

# Corporate governance report

## Corporate governance in Swedfund

Swedfund is a limited company wholly owned by the Swedish Government with a specific public policy assignment, which is set out in the Ownership instructions.

According to the mission, Swedfund shall contribute to attainment of the goal set out in Sweden's Global Development Policy of fair and sustainable global development and, together with strategic partners, the company must contribute to investments which are not deemed to be realisable solely through commercial financing. Swedfund must ensure that the investments are sustainable from an economic, environmental, climate and societal perspective.

The Ownership instructions set out a number of mission goals for the organisation. These are described in more detail in the Directors' Report under the Portfolio companies' results section on pages 62–77.

Both external and internal regulations form the basis for Swedfund's governance. Swedfund applies the Swedish Corporate Governance Code ("the Code"). Deviations from this Code for the financial year are explained below. The main reason behind such non-conformities is Swedfund's ownership circumstances, with Swedfund being a wholly state-owned company and thus not a listed enterprise with dispersed ownership. The company's auditors have conducted a statutory review of the corporate governance report.

The State's Ownership Policy, the owner's instructions for the company, the articles of association and the goals established by the general meeting and the board of directors govern the operation. Swedfund's strategy and policy documents form the starting point for the implementation of the mission. Swedfund's policies form a key part of the company's values, governance and internal control, and are continually being incorporated into working methods and agreements. The training of Swedfund staff and external board members amongst

the portfolio companies is ongoing. The company is also affiliated to a number of international conventions and regulations which have impacted on the working methods that are followed in different ways.

## The Code of Conduct

The Code of Conduct forms part of the state's corporate governance framework. Swedfund follows the Code of Conduct in accordance with the owner's guidelines.

## DEVIATIONS FROM THE CODE OF CONDUCT

Swedfund deviated from the provisions of the Code of Conduct during the 2023 financial year with regard to the following points:

- (i) Nomination committee. Due to its ownership structure, Swedfund has no nomination committee. Instead, the nomination process for board members and the election of the chair of the board and auditors is based on a separate process for state owned companies in accordance with the State's Ownership Policy.
- (ii) The board of directors' independence in relation to the owner. In accordance with the State's Ownership Policy, Swedfund does not report whether or not board members are independent of the owner.
- (iii) Remuneration committee. The board of directors has instead opted to perform this task

## Corporate governance amongst the portfolio companies

As regards investments through equity, Swedfund normally has a role as a minority shareholder, but normally endeavour to ensure that it holds a board position. In connection with fund investments, Swedfund is often represented on the fund's advisory board. Through active ownership based on the three pillars (Impact on society, Sustainability

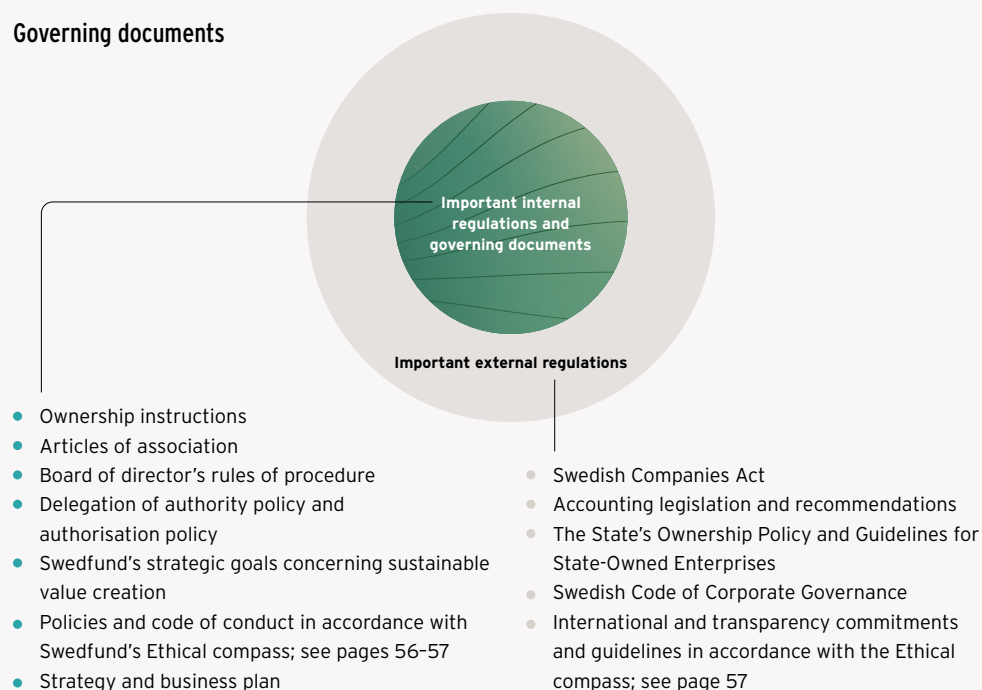
and Financial viability), governance and follow-up take place through, amongst other things, board work, self-evaluations and ESG advocacy work. The management of Swedfund's investments involves incorporating the company's policies in investment agreements as and when appropriate. Funds for Technical Assistance (TA) can also be used as a tool for quality-enhancing efforts among the portfolio companies. Information on the development of the portfolio companies is obtained through regular owner dialogues, the follow-up of annual reports and other agreed information. Swedfund strives to maintain

