



CLIMATE TRANSPARENCY REPORT 2020

Swedfund International AB

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/-5CD6929D-7184-413D-809F-CEF085CE3756/79894dbc337a40828d895f9402aa63de/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	Swedfund International AB
Signatory Category	Development finance institution
Signatory Type	Asset Owner
Size	US\$ 0.1 - 0.99 billion AUM
Main Asset Class	Multi-Asset
Signed PRI Initiative	2012
Region	Europe
Country	Sweden
Disclosure of Voluntary Indicators	88% from 38 Voluntary indicators

Swedfund International AB

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
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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
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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.

During 2018 Swedfund conducted an analysis of how climate and environmental, both transition and physical risks, impact Swedfund's investments and, in turn, how they can impact Swedfund's financial position. The analysis summarises the key environmental risks in the investment portfolio and how Swedfund works to manage and mitigate them. To analyse how the climate risks that have been identified could impact Swedfund's financial position, Swedfund developed a method to take into account of the climate risks and the requirements concerning mitigation that Swedfund imposes on portfolio holdings. The degree of impact on Swedfund's financial position is based on the reasoning that a low climate risk will entail a low financial risk, and correspondingly for medium and high climate risks. Swedfund's risk profile is analysed from a "top-down" and "bottom-up" approach. "Top-down" analyses and categorises the external transition and physical climate risks the portfolio is exposed to. "Bottom-up" includes Swedfund's investment process, i.e. the identification and management of environmental and climate-related risks in the portfolio, as well as CO2e emissions from investments.

The analysis concludes that climate risks in Swedfund's focus regions, Africa and Asia, are generally high. The geographical risk component must though be balanced against the three sectors that Swedfund has chosen to invest in. The sectors that are in general primarily expected to be affected by the physical climate risks, such as drought, rising sea levels, extreme weather events and floods, are transport sector, infrastructure and the agricultural sector. At the portfolio level, Swedfund has very limited exposure to these sectors.

The sectors that are primarily affected by transition risks - regulatory, technological, market and reputational risks - are high-emitting sectors. Swedfund's business model largely excludes high-emitting sectors and therefore mitigates the associated transition risks. Swedfund has invested only in renewable energy production since 2015.

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.

Swedfund does not do any short term investments. We handle medium (3 years) and long-term (7-10 year) investments with the same approach. Hence, in all investments Swedfund will seek to minimize the negative climate impact inherent in each investment.

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

The following documents collectively formalise Swedfund's standpoint and organisation-wide strategy regarding climate/climate-related risks and opportunities

- Swedfund Policy for Sustainable Development in which we refer to Paris Agreement
- Position Paper on Climate Impact
- State's Owner Policy and Owner directives from 2019 including a target that in 2045, Swedfund shall have a climate-neutral portfolio and emissions per invested SEK from our portfolio shall decrease 2020 as a base year
- ESG and Impact Management Systems

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 Integrated Reporting and a Climate report 2018 to our owners to assess climate related risks and opportunities

- We currently do not publish TCFD disclosures

Governance and human resources

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

Investment analysts

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

Dedicated responsible investment staff
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

External managers or service providers
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other role, specify (1)

Legal Counsel

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

Other role, specify (2)

External ESG-consultants

- 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.

Swedfund's Board of Directors take the final investment decision, after which a legal agreement is negotiated. The Board has also approved and signed our (i) Policy for Sustainable Development, (ii) Position Paper on Climate Impact and (iii) Report on Climate Risks and Opportunities. Board of Directors was also actively involved in the project on the new owner instructions for Swedfund during 2019 and the new goals in the instructions include ambitious climate targets: Swedfund shall have a climate-neutral portfolio in 2045 which captures as much carbon dioxide as it emits and emissions per invested SEK from Swedfund portfolio shall decrease 2020 as a baseline year.

Please see SG 07.2 for more detailed information.

SG 07.7
CC

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

Climate-related issues are assessed and managed the same way as any other issues as a part of the investment process. Management is represented in Swedfund's Investment Committee that has an advisory and decision role regarding climate impact and risks of the investment. Please see SG 07.2 for more detailed information.

SG 07.8
CC

Indicate how your organisation engages external investment managers and/or service providers on the TCFD recommendations and their implementation.

- Request that external managers and/or service providers incorporate TCFD into mainstream financial filings (annual financial reports, other regulatory reporting or similar)
- Request incorporation of TCFD into regular client reporting
- Request that external managers complete PRI climate indicator reporting
- Request responses to TCFD Fund Manager questions in the PRI Asset Owner Guide
- Other

Specify

TCFD core elements are materially covered by the environmental management system that we require our portfolio companies to implement. We currently pilot enhanced climate assessment.

- We do not engage with external managers and/or service providers on the TCFD recommendations and their implementation

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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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

In 2018 Swedfund conducted an analysis of how climate and environmental risks impact Swedfund's investments and, in turn, how they can impact Swedfund's financial position. The analysis summarises the key physical and transformation risks in the investment portfolio. In 2020 Swedfund aims to further develop our scenario analysis.

