1	Indicate whether you encourage transparency and disclosure relating to the issuance of themed bonds as per the Green Bonds Principles:
---------	--

- ☐ We require that themed bond proceeds are only allocated to environmentally or socially beneficial projects
☐ We require the issuer (or 3rd party assurer) to demonstrate a process which determines the eligibility of projects to which themed bond proceeds are allocated
☐ We require issuers to demonstrate a systematic and transparent process of disbursing themed bond proceeds to eligible projects until all funds are allocated
☐ We require issuers to report at least once per year on the projects to which proceeds have been allocated including a description of those projects
☒ Other, specify
 We do not invest in green bonds but we encourage transparency and disclosure of information by the companies we invest in.
☐ None of the above

FI 12.2	Describe the actions you take when issuers do not disburse bond proceeds as described in the offering documents.
---------	--

See additional information below.

FI 12.3	Additional information. [Optional]
---------	------------------------------------

We were recommended by UN PRI to report on the above section although we do not invest in green bonds or bonds at all.

The disclosure principles under the green bonds principles can be applied to our investments also. Please see the following sections:

OO 11.3 about Swedfunds mission and investment modell standing on three pillars.

SG 01-02 about international norms applicable to all Swedfund's investments, including private equity.

SG 05-06 about RI objectives and progress and reporting on Swedfund's Strategic Sustainability Goals.

SG 07 about Swedfund's investment process, the use of ESGAP and audit plans.

FI 13	Mandatory	Additional Assessed	PRI 1
-------	-----------	---------------------	-------

FI 13.1	Indicate how you assess the environmental or social impact of your thematic investments
---------	---

- ☒ We require issuers to report at least once per year on specific environmental or social impacts resulting from our themed investments
☐ We ensure independent audits are conducted on the environmental or social impact of our investments
☐ We have a proprietary system to measure environmental and social impact

☐ We measure the impact of our themed bond investments on specific ESG factors such as carbon emissions or human rights

☒ Other, specify

Please see section SG 05-06 about RI objectives and progress and Swedfund's Strategic Sustainability Goals. Please see section SG 07 about Swedfund's investment process,

☐ None of the above

FI 13.2 Additional information. [Optional]

Please see section OO 11.3 about Swedfunds mission and investment modell standing on three pillars.

Please see section SG 01 about international norms applicable to all Swedfund's investments, including private equity.

Please see section SG 05-06 about RI objectives and progress and Swedfund's Strategic Sustainability Goals.

Please see section SG 07 about Swedfund's investment process, the use of ESGAP and audit plans.

FI 14 Mandatory Descriptive PRI 1

FI 14.1 Describe your approach to integrating ESG into traditional financial analysis.

Please see section OO 11.3 about Swedfunds mission and investment modell standing on three pillars.

Please see section SG 01 about international norms applicable to all Swedfund's investments, including private equity.

Please see section SG 05-06 about RI objectives and progress and Swedfund's Strategic Sustainability Goals.

Please see section SG 07 about Swedfund's investment process, the use of ESGAP and audit plans.

FI 14.2 Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.

Corporate (non-financial)

Swedfund has the same approach to direct private debt and loan investments (according to UN PRI - fixed income) as when investing in direct or indirect equity. See answer to question FI 14.1

FI 15 Mandatory Core Assessed PRI 1

FI 15.1 Indicate how ESG information is typically used as part of your investment process.

	Corporate (non-financial)
ESG analysis is integrated into fundamental analysis	<input checked="" type="checkbox"/> Corp.
ESG analysis is integrated into security weighting decisions	<input type="checkbox"/> Corp.
ESG analysis is integrated into portfolio construction decisions	<input checked="" type="checkbox"/> Corp.
ESG analysis is a standard part of internal credit ratings or assessment	<input checked="" type="checkbox"/> Corp.
ESG analysis for issuers is a standard agenda item at investment committee meetings	<input checked="" type="checkbox"/> Corp.
ESG analysis is regularly featured in internal research notes or similar	<input checked="" type="checkbox"/> Corp.
ESG analysis is a standard feature of ongoing portfolio monitoring	<input checked="" type="checkbox"/> Corp.
ESG analysis features in all internal issuer summaries or similar documents	<input checked="" type="checkbox"/> Corp.
Other, specify	<input type="checkbox"/> Corp.

FI 15.2 Additional information [OPTIONAL]

ESG is one of three pillars in Swedfund's investment model and is integrated through the whole investment cycle.

Please see section OO 11.3 about Swedfunds mission and investment modell standing on three pillars.

Please see section SG 01 about international norms applicable to all Swedfund's investments, including private equity.

Please see section SG 05-06 about RI objectives and progress and Swedfund's Strategic Sustainability Goals.

Please see section SG 07 about Swedfund's investment process, the use of ESGAP and audit plans.

FI 16 Mandatory Additional Assessed PRI 1

FI 16.1 Indicate the extent to which ESG issues are reviewed in your integration process.