an active dialogue with stakeholders such as owners, business partners, civil society organisations, trade unions and media representatives. For further information, read Swedfund's stakeholder and materiality analysis on pages 138–139.

## Votes and owners

Swedfund is a limited liability company which is wholly owned by the Swedish government. The general meeting is the supreme decision-making body within Swedfund, and it is through participation in this meeting and the owner dialogue that the Swedish State

## Governing documents



exerts its influence on the company. The Ministry of Finance is responsible for managing the state's ownership of Swedfund, while the Ministry of Foreign Affairs is responsible for the company's development cooperation policy. Invitations to the annual general meeting and extraordinary general meetings at which matters concerning the amendment of the articles of association will be considered must be distributed no earlier than six weeks and no later than four weeks before the meeting. Invitations are issued through publication in the Postal and Inrikestidningar gazette and on Swedfund's website. A Member of Parliament has the right to be present at the meeting and to ask the company questions during the meeting. Under normal circumstances, the meeting is also open to the general public.

**THE TASKS OF THE ANNUAL GENERAL MEETING INCLUDE REACHING DECISIONS CONCERNING:**

- Adoption of the income statement and balance sheet
- Appropriation of the company's profit or loss
- Discharge from liability for the board of directors and the CEO
- Election of the board of directors, chair of the board and auditors
- Determination of fees to the board of directors and auditors
- Amendments to the articles of association
- Ownership instructions for the organisation, including mission goals and financial goals
- Guidelines for remuneration to senior executives and approval of the remuneration report

**ANNUAL GENERAL MEETING 2023**

Swedfund's Annual General Meeting was held on 25 April 2023 at Westmanska Palatset in Stockholm. The meeting was open to the general public, and minutes from annual general meetings are made available on Swedfund's website. The annual general meeting adopted the income statement and balance sheet as of 31 December 2022 and discharged the members of the board of directors and the CEO from liability for the 2022 financial year.

The annual general meeting also presented proposals for appropriation of the profit and proposals concerning guidelines for remuneration of the senior management, and prepared the remuneration report for 2022. Ernst & Young AB was re-elected as auditor by the annual general meeting, with Jesper Nilsson as the lead auditor.

**EXTRAORDINARY GENERAL MEETING 2023**

An extraordinary general meeting was held on Tuesday 24 October 2023 at Westmanska Palatset in Stockholm. This extraordinary general meeting was open to the general public, and minutes are available on Swedfund's website. The extraordinary general meeting resolved to elect Josefine Ekros Roth as a board member.

**Board of directors**

According to the articles of association, the board of directors must consist of at least six and no more than nine members without deputies. The annual general meeting shall appoint the chair of the board. If the chair leaves his or her post during their term of office, the board of directors must elect a chair from amongst its members for the period through until the end of the general meeting when the new chair is elected by the meeting.

