ASSESSMENT
23 March 2026

Send Your Feedback

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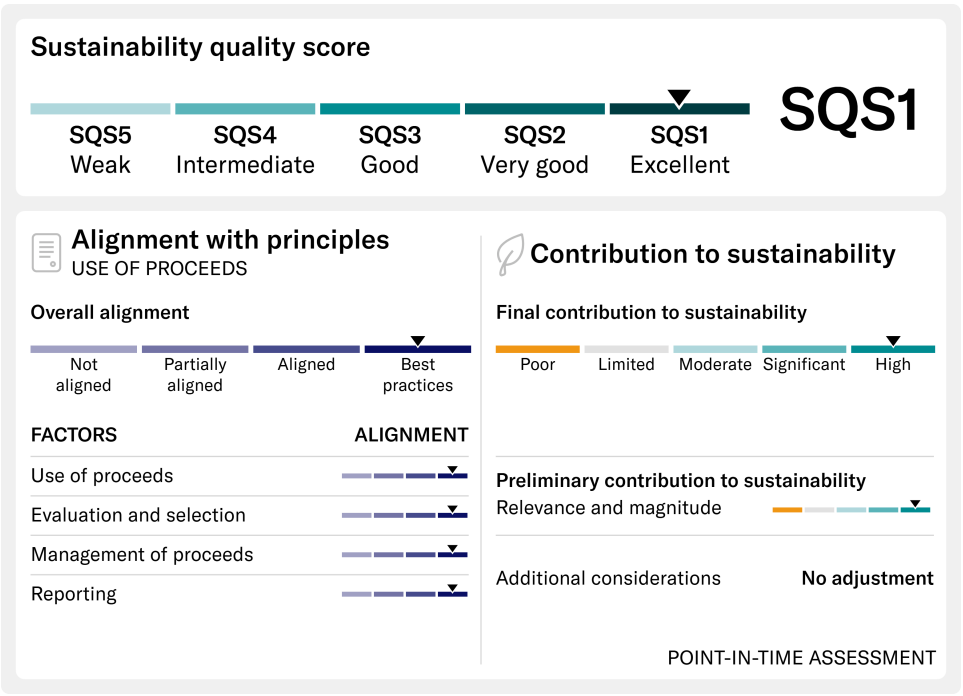
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Swedfund

Second Party Opinion – Sustainability Bond Framework Assigned SQS1 Sustainability Quality Score

Summary

We have assigned an SQS1 Sustainability Quality Score (excellent) to Swedfund's sustainable bond framework dated March 2026. Swedfund has established its use-of-proceeds framework with the aim of financing projects across seven eligible green categories and five social categories: renewable energy, energy efficiency, clean transportation, waste management, environmentally sustainable management of living natural resources, water and wastewater management, and climate change adaptation; and access to essential services, affordable basic infrastructure, food security, employment generation, and socioeconomic advancement and empowerment. The framework is aligned with the four core components of the International Capital Market Association's (ICMA) Green Bond Principles (GBP) 2025 and Social Bond Principles (SBP) 2025, and the issuer has also incorporated all Moody's Ratings identified best practices. Further, the framework demonstrates a high contribution to sustainability.



Scope

We have provided a second party opinion (SPO) on the sustainability credentials of Swedfund's sustainability bond framework, dated March 2026, including the framework's alignment with the four core components of the ICMA's GBP 2025 and SBP 2025. Proceeds from the future bonds will finance projects in seven green and five social categories, as outlined in Appendix 3 of this report.

Our assessment is based on the last updated version of the framework received on 9 March 2026, and our opinion reflects our point-in-time assessment[1] of the details contained in this version of the framework, as well as other public and non-public information provided by the institution.

We produced this SPO based on our Assessment Framework: Second Party Opinions on Sustainable Debt, published in October 2025.

Issuer profile

Swedfund is Sweden's development finance institution (DFI), established in 1979. It is a state-owned company under the stewardship of the Swedish Ministry of Finance and the Ministry of Foreign Affairs. Swedfund's mandate is to reduce poverty through sustainable investments in the private sector in developing countries. By 2025, the investment portfolio had reached SEK 14 billion. In line with Swedfund's articles of association, all reflows are reinvested, and no profits are distributed as dividends.

Swedfund invests exclusively in developing countries with a primary focus on investments in Africa, South and Southeast Asia, and Ukraine. At present, 63% of the investment portfolio is directed toward Africa. Swedfund provides investments through equity and loan instruments, either directly to companies and financial institutions or indirectly via investment platforms. The investments are targeted at achieving impact and also facilitating capital mobilization.

Strengths

» All projects are highly relevant for a sovereign-backed development financial institution (DFI) such as Swedfund, particularly in light of the local context of the countries and regions in which the institution invests.

» Nearly all social projects have clear targeting of the vulnerable populations in greatest need, especially as regards access to essential services.

» Comprehensive selection, evaluation and monitoring processes are in place for all investments.

Challenges

» Several eligible technology types are not in line with the most stringent market standards, or lack explicit technical thresholds or criteria, notably desalination, waste to biogas, and bioenergy projects.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on https://ratings.moodys.com for the most updated credit rating action information and rating history.

Alignment with principles

Swedfund's sustainability bond framework is aligned with the four core components of the ICMA's GBP 2025 and the SBP 2025, and incorporates all Moody's-identified best practices. For a summary of the alignment with principles scorecard, please see Appendix 1.

- ☑ Green Bond Principles (GBP)
- ☑ Social Bond Principles (SBP)
- ○ Sustainability-Linked Bond Principles (SLBP)
- ○ Green Loan Principles (GLP)
- ○ Social Loan Principles (SLP)
- ○ Sustainability Linked Loan Principles (SLLP)

Use of proceeds



Clarity of the eligible categories – BEST PRACTICES

Swedfund has clearly communicated the nature of expenditures, the eligibility and exclusion criteria, and the location of the eligible projects. The types of financing under the present framework can include: loans, mezzanine financing, equity finance, or direct project financing for capital or operational expenditures. The development finance institution has confirmed that the projects will be located in its target geographies, which are primarily Africa, South and Southeast Asia. Some of the principal countries of the portfolio allocation are expected to include Kenya, Cote d'Ivoire, South Africa, India and Nigeria. Overall, the portfolio will go exclusively to countries on the OECD DAC list[2] of overseas development assistance recipients, including to upper middle-income countries, lower middle-income countries, and least developed countries.

The cornerstone of the ICMA's GBP and SBP is the full utilization of net bond proceeds for eligible projects with clear environmental or social benefits. Some of the contemplated types of financing, notably with regards to equity investments and indirect investments via fund structures, could introduce concerns in terms of alignment to sustainability objectives, allocation and traceability at the asset level, or impact reporting. In this case, the issuer reports that all investments, no matter the format, must meet eligibility criteria and be subject to rigorous evaluation and selection processes. Even in cases of indirect investments via funds, screening against the framework eligibility criteria will occur at the level of the underlying portfolio company, project or asset. In the case of a fund investing in a mix of projects, some of which are eligible under the framework, only that share would be attributed to the sustainable bond portfolio. All investments, no matter the format, are also subject to the same level of monitoring regarding implementation and impact. With these measures in place, we consider the structure of the framework to be in line with current market practices.

Clarity of the environmental or social objectives – BEST PRACTICES

The organization has clearly outlined the environmental and social objectives associated with all eligible categories. The objectives include climate change mitigation and adaptation, energy efficiency, sustainable water and wastewater management, pollution prevention and control, biodiversity protection, access to essential services, access to affordable basic infrastructure, socioeconomic advancement and empowerment and employment generation. The specified objectives are all considered relevant to the eligible categories, and are considered coherent with international standards, notably the UN Sustainable Development Goals (SDGs).

Clarity of expected benefits – BEST PRACTICES

Relevant and measurable benefits are identified in the framework for each of the twelve eligible categories it contains. The benefits will be assessed by the issuer and quantified for all eligible project categories in the corresponding annual reporting. The issuer has committed to disclose an estimation of the refinancing share before each issuance to investors, and to disclose the exact share of refinancing in the reporting. Swedfund's investments under the framework will not be subject to a look-back period.

Process for project evaluation and selection



Transparency and clarity of the process for defining and monitoring eligible projects – BEST PRACTICES

Swedfund has established a clear process for evaluating and selecting eligible projects, encompassing decision-making criteria, and clearly defined roles and responsibilities, all of which are formalized in its publicly available framework. The process starts with representatives within Swedfund evaluating potential green or social projects for adherence to the framework eligibility criteria. A list of nominated green and social projects is presented to the Sustainability Bond Committee (the committee), which has the sole authority to approve these projects and place them on the sustainable bond register. The committee is composed of relevant representatives from the finance, sustainability, and strategy departments, as well as relevant subject matter specialists within the organization as needed. The committee convenes at least annually and is responsible for selecting and ensuring continued compliance with eligibility criteria, and for preparing annual reporting on the allocation and impact. The committee also retains the right to exclude any previously funded project if it no longer meets the eligibility criteria. If a project is sold, postponed, or otherwise loses its eligibility, the funds will be placed in temporarily unallocated funds until being reallocated to other eligible projects.