	Environment	Social	Governance
Corporate (non-financial)	<input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all

FI 16.2 Please provide more detail on how you review E, S and G factors in your integration process.

Corporate (non-financial)

Please see section OO 11.3 about Swedfunds mission and investment modell standing on three pillars.

Please see section SG 01 about international norms applicable to all Swedfund's investments, including private equity.

Please see section SG 05-06 about RI objectives and progress and Swedfund's Strategic Sustainability Goals.

Please see section SG 07 about Swedfund's investment process, the use of ESGAP and audit plans.

FI 18	Mandatory to Report, Voluntary to Disclose	Core Assessed	PRI 2
-------	--	---------------	-------

FI 18.1	Indicate if you engage on your fixed income assets. Please exclude any engagements carried out solely in your capacity as a shareholder.		
Category	Proportion of assets		
Corporate (non-financial)	<input checked="" type="checkbox"/> >50%		
	FI 18.2	Indicate your motivations for conducting engagement.	
	<input checked="" type="checkbox"/> To gain insights into ESG (i.e. enhance disclosure)		
	<input checked="" type="checkbox"/> To effect change (i.e. ask an issuer to manage ESG risk and/or opportunity)		
	<input type="checkbox"/> Other, specify		
	<input type="radio"/> 26-50% <input type="radio"/> 5-25% <input type="radio"/> More than 0%, less than 5% <input type="radio"/> We do not engage		

FI 18.3	Additional information.[OPTIONAL]
<p>We do engage with companies that which we have provided debt to. Our engagement includes follow up on ESGAPs, audits and visits to the companies we have financed.</p> <p>When providing debt through syndications to commercial banks for example 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.</p> <p>Please see section SG 07 about Swedfund's investment process, the use of ESGAP and audit plans, which also applies for investments in private debt..</p>	

FI 19	Mandatory to Report, Voluntary to Disclose	Additional Assessed	PRI 1,2
-------	--	---------------------	---------

FI 19.1	Indicate how you typically engage with issuers as a fixed income investor, or as both a fixed income and listed equity investor. (Please do not include engagements where you are both a bondholder and shareholder but engage as a listed equity investor only.)		
Type of engagement	Corporate (non-financial)		
Individual/Internal staff engagements	<input checked="" type="checkbox"/> Corp.		
Collaborative engagements	<input checked="" type="checkbox"/> Corp.		
Service provider engagements	<input type="checkbox"/> Corp.		
We do not engage with issuers as a fixed income investor or as both a fixed income and listed equity investor	<input type="checkbox"/> Corp.		

FI 19.2	Indicate how your organisation prioritises engagements with issuers		
	Corporate (non-financial)		
Based on potential materiality of ESG factors	<input checked="" type="checkbox"/> Corp.		
Based on systemic risks to global portfolios	<input type="checkbox"/> Corp.		
Based on our exposure (holdings) to ESG risks	<input type="checkbox"/> Corp.		
Other	<input checked="" type="checkbox"/> Corp.		
We do not prioritise engagements with issuers	<input type="checkbox"/> Corp.		

If 'other' has been selected, please give a description			
In accordance with what was identified in Due diligence and what has been set out in the ESGAP.			

FI 19.3	Indicate when your organisation conducts engagements with issuers.		
	Corporate (non-financial)		
Engagements are conducted pre-investment	<input checked="" type="checkbox"/> Corp.		
Engagements are conducted post-investment	<input checked="" type="checkbox"/> Corp.		
Other, describe	<input type="checkbox"/> Corp.		
We do not conduct engagements with issuers	<input type="checkbox"/> Corp.		

FI 19.4	Indicate how your organisation conducts engagements with issuers.		
	Corporate (non-financial)		
We systematically engage prior to ESG-related divestments	<input type="checkbox"/> Corp.		
We engage proactively in anticipation of specific ESG risks and/or opportunities	<input checked="" type="checkbox"/> Corp.		

We engage in reaction to ESG issues which have already affected the issuer	<input checked="" type="checkbox"/> Corp.
Investment and ESG analysts systematically conduct ESG-related engagements together	<input checked="" type="checkbox"/> Corp.
Other, describe	<input type="checkbox"/> Corp.
We do not conduct engagements with issuers	<input type="checkbox"/> Corp.

FI 19.5 Indicate what your organisation conducts engagements with issuers on.

	Corporate (non-financial)
We conduct engagements with individual issuers	<input checked="" type="checkbox"/> Corp.
We conduct engagements across sectors and industries	<input type="checkbox"/> Corp.
We conduct engagements on specific ESG themes (e.g. human rights)	<input checked="" type="checkbox"/> Corp.
Other, describe	<input type="checkbox"/> Corp.
We do not conduct engagements with issuers	<input type="checkbox"/> Corp.

FI 19.6 Indicate how your organisation shares the outcomes of the engagements internally.