**COMPOSITION OF THE BOARD**

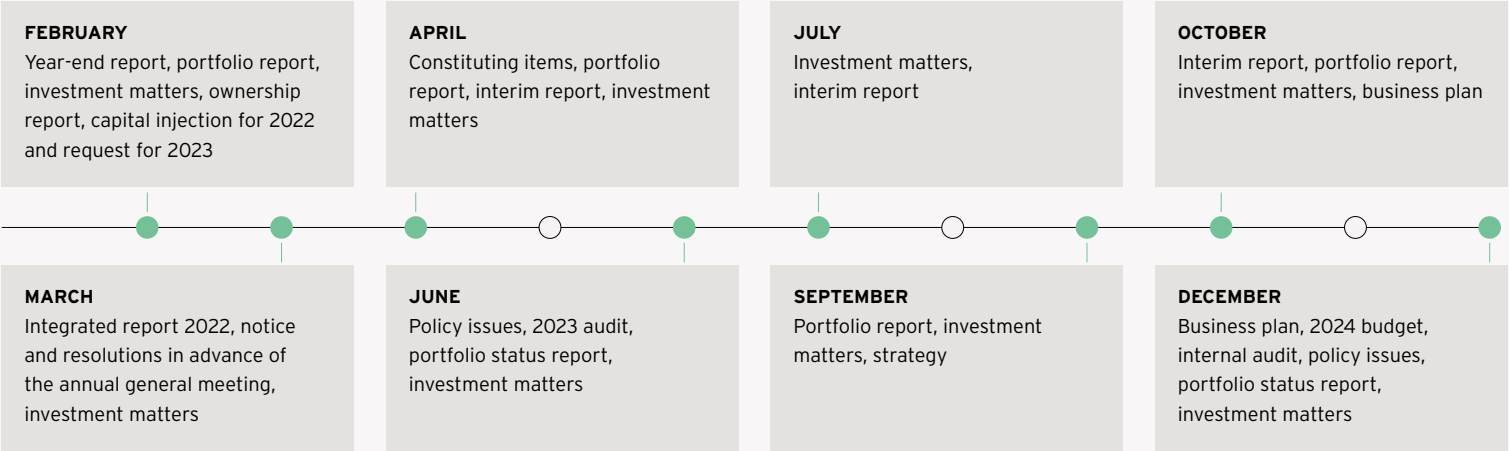
Board member Jonas Eriksson resigned in connection with the 2023 annual general meeting. At the annual general meeting, Catrina Ingelstam, Daniel Kristiansson, Rosh Motman, Kerstin Borglin, Torgny Holmgren and Catrin Fransson were re-elected as board members, and Caroline af Kleen and Anna Stellingwerf were newly elected. Following the annual general meeting, the board of directors comprised eight members, split between six women and two men. Catrin Fransson was re-elected as chair of the board. No member of Swedfund's executive management is a member of the board of directors. During the year, Daniel Kristiansson resigned as a board member and was replaced by Josefine Ekros Roth at the extraordinary general meeting. Information about the board members is provided on pages 132–133.

**RESPONSIBILITIES AND DUTIES OF THE BOARD OF DIRECTORS**

The board of directors is required to continuously assess the company's financial situation, and ensure that the company achieves the established missions and manages its resources appropriately. The board of

directors must ensure that the company's organisation is such that accounting, financial management and the company's financial circumstances generally are subject to satisfactory controls. The board of directors must ensure that the company has effective systems in place for monitoring and controlling the company's operations, and shall keep itself informed and evaluate how the company's internal control systems are functioning. The board of directors makes business decisions concerning issues that fall outside the scope of day-to-day management and the delegated mandate of the CEO, which includes, for example, major investment decisions. The board of directors is responsible for establishing goals and a strategy for the company's operations. It is the responsibility of the board of directors to integrate sustainable business into the company's business strategy and business development, and to establish strategic goals for sustainable value creation in accordance with the Ownership Policy. The board of directors is responsible for the company's risk management and compliance. This means that the board of directors is responsible for ensuring that risks associated with the company's operations are continually identified,

**Key issues for the board of directors during 2023**



Member	Position	Board of directors meetings	Audit committee meetings
Catrin Fransson	Chair of the Board	11/11	
Torgny Holmgren	Board member, Member of the Audit Committee	9/11	6/6
Catrina Ingelstam	Board member, Chair of the Audit Committee	11/11	6/6
Daniel Kristiansson	Board member, Member of the Audit Committee (to September 2023 inc.)	8/11	4/6
Kerstin Borglin	Board member	8/11	
Roshi Motman	Board member	10/11	
Jonas Eriksson	Board member (until the 2023 Annual General Meeting)	3/11	
Anna Stellingner	Board member (from the 2023 Annual General Meeting)	8/11	
Caroline af Kleen	Board member, Member of the Audit Committee (from the 2023 Annual General Meeting)	8/11	3/6
Josefine Ekros Roth	Board member, Member of the Audit Committee (from the extraordinary general meeting 2023)	2/11	1/6

analysed and managed appropriately, and that there is adequate control over the company's compliance with laws and other rules that apply to the company's operations. The board of directors is also responsible for establishing, implementing and following up the policy documents and other forms of governing documents relevant to the organisation, such as the rules of procedure of the board of directors and the audit committee, and the CEO's instructions. Amongst other things, these policy documents set out how responsibilities and authorities are delegated between the board of directors, the chair of the board and the CEO.

The board of directors has established an integrated audit committee whose duties are aimed at the quality assurance of external financial and sustainability reporting, and ensuring that the company has appropriate risk management in place, that established principles for external reporting and internal control are complied with, and that Swedfund undergoes qualified, effective and independent auditing. The Audit Committee also prepares sustainability-related matters, such as the sustainability policy and anti-corruption policy, as well as significant sustainability issues for consideration by the board of directors.