The issuer has a clearly defined and publicly disclosed environmental and social (E&S) risk identification and mitigation process to manage risks related to the eligible loans and associated projects, based both on internal policies and reference to external standards such as the IFC Performance Standards and the EDFI harmonized exclusion list.

Management of proceeds



Allocation and tracking of proceeds – BEST PRACTICES

Swedfund has defined a clear process for the management and allocation of bond proceeds in its publicly available framework. The net proceeds from sustainability bonds will be managed according to a portfolio approach, and Swedfund will use a sustainability register to track the allocation of net proceeds toward eligible green or social projects. There will be periodic tracking of how funds have been matched to eligible loans, and the balance of proceeds will be adjusted at least on an annual basis as long as bonds are outstanding. Swedfund's ambition is for the total value of the sustainability register to always exceed the total value of the sustainability bonds outstanding. Net proceeds will be allocated to eligible projects within 24 months of issuance, in line with market best practices. Temporarily unallocated proceeds will be held in the liquidity reserve and be managed in line with Swedfund's treasury management policies, as publicly disclosed in the framework.

Reporting

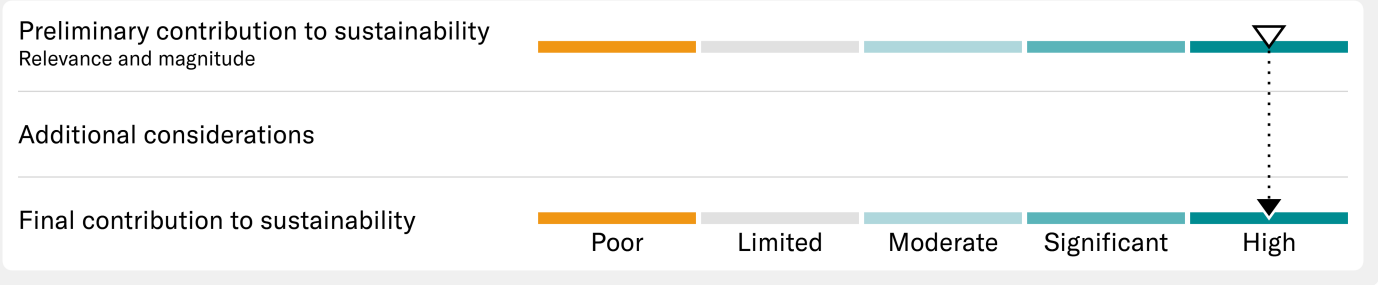


Reporting transparency – BEST PRACTICES

Swedfund will publish annual reporting on allocation and impact for its sustainable bonds until bond maturity. The report will be publicly available on Swedfund's website and will cover relevant information about the allocation of proceeds and the expected impact. The impact indicators are considered clear and relevant and cover the expected environmental and social benefits for all eligible categories. The calculation methodologies and assumptions used to report on environmental and social benefits will be included in impact reporting. The allocation reporting will be verified by an independent external party on an annual basis. The organization's impact reporting at entity level, which will also be used to report on sustainability impact for the present framework, is subject to an annual external audit.

Contribution to sustainability

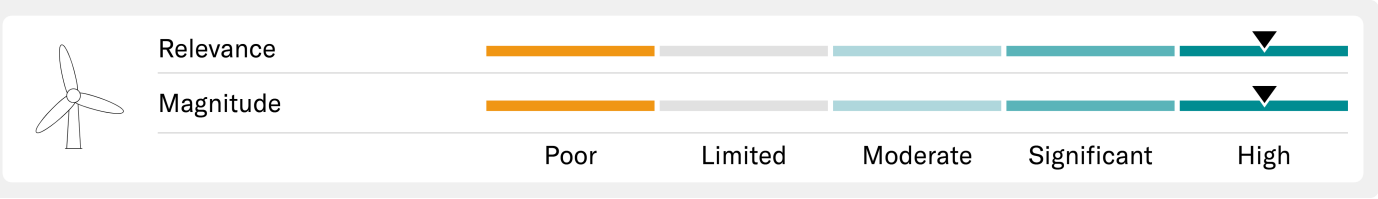
The framework demonstrates a high overall contribution to sustainability. This reflects a preliminary contribution to sustainability score of high, based on the relevance and magnitude of the eligible project categories, and we have not made an adjustment to the preliminary score based on additional contribution to sustainability considerations.



Preliminary contribution to sustainability

The preliminary contribution to sustainability is high, based on the relevance and magnitude of the eligible project categories. According to information provided by the issuer, the renewable energy and access to essential services categories will receive a proportionally higher share of expected issuance, so we have weighted categories accordingly for our assessment. A detailed assessment by eligible category has been provided below.

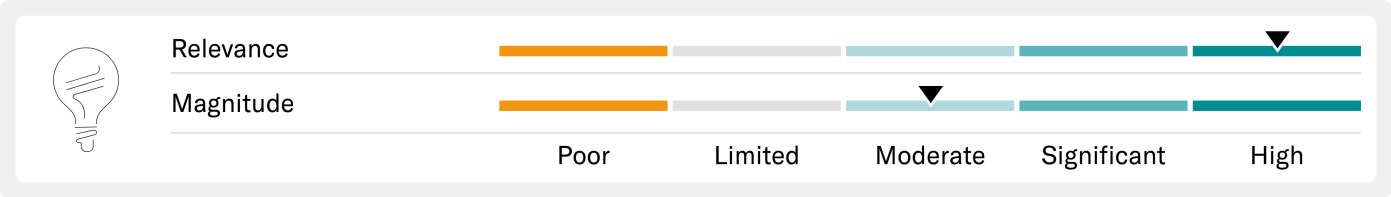
Renewable energy



Addressing climate change mitigation through renewable energy is highly relevant for the issuer, the sector and the regional contexts in which Swedfund operates. The development finance sector plays an important role in financing the energy transition and driving green finance towards international sustainable development objectives. Many of Swedfund's target regions are still highly reliant on fossil fuels for electricity generation. In Africa as a whole, the continent making up the largest share of the institution's portfolio, 25% of electricity was generated from clean sources last year, below the global average of 41%[3]. In South East Asia, rising energy demand has typically been met by fossil fuels, making up 60% of total energy investment in the past decade. Historically, coal has met this need, growing from 20% to 30% of the region's energy mix.[4].

Eligible renewable energy projects financed under this category are expected to highly contribute to long-term climate change mitigation goals. The vast majority (over 90%) of proceeds finance projects following best in class technologies and standards and with little to no externalities. Such projects include solar photovoltaic (PV) panels and wind power, which together account for well over half of estimated total financing under the category. For hydropower projects, only run-of-river projects without an artificial reservoir or low storage capacity are eligible, which are in line with stringent standards and have few inherent externalities. In addition, all hydro projects will be subject to assessments including identification of potential negative social and environmental impacts, encompassing measures to protect water dependent species and habitats. Measures to facilitate the integration of renewable energy technologies are viewed as an important enabling technology. Transmission and distribution of investments will largely focus on increasing the amount of renewable energy in the grid. However, included bioenergy projects are considered limited on a standalone basis. For these projects, the issuer has not set any specific thresholds for GHG emissions savings from a fossil fuel comparator. Bioenergy projects will use waste-based, certified woody biomass as feedstock; we consider woody biomass to have inherent externalities even when certified.

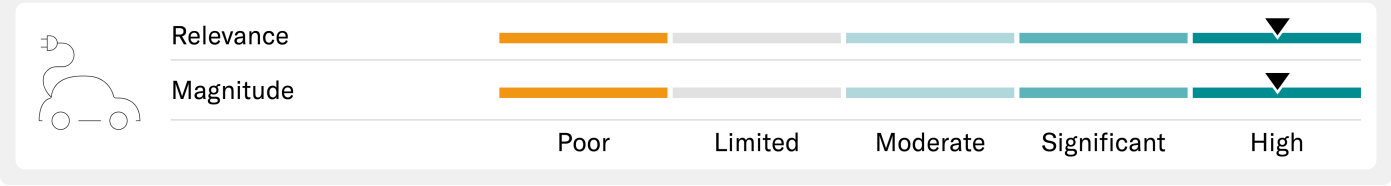
Energy efficiency



Addressing climate change mitigation through energy efficiency is considered highly relevant for the issuer, the development finance sector and the regional contexts in which it operates. Countries in Africa continue to struggle with high energy inefficiency due to underinvestment and undeveloped markets; energy efficiency improvement alone could bachieve a 40% reduction in energy-related emissions on the continent [5]. Driven by its fast-growing populations, economies and modern manufacturing sectors, Southeast Asia's energy demand increased by more than 50% between 2005 and 2020. According to the 2022 ASEAN Outlook, final energy demand is expected to double from now until 2050, even if national energy efficiency targets are achieved.[6].