	Corporate (non-financial)
We have a systematic process to ensure the outcomes of engagements are made available	<input checked="" type="checkbox"/> Corp.
We occasionally make the outcomes of engagements available	<input type="checkbox"/> Corp.
Other, describe	<input checked="" type="checkbox"/> Corp.
We do not make this information available	<input type="checkbox"/> Corp.
We do not share the outcomes of the engagements internally	<input type="checkbox"/> Corp.

If 'other' has been selected, please give a description

ESG is an integrated part of Due Diligence. Potential deficiencies related to ESG issues are followed up in a ESGAP (Environmental Social Governance Action Plan) which is part of the loan agreement. Monitoring through Swedfund Sustainability Report (a self declaration for the company) is made on an annual basis. Based on the ESGAP and annual monitoring and in depth knowledge about the company (issuer) Swedfund undertakes audits (conducted by its own staff or external consultants) on a regular basis (every 2-3 year).

Please see section SG 05-06 about RI objectives and progress and Swedfund's Strategic Sustainability Goals.

Please see section SG 07 about Swedfund's investment process, the use of ESGAP and audit plans.

Senior Investment Managers are responsible for the ESG performance and improvements of the investments.

FI 19.7 Additional information.[OPTIONAL]

ESG is an integrated part of Due Diligence. Potential deficiencies related to ESG issues are followed up in a ESGAP (Environmental Social Governance Action Plan) which is part of the loan agreement. Monitoring through Swedfund Sustainability Report (a self declaration for the company) is made on an annual basis. Based on the ESGAP and annual monitoring and in depth knowledge about the company (issuer) Swedfund undertakes audits (conducted by its own staff or external consultants) on a regular basis (every 2-3 year).

Please see section SG 05-06 about RI objectives and progress and Swedfund's Strategic Sustainability Goals.

Please see section SG 07 about Swedfund's investment process, the use of ESGAP and audit plans.

Senior Investment Managers (or PM) are responsible for the ESG performance and improvements of the investments.

FI 20 Mandatory to Report, Voluntary to Disclose Additional Assessed PRI 1,2

FI 20.1 Indicate if your publicly available policy documents explicitly refer to fixed income engagement separately from engagements in relation to other asset classes.

- ☐ Yes
- ☒ No

FI 20.3 Additional information [OPTIONAL]

Please see section Strategy & Governance

FI 21 Mandatory to Report, Voluntary to Disclose Additional Assessed General

FI 21.1 Indicate whether your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or ESG performance.

	Corporate (non-financial)
We measure whether incorporating ESG impacts funds' reputation	<input type="checkbox"/> Corp.
We measure whether incorporating ESG impacts financial returns	<input type="checkbox"/> Corp.
We measure whether incorporating ESG impacts risk	<input checked="" type="checkbox"/> Corp.
We measure whether incorporating ESG impacts funds' ESG performance	<input checked="" type="checkbox"/> Corp.

None of the above

☐ Corp.

FI 21.2 Describe how your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or ESG performance. [OPTIONAL]

Please see section SG 05-06 about RI objectives and progress and Swedfund's Strategic Sustainability Goals.

FI 22 Voluntary Descriptive PRI 1,2

FI 22.1 Provide examples of how your incorporation of ESG analysis and/or your engagement of issuers has affected your fixed income investment outcomes during the reporting year.

☒ Example 1

Corporate (non-financial)

ESG issue and explanation

Swedfund's Strategic Sustainability Targets:
Adherence to ILO Core Conventions
Implementation of ESG Management System
Implementation of Anti-Corruption Management System

Integration

Impact on investment decision or performance

Please see section SG 05-06 about RI objectives and progress and Swedfund's Strategic Sustainability Goals.

☐ Example 2

☐ Example 3

☐ Example 4

☐ Example 5

FI 23 Mandatory Core Assessed PRI 2,6

FI 23.1 Indicate if your organisation proactively discloses information on your approach to RI across all of your fixed income investments.

☒ We disclose it publicly

<http://www.swedfund.se/http://swedfundfrankly.se/>

FI 23.2 Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

☒ Yes

FI 23.3 Indicate the information your organisation proactively discloses to the public regarding your approach to RI incorporation.

☐ Broad approach to RI incorporation

☒ Detailed explanation of RI incorporation strategy used

FI 23.4 Indicate how frequently you typically report this information.

☐ Quarterly or more frequently

☐ Biannually

☒ Annually

☐ Less frequently than annually

☐ Ad-hoc/when requested

☐ No

☐ We do not proactively disclose it to the public and/or clients/beneficiaries

FI 23.7 Additional information. [Optional]

At www.swedfund.se several of our governing policies are disclosed publicly: Swedfund's Sustainability Policy, Swedfund's Code of conduct, Swedfund's Anti-corruption Policy, Harmonized EDFI Exclusion list etc. Please see section SG 01 for our Ethical Compass which also is disclosed on our webpage. Our annual report is an Integrated report in which sustainability (ESG) / non-financial reporting is integrated with the traditional financial report. In this report we report on the results for Swedfund's Strategic Sustainability Targets. Please see section SG 05-06 about RI objectives and progress and Swedfund's Strategic Sustainability Goals. Swedfund also publishes quarterly reports describing RI activities in ur portfolio companies.

