

Swedbank



Robur



# Climate & Nature Report 2023

# Table of contents

<b>Breaking new grounds, one step at a time</b> .....	<b>3</b>
<b>1. Climate targets</b> .....	<b>4</b>
Clear progress .....	4
Emission targets.....	5
Net zero companies .....	6
Climate solutions target – renewable energy .....	8
<b>2. Improved disclosure</b> .....	<b>9</b>
Covered bonds.....	9
Sovereign bonds.....	10
Scope 3 emissions in equity and corporate bond holdings .....	11
<b>3. Carbon footprints</b> .....	<b>13</b>
Method .....	13
Fundamental equity funds .....	13
Quantative equity funds .....	14
Corporate bond funds .....	15
<b>4. Engagement on Paris Alignment</b> .....	<b>16</b>
Our message in dialogue .....	17
<b>5. Nature</b> .....	<b>18</b>
Nature in the investment process .....	18
Nature strategy .....	19
Nature related engagement .....	20

# Breaking new grounds, one step at a time



2023 was the warmest year since the start of global temperature measurements in 1850. A new devastating record of 1.18 degrees Celsius above the 20th century average was set.

The ten warmest years in the

174-year long time-series, have all occurred in the last decade. Without major action to reduce carbon emissions, global temperature is on track to rise by 2.5 up to 4.5 degrees by year 2100.

However, it may not be too late to avoid or limit some of the worst effects from climate change. In response to climate change Swedbank Robur has been applying a two-tier approach:

- “Mitigation” – reducing the flow of greenhouse gases into the atmosphere.
- “Adaptation” – learning to live with, and adapt to, the climate change that has already been set in motion.

This approach helps us to manage climate risks and more importantly, to identify investment opportunities.

We also endeavour to be transparent and break new grounds. In our Climate & Nature report for 2022 we launched a new method to measure carbon footprints on covered bonds, one type of financial instruments that make up a large part of the capital in traditional fixed income funds. As far as we know, we were the first asset manager to calculate and report on this. This year we have taken another important step for climate reporting on the fixed income side as we disclose the carbon footprint on our sovereign bond portfolio. To our knowledge, we are once again an early mover that

breaks new grounds and helps closing the reporting gap. Is the methodology and data perfect? No, it is not. But this is a first attempt to include and measure carbon emissions in a new asset class.

We also continued to work with nature and biodiversity. Like climate change, degradation of nature will have negative effects on the economy. Over half of the world's GDP is either highly or moderately dependent on natural resources and ecosystem services. Climate change and the nature crisis are also closely linked and therefore we address them both. We consider the ongoing nature loss a threat to our wellbeing, as well as to economic, political, and societal stability.

To change this negative course, Swedbank Robur has updated its Nature Strategy in line with Finance for Biodiversity Pledge's guideline for nature target setting. We are also one of the founding participants of the Nature Action 100, an international collaboration between investors to address nature loss.

In conclusion, another year has come to an end, where Swedbank Robur has worked dedicatedly to create value for our fund unit holders and to drive the fund industry in a sustainable direction. With our commitment, know-how and extensive experience, I am confident that we will move toward our vision as a world leader in sustainable value creation. Our focus is on what is sustainable today and in the long run, both for our customers, the companies we invest in and the society.

## **Pia Gisgård**

Head of Sustainability & Corporate Governance,  
Swedbank Robur

# 1. Climate targets

Swedbank Robur’s climate work centred around the Net Zero Asset Managers commitment. The challenging geopolitical developments aside, we move forward with our climate targets and managed to remain aligned to our net zero 2040 pathway.

## Clear progress

Since setting Net Zero Asset Manager (NZAM) commitment targets in 2021, we annually report performance data for weighted average carbon intensity (WACI), renewable energy investments and Science Based Targets initiative commitments for Swedbank Robur’s consolidated equity and corporate bond holdings. To provide even better insights to the climate and carbon emissions status of our funds, we have implemented improvements to our reporting on key climate metrics and this year we also included emissions of our holdings in sovereign bonds.