The Audit Committee consists of four board members appointed annually by the board of directors. Since the inaugural board meeting in 2023, the Audit

Committee has consisted of Catrina Ingelstam (chair), Daniel Kristiansson, Torgny Holmgren and Caroline af Kleen. Josefine Ekros Roth was appointed as a member of the Audit Committee in October following Daniel Kristiansson's resignation from the board.

The board is responsible for maximising value creation in Swedfund, and for ensuring that the operation is managed in a way which promotes sustainable development, financially, socially and environmentally and as regards climate. The board of directors is responsible for the company's organisation and management of its affairs in the interests of the company and the shareholder. The board of directors is responsible for ensuring that the company acts as a role model within the field of sustainable business and also otherwise operates in a manner that is worthy of public confidence. The board of directors appoints the chief executive officer (CEO) and determines the salary and other benefits of the CEO.

#### CHAIR OF THE BOARD

The chair is responsible for annually evaluating the work of the board of directors and for ensuring that the evaluation is reported as and when relevant to the owner's nomination administrator. The 2023 board evaluation was carried out within the board and involved a collective evaluation of the work and expertise of the board of directors. As and when necessary,

the chair participates in connection with important contacts and represents the company in relation to ownership matters. The chair of the board is also responsible for maintaining contact with representatives of the company's owners with the aim of coordinating his or her views with these representatives when the company must make particularly important decisions.

#### THE WORK OF THE BOARD OF DIRECTORS AND THE AUDIT COMMITTEE DURING 2023

During 2023, the board met on eleven occasions, which included seven ordinary meetings, two extraordinary meetings and two meetings by letter. Amongst other matters, the meetings considered investment cases and the business operation based on the three pillars (impact on society, sustainability and financial viability), annual and interim financial statements and related reports, updated strategy and business plan, mission goals, budgets, policy issues, organisational and staffing issues, and evaluation of the work of the board of directors and the CEO. During 2023, board meetings were predominantly conducted in the form of physical meetings.

In 2023, the Audit Committee met on six occasions, with the meetings being conducted in both digital and physical format. Amongst other things, the Audit Committee has prepared questions regarding interim reports and integrated reporting for 2022 (including the annual report, sustainability and corporate governance report), Risk/Internal Control, policy updating, audit plans for internal and external audits, and reporting and follow-up of audit reports and previous observations from the auditors.

#### CEO and company management

Maria Håkansson has been CEO of Swedfund since 2018. The CEO is responsible for the ongoing management of the company's operations with the care and to the extent necessary to ensure that operations are carried out in accordance with applicable legislation, the articles of association, the CEO's instructions and the board of directors' instructions and the State's Ownership Policy. The CEO signs on behalf of the company's with regard to the ongoing administration of the

company within the adopted budget. Decisions within the CEO's own decision-making remit are reported to the board of directors at the next meeting. When a member of the management group signs on behalf of the company, this is also reported at the next meeting.

Management work is coordinated by a management team based on Swedfund's organisation. At the end of 2023, the management group comprising a total of eight people consisting of the CEO and the Chief HR & Administration Officer, Chief Legal Counsel, Chief Financial Officer, Chief Strategy & Communications Officer, Chief Investment Officer, Chief Sustainability Officer and Chief Business Development & Special Operations Officer. The management group is responsible for proposing and implementing strategies and business plans, budgets and operational planning, governance and organisational issues, and for monitoring Swedfund's financial development and initiatives relating to sustainability.

#### Auditors

The State's Ownership Policy states that responsibility for the election of elected auditors in state owned companies always rests with the owner. Proposals for the election of auditors and approval of auditors' fees in companies with state ownership are submitted by the board of directors. Auditors are normally appointed for a term of one year at a time. The auditors are accountable to the owner at the general meeting and submit audit reports concerning Swedfund's integrated reports and the board of directors' management. The auditors submit a summary report on the audit to the audit committee and the board, partly in connection with the performance audit and the general review of the interim report for January to September and partly in connection with the audit of the annual financial statements. The external auditors participated in five of the Audit Committee's meetings during 2023 and one board meeting. The remuneration paid to the auditors is presented in Note 6.

## Remuneration of senior executives

Swedfund applies the Government's guidelines for persons in managerial positions (see the "Guidelines for the remuneration of senior executives at Swedfund International AB", which can be found on Swedfund's website). The remuneration conditions for the CEO and other senior executives are presented in Note 5 on page 99. Swedfund also prepares a Remuneration Report for approval by the annual general meeting.