- 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
- We do not consider ESG issues in strategic asset allocation

SG 13 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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**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
- Incorporation into investment analysis
- Inform active ownership
- Other

specify

Climate report to owners. Further details see below.

Describe

During 2018 Swedfund produced a Climate report to assess climate related risks and opportunities. The report was a requirement from our owners, and a part of a long-term strategy to monitor and proactively address climate related risks and opportunities. The analysis in the report analysed Swedfund's risk profile from a "top-down" and "bottom-up" approach. "Top-down" analyses and categorises the external climate risks the portfolio is exposed to. "Bottom-up" includes Swedfund's investment process, i.e. the identification and management of environmental and climate-related risks in the portfolio, as well as CO2e emissions from investments. The reasoning and analysis in the report stems from theories around scenario pathways, as well as the rational for future direction. A formalised scenario analysis according to a standardised methodology is however not applied in the report, but will be developed during 2020.

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

Swedfund is a long-term investor and our commitments and considerations regarding climate impact are always made from a holistic and long-term perspective, including beyond the investment time-horizon.

In 2019 Swedfund's owner instructions were updated and amongst other things, the revised mission goals will result in the continuation of Sweden's leading role regarding climate: Swedfund shall have a climate-neutral portfolio in 2045 which captures as much carbon dioxide as it emits and emissions per invested SEK from our portfolio shall decrease 2020 as a baseline year.

Please refer to section SG 07.2 for further details on Swedfund's investment process, and SG 01.4 and SG 01.5 for mission and investment criteria

- 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 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 type="checkbox"/> New Policy Scenario (NPS)	
IEA	<input 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 checked="" type="checkbox"/> Other (1)	<div style="background-color: #0070C0; color: white; padding: 2px;">Other (1) please specify:</div> External consultant, combination of sources
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
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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)

Gender equality

- Other, specify(2)

other description (2)

Blending

- 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		1	480	727	323
Currency	SEK				
Assets in USD			154	722	493

Specify the framework or taxonomy used.

Swedfund Owner Instruction

- 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

other description

Within the broader concept of Energy Swedfund has chosen to focus primarily on renewable energy production and distribution

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 14.5

Additional information [Optional]

Swedfund strives to minimise negative climate impact in all its investments. Initiatives relating to the environment and climate form an integral part of the investment process based on Swedfund's sustainable development policy and separate stance regarding the environment and climate. Climate is one of two thematic areas to be considered before decisions are taken concerning new investments regardless of sector, geography or instrument. In 2015, Swedfund decided to focus solely on investments in renewable energy, thus excluding investments in fossil energy generation.

CO2-model

Swedfund uses a model to estimate CO2e which has been developed by an external supplier and is based on the Green House Gas Protocol (GHG Protocol). In the model, the CO2e exposure of investments is weighted based on Swedfund's owner stake in the portfolio company. In cases where Swedfund acted as lender, the determination of Swedfund's share is based on the outstanding loan's share of the portfolio company's balance sheet total and, in the case of lending to banks, the size of the loan relative to the bank's total borrowing. The calculation consists of Swedfund's portfolio companies, including the underlying holdings of the funds and the co-financing facilities, a total of 210 investments in 2018 (156 investments in 2017, 147 investments in 2016). Emissions from Swedfund's portfolio amounted to 33 thousand tonnes in 2017 (2017: 24 thousand tonnes, 2016: 35 thousand tonnes). Amongst Swedfund's investments, those which produce energy, including a gas-fired power station, have the greatest impact on the climate. These holdings account for approximately 70% of all emissions in the calculation. The increase in emissions compared with 2017 results from the fact that one gas-fired power plant became fully operational. As Swedfund has opted to continue investing exclusively in renewable energy since 2014, CO2e exposure from Swedfund's investments is expected to decrease over time.

Climate report

During 2018 Swedfund also conducted an analysis of how climate and environmental risks impact Swedfund's investments and, in turn, how they can impact Swedfund's financial position. The analysis summarises the key environmental risks in the investment portfolio and how Swedfund works to manage and mitigate them. To analyse how the climate risks that have been identified could impact Swedfund's financial position, Swedfund has developed a method to take into account of the climate risks and the requirements concerning mitigation that Swedfund imposes on portfolio holdings. The degree of impact on Swedfund's financial position is based on the reasoning that a low climate risk will entail a low financial risk, and correspondingly for medium and high climate risks. Swedfund's risk profile is analysed from a "top-down" and "bottom-up" approach. "Top-down" analyses and categorises the external climate risks the portfolio is exposed to. "Bottom-up" includes Swedfund's investment process, i.e. the identification and management of environmental and climate-related risks in the portfolio, as well as CO2e emissions from investments.