**Targets:**

**By 2025: Combined fund capital aligned with the Paris Agreement 1.5°C target.**

**By 2040: Combined fund capital placed in carbon-neutral investments.**

Sub-targets	Progress
Halve our emissions by 2030, to ensure net zero by 2040.	On track, see page 5
Increase investments in companies setting net zero targets, amounting to 60 percent of our portfolios AUM by 2030 and 100 percent of our portfolios AUM by 2040.	On track, see page 6
Increase our investment in climate solutions, focusing initially on renewable energy, amounting to 1.4 percent of our portfolio’s share of renewable energy of aggregated AUM by 2030 and 3.8 percent of aggregated AUM by 2040.	On track, see page 8
Engage with companies in material sectors <sup>1</sup> constituting 70 percent of our current emissions, increasing to include more sectors over time.	On track, see page 16

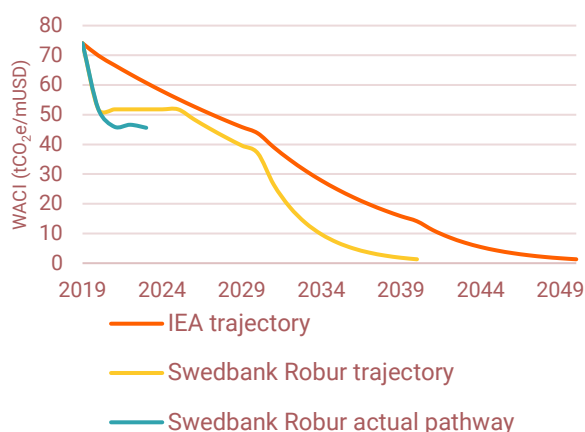
<sup>1</sup> Materials, utilities, consumer discretionary, industrials, consumer staples and communication services.

## Emissions targets

The journey towards our long-term targets for halved emissions on our aggregated fund capital by 2030 and to be net zero by 2040 has continued. We concluded a small downward trend in our emission intensity covering Scope 1 and 2 emissions (figure 1). The results show that our investment strategy, including our strategies on inclusion, exclusion, and

engagement, continues to help us stay aligned with our net zero 2040 pathway. The coverage and quality of our holdings emissions data continued to increase, which reflects improvements in measurements and reporting of emission data by companies.

**Figure 1.**



**Sub-target:**  
Halve our emissions by 2030 to ensure net zero by 2040.

Figure 1. Aligned with net zero 2040. Weighted average carbon intensity model of our aggregated equity and corporate bond holdings, based on IEA NZ2050 pathway (tCO<sub>2</sub>e/mUSD).

Table 1 shows the weighted average carbon intensity and total carbon emissions for our equity and corporate bonds holdings. We saw an increase in total emissions for both equity and corporate bonds holdings this year. Our assessment is that this is not due to actual higher emissions from the

companies but rather a result of improvements in the companies' carbon reporting. In other words, the increase in emissions is driven by the development of methodology and a better understanding by companies about how to accurately scope and calculate carbon emissions.<sup>2</sup>

**Table 1.**

	2030 target	2023	2022	2021
<b>Weighted average carbon intensity, Scope 1&amp;2 (tonnes CO<sub>2</sub>e per mUSD)</b>	37.0	45.6	46.6	45.9
<b>Total carbon emissions, Scope 1&amp;2 (M.tonnes CO<sub>2</sub>e)<sup>3</sup></b>	N/A <sup>4</sup>	2.3	1.7	1.8

Table 1. Emissions and intensity vs target in equity and corporate bond holdings.

<sup>2</sup> To be coherent with all reporting, we now use USD as denominator in the weighted average carbon intensity. All historic values have been recalculated to reflect this change

<sup>3</sup> The value for 2021 is calculated based on Market Capitalisation; 2022 and 2023 on EVIC.

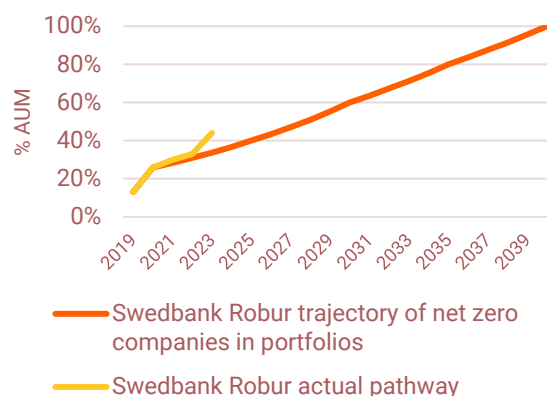
<sup>4</sup> The net zero target is measured using weighted average carbon intensity.