PE 01	Mandatory to Report, Voluntary to Disclose	Descriptive	General																		
PE 01.1	Provide a breakdown of your organisation's internally managed private equity investments by investment strategy.																				
	<table border="1"> <thead> <tr> <th>Investment strategy</th> <th>Percentage of your internally managed private equity holdings (in terms of AUM)</th> </tr> </thead> <tbody> <tr> <td>Venture capital</td> <td> <input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0% </td> </tr> <tr> <td>Growth capital</td> <td> <input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0% </td> </tr> <tr> <td>(Leveraged) buy-out</td> <td> <input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0% </td> </tr> <tr> <td>Distressed/Turnaround/Special Situations</td> <td> <input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0% </td> </tr> <tr> <td>Secondaries</td> <td> <input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0% </td> </tr> <tr> <td>Other investment strategy, specify</td> <td> <input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0% </td> </tr> <tr> <td>Other investment strategy, specify</td> <td> <input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0% </td> </tr> <tr> <td>Total</td> <td>100%</td> </tr> </tbody> </table>			Investment strategy	Percentage of your internally managed private equity holdings (in terms of AUM)	Venture capital	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	Growth capital	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	(Leveraged) buy-out	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	Distressed/Turnaround/Special Situations	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	Secondaries	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	Other investment strategy, specify	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	Other investment strategy, specify	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	Total	100%
Investment strategy	Percentage of your internally managed private equity holdings (in terms of AUM)																				
Venture capital	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%																				
Growth capital	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%																				
(Leveraged) buy-out	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%																				
Distressed/Turnaround/Special Situations	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%																				
Secondaries	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%																				
Other investment strategy, specify	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%																				
Other investment strategy, specify	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%																				
Total	100%																				
PE 02	Mandatory to Report, Voluntary to Disclose	Descriptive	General																		
PE 02.1	Indicate the level of ownership you typically hold in your private equity investments.																				
	<input type="radio"/> a majority stake (>50%) <input type="radio"/> 50% stake <input checked="" type="radio"/> a significant minority stake (between 10-50%) <input type="radio"/> a minority stake (<10%) <input type="radio"/> a mix of ownership stakes																				
PE 03	Voluntary	Descriptive	PRI 1-6																		
PE 03.1	Provide a brief overview of your organisation's approach to responsible investment in private equity.																				
	<p>Please see section 00 11.3 about Swedfund's mission and investment model standing on three pillars.</p> <p>Please see section SG 01 about international norms applicable to all Swedfund's investments, including private equity.</p> <p>Please see section SG 05-06 about RI objectives and progress and Swedfund's Strategic Sustainability Goals.</p> <p>Please see section SG 07 about Swedfund's investment process, the use of ESGAP and audit plans.</p>																				
PE 04	Mandatory	Core Assessed	PRI 2																		
PE 04.1	Indicate if your organisation's investment guidelines for private equity refer to responsible investment.																				
	<input checked="" type="checkbox"/> Our investment guidelines do refer to responsible investment																				

