



CLIMATE TRANSPARENCY REPORT 2020

Swedbank Robur

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2020 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2020 Reporting Framework response. The full Public Transparency Report is available here (<https://reporting.unpri.org/surveys/PRI-reporting-framework-2020/-D1902369-E901-40C7-9F86-50F1C48CA0AE/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1>). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2020 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

| Strategy and Governance - CC | | | TCFD Recommendation | | | |
|------------------------------|----------|------------|---------------------|----------|-----------------|-------------------|
| Indicator | Reported | Disclosure | Governance | Strategy | Risk Management | Metrics & Targets |
| SG 01.6 CC | ✓ | Public | | | | |
| SG 01.7 CC | ✓ | Public | | | | |
| SG 01.8 CC | ✓ | Public | | | | |
| SG 01.9 CC | ✓ | Public | | | | |
| SG 01.10 CC | ✓ | Public | | | | |
| SG 07.5 CC | ✓ | Public | | | | |
| SG 07.6 CC | ✓ | Public | | | | |
| SG 07.7 CC | ✓ | Public | | | | |
| SG 07.8 CC | - | Public | | | | |
| SG 13.1 | ✓ | Public | | | | |
| SG 13.2 | ✓ | Public | | | | |
| SG 13.4 CC | ✓ | Public | | | | |
| SG 13.5 CC | ✓ | Public | | | | |
| SG 13.6 CC | ✓ | Public | | | | |
| SG 13.7 CC | ✓ | Public | | | | |
| SG 13.8 CC | ✓ | Public | | | | |
| SG 14.1 | ✓ | Public | | | | |
| SG 14.2 | ✓ | Public | | | | |
| SG 14.3 | ✓ | Public | | | | |
| SG 14.6 CC | ✓ | Public | | | | |
| SG 14.7 CC | ✓ | Public | | | | |
| SG 14.8 CC | ✓ | Public | | | | |
| SG 14.9 CC | ✓ | Public | | | | |
| SG 15.1 | ✓ | Public | | | | |
| SG 15.2 | - | Public | | | | |
| SG 15.3 | - | Public | | | | |

| Symbol | Status |
|--|---|
| ✓ | The signatory has completed this sub-indicator |
| - | The signatory did not complete this sub-indicator. |
| | This indicator is relevant to the named TCFD recommendation |
| Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete. | |

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

| MAIN CHARACTERISTICS | |
|---|---------------------------------------|
| Name | Swedbank Robur |
| Signatory Category | Fund Management - Majority |
| Signatory Type | Investment Manager |
| Size | US\$ > 50 billion AUM |
| Main Asset Class | >50% Listed Equity Internally Managed |
| Signed PRI Initiative | 2009 |
| Region | Europe |
| Country | Sweden |
| Disclosure of Voluntary Indicators | 100% from 38 Voluntary indicators |

Swedbank Robur

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

| | | | | |
|-------|-----------|--------|---------------|---------|
| SG 01 | Mandatory | Public | Core Assessed | General |
|-------|-----------|--------|---------------|---------|

New selection options have been added to this indicator. Please review your prefilled responses carefully.

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

| | | | | |
|----------|---|--------|-------------|---------|
| SG 01 CC | Mandatory to Report Voluntary to Disclose | Public | Descriptive | General |
|----------|---|--------|-------------|---------|

SG 01.6 CC Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.

Yes

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.

All fund managers have received general level training on climate related risk and opportunities for the main climate critical sectors, both on transition and physical risk side. We have also mapped our holdings to the TCFD sectors so have a high level of awareness of where we have highest exposure. We have conducted PACTA analysis on Swedbank Robur's combined holdings, so we can quantify how we are aligned according to various IEA scenarios, and can set targets accordingly. Effective from 2020 Swedbank Robur has set the following climate goals:

- Our combined fund capital by 2025 will be aligned with the Paris Agreement goal of limiting to global warming to 1.5 degrees Celsius.
- Our combined fund capital will be carbon emissions neutral by 2040.

On products we are adopting a general theme of climate transition throughout our funds, including new products with specific focus.

No

SG 01.7 CC Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

Describe the associated timescales linked to these risks and opportunities.