## Internal control regarding financial reporting

Under the Companies Act and the Code, the board of directors is responsible for ensuring that the company has good internal controls in place. This report has been prepared in accordance with Chapter 6 Section 6 of the Swedish Annual Accounts Act, and Articles 7.3–7.4 of the Code, and is limited to the internal controls regarding financial reporting. Effective board

work forms the basis for good internal control. Swedfund's internal controls can be described based on the following five main areas.

### GOVERNANCE AND CONTROL ENVIRONMENT

The basis for internal controls regarding financial reporting is the control environment. The board of directors has overall responsibility for financial reporting, which primarily refers to interim reports (quarterly) and the integrated reports (annual). Every year, the board of directors adopts a set of written rules of procedure for its work, and specifies the division of work between the board of directors on the one hand and the CEO and the audit committee on the other.

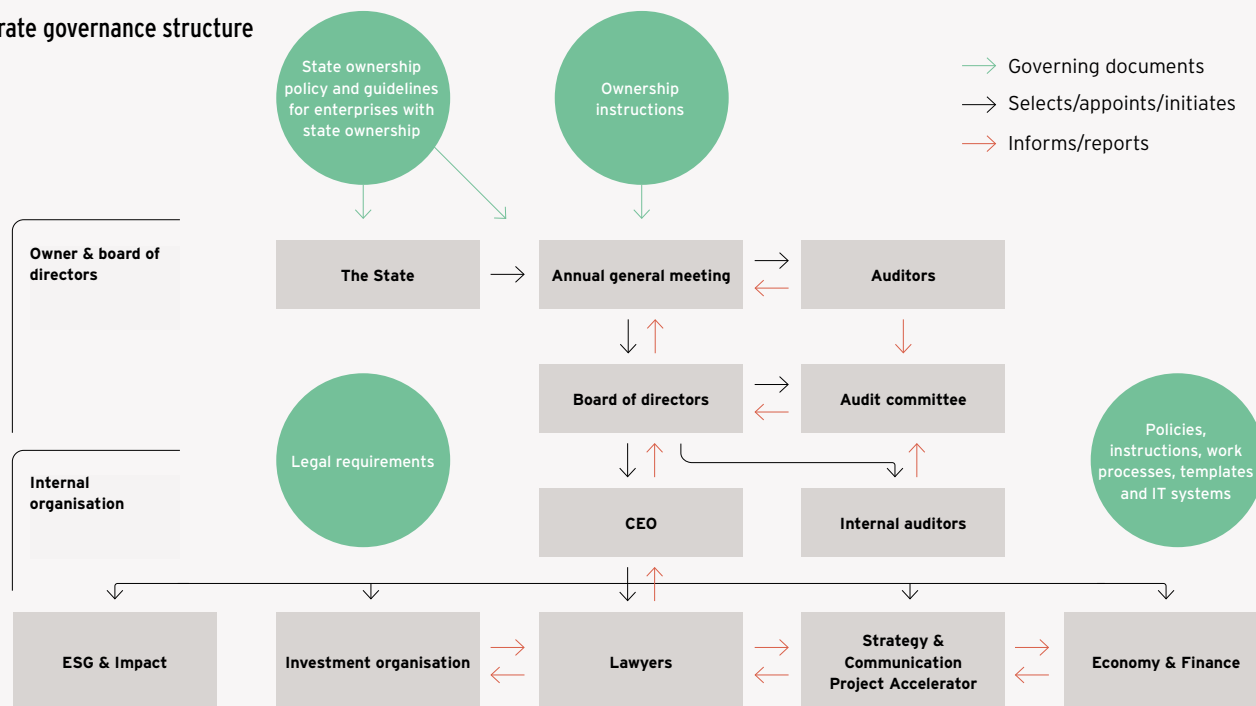
The audit committee appointed by the board of directors is tasked with preparing matters for decisions by the board. The audit committee works according to an adopted annual schedule and is responsible for

monitoring and quality assurance of the company's financial reports. This task covers areas such as the effectiveness of the company's internal control, risk-based annual plan for internal audits, assessments of estimates and reported values which could impact on the quality of financial reports, as well as the follow-up of observations from external and internal audits. The audit committee also keeps itself informed concerning the auditing of the annual integrated reporting (including the annual report and reports regarding corporate governance and sustainability) and the management through regular attendance of the committee's meetings by the company's auditors. The CEO, CFO and CSO are co-opted to the committee's meetings, and the committee's members are also in regular contact with these executives between ordinary meetings.

One aspect of the board of directors' work is to prepare, update and approve a number of fundamental policies which govern the company's work. The board of directors issues guidelines which set out the conditions for an organisational structure with the clear delegation of powers and responsibilities documented in a set of instructions for the work of the CEO and in a policy concerning the delegation of authority. Based on these, internal rules, processes and structures are created which form the basis for internal governance and control throughout the organisation. Financial policy, risk policy, sustainability policy, accounting and reporting instructions and an investment manual set out the framework and provide guidance in key areas for the company's financial reporting.