PE 04.2	Describe how your organisation's investment guidelines outline your expectations on staff and portfolio companies' approach towards ESG issues [Optional].		
<p>When investing private equity, Swedfund follow the same investment process and criteria as for the other direct investments, which include compliance with Swedfund's Code of Conduct, Swedfund's Policy for Sustainable Development, Anti Corruption Policy and EDFI Exclusion list as well as Anti-Corruption Clauses in the Contract. For further guidance please see the entire module Strategy and Governance in this report.</p> <p><input type="radio"/> Our investment guidelines do not refer to responsible investment</p> <p><input type="radio"/> We do not have investment guidelines</p>			
PE 07	Mandatory	Gateway	PRI 1
PE 07.1	During due-diligence indicate if your organisation typically incorporates ESG issues when selecting private equity investments.		
<p>✓ Yes</p>			
PE 07.2	Describe your organisation's approach to incorporating ESG issues in private equity investment selection.		
<p>Please see section OO 11.3 about Swedfunds mission and investment modell standing on three pillars.</p> <p>Please see section SG 01 about international norms applicable to all Swedfund's investments, including private equity.</p> <p>Please see section SG 05-06 about RI objectives and progress and Swedfund's Strategic Sustainability Goals.</p> <p>Please see section SG 07 about Swedfund's investment process, the use of ESGAP and audit plans.</p> <p><input type="radio"/> No</p>			
PE 08	Mandatory	Core Assessed	PRI 1,3
PE 8.1	Indicate what type of ESG information your organisation typically considers during your private equity investment selection process.		
<p><input checked="" type="checkbox"/> Raw data from target company</p> <p><input type="checkbox"/> Benchmarks against other companies</p> <p><input type="checkbox"/> Sector level data/benchmarks</p> <p><input checked="" type="checkbox"/> Country level data/benchmarks</p> <p><input checked="" type="checkbox"/> Reporting standards, industry codes and certifications</p> <p><input checked="" type="checkbox"/> International initiatives, declarations or standards</p> <p><input checked="" type="checkbox"/> Engagements with stakeholders (e.g. customers and suppliers)</p> <p><input checked="" type="checkbox"/> Advice from external resources</p> <p><input checked="" type="checkbox"/> Other, specify</p> <p>Company Policies, Integrity Checks are examples on information we require and investigations that we do.</p> <p><input type="checkbox"/> We do not track this information</p>			
PE 8.2	Describe how this information is reported to, considered and documented by the Investment Committee or similar.		
<p>We send out an ESG DD Questionnaire that we send out to all our potential investments where Swedfund is lead investor. Among core information is to understand the companies attitude towards sustainable business.</p>			
PE 09	Voluntary	Additional Assessed	PRI 1,2
PE 9.1	During deal structuring, indicate if your organisation typically encourages continuous improvements from potential investees with regard to their management of ESG issues.		
<p>✓ Yes</p>			
PE 9.2	Describe the nature of these improvements and their ESG coverage.		
<p>Compliance with ILO Core Conventions and Basic Terms and Conditions of Employment, implementation of Environmental Management and/or Social Management Systems as well as implementation of an Anti-Corruption Management System.</p> <p>Please see section OO 11.3 about Swedfunds mission and investment modell standing on three pillars.</p> <p>Please see section SG 05-06 about RI objectives and progress and Swedfund's Strategic Sustainability Goals.</p> <p>Please see section SG 07 about Swedfund's investment process and how improvements with regard to ESG issues are encouraged throughout the investment process, through the use of ESGAP, audit plans etc.</p> <p>One person in the portfolio company's management shall have the ultimate responsibility for Sustainable Business Development. Competence to manage environmental and social issues as well as an Anti-Corruption policy should be implemented and maintained through continuous education for relevant staff.</p> <p><input type="radio"/> No</p>			
PE 9.3	Additional information.		
<p>DECENT WORK</p> <p>▼ Through investment in the private sector</p> <p>– where the majority of all jobs in our markets are generated – we help create more jobs.</p> <p>▼ During our Due Diligence, we look at</p>			

whether the company complies with the ILO's core conventions and the ILO's fundamental working conditions. If deficiencies are identified, these are addressed through an ESGAP (Environmental Social Governance Action Plan), with a set target date for rectifying the situation. ESGAP forms a part of the investment agreement with the portfolio companies.

▼ By developing financially sustainable businesses, we create the conditions for continued and additional employment in companies that survive and progress.

▼ We measure the number of jobs in our portfolio companies, and one of our objectives is that they must increase over time.

▼ We measure and set standards for the portfolio companies' compliance with the ILO's Core conventions and the ILO's fundamental working conditions.

GENDER EQUALITY

▼ Swedfund invests in companies which have employing women as an explicit goal.

▼ We invest in banks which focus on lending to women-owned or women-managed SMEs.

▼ In our Due Diligence in preparation for an investment, we analyse the company's approach to equality such as the availability of parental leave, equal pay for equal work and non-discrimination. We start from the ILO's core conventions and the ILO's fundamental working conditions.

▼ Through Women4Growth, a talent development programme for women employed in our portfolio companies, we make targeted interventions to strengthen them in a professional role and to further develop them to achieve leading positions.

▼ We set requirements and constantly measure key ratios linked to compliance with the ILO's core conventions and the ILO's fundamental working conditions.

▼ We measure:

- 1) Compliance with the ILO's core conventions and fundamental working conditions.
- 2) Equality in the form of proportion of women
 - a) among employees
 - b) in leading positions
 - c) on the Board of Directors

In this way, we highlight women in our data.

We know that what is measured, is visible.

And highlighting facts is the start of change!

THE ENVIRONMENT & CLIMATE

▼ In our Due Diligence in preparation for an investment, we analyse the company's resource utilisation and impact on the environment.

▼ We work actively to minimise resource use and negative environmental impact. We place requirements on the implementation of environmental and social management systems within three years from the date of the investment.

▼ Swedfund invests in projects for the production of renewable energy.

▼ DFIs fulfil an important role as sources of finance in the early stages of high-risk energy projects. In this, we act as catalysts and accelerate private investment within the renewable energy sector in Africa.

▼ We set requirements on and measure the degree of implementation of environmental and social management systems in our portfolio.

▼ We measure GWh of renewable electricity generated.