## Net zero companies

We continued to increase our investments in companies that have set climate targets in line with the Science Based Targets initiative (SBTi) and are on track to reach our interim target for 2030. At the end of the year, 44 percent of asset under management (AUM) in equity and corporate bond holdings were invested in companies that had received verified targets with SBTi.

We only include companies that have got verified targets by SBTi as we believe that this better reflects our target to invest in companies with net zero targets (figure 2). Until last year we also included companies with committed targets but, since SBTi recently has started to reject companies' commitments when they are not able to submit targets in accordance with the framework in time, these are now excluded.

**Figure 2.**



*Figure 2. Share of equity and corporate bond holdings that have verified SBTi targets (% AUM)*

**Table 2.**

	2030 target	2023	2022	2021
Share of AUM in companies that have set SBTi targets (%)	60	44	33	30

*Table 2. Assets under management for equity and corporate bond holdings in companies that have verified SBTi targets.*



More and more companies are adopting science-based targets. We believe this to be the result of our and other investors continuous engagement effort where we reach out to companies on this specific topic. We promote SBT as a framework for companies to design their targets. However, we remain humble to the fact that the SBT process is resource-intensive, which can make it difficult for especially small- and mid-sized companies to take this on.

The SBTi framework also have gaps for several sectors, and this is affecting the phase of adoption. To work around this, many of the companies we invest in have set net zero targets, but not yet had them validated within the SBTi framework.

### Sub-target:

**Increase our investments in companies setting net zero targets to 60 percent of our aggregated AUM by 2030 and 100 percent by 2040.**

There are also a number of companies that have either committed to set targets and thus waiting for them to be verified, or are working on their submission to SBTi. Based on this we are positive that that the number of companies with verified targets committing to align to net zero will continue to grow.

## Our investments and net zero targets

- 0 %** Companies aligned to, or already achieving net zero
- 44 %** Companies aligning to net zero
- 16 %** Companies committing to align to net zero
- 40 %** Companies not aligned to net zero

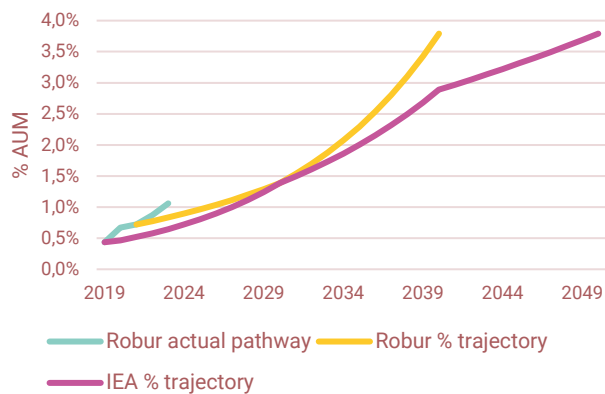


## Climate solutions target - renewable energy

Swedbank Robur's climate solution target is to increase the investments in renewable energy generation. As evident in figure 3, Swedbank Robur has continued to increase its share of investment within the sector. The results shows that we are moving faster than our required trajectory in line with our strategy to invest in the transition to a low-carbon economy.

At the end of 2023, the Institutional Investors Group on Climate Change (IIGCC) published a guideline on climate solution target setting in line with the EU taxonomy. Swedbank Robur will set new climate solution targets in line with the guidelines during 2024.

