

# Swedbank Robur's Criteria for Sustainability Analysis



## Application

Swedbank Robur's sustainability analysis forms the basis for the positive selection of companies for portfolios with sustainability criteria within the fund families Ethica, Talenten and Föbundsfonten. The sustainability criteria are combined with the negative selection of companies linked to sensitive products and companies that can be associated with violations of international norms regarding human rights or the environment.

## Fundamental values

Our sustainability analysis is founded on principles based on established international norms such as the UN Declaration of Human Rights, ILO's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development and the UN Convention against Corruption. The principles reflect the UN Global Compact as well as the OECD Guidelines for Multinational Enterprises. Consequently, our analyses of a company's responsibilities include the following areas:

- Human rights
- Employees' working conditions and rights
- The environment and climate change
- Business ethics

## Starting point

Through the sustainability analysis, we want to identify those companies that in a credible manner handle opportunities and risks associated with environmen-

tal, social and ethical responsibility, and that promote further development within these areas. We believe that these aspects are important for the companies' long-term competitiveness.

We analyse each sector and company based on its specific prerequisites, where the above areas have different degrees of relevance depending on the nature of the companies' business and geographic presence. The analysis and evaluation of an individual company are made in relation to other Swedish and foreign sector peers.

## Selection principle

We select the companies in each sector that handles sustainability issues in the best way. Our sustainability analysis is a process with the purpose of identifying and analysing companies' risks and opportunities with regard to sustainable development, in both short and long term:

- What are the company's potential business opportunities, linked to environmental, social and business ethical responsibility?
- What are the company's most critical environmental, social and business ethical risks, depending on the nature of the business, the company's geographic presence, external trends and specific incidents?

Through the analysis, we want to map and evaluate the companies' business activities in order to identify sustainable companies and highlight those that represent best practice.

We want to invest in companies that within relevant sustainability areas:	We believe that it is particularly value-creating if companies within relevant sustainability areas also:
Continuously map their risks and opportunities.	Have a clear approach to the most critical sustainability issues.
Express their commitments through official policy documents.	Lead the way by supporting external initiatives and encouraging developments within the sector.
Take responsibility for the environmental and social impact of products/services.	Integrate sustainability in their business models, and develop products/services to promote a sustainable development.
Work systematically to implement their commitments, manage sustainability risks and opportunities.	Have long-term commitments and business strategic goals that embrace sustainability.
Have an adequate organisation and knowledge level.	Through board of directors and top management show strong leadership, maintaining a responsible attitude and approach.
Report concrete measures and results.	Report positive results over time.
Give a true and fair picture of risks, commitments and the company's actions through open and transparent communication.	Pursue structured and active dialogues with stakeholders and have a well developed external reporting.

## Areas of analysis

### 1. Human rights

We expect companies to support and respect human rights within their sphere of influence, as well as to ensure that they are not directly or indirectly implicated in the violation of human rights. The analysis shall among other things conclude whether the company:

- Has identified how its operations affect stakeholders such as employees, suppliers, customers and the society
- Risks violating human rights, directly through its operations or indirectly via customers and suppliers
- Supports and respects principles for human rights
- Promotes and protects human rights in the countries where the company operates
- Assures human rights in daily operations.

### 2. Employees' working conditions and rights

We expect companies to uphold freedom of association and recognise the right to collective bargaining, as well as to abolish all forms of forced labour, child labour and discrimination upon employment and occupation. The analysis shall among other things conclude whether the company:

- Risks violating employee rights and risks having bad working conditions within its operations.
- Has group-wide commitments with regard to trade union rights, forced labour, child labour and discrimination
- Has a systematic process to secure the health and safety of employees
- Ensures good working conditions and employee rights in the supply chain
- Has taken measures to ensure equality between women and men, people with different ethnic and religious affiliation, different sexual orientation, or disability.

### 3. Environment and climate

We expect companies to support the precautionary principle with regard to environmental risks, to take initiatives to promote greater responsibility for the environment and climate, and to encourage the development and distribution of environmental technology. The analysis shall among other things conclude whether the company:

- Has products/services/operations that result in significant impact on the environment and climate
- Expresses responsibility for direct and indirect

impact on the environment and climate change

- Takes action to measure and reduce environmental and climate impact of its own operations and those of its suppliers
- Uses Life Cycle Analysis (LCA) in product development in order to reduce the total environmental impact of its products
- Offers products/services with positive environmental qualities.

### 4. Business ethics

We expect companies to work against all forms of corruption, including extortion and bribery, as well as to actively maintain a high level of business ethics within the organisation. The analysis shall among other things conclude whether the company:

- Has identified business ethical risks in its operations
- Takes measures within the company to ensure that business ethical guidelines are observed
- Actively takes position against bribery and corruption.