TAX

▼ Tax forms part of Swedfund's Due Diligence. This means that, in preparation for an investment, we review the project and its structure from a tax perspective. Swedfund will not, for example, invest in corporate structures which lead to unjustified profit transfers from the operating country to another country, leading to an unbalanced tax situation. We also require that our portfolio companies submit reports on their tax situation. In the course of its normal activities, Swedfund will encourage its portfolio companies to act responsibly on taxation matters.

▼ Swedfund reports the taxes reported by portfolio companies in its annual report, and aims to record information on the amount of tax paid by the companies, using a harmonised definition.

▼ We also report the amount of tax which our portfolio companies declare in their annual reports in an aggregate country-by-country report.

▼ The Chief legal Counsel and Investment Managers are responsible for tax issues in portfolio companies.

HUMAN RIGHTS

▼ Swedfund's responsibility to respect human rights has been long enshrined in the guidelines and duties that guide us. These include Sweden's national action plan for business and human rights, the state's owners' policy, the UN's Global Compact and the OECD's guidelines. In 2014, we began the implementation of the UN Guiding Principles on Business and Human Rights by updating Swedfund's sustainability policy in the light of these principles.

▼ Human rights are an integral part of the Due Diligence which covers all our new investments,

▼ Last year, we produced our first report on Swedfund's work on human rights, inspired by the UN Guiding Principles on Business and Human Rights Reporting Framework. We are continuing in this path, and we report below on the gap analysis carried out during the year and on the human rights issues we are involved in. In next year's report, our ambition is to report on our salient human rights risks.

ANTI-CORRUPTION

▼ Swedfund applies zero tolerance to all forms of corruption. In all investment agreements entered into by Swedfund, it is made clear that zero tolerance applies. There is a high prevalence of corruption in Swedfund's markets. In the event of a serious case of corruption, Swedfund ultimately has the right to withdraw from the investment.

▼ In every Due Diligence carried out on all new investments, corruption risks are analysed, as is the company's approach to combating corruption. For each direct investment, an ESG Action Plan is drawn up, with measures to ensure that the companies comply with Swedfund's Sustainability policy and Anti-corruption policy.

▼ To make things easier for the portfolio companies, Swedfund has produced a template for an anti-corruption policy, which portfolio companies are welcome to use.

▼ Education and skills development on anti-corruption issues, internally and in portfolio companies, are another important component of Swedfund's anti-corruption work.

▼ Swedfund requires that portfolio companies implement a management system in respect of anti-corruption issues. This is one of Swedfund's strategic sustainability

goals.

PE 10	Voluntary	Additional Assessed	PRI 1
PE 10.1	Indicate how ESG issues impacted your private equity investment selection processes during the reporting year.		
<input checked="" type="checkbox"/> ESG issues helped identify risks <input checked="" type="checkbox"/> ESG issues helped identify opportunities for value creation <input checked="" type="checkbox"/> ESG issues led to the abandonment of potential investments <input type="checkbox"/> ESG issues were considered but did not have an impact on the investment selection process <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not track this potential impact			
PE 10.2	Indicate how ESG issues impacted your private equity investment deal structuring processes during the reporting year.		
<input type="checkbox"/> ESG issues impacted the investment in terms of price offered and/or paid <input checked="" type="checkbox"/> ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants <input type="checkbox"/> ESG issues were considered but did not have an impact on the deal structuring process <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not track this potential impact			
PE 10.3	Additional information.		
ESG issues always impacts the terms of our agreements through our requirements for our portfolio compnies/investments to fulfill our Strategic Sustainability Targets. Please see SG 05-06.			
PE 11	Mandatory	Gateway/Core Assessed	PRI 2
PE 11.1	Indicate whether your organisation incorporates ESG issues in investment monitoring of portfolio companies.		
<input checked="" type="checkbox"/> Yes			
PE 11.2	Indicate the proportion of portfolio companies where your organisation included ESG performance in investment monitoring during the reporting year.		
<input checked="" type="radio"/> >90% of portfolio companies <input type="radio"/> 51-90% of portfolio companies <input type="radio"/> 10-50% of portfolio companies <input type="radio"/> <10% of portfolio companies			
PE 11.3	Indicate ESG issues for which your organisation typically sets and monitors targets (KPIs or similar) and provide examples per issue.		
<input checked="" type="checkbox"/> Environmental Implementation of ESg mgmt System. Please refer to section SG 05-06 <input checked="" type="checkbox"/> Social Adherence to ILO Core Conventions, please refer to section SG 05-06 <input checked="" type="checkbox"/> Governance Implementation of anti-corruption Mgmt System. Please refer to section SG 05-06 <input type="checkbox"/> We do not set and/or monitor against targets			
<input type="radio"/> No			
PE 12	Mandatory	Core Assessed	PRI 2
PE 12.1	Indicate if your organisation tracks the proportion of your portfolio companies that have an ESG/sustainability-related policy (or similar guidelines).		
<input checked="" type="checkbox"/> Yes			
PE 12.2	Indicate what percentage of your portfolio companies has an ESG/sustainability policy (or similar guidelines).		
<input type="radio"/> >90% of portfolio companies <input checked="" type="radio"/> 51-90% of portfolio companies <input type="radio"/> 10-50% of portfolio companies <input type="radio"/> <10% of portfolio companies <input type="radio"/> 0% of portfolio companies			
<input type="radio"/> No			
PE 12.3	Additional information. [Optional]		
Please see section SG 05-06			
PE 13	Voluntary	Additional Assessed	PRI 2