Eligible energy efficiency projects financed under this category are expected to make a moderate contribution to long-term climate change mitigation goals. While most planned project types are associated with positive impacts—such as the installation of solar hybrid systems, heat pumps, and energy-efficient lighting; measures to reduce heat loss and enhance waste heat recovery; and innovations that lower emissions intensity—the only explicit threshold applied is a minimum 20% improvement in energy efficiency, which is considered a robust but not the most stringent threshold. As a result, the sustainability impact of these projects may vary widely depending on the sector context and the project-specific use case. The primary industries targeted by the issuer, including manufacturing, the agricultural value chain, green buildings, and the development of technologies enabling industrial energy efficiency, are not directly linked to carbon-intensive industrial applications, which helps limit lock-in risks. In addition, the Harmonized Exclusion List of the The European Development Finance Institution (EDFI) implemented by the issuer excludes any direct fossil fuel-related activities.

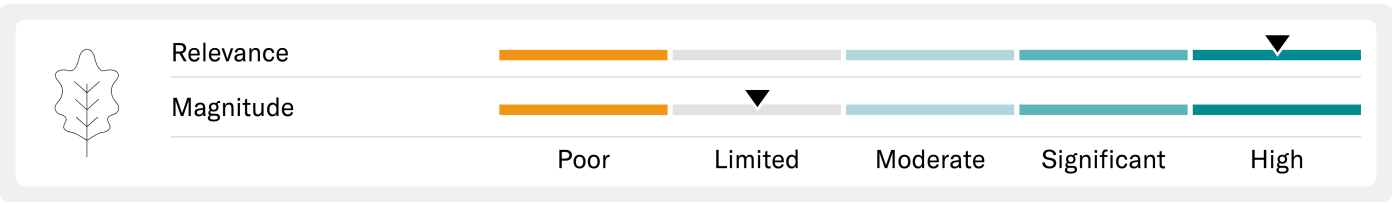
Clean transportation



Addressing climate change mitigation through clean transport is highly relevant for the issuer, the development finance sector and the regional contexts targeted. Development financial institutions are vital in financing the decarbonization of transport, and the transport sector, when considered globally, is currently not on track to meet the net zero emissions scenario of the IEA. The sector accounts for around one-fifth of global CO_2 emissions, three-quarters of which is from road transport[7]In the case of Africa, transport accounts for about one-third of the continent's total energy-related CO_2 emissions [8]. In Asia and the Pacific, the Transport sector's share in total fossil CO_2 emissions was 11% in 2022.[9].

Eligible transport assets financed under this category will have a high contribution to climate change mitigation. Projects are exclusively dedicated to electrified transport, including public transport (such as buses, trains, and trams), electric vehicles (EVs), and related infrastructure such as charging points. Zero tailpipe road vehicles such as EVs yield long-term environmental benefits by avoiding greenhouse gas emissions without lock in effects. Electrified public transportation likewise avoids emissions and has no lock-in effects, but has further benefits through encouraging modal shifts toward more sustainable means of travel, and avoids externalities (e.g. related to congestion) that are present for private vehicles. All technologies financed under this category are considered best available technologies with highly positive long term impact and little to no negative externalities.

Waste management and emission reduction

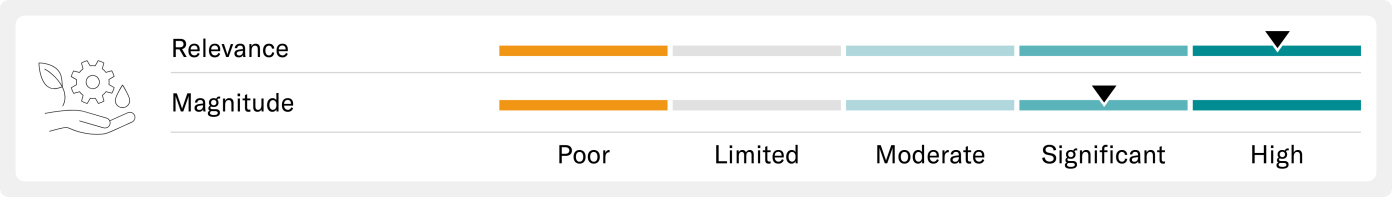


Addressing pollution prevention and control through waste management is considered highly relevant for the issuer, the development finance sector and the local contexts in which Swedfund operates. For a development financial institution, waste management projects are highly relevant to address climate change mitigation as well as reducing adverse side-effects from improper handling of waste. On the African continent, It is estimated that 70 to 80% of solid waste generated is recyclable, but only 4% of solid waste is currently recycled[10]. Although waste generation is currently lower in Africa than in the developed world, Sub-Saharan Africa is forecast to become the dominant region globally in terms of total waste generation if current generation trends persist. Limited waste management and recycling efforts, leading to drastic pollution on land and in oceans, has been reported as a critical environmental issue of plastic waste reduction in Southeast Asia. Currently, over 90% of plastic is still produced from fossil-based feedstocks rather than through circular means[11]).

Projects related to waste management and emission reduction under this category are expected to have a limited contribution to pollution prevention and control. Most of the allocation under this category will be to waste to biogas facilities, where most of the feedstock is expected to consist of bio-waste or agricultural residues, not feedstock purposefully grown for energy, nor dedicated food crops. No thresholds have been set relating to GHG emissions, substantially limiting visibility into positive environmental impact. Finally, we note the biogas will be used for purposes such as electricity and heat, vehicle fuel, or as feedstock for chemicals, and will have mitigation measures and a monitoring plan in place to minimize and control methane leakages.

Waste-to-energy facilities, in line with the Common Principles for Climate Mitigation Finance used by the issuer, must apply best available technologies and demonstrate a substantial reduction in relative emissions compared to the alternative of waste management. The feedstock used will be municipal solid waste, respecting the waste hierarchy. Projects must have a solid management in place regarding residues and ash, which is viewed favorably. Still, eligible waste to energy projects lack any specific thresholds with regards to emissions, or on the plant efficiency expressed in terms of a quantitative threshold compared to business as usual. There are also no specific thresholds for methane leaks.

Environmentally sustainable management of living natural resources and land use

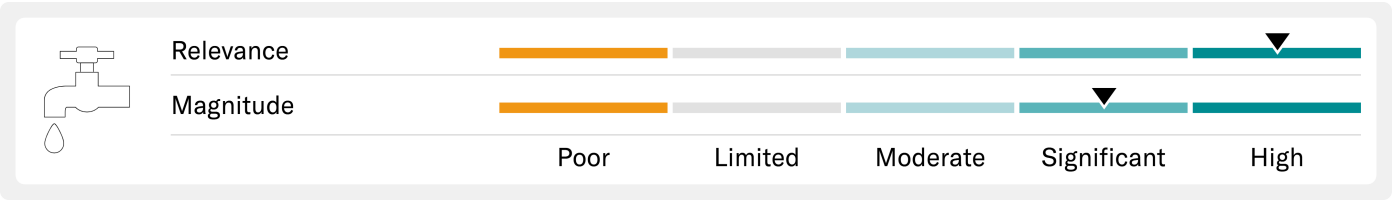


Addressing the objective of biodiversity protection and nature is highly relevant for the issuer, the development finance sector and the local contexts in which Swedfund operates. Nature is chronically underfunded with UN SDGs 12 and 15 among the lowest funded SDGs, and the development finance sector is particularly well placed to channel funding to this area. The materiality and urgency of the topic is underlined by the latest World Economic Forum Global Risk Report, where biodiversity and ecosystem collapse are ranked as 2nd in global priorities on a 10 year timeline. Africa is unique as a region, home to significant numbers of large mammals and incredibly rich in biodiversity. The living planet index (LPI) for Africa shows a decline of 76% in species richness, equivalent to 2.8% per year since 1970[12]. The LPI for the Asia-Pacific region has also declined by 60%, equivalent to 1.8% per year, since 1970[13]. Southeast Asian countries, which encompass four global biodiversity hotspots, currently experience some of the highest rates of tropical deforestation in the world due to the pressures from the expansion of oil palm and rubber plantations, logging, and urbanization, further highlighting the relevance of the category.