The competence of the employees and the core values that the board of directors and the management operate on the basis of and communicate also form a significant part of the control environment. The CEO is tasked with establishing guidelines to ensure that all employees understand the requirements regarding the maintenance of ethical values and the role of the individual in this task, which is partly governed by Swedfund's Code of Conduct. The Code of Conduct adopted by the board of directors, which all Swedfund employees have undertaken to follow, includes a section to prevent conflicts of interest and other similar situations from arising. Among other things, this states that employees are not permitted to participate in projects where a conflict of interest could arise or where there are parallel assignments which could jeopardise the employee's loyalty to Swedfund. To ensure compliance, there is a process where employees are under an obligation to declare any conflicts of interest and parallel assignments every year or as and when necessary.

## Corporate governance structure



### RISK ASSESSMENT

There may be a risk of material misstatement in the financial statements in connection with the accounting and valuation of assets, liabilities, income and expenses, collection and compilation of sustainability information or deviations from information requirements. Other risks relating to financial reporting

include fraud, loss or misappropriation of assets, or undue favouring of other parties at the company's expense. Accounting and financial reporting policies and directives and associated processes cover areas of particular importance in order to promote accurate and complete accounting, reporting and information provision at the right time.

Identified risk types are managed through well-defined business processes with integrated risk management measures, as well as through the clear division of responsibility and tasks, and an appropriate decision-making policy. This means that specific approval is required for investments and other important transactions to ensure that assets are managed appropriately. The company's risks are managed in accordance with the board of directors' established risk policy and financial policy, and reporting concerning financial risks takes place on a regular basis.

In connection with the evaluation of new investments, detailed analyses (due diligence) are carried out of factors such as expected impact on society, sustainability risks and developments in financial results and position. Based on the assessment of impacts and risks, the terms of the investment contracts are also included as and where necessary in order to reduce risk exposure. Find out more about Swedfund's management of financial risks in Notes 20 and 26, and general information about Swedfund's risks and risk management on pages 46–47.

## CONTROL ACTIVITIES

To ensure that financial and sustainability reports present a true and fair picture of the business and maintain the desired level of quality, Swedfund's processes include various control activities. These control activities involve every level of the organisation, from the board of directors and the management to other employees, and are intended to prevent, detect and correct any errors and non-conformities.

Outcomes are followed up on a monthly basis with respect to budgets and/or forecasts and liquidity monitoring within the company and reported at all board meetings. Examples of other control activities within Swedfund's operation include the approval and

control of different types of accounting transactions, reconciliations, analysis of key ratios and relationships, as well as other follow-up of financial information, which are carried out on an ongoing basis by the corporate management and the finance function.

In addition to this, portfolio company reviews are conducted regularly for each sector, where portfolio holdings are evaluated based on the three pillars of impact on society, sustainability and financial viability. These meetings are attended by certain members of the management group with the responsible investment manager as rapporteur. The portfolio's status is reported to the board of directors on a quarterly basis based on the three pillars through a portfolio report.

Swedfund has developed an investment process to ensure that high levels of quality are maintained during the preparation of investment cases. In connection with the evaluation of new investments, a special process has been established where an investment committee, comprising the management group and the person responsible for the specific project, evaluates a potential investment in two stages before it is presented to the board of directors for a final decision.

The process of active ownership amongst the portfolio companies involves the investment organisation taking responsibility for continually monitoring developments within the three pillars of impact on society, sustainability and financial viability by obtaining and analysing financial and non-financial reports, conducting visits and actively participating in board work, investment committees and advisory boards. Part of the aim of this is to ensure the assessment of developments in the value of investments, which are in turn reflected in Swedfund's income statement and balance sheet and the results of portfolio companies.

Internal control and the management of the company are evaluated annually by the company's external auditors. A special audit function in the form of an internal audit unit has also been established, which reports to the board of directors. In 2023, the internal audit unit conducted two reviews regarding the investment process and compliance with the Operating Principles for Impact Management. The internal audit unit also followed up on previous observations.

## Information and communication

The company's information and communication channels shall contribute to complete, accurate and timely financial and non-financial reporting. All Swedfund employees have access to the company's policies, guidelines and manuals. During regular joint information meetings for all employees at the company's head office and regional office, the importance of applying the rules and processes that exist is stressed, and the associated resultant changes are described in more detail. Within the company's various departments, reviews and updates are carried out concerning the application of these documents on an ongoing basis as and when necessary. Formal and informal communication between employees and management is facilitated by the fact that the employees are small in number and largely geographically concentrated at the head office and two regional offices.