PE 13.1	Indicate the types of actions taken by your portfolio companies to incorporate ESG issues into operations and what proportion of your portfolio companies have implemented these actions.		
<input checked="" type="checkbox"/> Allocate responsibility for ESG issues to board/senior management <input type="radio"/> >90% of portfolio companies <input checked="" type="radio"/> 51-90% of portfolio companies <input type="radio"/> 10-50% of portfolio companies <input type="radio"/> <10% of portfolio companies <input type="radio"/> We do not track this information <input type="checkbox"/> Composition of board ensure ESG expertise <input checked="" type="checkbox"/> Consider ESG issues in risk management processes <input type="radio"/> >90% of portfolio companies <input checked="" type="radio"/> 51-90% of portfolio companies <input type="radio"/> 10-50% of portfolio companies <input type="radio"/> <10% of portfolio companies <input type="radio"/> We do not track this information <input type="checkbox"/> Define performance targets for applicable ESG issues in operations <input type="checkbox"/> Identify and engage external parties or stakeholders that could add value or decrease risk through ESG issues <input type="checkbox"/> Developing/implementing an environmental/social management system (ESMS) or similar <input checked="" type="checkbox"/> Other actions, specify Emergency readiness <input checked="" type="radio"/> >90% of portfolio companies <input type="radio"/> 51-90% of portfolio companies <input type="radio"/> 10-50% of portfolio companies <input type="radio"/> <10% of portfolio companies <input type="radio"/> We do not track this information <input type="checkbox"/> None of the above			
PE 13.2	Describe how your organisation contributes to the portfolio companies' resourcing and management of ESG issues.		
<p>The above stated percentages are based on the following sample of portfolio companies:</p> <p>Of Swedfund's 24 (2014: 27) direct investments, 13 (2014: 12) report that they have an environmental and social management system. To fulfil the requirements for an approved management system, the companies must respond on ten targets. 13 (2014: 5) answer that they have important parts of a management system, while eight (2014: 11) lack important parts of a management system.</p> <p>Of those which have implemented a management system, six companies have independently-certified management systems.</p> <p>Please see section SG 05-06 about RI objectives and progress and Swedfund's Strategic Sustainability Goals and the results for 2015.</p> <p>Please see section SG 07 about Swedfund's investment process, the use of ESGAP and audit plans.</p>			
PE 14	Voluntary	Descriptive	PRI 2,3
PE 14.1	Indicate the type and frequency of reports you request and/or receive from portfolio companies covering ESG issues.		
<input type="checkbox"/> Overarching portfolio company reports (or similar) where management disclosure, financial and ESG data are integrated <input checked="" type="checkbox"/> Standalone reports highlighting targets and/or KPIs covering ESG issues <input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input checked="" type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad-hoc/when requested, specify <input type="checkbox"/> Other, specify <input type="checkbox"/> No reporting on ESG issues requested and/or provided by portfolio companies			
PE 14.2	Additional information.		
<p>ESG data is collected through Swedfund Portfolio Company Annual Sustainability Report which is sent out to all Swedfund's portfolio companies annually. The questionnaire covers about 160 questions to follow up on the companies performance in relation to ESG and Development effects.</p>			
PE 15	Voluntary	Additional Assessed	PRI 2