**Figure 3.**



### Sub-target:

**Increase our investments in renewable energy to 1.4 percent of our aggregated AUM by 2030 and 3.8 percent by 2040.**

*Figure 3. Renewable energy investment modelling for our equity and corporate bond holdings based on IEA NZ2050 pathway (% AUM) Historic and current values in the figure are further presented in table 4.*

**Table 3.**

	2030 target	2023	2022	2021
<b>Share of AUM in renewable energy generation (%)</b>	1.39	1.06	0.87	0.72

*Table 3. Assets under management invested in companies in renewable energy generation (%)*



## 2. Improved disclosure

### Covered bonds

To fully deliver on our climate targets we need to be able to measure all asset classes. Driving measurability within fixed income is an important part in our sustainability strategy. In the fixed income space, we have up until now only been able to calculate and include corporate bonds in or climate targets.

We developed a methodology for calculating emissions in covered bonds in 2022. After setting the method, we focused on engagement with banks issuing covered bonds. In these dialogues, we discussed improved methodology for calculating emissions in mortgage portfolios, as well as strategies for reducing these emissions and

potential banking products that can facilitate reduced emissions.

To calculate emissions in covered bonds we use reported data by each Swedish bank in their mortgage portfolio.<sup>5</sup> Equally to equities and corporate bonds, the increase of total carbon emissions in covered bonds is a result of improved methodology in the banks' reporting.

Next year, we aim to continue this engagement and encourage the banks to report emissions in their mortgage portfolios. We also plan to explore ways that we can incorporate covered bonds and its financed emissions into Swedbank Robur's pathway to net zero.

**Table 4.**

	2023		2022	
	Total Aum (mSEK)	Total carbon emissions (tCO <sub>2</sub> e)	Total Aum (mSEK)	Total carbon emissions (tCO <sub>2</sub> e)
<b>Folksam LO Obligation</b>	17 190	1 930	14 925	1 442
<b>Förbundsräntefond</b>	786	97	-	-
<b>Förbundsräntefond Kort</b>	1 108	120	1 223	80
<b>Obligation</b>	48 285	5 748	41 670	4 002
<b>Obligation Lång Inst</b>	5 994	691	6 403	751
<b>Obligation Plus</b>	2 454	300	2 476	243
<b>Räntefond Kort</b>	31 894	3 726	35 831	2 516
<b>Räntefond Kort Plus</b>	30 003	4 713	53 698	2 477
<b>Talenten Räntefond MEGA</b>	1 329	165	-	-

<sup>5</sup> For more information on our methodology to calculate carbon emission in our covered bonds, please see our methodology document on our webpage.

## Sovereign bonds

Sovereign bonds account for almost 9% of our total fixed income fund capital. Following our release of a calculation methodology for financed emissions in covered bonds in 2022, this year we continued to expand our methodologies to include sovereign bonds.

Our method is based on the new guidance from Partnership for Carbon Accounting Financials (PCAF) on how to measure sovereign emissions. We chose to apply the territorial approach, measuring all emissions that occur within a country's territory. Furthermore, based on data availability, we chose only to include emissions from production within a country, and no emissions associated with import of goods and services.

Data is derived from the disclosures to the United Nations Framework Convention on Climate Change, UNFCCC<sup>6</sup>. This is the framework used by the Swedish Environmental Protection Agency (Naturvårdsverket) to report emissions data for

Sweden. Further, we use Gross Domestic Product (GDP) data from OECD.<sup>7</sup>

We report total emissions both including and excluding effects from land use, based on the EU agreement on emissions and uptake of greenhouse gases from land use change and forestry (LULUCF). The effect of LULUCF largely impacts the result for some countries. In the case of Sweden, the total emissions amount to 47.8 million tonnes without LULUCF; compared to 6.1 million tonnes when including LULUCF. This is largely due to the emission sequestration from forest areas.

The emissions in sovereign bonds can be expressed in different metrics; we chose total financed emissions and weighted average carbon intensity (WACI). The former is recommended by PCAF and the latter follows the method used by the Swedish Central Bank and allows for comparison between different countries and funds.

