

## 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.

Since 2018, Hållbarhetsprofilen is developed in collaboration with Fondbolagens förening. The collaboration means that sections 2-6 below comply with Fondbolagens förening's *Standard for sustainability information* from *Guidelines for marketing and information by fund management companies*, which was updated on September 4, 2019.

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
- Keep the information as brief as possible if any explanatory text is needed. In order to avoid lengthy descriptions, the comment fields are limited to 300 characters.
- 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. 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 what sustainability aspects are taken into account in the management of the fund and which methods the fund use (Positive screening, Negative screening, The fund management company influences). 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. Hållbarhetsprofilen contains a number of fields that are either completed or left blank, depending on the fund's sustainability criteria and method. The instructions below describe the information necessary to show that the fund uses a certain method 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. Sustainability information

- One of the following options must be selected.
  - Sustainability aspects are taken into account in the management of the fund.**
  - Sustainability aspects are NOT taken into account in the management of the fund.**
- If the first option is checked, the fund management company shall also provide information under the following headings. If the second option is checked, the sections 3-6 cannot be completed (with the exception described below). However, where sustainability aspects are not taken into consideration in the management of a fund but where the fund's investment policy nonetheless

means that the fund is free from certain products and services, information about this can be provided under section 5: “Negative screening – Products and services”. The purpose of this is to facilitate for consumers wishing to use the search function.

- In the comment the fund management company can provide general information that facilitates an assessment of the fund in respect of sustainability. The comment can, for example, include the following information:
  - If the fund is sustainable for reasons other than that sustainability work is carried out in respect of the fund, e.g. if the fund is to be regarded as sustainable on account of its investment strategy (debt instruments issued by the Swedish government is one example).
  - For funds, e.g. mixed/balanced funds, where the investment strategy entails an inability to carry out sustainability work for part of the portfolio, this comment should specify the portion of holdings for which sustainability work can be carried out.
  - For funds of funds this comment should specify whether the sustainability work refers to the selection of underlying funds or if the fund of funds adopts a look-through approach to its underlying funds and selects funds whose holdings corresponds to the fund of funds’ sustainability principles.

Other clarification that the fund management company wishes to make can also be made here.

### 3. Sustainability aspects taken into account in the management of the fund

- Applicable options shall be checked. All options will be visible, regardless of how many options are checked. At least one of the options must be selected.
  - Environmental aspects (e.g. the companies’ environmental and climate impact).**
  - Social aspects (e.g. human rights, employee rights and equal opportunity).**
  - Corporate governance aspects (e.g. shareholders’ rights, issues relating to remuneration for senior executives, and anti-corruption work).**
  - Other sustainability aspects.**

### 4. Positive screening

- Applicable options shall be checked. Only one of the two first options can be selected. All options will be visible, regardless of which one is checked.
  - Sustainability aspects are critical in the manager’s choice of companies**  
 This option refers to funds that have specific and explicit criteria for positive selection of companies, based on environmental, social and business ethics issues. An analysis of the companies’ sustainability work is critical to the selection of the companies in the fund. It also refers to funds that select companies on the basis of a specified sustainability-related theme, such as climate, water, ecotechnology, or social sustainability, and to funds that only invest in projects or operations with quantifiable social or environmental benefits.
  - The manager of the fund takes sustainability issues into account.**  
 This option refers to funds which explicitly and systematically integrate sustainability aspects into their economic analyses and investment decisions. Sustainability aspects are explicitly part of the investment process, are continuously analysed, and affect the fund’s investments.
- If sustainability aspects are critical in the manager’s choice of companies, the method used should be summarised in the comment. This applies to both fundamental and quant based strategies that use sustainability as their basis.
- If the fund applies other methods for positive screening in addition to the options above, these can be described under *Other* and *Other method of positive screening used by the fund*. Specify the method used by the fund briefly and objectively.

- For all options full information shall be provided regarding the fund management company's methods. The information shall be provided on the fund management company's website and shall enable readers to understand the reasons behind the standardised options checked.
- Please note that a general statement that sustainability aspects are taken into consideration is not sufficient to choose any of the options under "Positive screening". In that case, the fields should be left empty.

## 5. Negative screening

- If the fund excludes investments in certain products and/or services, please check the corresponding box/field.
- A maximum of 5% of the turnover in the company in which the investment is made may entail operations attributable to the specified product or service. 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 sustainability analysis by screening and excluding companies based on the violation of international norms, this is indicated here. Select one of the two options, depending on how comprehensive the exclusions made due to violations of international norms are. Merely a review with regard to norm violations – but where the violations do not result in exclusions – are insufficient grounds for checking either of these options.
- 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 option.
- If the fund is a fund of funds, options 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* 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*. Specify the sustainability concisely and objectively.
- The check options in this section can be used where sustainability aspects are not taken into account in the management of a fund but where certain products and services are not included in the fund as a result of its investment policy. The purpose of this is to facilitate for consumers wishing to use the search function.

## 6. The fund management company influences

- If a fund management 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 if the fund management company is to check this option, the exertion of influence must be relevant to the fund in question.
- The fund management company 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.

## 7. 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.

This section is not included in Fondbolagens förening's *Standard for sustainability information* and is filled in voluntarily.

## 8. Additional information

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

This section is not included in Fondbolagens förening's *Standard for sustainability information* and is filled in voluntarily.

## 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 at least once a year. 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 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](http://www.swesif.org).