PE 15.1	Indicate whether during the reporting year your organisation disclosed information on ESG issues to potential buyers prior to exit for private equity investments.		
<input checked="" type="checkbox"/> We included ESG issues in pre-exit information <input type="checkbox"/> We did not include ESG issues in pre-exit information <input type="checkbox"/> N/A, we did not have any exits in the reporting year			
PE 15.2	Apart from disclosure, describe how your organisation considers ESG issues at exit.		
<p>Sometimes it is a challenge to make a partner adapt their activities to match Swedfund's requirements for sustainability and a positive impact on society. However, demands for sustainability are increasing. When Swedfund has decided to sell a portfolio company it is valued by an independent third party. The exit is made on market conditions, but there has to be a buyer. The best option is usually to sell the shareholding to the company's main owner.</p> <p>No matter who the buyer is, the principle is the same as when Swedfund entered the deal. The buyer must meet Swedfund's ambitions, goals and investment terms. If a third party buys our share we check the buyer to ensure that their activities are consistent with Swedfund's values. That increases the likelihood that the company will continue doing business in accordance with Swedfund's criteria. What happens once Swedfund has sold the company is unfortunately not something we can control. However, there is the opportunity to provide specific funding to safeguard a high ESG standard.</p>			
PE 16	Voluntary	Additional Assessed	PRI 1,2
PE 16.1	Indicate whether your organisation measures how your approach to responsible investment in Private Equity investments has affected financial and/or ESG performance.		
<input type="checkbox"/> We measure whether our approach to ESG issues impacts the financial performance of investments <input checked="" type="checkbox"/> We measure whether our approach to ESG issues impacts the ESG performance of investments			
Describe the impact on:		Impact	
ESG performance of investments		<input checked="" type="checkbox"/> Positive <input type="checkbox"/> Negative <input type="checkbox"/> No impact	
<input type="checkbox"/> None of the above			
PE 16.2	Describe how you are able to determine these outcomes.		
<p>Through Swedfund Portfolio Company Sustainability Report which is sent out annually to all our portfolio companies. Based on this information as well as knowledge we can report on how they are performing in relation to our Sustainability Targets. Please refer to SG 5-6.</p>			
PE 17	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1,2
PE 17.1	Provide examples of ESG issues that you identified in your potential and/or existing private equity investments during the reporting year.		
<input checked="" type="checkbox"/> Add Example 1			
Investment Stage	Due diligence		
ESG issues	<div>ESG issues</div> <input type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social Human Rights - the right to water <input type="checkbox"/> Governance		
Sector(s)	Manufacturing		
Impact (or potential impact) on the investment	In carrying out Due Diligence on a new investment, we identified risks related to shortage of water, both for surrounding communities and for the company itself.		
Activities undertaken to influence the investment and its response	As a result, an in-depth study of water supplies in the area was carried out, as well as of future water provision in the area. As a result of the study, the company undertook to implement a number of measures to reduce the burden on water.		
<input checked="" type="checkbox"/> Add Example 2			
Investment Stage	Due diligence		
ESG issues	<div>ESG issues</div> <input type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social Human Rights <input type="checkbox"/> Governance		

Sector(s)	Manufacturing
Impact (or potential impact) on investment	• During Due Diligence on another investment, risks relating to land acquisition and land-use were identified, as well as the rights of the local people to practice their religion.
Activities undertaken to influence the investment and its response	As a result, it was decided to carry out an in-depth study on land use. The study is ongoing.

☒ Add Example 3

Investment Stage	Investment monitoring	
ESG issues		ESG issues
	<div><input type="checkbox"/> Environmental</div> <div><input checked="" type="checkbox"/> Social</div> <div>Gender Equality</div> <div><input type="checkbox"/> Governance</div>	
Sector(s)	Services	
Impact (or potential impact) on investment	Increased gender equality with more females on mgmt positions.	
Activities undertaken to influence the investment and its response	Through Women4Growth, a talent development programme for women employed in our portfolio companies, we make targeted interventions to strengthen them in a professional role and to further develop them to achieve leading positions.	

☐ Add Example 4

☐ Add Example 5

PE 17.2	Describe how you define and evaluate the materiality of ESG factors.
---------	--

Please see section SG 07 about Swedfund's investment process, the use of ESGAP and audit plans.

PE 18	Mandatory	Core Assessed	PRI 6
-------	-----------	---------------	-------

PE 18.1	Indicate whether your organisation proactively discloses ESG information on your private equity investments.
---------	--

☒ Disclose publicly

<http://www.swedfund.sehttp://swedfundfrankly.se>

PE 18.2	Indicate whether the type of ESG information you proactively provide to the public is the same as that you provide to your clients (LPs)/beneficiaries.
---------	---

☒ Yes

PE 18.3	Indicate the type of ESG information that your organisation proactively discloses to the public and/or your clients (LPs)/beneficiaries.
---------	--

- ☐ ESG information in relation to our pre-investment activities
- ☒ ESG information in relation to our post-investment monitoring and ownership activities
- ☒ Information on our portfolio companies' ESG performance
- ☒ Other, specify

ESG information is reported annually as well as ad hoc.

PE 18.4	Indicate your organisation's typical frequency of disclosing ESG information to the public and/or your clients(LP)s/beneficiaries.
---------	--

- ☒ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad-hoc/when requested, specify

PE 18.7

Describe the ESG information and how your organisation proactively discloses it to the public and/or clients (LPs)/beneficiaries. [Optional]

Through Swedfunds yearly Integrated Report, website, press releases, minutes on stakeholder dialogs, presentations on various seminars and conferences as well as through other information material.

Swedfund also publishes quarterly reports which includes reporting on RI activities and ESG information.

☐ No

☐ Disclose to investor clients (LPs)/beneficiaries only

☐ No proactive disclosure to the public or to clients (LPs)/beneficiaries