The timescales for the various risks and opportunities (=likelihood x impact) play out very differently depending on what risk/opportunity/sector/ transition/physical aspect one is assessing. There are too many combinations to possibly describe here. Our approach is to use the PACTA tool both at fund and whole-of-fund-company level for those sectors where it applies (ie. fossil fuel extraction, utilities, autos, cement, steel). For other sectors we will use alignment proxies such as fund/company carbon footprints, Science Based Targets and funded transition initiatives, until such time better off-the-shelf scenario alignment tools become available for material & buildings, agriculture and forestry and the transport sector (trucking, rail, air) sectors.

No

| | |
|-----------------------|---|
| SG 01.8 CC | Indicate whether the organisation publicly supports the TCFD? |
|-----------------------|---|

- Yes
- No

| | |
|-----------------------|---|
| SG 01.9 CC | Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities. |
|-----------------------|---|

- Yes

| | |
|--|----------|
| | Describe |
|--|----------|

Swedbank Robur has made this commitment, both in our new policy, our soon to be published 2019 annual report, and in information provided to fund management team leaders. Our policy which was reviewed in Q4 2019 now states: "Swedbank Robur has a particular focus on reducing climate risks in asset management and through investments, driving the long-term transition towards a fossil-free society". Implementing the strategy is now a part of the ESG team's performance based pay. Fund managers will also soon have climate related KPIs linked to pay.

- No

| | |
|-----------------------|---|
| SG 1.10 CC | Indicate the documents and/or communications the organisation uses to publish TCFD disclosures. |
|-----------------------|---|

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

| | |
|--|---------|
| | specify |
|--|---------|

Annual sustainable investments report – Swedbank Robur
Annual report (sustainability integrated) – Swedbank

- We currently do not publish TCFD disclosures

| | | | | |
|---------------------------------------|--|--|--|--|
| Governance and human resources | | | | |
|---------------------------------------|--|--|--|--|

| | | | | |
|-----------------|--|---------------|--------------------|----------------|
| SG 07 CC | Mandatory to Report Voluntary to Disclose | Public | Descriptive | General |
|-----------------|--|---------------|--------------------|----------------|

| | |
|-----------------------|---|
| SG 07.5 CC | Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues. |
|-----------------------|---|

| | |
|--|---------------------------|
| | Board members or trustees |
|--|---------------------------|

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other Chief-level staff or heads of departments

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other role, specify (1)

Nomination committee members

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other role, specify (2)

Head of Corporate Governance

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

SG 07.6
CC

For board-level roles that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.

Members of the Swedbank Robur Board have undergone basic training in key sustainability issues per sector which includes information on climate critical branches. They are regularly informed on material ESG issues. Swedbank Robur also has representatives on the Nomination Committees of 94 companies in which we are invested. They are responsible for understanding the key ESG issues for their sectors and companies, assessing the competence of Board members to appropriately manage these issues, and then selecting the best candidates.

**SG 07.7
CC**

For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.

Swedbank Robur has a system of quarterly meetings with our Sustainability Council, where discussions and decisions are taken on climate and ESG issues relating to policy, strategy, fund products, exclusions, investments etc. The council comprises the CEO, CIO, Head of Client Solutions, Head of Business & Product development and Head of Sustainability.

ESG issues in asset allocation

SG 13

Mandatory

Public

Descriptive

PRI 1

SG 13.1

Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities

Describe

During 2019 we assessed our investment exposure to the TCFD climate critical sectors and conducted PACTA on our total holdings.
Also participated in Swedbank scenario analysis for energy sector.

- No, our organisation does not currently carry out scenario analysis and/or modelling

SG 13.2

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify

ESG issues were considered across all Swedbank Robur funds during 2019.

- We do not consider ESG issues in strategic asset allocation

SG 13 CC

Mandatory to Report Voluntary to Disclose

Public

Descriptive

General

**SG 13.4
CC**

Describe how your organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, its results, and any future plans.