The board of directors and the audit committee regularly review the management's reports concerning financial developments with analyses and comments on outcomes, budgets and forecasts. The board of directors also regularly receives detailed portfolio reports which present developments for each investment and in the portfolio, based on the three pillars of impact on society, sustainability and financial viability. During 2023, regular in-depth studies concerning relevant sustainability issues were presented to the board of directors relating to gender-based violence and harassment.

Swedfund also has an established a whistleblower function that can be used in the event of suspected irregularities by executives within Swedfund or one of its portfolio companies. The whistleblower service can be used in connection with suspected cases of corruption, accounting errors, deficiencies in internal control or other doubts which could seriously harm the company's interests or the health and safety of individuals. As a result of new legislation, Swedfund has during 2023 established a new internal reporting channel and, in connection with this, conducted a review and update of the whistleblower service.

During the year, Swedfund also established a Complaints Mechanism, which can be used to draw

attention to issues linked to Swedfund and Swedfund's portfolio companies.

## Follow-up

Control activities are monitored on an ongoing basis by Swedfund's corporate management and employees to ensure that risks have been appropriately taken into account and managed. Amongst other things, these procedures include the monitoring of results against budgets and forecasts, portfolio analyses and the follow-up of key performance indicators. Policy documents and other documents are evaluated on an annual basis. The company's financial situation is considered at each board meeting. Interim reports and the annual integrated report are submitted to the audit committee for preparation, and to the board of directors for approval.

The audit committee carries out preparations for the board of director's evaluation of the information provided by the corporate management and the company's auditors. The responsibilities of the audit committee also include ensuring that, on behalf of the board of directors, action is taken concerning any deficiencies and proposed measures that have emerged from the external audit concerning integrated reporting and internal control.

The audit committee reviews the internal and external auditors' audit plans and considers the auditors' observations on an ongoing basis. The board of directors and the audit committee also receive summary audit reports. During 2023, the company's external auditors attended one board meeting and five meetings of the audit committee. At least once a year, the board of directors meets with the company's auditors in the absence of the CEO and other members of the management. These meetings normally take place in connection with the consideration/decision concerning the annual integrated report.

As of 31 December 2023, the assessment is that the control activities relating to internal control of the financial reporting are adequate.





**Catrin Fransson**

(born 1962)

**Chair****Board member since:** 2022

**Education:** MBA, Luleå University of Technology, Senior Executive Program, London Business School

**Current position:** Board work.

**Other board assignments:** LKAB (board member), PRI Pensionsgaranti (board member).

**Previous directorships:** Almi Företagspartner Stockholm Sörmland AB (chair), Swedbank Robur AB (chair), Swedbank Franchise AB (chair), Entercard AB (board member), Swedbank Försäkring (board member).

**Roshi Motman**

(born 1979)

**Board member****Board member since:** 2019

**Education:** Industrial Engineering and Management, Chalmers University of Technology, Electrical Engineering, Chalmers University of Technology.

**Current position:** CEO of Amuse Music.

**Other directorships:** ICE telecom (board member).

**Other directorships:** CEO Millicom Ghana (Tigo), CEO AirtelTigo Ghana, Chair of Ghana Telecom Chambers, Chair of the Investment Committee Digital Changemakers Ghana (Tigo/Reach for Change).

**Kerstin Borglin**

(born 1960)

**Board member****Board member since:** 2016

**Education:** MSc. MSc, Mechanical Engineering, Lund University Faculty of Engineering, History of Science, Lund University, African History, Stockholm University.

**Current position:** Executive Advisor, Spider (ICT Swedish Program in Development regions, part of the Department of Computer and Systems Sciences, Stockholm University).

**Other directorships:** -

**Previous directorships:** SWEACC, Swedish East African Chamber of Commerce (vice chair), Consul for Uganda in Sweden. Previous directorships: Ericsson Litauen (board member), Ericsson Kenya (board member), Advisory Board GSFF (Global Solidarity Forest Foundation), Mozambique (board member).

**Catrina Ingelstam**

(born 1961)

**Board member****Board member since:** 2019

**Education:** MBA and commercial law, University of Stockholm, approved public accountant FAR (not active).

**Current position:** Board assignments, own company.

**Other directorships:** Sixth Swedish National Pension Fund (chair), LÖF - Mutual Insurance Company of the Regions (board member), Kommuninvest i Sverige AB (board member), Sparbanken Rekarne AB (member), SH Pension tjänstepensionsförening (vice chair).