Eligible projects are likely to make a significant overall contribution to biodiversity, nature and the protection of ecosystems. Financing certified forestry projects is viewed favorably in line with good market practices (FSC and PEFC certifications), with compliance

ensured through legal obligations in investment agreements and audits. Still, the FSC and PEFC certifications alone do not exclude monocultures or non-native species, and do not fully address all inherent externalities relating to commercial forestry. As for eligible restoration projects, these are generally considered to use best-available nature-based solutions, including through rehabilitating degraded areas, reforesting, and creating ecological corridors. Sustainable agroforestry, which may also be included under this category, integrates trees with crops or livestock to boost biodiversity, soil health, and livelihoods. To the extent regenerative agriculture is included, projects will reduce but not completely eliminate chemical use. Positive impacts on biodiversity are highly likely, and specific biodiversity-related metrics and benefits will be reported at project level where relevant and applicable.

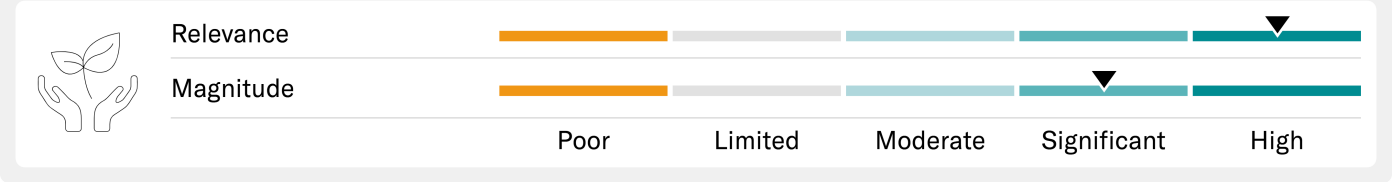
Sustainable water and wastewater management



Sustainable water and wastewater management is a highly relevant objective for the issuer, the development finance sector and the local contexts in which Swedfund operates. For a development financial institution, water and wastewater projects are highly relevant to address sustainable water and wastewater management. Only 19% of domestic wastewater in Sub-Saharan Africa is safely treated, in addition, only 68% have access to basic drinking water access and basic sanitation access stands at 48% [14] In South East Asia, 65 % of domestic wastewater in Eastern and South-Eastern Asia is safely treated (2024)[15].

Eligible projects—including sustainable infrastructure for clean and drinking water, wastewater treatment, storm water management and urban drainage systems—are expected to generate a significant contribution to the water and wastewater sustainable management objective. The issuer has provided information across eligible project types showing these generally use robust technologies. Regarding wastewater treatment, for instance, the planned measures and technologies are likely to lead to water savings, but also in some cases improvements to energy efficiency and reductions in GHG emissions, such as by minimizing the formation of methane and nitrous oxide in wastewater or stormwater systems through enhanced retention, treatment, and oxygenation processes. Under the Common Principles, projects are required to identify potential methane emissions, implement measures to minimize leaks, and establish continuous monitoring systems. However, while energy efficiency improvements and GHG emissions reductions are targeted for at least a subset of eligible projects, the issuer has not specified a minimum threshold for energy efficiency enhancement or emissions reduction within this category. Finally, we note that substantial social co-benefits associated with investments in basic water and wastewater management infrastructure are also present.

Climate change adaptation and resilience

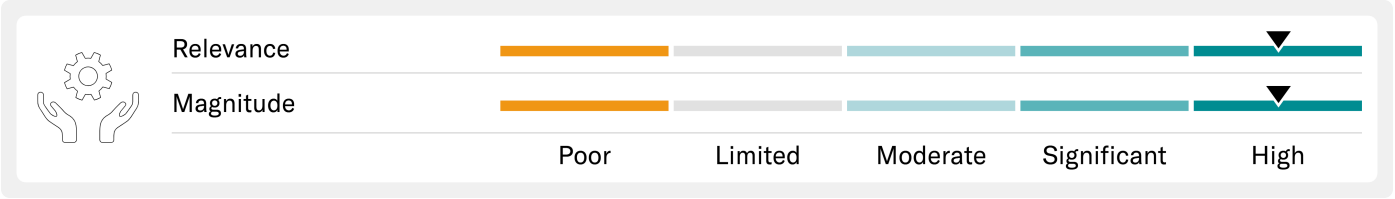


Addressing climate change adaptation is a highly relevant objective for the issuer, the development finance sector and the local contexts in which Swedfund operates. Securing adaptation funding remains difficult, especially in emerging markets. Data gaps and lack of standardized cost-benefit frameworks complicate capital mobilization, as do long timelines and limited bankable projects. In emerging markets (EMs), which tend to have greater vulnerability to physical climate risks than advanced economies (AEs), just $28 billion was spent on adaptation in 2022, compared with annual needs of $215 billion-$387 billion, according to United Nations (UN) estimates.

This category, overall, is considered to have a significant contribution to climate change adaptation and resilience. Most adaptation and resilience projects included are expected to have positive long-term impact, with little to no negative externalities, and planned projects ranged from ones with a narrow scope to ones for broadly improving resilience and capacity. Key examples include climate-resilient forestry and reforestation (e.g. planting drought- and heat-tolerant or mixed species to reduce climate and pest risks),

ecosystem and watershed restoration (such as wetland, mangrove, or riparian restoration to manage floods and water stress), and sustainable agroforestry and regenerative agriculture (integrating trees with crops, improving soil health, water retention, and farm resilience). There is, however, some lack of specificity on addressing project-specific externalities, such as those related to forestry plantations or agriculture, as detailed under "Environmentally sustainable management of living natural resources and land use."

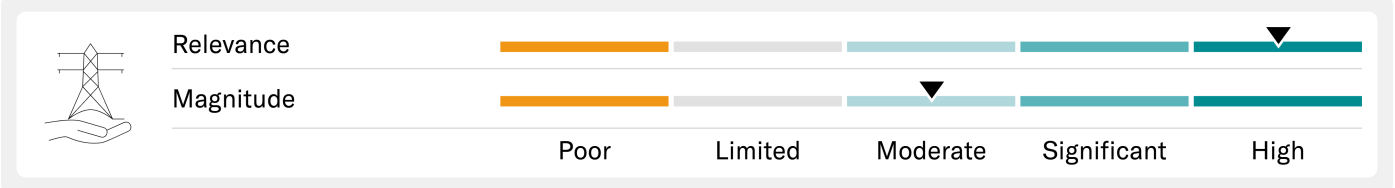
Access to essential services



Improving access to essential services, particularly healthcare, financial inclusion and digital inclusion, is a highly relevant objective for the issuer, the sector, and within the local contexts targeted. On financial inclusion, as per the Global Findex Database 2025, the portion of adults with a bank account is in the 50-70% range for most of sub-Saharan Africa, whereas nearly all OECD countries have a coverage of almost 100%. Further, in Africa in particular but across emerging markets, gaps in account ownership remain among underserved groups such as rural inhabitants, people with only primary education, or those out of the workforce. On health, major challenges remain in health in the geographical zones where Swedfund operates, meaning increased access to healthcare is considered very material. To pick just one indicator, infant mortality per 1000 births remains at an average of 40 for least-developed countries and 44 for sub-Saharan Africa, compared to an average of 27 globally, or 6 for OECD countries. According to ITU data (2023 being the most recent available), the portion of the population using the internet, which stands at over 95% for most OECD countries, is under 50% in many African countries, with Swedfund's key focus countries varying from as low as 35% (Kenya) to 76% (South Africa), underscoring the relevance of this category in the target geographies.

Eligible projects in this category are expected to highly contribute to improve access to healthcare, financial inclusion and digital technology, with all projects expected to have a strongly positive mid to long term impact. Each of the underlying three project types is assessed to target the populations in greatest need. For financial inclusion projects such as microfinance loans, Swedfund always assesses the rates provided by the financial institution. Moreover, all of Swedfund's microfinance investments are assessed for responsible lending practices, including fair and transparent pricing; market risks; characteristics of the institution, including its ownership and governance; and the vulnerability of the clients, including characteristics that may increase their susceptibility to overindebtedness, which we view to be in line with best practices. Healthcare projects, including the construction and operation of small specialty clinics, such as maternity clinics; increased access to health care services; and the distribution and logistics of medical equipment and pharmaceuticals; will all be assessed for the out-of-pocket cost to users, and to ensure quality of service. Digital technology projects aim to expand access to digital technologies and services, improve affordability and productivity and reduce barriers; the extent to which target populations are able to benefit from safe digital solutions is explicitly assessed, which we view positively. The issuer's exclusion criteria ensure sound project focus, such as through the exclusion of aesthetic medicine from eligibility.