- Initial assessment

Describe

We have conducted PACTA analyses on all relevant portfolios (ie, those where PACTA can be applied) and for our aggregated holdings. In addition Swedbank Robur staff are members of Swedbank's core TCFD implementation team, which during 2019 conducted risk assessment work against two IEA climate scenarios for the entire Swedbank and Swedbank Robur energy sector holdings. More scenario analysis workshops are planned for 2020. The results of these exercises are communicated back to fund managers. For those funds and sectors where PACTA cannot be applied (much of the transport sector, materials & buildings and agriculture & forestry), we are using service provider data on company carbon footprints, goals, risk practises, management systems robustness, Science Based Targets adoption, and SGDs exposure as proxies to assess their climate performance. Service providers are also addressing these scenario analysis gaps by developing new assessment tools, which we will procure as they become available.

- Incorporation into investment analysis

Describe

The results of the Swedbank scenario analysis exercises are communicated back to fund managers for consideration. We also ensure that at least one member of the portfolio management team is present at the scenario workshops. The findings are more at the macro level rather than fund/attribution analysis level, but can be applied in a broad sense. At the fund level we are training our fund managers in the PACTA tool so they can conduct the analysis themselves on regular basis to get feedback on the alignment of their funds to various scenarios.

- Inform active ownership

Describe

The PACTA model provides attribution analysis at company level, which enables us to identify and focus our engagement on those companies which contribute most to non-alignment of portfolios. Our collaborative scenario analysis with Swedbank also gives us sector and sub-sector insights which we are using to formulate engagement goals.

- Other

SG 13.5
CC

Indicate who uses this analysis.

- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

SG 13.6
CC

Indicate whether your organisation has evaluated the potential impact of climate-related risks, beyond the investment time horizon, on its investment strategy.

- Yes

Describe

We are in the process of assessing longer term risks under future scenarios within the Swedbank TCFD team project, and will look as far into the future on risk, opportunities and scenarios as the robust data will enable us. Predictions become less robust and less actionable at the longer timelines. Our main goals applicable from 1st January 2020 are planned to take us to Paris Agreement alignment by 2025 and carbon neutrality in investments by 2040. These are the timelines we are basically working towards.

No

SG 13.7 CC

Indicate whether a range of climate scenarios is used.

- Analysis based on a 2°C or lower scenario
- Analysis based on an abrupt transition, consistent with the Inevitable Policy Response
- Analysis based on a 4°C or higher scenario
- No, a range is not used

SG 13.8 CC

Indicate the climate scenarios your organisation uses.

| Provider | Scenario used |
|---------------------------------------|--|
| IEA | <input checked="" type="checkbox"/> Beyond 2 Degrees Scenario (B2DS) |
| IEA | <input type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario |
| IEA | <input checked="" type="checkbox"/> Sustainable Development Scenario (SDS) |
| IEA | <input checked="" type="checkbox"/> New Policy Scenario (NPS) |
| IEA | <input checked="" type="checkbox"/> Current Policy Scenario (CPS) |
| IRENA | <input type="checkbox"/> RE Map |
| Greenpeace | <input type="checkbox"/> Advanced Energy [R]evolution |
| Institute for Sustainable Development | <input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP) |
| Bloomberg | <input type="checkbox"/> BNEF reference scenario |
| IPCC | <input type="checkbox"/> Representative Concentration Pathway (RCP) 8.5 |
| IPCC | <input type="checkbox"/> RPC 6 |
| IPCC | <input type="checkbox"/> RPC 4.5 |
| IPCC | <input type="checkbox"/> RPC 2.6 |
| Other | <input type="checkbox"/> Other (1) |
| Other | <input type="checkbox"/> Other (2) |
| Other | <input type="checkbox"/> Other (3) |

| | | | | |
|-------|---|--------|---------------------|-------|
| SG 14 | Mandatory to Report Voluntary to Disclose | Public | Additional Assessed | PRI 1 |
|-------|---|--------|---------------------|-------|

SG 14.1 Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)

other description (1)

SDG and transition advantaged companies. TCFD sector companies opportunity side.

- Other, specify(2)
- None of the above

SG 14.2

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

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

| | trillions | billions | millions | thousands | hundreds |
|---------------|-----------|----------|----------|-----------|----------|
| Total AUM | | 258 | 800 | 000 | 000 |
| Currency | SEK | | | | |
| Assets in USD | | 27 | 042 | 238 | 280 |

Specify the framework or taxonomy used.