**Table 5.**

	Total AUM (mSEK)	Share of sovereign bonds in portfolio (%)	WACI excl. LULUCF (tCO <sub>2</sub> e /mSEK)	Total carbon emissions excl. LULUCF (tCO <sub>2</sub> e)	WACI incl. LULUCF (tCO <sub>2</sub> e /mSEK)	Total carbon emissions incl. LULUCF (tCO <sub>2</sub> e)
<b>Climate Bond</b>	752	7	0.7	531	0.1	68
<b>Folksam LO Obligation</b>	17 190	14	1.4	24 672	0.2	3 150
<b>Förbundsrentefond Obligation</b>	786	16	1.6	1 251	0.2	160
<b>Obligation Lång Inst</b>	48 285	14	1.4	68 344	0.2	8 727
<b>Obligation Plus</b>	5 994	9	0.9	5 486	0.1	701
<b>Realränta</b>	2 454	14	1.4	3 506	0.2	448
<b>Räntefond Kort Plus</b>	1 717	90	9.1	15 609	1.2	1 993
<b>Talenten Räntefond MEGA</b>	30 003	0.7	0.1	2 049	0.01	262
	1 329	15	1.5	2 002	0.2	256

Table 5. Swedbank Robur's fixed income funds only hold Swedish sovereign bonds. Table 6 includes funds where the share of sovereign bonds exceeds 0.5%.

<sup>6</sup> UNFCCC, "Greenhouse Gas Inventory Data - Time Series - Annex I", <https://di.unfccc.int>

<sup>8</sup> OECD, "OECD Statistics", <https://stats.oecd.org>

## Scope 3 emissions in equity and corporate bond holdings

In 2022, we reported on total carbon emissions within Scope 3 in our equity and corporate bond holdings for the first time. We used both estimated data by our data provider and reported data from the companies. This year coverage has increased for reported data, indicating that companies are progressing in disclosing their Scope 3 emissions. As companies' disclosure improves this has resulted in a predicted increase in our holdings total Scope 3 emissions.

We also calculate the weighted average carbon intensity for our holdings Scope 3 emissions. The intensity decreased, similarly as in our Scope 1 and 2, even when we consider the better coverage and improved reporting.

Our holdings Scope 3 emissions constitute the majority of our total emissions and must be included in our climate strategies and targets to fully reflect our climate footprint. Even though guidance exists for companies on how to estimate their Scope 3 emissions, we continue to see a challenge in comparability. One example is the challenge with downstream Scope 3 emissions, i.e. the emissions when a company's products or services are used. The assumptions made when estimating these emissions are partially based on

### Scope 1, 2 and 3

The GHG Protocol Corporate Standard classifies the emissions of a company into three scopes as following:

- **Scope 1:** Direct emissions from either owned or controlled sources
- **Scope 2:** Indirect emissions that comes from the generation of purchased energy.
- **Scope 3:** Indirect emissions in the value chain, both upstream and downstream, of the reporting company.

projections. Hence, two companies with the same product and production volume might come to very different conclusions on their emissions due to their assumptions on sales or behaviour by the end user.

Nonetheless, Swedbank Robur is confident that incorporating Scope 3 is essential to deliver on our net zero target. We will closely follow the developments regarding how to include Scope 3 in target setting for financial institutions.

**Table 6.**

	2023		2022	
	Total carbon emissions	Coverage, by weight	Total carbon emissions	Coverage, by weight
<b>Estimated (M tonnes of CO<sub>2</sub>e)</b>	29	98%	20	95%
<b>Reported (M tonnes of CO<sub>2</sub>e)</b>	55	79%	34	71%

Table 6. Equity and corporate bond holding's total scope 3 carbon emissions. Based on estimated data by data provider and reported data from companies.

**Table 7.**

	2023		2022	
	WACI	Coverage, by weight	WACI	Coverage, by weight
<b>Swedbank Robur's holdings (tCO<sub>2</sub>e/mSEK)</b>	531	98%	651	95%
<b>MSCI ACWI (tCO<sub>2</sub>e/mSEK)</b>	682	97%	773	97%

Table 7. Weighted average carbon intensity for our holdings Scope 3 emissions with comparison to MSCI ACWI.



# 3. Carbon footprint

## Method

We report the carbon footprint of our funds by using weighted average carbon intensity (WACI). This is in accordance with guidance issued by the Swedish Investment Fund Association (Fondbolagens Förening) and the TCFD recommendations. WACI enables a comparison between equity and corporate bond funds. The numbers are based on Scope 1 and 2 emissions from our investments. Most of the funds have close to 100% data coverage. On fund level, data is normalised.