Affordable basic infrastructure



Targeting increased access to affordable basic infrastructure, notably water, wastewater, and social infrastructure, is a highly relevant objective for the issuer, the sector and the local contexts in which it operates. This is particularly due to the growing demand for such infrastructure, where population expansion necessitates continued investment. As regards access to clean water and wastewater treatment, there is a clear need across Swedfund's target countries and regions. Across sub-Saharan Africa, the portion of the population with access to basic drinking water is 68%, compared to a global average of 91% and an OECD average of 99%. Similarly, there is a high need for more affordable housing across these geographies. In Nigeria, one of Swedfund's key target countries, the

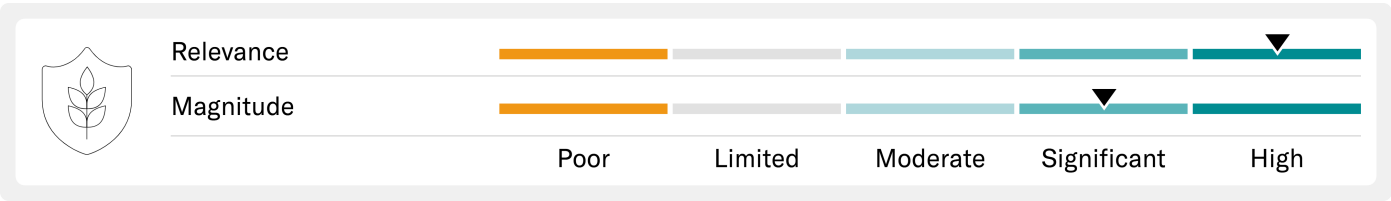
housing market is characterized by shortages of housing and the prevalence of informal housing, with a deficit of more than 28 million housing units. In Kenya, another key target country, 51% of the country's entire urban population lives in informal housing.

Projects within this category are expected to have a moderate overall impact towards enhancing access to affordable basic infrastructure. Projects for the provision and improvement of water and sewerage infrastructure in locations where these are inadequate or lacking are generally considered to have substantial positive impact for the population in greatest need. The issuer has specified that water projects classified under this category will focus on affordability of the water including for vulnerable communities, and improved access, and that these projects will follow the same environmental standards as those water projects classified under the green "Sustainable water and wastewater management" category, above, which is viewed positively.

The issuer's definition of social infrastructure projects under this category is largely focused on affordable housing, although other types of buildings may also be included. The affordable housing projects, encompassing student, social and affordable housing, are expected to significantly contribute to enhancing access to affordable housing for lower-income populations and those in greater need. The housing cost to income ratio or constitutes a key component of Swedfund's assessment for such projects, which also includes geographic targeting, inclusiveness, and alignment with national (and local) priorities. The stated aim is to ensure that housing investments are additional. All new construction will be subject to certain safeguards, and the same mechanisms for targeting populations in need will be in place regardless of building type. Still, the ultimate social impact may vary by building type in case of inclusion of buildings beyond housing.

Finally, this category also includes desalination projects. Desalination projects are generally considered to have such severe negative environmental externalities (from high energy use, and from the impact of brine) that these can limit their social impact, even though they do provide a source of clean drinking water. In this case, the issuer has specified certain environmental criteria, such as the use of reverse osmosis; the evaluation of potential impacts on marine and coastal ecosystems; and the presence of brine management plans. However, no visibility has been provided on energy usage or carbon intensity. Without such thresholds, desalination plants are only considered to have a limited positive impact.

Food security and sustainable food systems

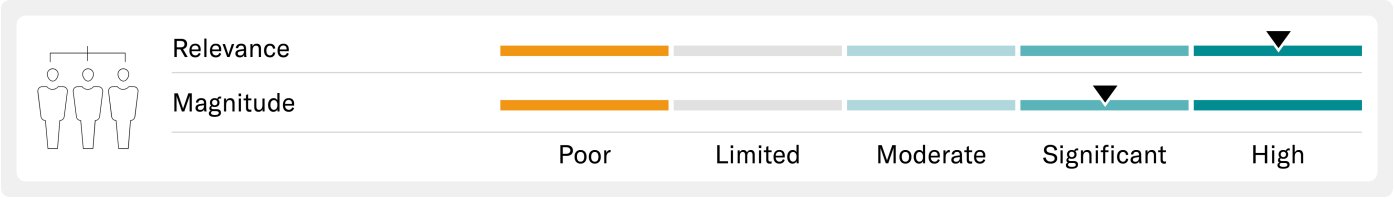


Addressing food security and sustainable food systems is highly relevant for Swedfund, the development finance sector and the local contexts where Swedfund operates. Sub-Saharan Africa is the region of the world with the greatest prevalence of undernourishment, with a number of countries where a substantial share of the population has a food intake insufficient to meet dietary energy requirements for a minimum of one year. Moreover, climate change impacts accelerating and are expected to hit less developed countries more severely, especially as regards food security. According to the United Nations Development Program (UNDP), the world's poorest countries are estimated to face steep losses in agricultural productivity, with median national crop yields projected to decline by around 25–30% by 2100 under very high emissions scenarios.[16] These risks further highlight the relevance of addressing food security in the target geographies of Swedfund.

Projects in this category are expected to significantly contribute to food security and sustainable food systems by creating long-term positive impacts. Projects including investments in inputs, primary agricultural production, warehousing and logistics, local processing, and trade and distribution of end products, will target underserved populations, primarily smallholder farmers (including subsistence farmers) or agricultural (and agricultural value chain) workers facing low and unstable incomes. All food security projects will be screened and monitored against the UN FAO Principles for Responsible Investment in Agriculture and Food Systems, which ensure due consideration of nutrition; economic development and poverty reduction; gender equality; youth involvement; and sustainable management of natural resources, among other aspects. Physical climate risk vulnerabilities are systematically considered under this category, which we view positively, and project design includes assessments of risks such as drought, flooding, heat stress, and climate-driven pests. However, we do note that the category includes both financing of food security for local populations in agricultural

projects, as well as export crops. Further, projects may involve limited land conversion, although for such cases, the use of already developed or degraded land is prioritized. Swedfund does not finance projects that involve the conversion of natural forests.

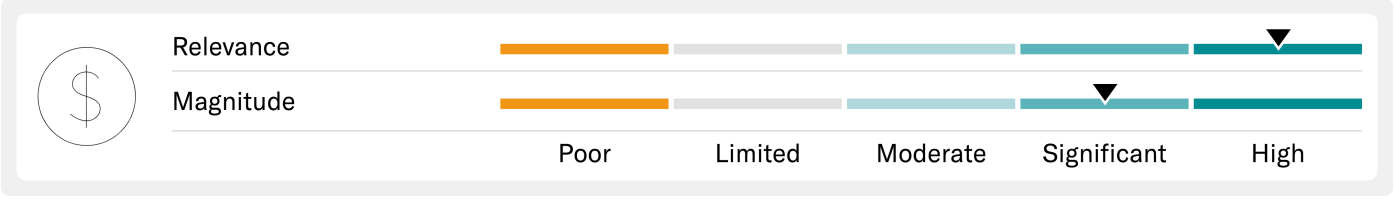
Employment generation



Addressing employment generation is highly relevant for the issuer, the sector and the local contexts in which Swedfund operates. According to the UN Sustainable Development Solutions Network (SDSN) SDG index, major challenges remain in decent employment and economic growth in the geographical zones where the issuer operates, and in particular in its priority countries (least developed countries and including sub-Saharan African countries). Sub-Saharan Africa and South Asia countries are identified as regions with high levels of informality in labor markets. These countries generally have lower per-capita incomes, greater poverty, greater income inequality, less developed financial markets, and weaker investment.

The eligible category is considered to have a significant contribution to the employment generation goals. All projects are expected to have substantial positive long-term impact for relevant target populations, focusing primarily, if not exclusively, on the most vulnerable groups. Projects in this category aim to improve and increase employment opportunities, especially for low-income populations, youth, and women, through support to micro, small, and medium enterprises (MSMEs). When loans are channeled through financial institutions, Swedfund always assesses the rates provided in relation to the market rates as part of its due diligence and checks for responsible lending practices, including measures in place to address vulnerable clients, which is viewed positively. The issuer has stated that around half of total expected allocation under this category - and nearly all of the portion channeled through microfinance institutions and non-bank financial institutions - will be targeted at micro and small enterprises, which we consider to be the population in greatest need, as opposed to larger medium sized-enterprises. Meanwhile, the portion of the category channeled through fund investments can involve larger medium-sized companies and bigger ticket sizes, though with the same rigorous social impact due diligence processes in place. Finally, the issuer has not targeted any specific sectors with potentially greater positive impact, beyond the framework-level exclusion list.