We have assessed our exposure in value terms to TCFD climate critical sectors (energy, transport, buildings & materials and agriculture & forestry) by GICS code and estimated this to be about 27% of our total holdings. This is the figure presented above. We also have a high Degree of fund manager awareness of fund carbon footprints, and only 2 of our 40 measured funds have carbon footprints significantly above indexes, the rest are close to or less than indexes. So in this way there has been a targeting of low carbon Investments and decreased asset stranding risk.

- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 14.3

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

| | | | |
|-----------------|------------------|---------------|----------------|
| SG 14 CC | Voluntary | Public | General |
|-----------------|------------------|---------------|----------------|

| | |
|-------------------|--|
| SG 14.6 CC | Provide further details on the key metric(s) used to assess climate-related risks and opportunities. |
|-------------------|--|

| Metric Type | Coverage | Purpose | Metric Unit | Metric Methodology |
|--|--|--|--|---|
| Climate-related targets | <input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets | For our combined invested capital, ensure Paris Agreement alignment by 2025 and carbon neutrality by 2040. | PACTA - uses a weighted production metric. | PACTA for applicable funds, and other climate data and newly developed tools as they become available for other sectors. In the absence of PACTA applicability we will use alignment proxies such as total green bond investments (climate projects), SDG investments (acknowledging the need for a just transition and broader sustainability developing society in order for climate ambitions globally to be achieved), Science Based Target uptake by companies we hold, and MSCI/Sustainalytics climate risk data. |
| Weighted average carbon intensity | <input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets | Align with TCFD requirements. | tCO2e/mSEK | TCFD advised |

| | |
|-------------------|---|
| SG 14.7 CC | Describe in further detail the key targets. |
|-------------------|---|

| Targettype | Baseline year | Target year | Description | Attachments |
|---|---------------|---------------|--|-------------|
| <input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target | 2020 | 2025 and 2040 | Our PACTA targets are quantified and our baselines are known for SDG, green bond and SBT investments where the goal is to increase across Robur. | |
| <input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target | | | | |
| <input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target | | | | |
| <input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target | | | | |
| <input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target | | | | |

**SG 14.8
CC**

Indicate whether climate-related risks are integrated into overall risk management and explain the risk management processes used for identifying, assessing and managing climate-related risks.

- Processes for climate-related risks are integrated into overall risk management

Please describe

Swedbank and Swedbank Robur's risk and compliance groups are well informed and involved in our TCFD work. The Swedbank team are leading the scenario and financial impact analysis part of the project. The first scenario analysis on the energy sector was conducted during 2019. Fund managers from Swedbank Robur were involved in this exercise and we able to communicate findings back to the wider fund management team. This process will be repeated for the remaining climate critical sectors during 2020.

Swedbank (including Robur) is the only major Nordic bank to carry and ISO14001 certification, which means we have an established sustainability management system which can easily integrate the TCFD system (governance, strategy, risk management and KPI's) for managing climate related issues and risk exposures.

- Processes for climate-related risks are not integrated into overall risk management

**SG 14.9
CC**

Indicate whether your organisation, and/or external investment manager or service providers acting on your behalf, undertake active ownership activities to encourage TCFD adoption.

- Yes

Please describe

At Swedbank Robur we contacted 645 companies on sustainability issues during 2019, as well voting at 429 AGMs. Our representatives sat on 94 nomination committees. Our own analysts contacted 534 companies and held meetings with well over half of these during the year. Valuable information exchanges and resulting influence were made 73% of the time. The key improvement we made to our dialogue processes during 2019 was training our fund managers to conduct dialogue on key ESG issues with companies. Climate was on the agenda in our own dialogues at least 33% of the time (probably more often, as we have a "key issues" approach. If climate is one of these company key issues, then it gets raised), and within certain collaborative engagements through PRI and Climate Action100+ the adoption of TCFD was a central theme.

- No, we do not undertake active ownership activities.
- No, we do not undertake active ownership activities to encourage TCFD adoption.

| | | | | |
|-------|---|--------|-------------|-------|
| SG 15 | Mandatory to Report Voluntary to Disclose | Public | Descriptive | PRI 1 |
|-------|---|--------|-------------|-------|

| | |
|---------|---|
| SG 15.1 | Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas. |
|---------|---|

- Yes
- No