**Previous directorships:** Spiltan Fonder AB, Orio AB, Sparbanken Sjuhärad AB, Dina Försäkringar Mälardalen AB, Salus Ansvar AB, KPA AB and subsidiaries, Folksam LO Fondförsäkring AB and subsidiaries, Folksam Fondförsäkring AB, Min Pension i Sverige AB, Kammarkollegiet.



**Anna Stellingner**

(born 1974)

**Board member**

**Board member since:** 2023

**Education:** Master's degree in Political Science and Bachelor's degree in French, Lund University, and International Master in International Relations at Sciences Po in Paris, France.

**Current position:** Head of International and EU Affairs at the Confederation of Swedish Enterprise.

**Other board assignments:** Business Sweden (board member), Swedish Institute of International Affairs (board member).

**Previous directorships:** Lund University (vice chair and board member).



**Caroline af Kleen**

(born 1977)

**Board member**

**Board member since:** 2023

**Education:** MSc. Business Administration and Economics.

**Current position:** CFO of the Swedish Red Cross.

**Other directorships:** -

**Previous directorships:** -



**Josefine Ekros Roth**

(born 1974)

**Board member**

**Board member since:** 2023

**Education:** Bachelor of Arts in International Economics, University of Westminster, Master's degree in European Politics, College of Europe.

**Current position:** Under-Secretary, Ministry of Finance

**Other board assignments:** Samhall (board member), Industrifonden (board member)

**Previous directorships:** -



**Torgny Holmgren**

(born 1954)

**Board member**

**Board member since:** 2017

**Education:** MBA, Stockholm School of Economics.

**Current position:** Senior advisor, board work.

**Other board assignments:** Expert Group for Aid Studies (board member).

**Previous directorships:** International Center for Water Cooperation (chair), Water Aid (board member), World Water Council (acting member), Swedish Agency for Development Evaluation (SADEV) (member).



# Signatures of the board of directors

Swedfund International AB’s board of directors and CEO hereby submit Swedfund International AB’s integrated report, including the annual report, sustainability report and Communication on Progress (COP) for 2023.

Swedfund International AB has produced this annual report in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and as adopted by the EU. In addition, the standards of the Swedish Financial Reporting Board and its

recommended RFR 2 Supplementary Accounting Rules for Legal Entities have also been applied.

The annual report also includes the company’s sustainability report in accordance with Chapter 6 Section 11 of the Swedish Companies Act, and the sustainability report in accordance with the Global

Reporting Initiative, GRI. The information provided corresponds with the factual circumstances and nothing of any material importance has been omitted which could impact on the picture of the company which is created in the annual report, the sustainability report and the COP.

Stockholm, 23 March 2024

Catrin Fransson  
*Chair*

Kerstin Borglin

Catrina Ingelstam

Caroline af Kleen

Roshi Motman

Anna Stellingner

Torgny Holmgren

Josefine Ekros Roth

Maria Håkansson  
*Chief Executive Officer*

Our audit report was submitted on 25 March 2024

Jesper Nilsson  
State-Authorised Public Accountant, Ernst Young AB

# Auditor's report

To the general meeting of the shareholders of Swedfund International AB, corporate identity number 556436-2084

This is a translation from the Swedish original.

## Report on the Annual Report

### OPINION

We have audited the annual accounts of Swedfund International AB for the financial year 2023.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Swedfund International AB as of 31st December 2023 and its financial performance and cash flow for the year then ended in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

### BASIS FOR OPINIONS

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Swedfund International AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

## RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act and in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

### AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could

reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with ISAs, We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are

required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

## Report on other legal and regulatory requirements

### OPINION

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Swedfund International AB for the financial year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated (loss be dealt with) in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

**BASIS FOR OPINIONS**

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Swedfund International AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

**RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR**

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

**AUDITOR'S RESPONSIBILITY**

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with a reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, We exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have

particular importance for the company's situation.

We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

**THE AUDITOR'S REVIEW OF THE CORPORATE GOVERNANCE REPORT**

The board of directors is responsible for the corporate governance report for the 2023 financial year on pages 126–130 and for ensuring that the report is prepared in accordance with the "State's Ownership Policy and Guidelines for State-Owned Enterprises" (the ownership policy).

Our audit was conducted in accordance with FAR's statement RevU 16 The Auditor's review of the corporate governance report. This means that our review of the corporate governance report has a different focus and a significantly smaller scope compared with that of an audit conducted in accordance with the International Standards on Auditing and generally accepted audit practice in Sweden. We believe that this review provides us with a sufficient basis for our opinions.

A corporate governance report has been prepared. The information that is mandatory under the Ownership Policy is consistent with the annual report.

Stockholm 25th March 2024

Ernst & Young AB

Jesper Nilsson  
Authorized Public Accountant