

Instruction on how to complete Hållbarhetsprofilen (Swesif's sustainability declaration for funds)

Hållbarhetsprofilen is a standardised information leaflet for funds and is a supplement to the general fund information sheet. Hållbarhetsprofilen is aimed at fund investors and others, and its purpose is to provide clear and easy access to information on how the fund applies various sustainability criteria in its fund management. The document also enables investors to compare the funds' sustainability criteria with each other. Hållbarhetsprofilen is not to be used for marketing and sales purposes or contain any information that can be interpreted as sales-oriented. Hållbarhetsprofilen may only be presented as information together with other information material about the fund. Swesif has developed Hållbarhetsprofilen together with its members.

Users of Hållbarhetsprofilen are expected to follow the instructions given below. Swesif reserves the right to remove declarations that do not follow these instructions.

General rules:

- The main target group for Hållbarhetsprofilen is individual investors
- Hållbarhetsprofilen should be written in an uncomplicated style that is as easy to understand as possible. Avoid vague descriptions that are open to interpretations and therefore can be misunderstood by the reader
- Keep the information as brief as possible and feel free to give information in a list format, if any explanatory text is needed
- The text in Hållbarhetsprofilen should be objective and as concrete as possible, and free from marketing (compare with the fund factsheet).

Complete the form as follows:

The aim of the Hållbarhetsprofilen is to clarify which strategy the fund uses (Inclusion, Exclusion, Engagement). Hållbarhetsprofilen describes the fund's criteria for issues regarding the environment, human rights, labour rights and business ethics as well as any specific issues that are controversial from an ethical perspective. The database contains a number of fields that are either completed or left blank, depending on the fund's sustainability criteria and strategy. The instructions below describe the information necessary to show that the fund uses a certain strategy and thereby which fields are to be completed.

1. Fund description

- Brief description of the fund and its Investment strategy, for example if the fund is sector- or country-specific.

2. Inclusion

- If the fund has a proactive sustainability analysis of investments, one of the following three alternatives is selected. Otherwise, the field is left empty.

Sustainability issues are key to the fund manager's investment selection

This alternative is for funds that have specific and communicated criteria for the inclusion of companies based on their proactive work and good results regarding environmental, social and business ethical issues. The sustainability analysis has a considerable impact on the fund's investments. This refers both to fundamental and quant-based strategies with sustainability as a starting point.

The fund manager takes sustainability into consideration

This alternative refers to funds that clearly support and systematically integrate sustainability in economic analyses and investment decisions. Sustainability is a clearly defined part of the investment process, is analysed on a continual basis and affects the fund's investments.

The fund manager has access to sustainability analysis

This alternative is for funds that have begun an integration of sustainability issues but where the analysis is not yet applied systematically.

- If the fund has a thematic strategy or applies impact investing, the corresponding alternative is chosen. If not, the field is left empty.

Thematic strategy

This alternative is for funds that only invest in accordance with themes or assets that support a sustainable development. Theme funds focus on specific issues related to sustainability, e.g. environmental technology. Please note that this section refers to themes that specifically support sustainable development. Other thematic strategies should be described in the fund fact sheet.

Impact Investing

This alternative is for funds that only invest in projects or businesses with measurable positive social and/or environmental effects, as well as delivering a financial return on investment, so-called *impact investing*.

- If the fund has other, specific sustainability criteria in addition to the alternatives above, these can be described under "*Other criteria*". Specify the sustainability criteria briefly and objectively.
- Please note that a general statement that sustainability issues are taken into consideration is not sufficient to choose any of the alternatives under "Inclusion". If the fund does not apply proactive sustainability analysis, the fields should be left empty.

3. Exclusion

- If the fund excludes investments in certain product or service sectors, please check the corresponding box/field.
- Specify if the fund has a zero tolerance level or if a certain percentage of the company turnover is acceptable. The (Swedish) Ethical Council for Fund Marketing (ENF), determines that to market a fund as a sustainability fund, the fund may hold a maximum of five percent of the turnover in the underlying companies in excluded sectors.
- If the fund applies a reactive analysis by screening and excluding companies based on the violation of international norms, this is indicated here. Select one of the two alternatives, depending on the scope of the exclusions. Solely screening for norm violations – which do not lead to exclusions – is not sufficient for choosing either of these alternatives.
- If the fund applies a country-specific sustainability analysis which results in companies in certain countries being excluded from the fund, or if interest-bearing securities from certain countries or states are excluded, this is specified. Also, note to which countries/states the exclusions apply and the reason for the decision. Please note that only country-specific analysis that are sustainability-related, and in line with explicit sustainability criteria that are referred to here. Geographical restrictions based on other criteria, e.g. the fund's geographical split, are not grounds for selecting this alternative.
- If the fund is a fund of funds, alternatives in this category may only be selected if all the underlying funds are managed accordingly. If only parts of the portfolio follow the selected exclusions, the option "*Other criteria*" can be used to describe exclusions that concern parts of the fund.
- If the fund has other, specific sustainability criteria in addition to the alternatives above, these can be listed under "*Other criteria*". Specify the sustainability concisely and objectively.

4. Fund company engagement

- If a fund company uses its mandate as asset owner to engage in companies regarding issues such as the environment, human rights, labour rights, business ethics and governance, this should be described here.
- Note that engagement should be relevant for the fund in question in order for the fund company to choose this alternative. The fund's investment universe should be affected by the engagement work.
- The fund manager is in dialogue with companies in order to influence them in a more sustainable direction. Engagement is defined as concrete activities with the aim of influencing companies to work in a more sustainable direction. For example, company dialogue, voting at Annual General Meetings, cooperation with other shareholders and/or organizations, if the goal is to influence companies in sustainability issues.
- Note that the following are not counted as engagement activities:
 - Contacts with companies aimed at information-gathering
 - Press releases and other external information from the fund company relating to one named company
 - Engagement activities vis a vis industry organizations and other interest groups
- Describe the scope of the engagement and any focus areas objectively and as briefly as possible.

5. Resources

Briefly describe the resources and processes for sustainability analysis and communication. Also briefly and objectively describe the in-house and external resources and processes available for sustainability analysis and engagement.

6. Additional information

Briefly and objectively describe any relevant and sustainability-related information about the fund which is available to the investor.

Other information

Swesif is not responsible for examining the Information in the Hållbarhetsprofilen; each respondent is responsible for ensuring that the information is correct and updated annually. Should it be brought to Swesif's attention that the Hållbarhetsprofilen contains incorrect or outdated information, the respondent will be contacted in order to correct or remove the Hållbarhetsprofilen. If the necessary changes are not made after repeated requests, Swesif reserves the right to remove the document.

More information about Hållbarhetsprofilen can be found on Swesif's website. Questions can be answered by Swesif's administration office or by Swesif's Chairman. Contact details can be found on www.swesif.org.