## Fundamental equity funds

Swedbank Robur's fundamental equity funds continued to display low carbon intensity compared to their respective benchmarks (figure 4). This year, the only fund that has an evidently higher carbon footprint compared to its benchmark is Transition

Energy. This is partly explained by a large share of holdings in companies considered as "enablers". These companies are important for the transition to a low carbon economy but may currently have quite high Scope 1 and 2 emissions.

Figure 4.

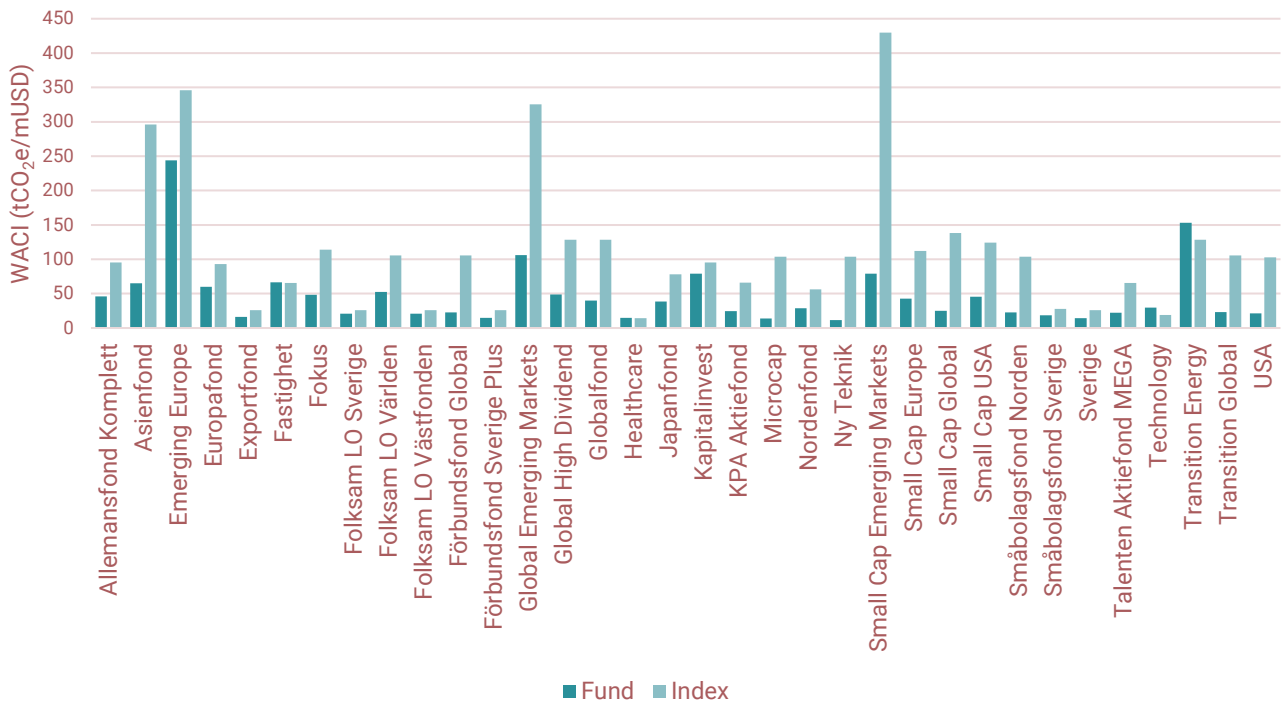


Figure 4. Weighted average carbon intensity (WACI), Scope 1 and 2, fundamental equity funds compared to their indexes (tCO<sub>2</sub>e/mUSD).

## Quantitative equity funds

All Swedbank Robur's quantitatively managed equity funds continued to demonstrate a lower carbon intensity compared to their respective indexes (figure 5). Access Asien saw a slight increase in intensity during the year, mostly explained by improvement in reported emissions from companies in the Asian market, driving an increase in coverage and disclosure.