Socioeconomic advancement and empowerment



Addressing socioeconomic empowerment and advancement is considered highly relevant for the issuer, the development finance sector and the regional contexts in which the institution operates. According to the UNSDSN SDG index, major challenges remain in gender equality in the geographical zones where the issuer operates, and in particular in its priority countries (least developed countries and including sub-Saharan countries). Sub-Saharan African and South Asian countries, which are priority intervention areas for the issuer, generally suffer from stronger gender inequality[17]

Projects in this category are anticipated to significantly advance socioeconomic empowerment by focusing on women-led enterprises. The focus of this category is in MSME financing targeting female entrepreneurs and founders; companies with female leaders and board members; companies with many female workers; and companies targeting female clients. All projects will adhere to the 2X Criteria for gender-based investing, which is viewed positively. In general, these projects are seen to have substantial mid to long-term positive impact for relevant target populations. When loans are channeled through financial institutions, Swedfund always assesses the rates provided in relation to the market rates as part of its due diligence and checks for responsible lending practices, which is assessed positively. Still, the category's targeting primarily, but not exclusively, of the most vulnerable groups; the inclusion of allocation to both

larger and smaller enterprises (that is, including larger medium sized companies in addition to micro and small enterprises); and the lack of specific sectoral targeting somewhat limit the potential positive impact.

Additional contribution to sustainability considerations

We have not made an adjustment to the preliminary contribution to sustainability score based on additional considerations.

As regards ESG risk management, Swedfund conducts very comprehensive and thorough environmental and social risk identification, evaluation and mitigation, both as part of the project evaluation, selection process, and throughout the life cycle of projects. This work is carried out by a dedicated ESG risk management team. To contribute to the creation of sustainable businesses, portfolio companies must offer jobs with decent working conditions, introduce management systems to manage environmental and social risks and human rights, and actively engage in business integrity. The issuer discloses detailed information on its ESG risk management processes in its annual reporting.

As regards coherence, we note that the eligible project categories, which are themselves closely associated with the UN SDGs, are fully coherent with Swedfund's overall goals. For the for the 2024-2030 period, the objective is for Swedfund to triple the impact created through investments, feasibility studies and local capacity building by 2030. The organization's strategy is based on the Swedish government's ownership policy for state-owned companies, Swedfund's public policy assignment and needs in developing countries. This means that within the framework of the Sustainable Development Goals, SDG 1, (No poverty), SDG 5 (Gender equality), SDG 8 (Decent work and economic growth), SDG 10 (Reduced inequalities) and SDG 13 (Climate action) continue to be prioritized. Furthermore, the issuer's responsibility strategy includes the integration of sustainable development across its operations. Of the most recent capital contribution in 2025, 33% was earmarked toward climate investments, which in any case already represented a substantial share of the existing portfolio.

Appendix 1 - Alignment with principles scorecard for Swedfund's Sustainability Bond framework

Factor	Sub-factor	Component	Component score	Sub-factor score	Factor score
Use of proceeds	Clarity of the eligible categories	Nature of expenditure	A	Best practices	**Best practices**
		Definition of content, eligibility and exclusion criteria for nearly all categories	A		
		Location	A		
		BP: Definition of content, eligibility and exclusion criteria for all categories	Yes		
	Clarity of the objectives	Relevance of objectives to project categories for nearly all categories	A	Best practices	
		Coherence of project category objectives with standards for nearly all categories	A		
		BP: Objectives are defined, relevant and coherent for all categories	Yes		
	Clarity of expected benefits	Identification and relevance of expected benefits for nearly all categories	A	Best practices	
		Measurability of expected benefits for nearly all categories	A		
		BP: Relevant benefits are identified for all categories	Yes		
		BP: Benefits are measurable for all categories	Yes		
		BP: Disclosure of refinancing prior to issuance and in post-allocation reporting	Yes		
		BP: Commitment to communicate refinancing look-back period prior to issuance	Yes		
Process for project evaluation and selection	Transparency and clarity of the process for defining and monitoring eligible projects	Clarity of the process	A	Best practices	**Best practices**
		Disclosure of the process	A		
		Transparency of the environmental and social risk mitigation process	A		
		BP: Monitoring of continued project compliance	Yes		
Management of proceeds	Allocation and tracking of proceeds	Tracking of proceeds	A	Best practices	**Best practices**
		Periodic adjustment of proceeds to match allocations	A		
		Disclosure of the intended types of temporary placements of unallocated proceeds	A		
		BP: Disclosure of the proceeds management process	Yes		
		BP: Allocation period is 24 months or less	Yes		
Reporting	Reporting transparency	Reporting frequency	A	Best practices	**Best practices**
		Reporting duration	A		
		Report disclosure	A		
		Reporting exhaustivity	A		
		BP: Allocation reporting at least until full allocation of proceeds, and impact reporting until full bond maturity or loan payback	Yes		
		BP: Clarity and relevance of the indicators on the sustainability benefits	Yes		
		BP: Disclosure of reporting methodology and calculation assumptions	Yes		
		BP: Independent external auditor, or other third party, to verify the tracking and allocation of funds	Yes		
		BP: Independent impact assessment on environmental and social benefits	Yes		
Overall alignment with principles score:					**Best practices**

Legend: BP - Best practice, A - Aligned, PA - Partially aligned, NA - Not aligned

Appendix 2 - Mapping eligible categories to the United Nations' Sustainable Development Goals

The twelve eligible categories included in Swedfund's framework are likely to contribute to twelve of the United Nations' Sustainable Development Goals (SDGs), namely:

UN SDG 17 Goals		SDG Targets
GOAL 1: No Poverty	*Access to essential services*	1.2: Reduce at least by half the share of people living in poverty according to national definitions
GOAL 2: Zero Hunger	*Food security and sustainable food systems*	2.1: End hunger and ensure access by all people to safe, nutritious and sufficient food all year round
		2.3: Double agricultural productivity and incomes of small-scale farmers through equal access to resources and opportunities
GOAL 3: Good Health and Well-being	*Access to essential services*	3.8: Achieve universal health coverage with access to quality and affordable essential health-care services and medicines for all
GOAL 5: Gender Equality	*Socioeconomic advancement and empowerment*	5.5: Ensure women's full participation and equal opportunities for leadership at all levels of political and economic life
GOAL 6: Clean Water and Sanitation	*Affordable basic infrastructure*	6.1: Achieve universal and equitable access to safe and affordable drinking water for all
GOAL 7: Affordable and Clean Energy	*Renewable energy*	7.2: Increase substantially the share of renewable energy in the global energy mix
	Energy efficiency	7.3: Double the global rate of improvement in energy efficiency
GOAL 9: Industry, Innovation and Infrastructure	*Employment generation* *Socioeconomic advancement and empowerment*	9.3: Increase SMEs' access to finance, and their integration into value chains and markets, particularly in emerging markets
GOAL 10: Reduced Inequality	*Access to essential services* *Socioeconomic advancement and empowerment*	10.2: Empower and promote the social, economic and political inclusion of all
GOAL 11: Sustainable Cities and Communities	*Affordable basic infrastructure*	11.1: Ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums
	Clean transportation	11.2: Provide access to safe, affordable, accessible and sustainable transport systems for all
GOAL 12: Responsible Consumption and Production	*Waste management and emission reduction*	12.5: Substantially reduce waste generation through prevention, reduction, recycling and reuse
GOAL 13: Climate Action	*Renewable energy* *Energy efficiency* *Clean transportation*	Measures to reduce GHG emissions contribute to climate action under SDG 13
	Climate change adaptation and resilience	13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
GOAL 15: Life on Land	*Environmentally sustainable management of living natural resources and land use*	15.2: Promote the implementation of sustainable management of all types of forests
		15.5: Reduce the degradation of natural habitats and biodiversity loss, and prevent the extinction of threatened species

The United Nations' Sustainable Development Goals (SDGs) mapping in this SPO considers the eligible project categories (or key performance indicators) and associated sustainability objectives/benefits documented in the issuer's financing framework, as well as resources and guidelines from public institutions, such as the ICMA SDG Mapping Guidance and the UN SDG targets and indicators.