Swedfund's environment and climate risk profile is largely influenced by three factors: The region in which the activity takes place, the sector in which the activity is taking place and the size of Swedfund's shareholding or loan. The climate risks in Swedfund's focus regions, Africa and Asia, are relatively high at a general level. At the

same time, the risk level in the three sectors in which Swedfund focuses its investments in are categorised as low , with the exception of investments in renewable energy. The choice of instruments further balances the risk, given Swedfund's management of environmental and climate-related risks during the screening prior to an investment, as well as measures during the active ownership phase.

The analysis shows that Swedfund's business model adequately addresses environmental and climate-related risks, partly through the work relating to the environment and climate being carried out within the portfolio companies. The focus sectors which have been established in the business model are sectors which have relatively low environmental and climate risk exposure, and by following the business model, the exposure of Swedfund's operations and investments to environmental and climate risks is maintained at a limited level. The exception is the energy sector, where the risk is considered to be medium.

At the same time, the Energy & Climate sector is the sector in which Swedfund has identified the greatest opportunity to have a positive impact through its decision to exclusively invest in renewable energy. The investments that Swedfund make in the world's poorest countries also help reduce the overall risk of climate change, partly through Swedfund's efforts to identify sustainable solutions through addressing and implementing measures aimed at the environmental and climate-related challenges that Swedfund is facing in the countries in which the company invests.

Example of a climate investment case - d.light

Swedfund is funding off-grid solutions through its investment in the company d.light, which manufactures and distributes solar power solutions for people who do not have access to a reliable electricity supply. d.light's solutions include smaller bulbs which are recharged by solar energy and, for example, enable children to do their homework after dark. Swedfund's investment was carried out at the end of 2018 to enable d.light's continued expansion in sub-Saharan Africa.

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 checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Baseline and reporting	Compliance / non-compliance	GHG protocol
Carbon footprint (scope 1 and 2)	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Monitoring and reporting	CO2e	GHG protocol
Portfolio carbon footprint	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Monitoring and reporting	CO2e	GHG protocol
Total carbon emissions	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Monitoring and reporting	CO2e	GHG protocol
Exposure to carbon-related assets	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Monitoring and reporting	CO2e	GHG protocol

**SG 14.7
CC**

Describe in further detail the key targets.

Targettype	Baseline year	Target year	Description	Attachments
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target	Define reduction target level		Target level for compliance / non-compliance in portfolio	
<input type="checkbox"/> Absolute target <input checked="" type="checkbox"/> Intensity target	2020		Reduce emissions per invested SEK from Swedfund's portfolio with 2020 as a baseline year	
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			Swedfund's portfolio shall be climate neutral by 2045	
<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

Environmental and climate-related aspects are fully integrated in Swedfund's investment process and risk management. Within Swedfund's overall mission of contributing to poverty reduction by financing sustainable businesses in emerging markets, Swedfund will seek to minimize the negative climate impact of all our investments, both with respect to new investments, the current portfolio companies and our own operations. When evaluating a new investment opportunity Swedfund carefully considers climate risks and opportunities associated with that specific company, sector and market. Climate-related and environmental aspects are an integral part of Swedfund's ESG work and we apply IFC's Performance Standards in our investment processes and management. Swedfund will seek to minimize the negative climate impact inherent in each investment. The specific actions required to mitigate climate risks and to maximize climate opportunities are agreed upon in an Environmental, Social and Governance Action Plan (ESGAP) before we make an investment. Swedfund is a long term investor and seek to minimize the negative climate impact inherent in each investment. Please see SG 01.8 CC for further on Swedfund's time-perspective for its investments, and SG 07.2 for out investment process with details on our investment/ESG process

Swedfund's Board of Directors is responsible for defining and managing risks. By working actively within our three pillars, we strive to generate results and long-term value. At the same time, we manage all the risks arising in our investment operations.

Since 2015 Swedfund has focused solely on investments in renewable energy, thus excluding investments in fossil energy generation. Swedfund also has a model to estimate CO₂e, based on the GHG protocol to proactively measure, manage and report greenhouse gas emissions.

In 2018, Swedfund conducted an analysis of how climate and environmental risks impact Swedfund's investments and, in turn, how they can impact Swedfund's financial position. The analysis summarises the key environmental risks in the investment portfolio and how Swedfund works to manage and mitigate them. Swedfund's risk profile is analysed from a "top-down" and "bottom-up" approach. "Top-down" analyses and categorises the external climate risks the portfolio is exposed to. "Bottom-up" includes Swedfund's investment process, i.e. the identification and management of environmental and climate-related risks in

the portfolio, as well as CO2e emissions from investments.

- 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.
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- Yes

Please describe

Swedfund's requirement that all portfolio companies shall implement an environmental management system is aligned with TCFD recommendations. Integral parts of Swedfund's investment process and active ownership are ESG site visits, internal and external audits, follow up of Environmental, Social and Governance Action Plans (ESGAP) and technical assistance to support sustainable development.

- 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
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SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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- Yes
- No

SG 15.4	Please attach any supporting information you wish to include. [OPTIONAL]
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[File 1:swedfund-owners-instructions_2019-12-06.pdf](#)