Appendix 3 - Summary of eligible categories in Swedfund's framework

Eligible Categories	Eligible Sub-categories	Description	Sustainability Objectives	Impact Reporting Metrics
Renewable energy	Solar power	- Solar power technologies such as photovoltaics and solar thermal technology.	Climate change mitigation	- Installed renewable energy capacity (kW) - Annual renewable energy generation (MWh) - Annual avoided emissions (tCO2e)
	Wind power	- Onshore or offshore wind power projects.		
	Hydro power	- Facilities generating electricity from hydropower, where the facility is a run-of-river plant without an artificial reservoir.		
	Bioenergy	- Facilities used for electricity generation or heating/cooling generation from bioenergy based on sustainably sourced waste-based materials and/or by-products from the forestry/agricultural industry. Sustainably sourced means that the feedstock used by the bioenergy production facility should be traceable, originate from FSC/PEFC-certified sources, and prioritise local sourcing to minimise transport-related emissions. - Facilities producing biofuel, biogas, biochar and/or biomass based on sustainably sourced waste-based materials and/or by-products from the forestry/agricultural industry.		
	Measures to facilitate the integration of renewable energy technologies	- Storage facilities for electricity, thermal energy and hydrogen, designed to store energy for later use and helping to manage the intermittency of renewable energy sources. - Investments in transmission and distribution systems supporting the delivery of very-low-carbon electricity, enabling the integration of additional renewable energy into the grid, or supporting smaller, independent energy systems (such as minigrids) that are based on renewable energy. - Information and communications technology enabling the effective management and distribution of renewable energy, such as smart grid technology.		
Energy efficiency	Energy efficiency	- Upgrade, retrofits and improvements of energy production and storage that demonstrate substantial reductions in energy consumption or GHG emissions compared to the pre-investment situation.* - Measures, technologies, goods or services that demonstrate substantial reductions in the carbon footprint or energy consumption of the project/process compared to the GHG emissions from a corresponding fossil fuel-based alternative or the pre-investment situation. Examples include the installation of solar hybrid systems, heat pumps, and energy-efficient lighting; optimisation of industrial processes; reduction of heat loss and enhancement of waste heat recovery; and innovations that lower emissions intensity, improve process performance, or enable efficient use of materials or energy. *Energy-efficiency investments related to fossil fuel production or fossil-intensive industrial activities are excluded.	Climate change mitigation	- Annual energy use reduced/avoided (MWh or GWh or %)
Clean transportation	Public transport	Fully electric driven public transportation systems such as metro, buses, trains, trams or ferries.	Climate change mitigation	- Number of vehicles financed
	Passenger transport	Fully electric driven vehicles such as passenger cars, motorbikes and commercial vehicles.		
	Supporting infrastructure	Charging infrastructure for electric driven vehicles and electrified railways.		- Number of charging points installed or upgraded - Passenger km in new means of transportation

Eligible Categories	Eligible Sub-categories	Description	Sustainability Objectives	Impact Reporting Metrics
Waste management and emission reduction	Waste-to-biogas	Facilities* dedicated to the treatment of sewage sludge or separately collected bio-waste through anaerobic digestion or composting, resulting in the production and utilisation of biogas. The feedstock should be sourced locally to minimise transportation emissions. * A monitoring and contingency plan should always be in place to minimise potential methane leakage at the facility, and the produced biogas is used for the following purposes: (i) directly for the generation of electricity or heat, (ii) upgraded to bio-methane for injection in the natural gas grid, or (iii) used as vehicle fuel or as feedstock in chemical industry.	Pollution prevention and control	- Annual reduction or avoidance of pollutants (e.g. tonnes of nitrogen oxide emissions) - Quantity of recycled material (tonnes per year - Energy generation (MWh per year) - GHG emissions avoided (tonnes per year)
	Waste-to-energy	Waste-to-energy facilities using municipal solid waste as feedstock and where the waste incineration process follows a waste hierarchy, ensuring that as much of the waste as possible is reused and recycled before being converted to energy. These facilities can use a mix of different sustainable energy sources, such as sustainably sourced biomass/fuels derived from waste or by-products, municipal waste, water-thermal energy, and recovered energy.		
Environmentally sustainable management of living natural resources and land use	Sustainable forests and forestry	Management of forests, commercial plantations and related wood industries, such as saw mills and plywood mills, where the forest or biomass used in the production is, or will be certified within three years of investment , in accordance with the Forest Stewardship Council (FSC) and/or Programme for the Endorsement of Forest Certification (PEFC) standards or other relevant and applicable standard.	Biodiversity and nature	- Forest area under certified sustainable forest management (hectares) - Net carbon sequestration (tonnes per year) (if available) - Area of habitat or ecosystem protected/conserved/restored/managed
	Protection, restoration and improvement of biodiversity, ecosystems and nature resilience	- Activities that support the creation, conservation, and restoration of terrestrial, freshwater and marine ecosystems, as well as populations of related fauna and flora species. Examples include projects such as reforestation, afforestation, revegetation, wetland, peatland, mangrove, and other blue carbon ecosystem restoration, sustainable agroforestry, and regenerative agriculture. - Measures to manage and increase the proportion of green and blue spaces in the urban environment for the purpose of contributing to biodiversity, recreation, equalizing temperatures, cleaning the air and reducing noise.		
Sustainable water and wastewater management	Lower-carbon and resource-efficient water supply	Construction, extension, and renewal of systems, as well as measures and technologies aimed at substantial improvements in energy efficiency, water savings, and reductions in GHG emissions, such as projects replacing tanker use or local coping mechanisms with piped utility water supply systems, replacement of leaking pipes, or the deployment of low-energy consumption technologies or equipment.	Sustainable water and wastewater management	- Volume of water saved/avoided, recycled/reused, or reduced (m3) - Energy use reduced/avoided (kWh/m3) - Volume of wastewater treated or reduced/avoided - Emissions/pollutants reduced/avoided (e.g. GHG emissions, tonnes of phosphorus, nitrogen and/or other pollutants) - Estimated improvement in water management measured by applicable indicator, such as improvement in the amount of rainwater that is retained, improvement in removed urban runoff pollutants, or improvement in the management of peak flow
	Lower-carbon and resource-efficient wastewater management	Construction, extension, and renewal of systems, as well as measures and technologies aimed at substantial improvements in energy efficiency, water savings, and reductions in GHG emissions and pollution through enhanced wastewater treatment. Example projects include treatment systems designed to remove biochemical oxygen demand (BOD) and reduce methane or nitrous oxide emissions through improved wastewater collection and treatment.		
	Sustainable water management	Storm water management structures and urban drainage systems dedicated to mitigating pollution and flood hazards.		

Eligible Categories	Eligible Sub-categories	Description	Sustainability Objectives	Impact Reporting Metrics
Climate change adaptation and resilience	Climate change adaptation and resilience	- Adaptation activities that integrate measures to manage physical climate risks and ensure the project's objectives are realised despite these risks, such as adjustments or improvements to help the project withstand current and future impacts of climate change. - Adaptation activities that directly reduce physical climate risks and enhance the adaptive capacity of the system in which the activity takes place, based on a robust understanding of the climate risks faced by the system. - Adaptation activities that address the underlying causes of climate vulnerability at the systemic level and/or remove barriers to adaptation - such as gaps in knowledge, capacity, technology, or regulation - while creating enabling conditions for policy, infrastructure, natural asset improvements, and capacity building.	Climate change adaptation and resilience	- Physical climate risk addressed and expected adaptation related outcome (quantified if possible) - Number of individuals/households/ area addressed
Access to essential services	Financial inclusion	- Financing for financial institutions exclusively dedicated to on-lending, investments, and/or providing insurance to underserved groups, including individuals, households and enterprises with limited or no access to mainstream financial services, as outlined in the target population definition to the right. - Financing for fintech companies, microfinance institutions, and credit funds that generate at least 90% of their revenues from investing in or providing financial services to underserved groups (as outlined to the right). Institutions providing microloans are required to comply with Customer Protection Principles to ensure active promotion of responsible lending and management practices. These include transparent pricing, avoiding excessive indebtedness, collecting debt responsibly, and respecting personal integrity. **Rationale:** Lack of adequate formal financing, particularly for certain segments, which hinders economic opportunities, growth, and equality. **Target populations:** Underserved groups in developing countries, Low-Income Countries (LICs) and countries in fragile and conflict-affected situations* with limited access to financial or insurance products, such as MSMEs, women-owned enterprises, women, youth, and individuals or households with low incomes or living in rural areas. *Countries included in the World Bank Group's list of countries with high levels of institutional and social fragility or countries affected by violent conflict.	Enhancement of access to essential services	- MSME loans (number, volume, % women clients) - Digital loans (number, volume, % women clients)
	Access to safe and effective healthcare and related services	- Products and services aimed at improving access to safe, quality and/or affordable healthcare. - Products and services aimed at improving women's right to make their own informed decisions regarding sexual relations, contraceptive use and reproductive healthcare, for example relating to menstrual health and hygiene. All projects are assessed based on their contribution to improving access for underserved groups with limited access to safe, quality and/or affordable healthcare. This evaluation considers the project's impact on: (i) the availability of previously scarce or unavailable products and services, through increased or new access for customers and end-users, ii) the reliability of the products or services, through improved quality, stability and frequency of supply, or iii) the affordability of products or services, through reduced prices for customers and end-users. **Rationale:** Access to safe and effective healthcare improves health and quality of life, reduces infant and maternal mortality, and boosts economic development through increased productivity. **Target populations:** Underserved groups in developing countries, LICs, and countries in fragile and conflict-affected situations with limited access to safe, quality and affordable healthcare.		- Number of hospital beds (total, % women) - Number of consultations (total, % women)

Eligible Categories	Eligible Sub-categories	Description	Sustainability Objectives	Impact Reporting Metrics
Access to essential services	Access to digital technology and solutions	- Enabling environment for digitalisation: investments aimed at addressing the lack of efficient and sustainable digital infrastructure and adequate digital skills. Examples of projects include broadband networks, cable data transmission, IT servers, data centres and cloud technology, as well as digital skills solutions such as educational platforms and initiatives to enhance digital literacy. - Digital business models: investments in digital business models where digital technology is at the core (such as AI solutions and digitally embedded finance solutions) or disruptive/transformative/innovative models leveraging digital technology to accelerate sustainable development (such as Cleantech, Agritech and Fintech). All projects are assessed based on their contribution to improving access to sustainable and inclusive digitalisation with the potential to accelerate development. Sustainable digitalisation refers to digital infrastructure and solutions that are cost- and energy efficient, ethical, sustainable, and respectful of people and the planet. Inclusive digitalisation ensures that digital technologies and their benefits are accessible to everyone, regardless of socio-economic status, geographical location, gender, age, or abilities. **Rationale:** Digitalisation has the potential to drive economic growth by creating business opportunities, jobs, increasing productivity and enabling access to global markets. However, unequal access to digital services excludes billions, particularly in developing countries and among women, rural, and older individuals. To ensure inclusive digitalisation benefits, technologies must be accessible to all, regardless of socio-economic status, location, gender, age, or abilities. Innovative digital business models, such as those leveraging AI, can further accelerate digitalisation, enhance efficiency and drive productivity in developing societies. Extending these technologies to vulnerable communities is crucial for fostering equitable progress. **Target populations:** Underserved groups in developing countries, LICs, and countries in fragile and conflict-affected situations with limited access to connectivity or digital solutions.	Enhancement of access to essential services	- Number of users (individuals or businesses) / beneficiaries (#)
Affordable basic infrastructure	Drinking water infrastructure	- Solutions and technologies for water collection, treatment and supply to ensure broad access to safe and reliable drinking water.	Enhancement of access to basic infrastructure	- Annual volume of clean drinking water supplied (m3) - Beneficiaries relating to improved water quality
	Wastewater infrastructure	- Solutions and technologies for the collection and treatment of wastewater to reduce pollution, prevent the spread of waterborne diseases, and safeguard water sources.		
	Social infrastructure	Investments in the construction or retrofitting of public service buildings, student-, social or affordable housing, schools, hospitals, and other community facilities, to promote sustainable, inclusive urban growth and strengthen community resilience. **Rationale:** The build-out of social infrastructure is critical for building sustainable communities, especially in emerging markets where existing systems are often insufficient or undersized. Growing urban populations and inadequate financing put further pressure on communities' public services, including schools, hospitals, and social and student housing. Access to clean water and sanitation reduces the incidence of waterborne diseases and can improve general public health, thereby helping to reduce inequalities and promote social inclusion. **Target population:** Underserved groups in developing countries, LICs, and countries in fragile and conflict-affected situations with limited access to adequate and affordable housing as well as essential services such as clean water and sanitation. Some projects may specifically cater to underserved groups such as women, children or the elderly.		

Eligible Categories	Eligible Sub-categories	Description	Sustainability Objectives	Impact Reporting Metrics
Food security and sustainable food systems	Food security and sustainable food systems	- Food and agricultural value chain projects that are aligned with and/or adopt relevant food system principles, standards, or certifications, including the UN FAO Principles for Responsible Investment in Agriculture and Food Systems and the Roundtable on Sustainable Palm Oil, as applicable to the value chain and sector, and with the ultimate goal of improving the productivity of agriculture in a sustainable manner, decrease waste, creating formal jobs and increased food security. Agricultural projects may include investments in input products, agriculture/primary production, warehousing and logistics, local manufacturing and processing, as well as trade, distribution and sales of agricultural products. **Rationale:** Globally, three billion people cannot afford a nutritious diet, and over 800 million are undernourished. Despite favourable agricultural conditions, Africa imports up to 65% of its food.. Smallholder farmers, who contribute up to 90% of food production in some countries in Southern Africa, often face low and unstable incomes and lack resources and support to grow sustainably and overcome barriers to access markets. Moreover, limited food processing results in significant waste, while food security is further undermined by climate change, geopolitical challenges, conflict, and population growth. Investments in increasing food production, reducing waste, and improving sustainability across the value chain are essential for creating formal jobs, fostering economic empowerment and social resilience, and enhancing food security through greater production and resource efficiency. **Target population:** Improved livelihoods for underserved groups in developing countries, LICs, and countries in fragile and conflict-affected situations by enhancing income and resilience for local populations through the processing of raw materials and moving up the value chain.	Food security and sustainable food systems	- Smallholder farmers reached (total, % women) - Agricultural loans (number, volume, % women) - Estimated improvement in local processing capacity
Employment generation	Employment generation	- Investments in MSMEs* aimed at contributing to the development and growth of the private sector to create and maintain decent jobs and increase tax revenues in the country. The investee companies must comply with decent working conditions in accordance with the ILO Declaration on Fundamental Principles and Rights at Work within no more than three years, from the date of investment. **Rationale:** By 2030, 600 million jobs must be created to address the needs of a growing, young population. These should be productive jobs in the formal sector with decent working conditions. With 90% of jobs generated by the private sector, investments are crucial to help businesses grow, create employment, and boost tax revenues. SMEs, however, often struggle to access the capital needed to expand and improve productivity. **Target group:** MSMEs in developing countries, LICs, and countries in fragile and conflict-affected situations, particularly those relevant for creating jobs for women, youth, individuals with low incomes, or those living in rural areas, as well as MSMEs owned or led by such groups. *Swedfund applies the IFC definition for MSMEs, except in investments involving the EU Guarantee, where the EU SME definition is used instead.	Decent work and economic growth	- Number of direct jobs (total, % women) - Taxes and other similar items (corporation tax as a minimum), translated into SEK - Number of indirect jobs (total, % women)

Eligible Categories	Eligible Sub-categories	Description	Sustainability Objectives	Impact Reporting Metrics
Socioeconomic advancement and empowerment	Socioeconomic advancement and empowerment	- Investments in companies that align with the Basic 2X ESG and minimum Governance & Accountability criteria as well at least one of the 2X Criteria for gender-lens investing to promote women's economic empowerment, outlined as follows: i. Entrepreneurship and ownership: The company is founded by a woman, or women ownership is at least 51% ii. Leadership: At least 30% of senior management, the board, or the investment committee are women (depending on country- and sector-specific thresholds) iii. Employment: Women make up at least 30-50% of the workforce (depending on country and sector-specific thresholds), and the company has at least one quality-related employment indicator in place beyond compliance iv. Supply chain: The company demonstrates a commitment to women in its supply chain is in place and has at least one quality-related supply chain indicator in place beyond compliance v. Products and services: The company offers product(s) or services(s) that enhance the well-being of women or girls and/or promote gender equity - Investments through financial intermediaries that align with the 2X criteria also through their portfolios. **Rationale:** There is a significant gap in economic empowerment between women and men. Gender equality is not only a matter of fairness but also a prerequisite for sustainable development. Research shows that increased gender equality enhances economic productivity, reduces poverty, and strengthens social cohesion. According to World Bank estimates, global income per capita could be almost 20% higher if women participated in the labour market under the same conditions and to the same extent as men. **Target group:** Women as owners, employees and consumers in developing countries.	Supporting socioeconomic empowerment and advancement	- Number of 2X Criteria-aligned investments - Development of the proportion of women on boards, in senior positions, and in the total workforce

Endnotes

1 Point-in-time assessment is applicable only on date of assignment or update.

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17 UNDP, Gender Inequality Index, Accessed 12 February 2026

Moody's assigns SPOs in alignment with the main tenets of the ICMA Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews and the LSTA/LMA/APLMA Guidance for Green, Social and Sustainability-Linked Loans External Reviews, as applicable; Moody's practices may however diverge in some respects from the practices recommended in those documents. Moody's approach to assigning SPOs is described in its Assessment Framework, and is subject to the ethical and professional principles set forth in the Moody's Investors Service Code of Professional Conduct.

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