Access Edge is a family of quant funds, managed in line with the Paris Agreement building on

methodology from the EU Sustainable Finance Climate Benchmark. Another fund family, the Transfer funds, used to be managed in the same manner as the Access Edge funds, but changed their methodology in 2023 to instead measure their alignment according to Swedbank Robur's own methodology for Paris Alignment. The reason for changing methodology is to better align with Swedbank Robur's 2040 net zero target and increase the possibility to invest in companies enabling the climate transition.

**Figure 5.**

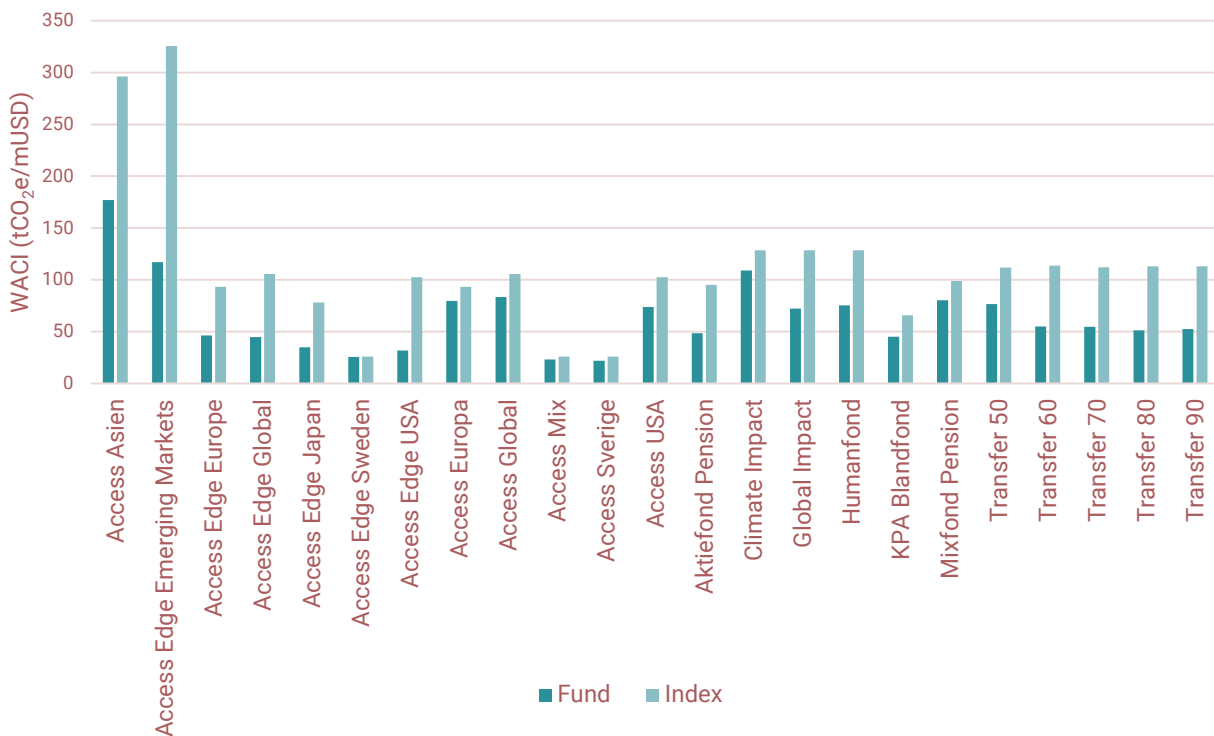


Figure 5. Weighted average carbon intensity, Scope 1 and 2, quantitative equity funds compared to their indexes (tCO<sub>2</sub>e/mUSD).

## Corporate bond funds

Swedbank Robur's corporate bond funds continued to have low carbon emission intensity compared to their indexes. The continued focus on green and sustainable bonds to help reach our climate targets is one key driver of this. In 2023, 41 bnSEK in sustainable bonds were held in our fixed income and corporate bond funds, an increase of 4 bnSEK compared to 2022.

Corporate Bond Europe Mix was transformed during 2023 to Climate Bond High Yield; a high yield fund with the goal to invest in bonds issued to support the UN's sustainable development goals (SDG) with a focus on climate. Investments are made in areas such as sustainable energy, environmental preservation, and climate change mitigation.

Figure 6.

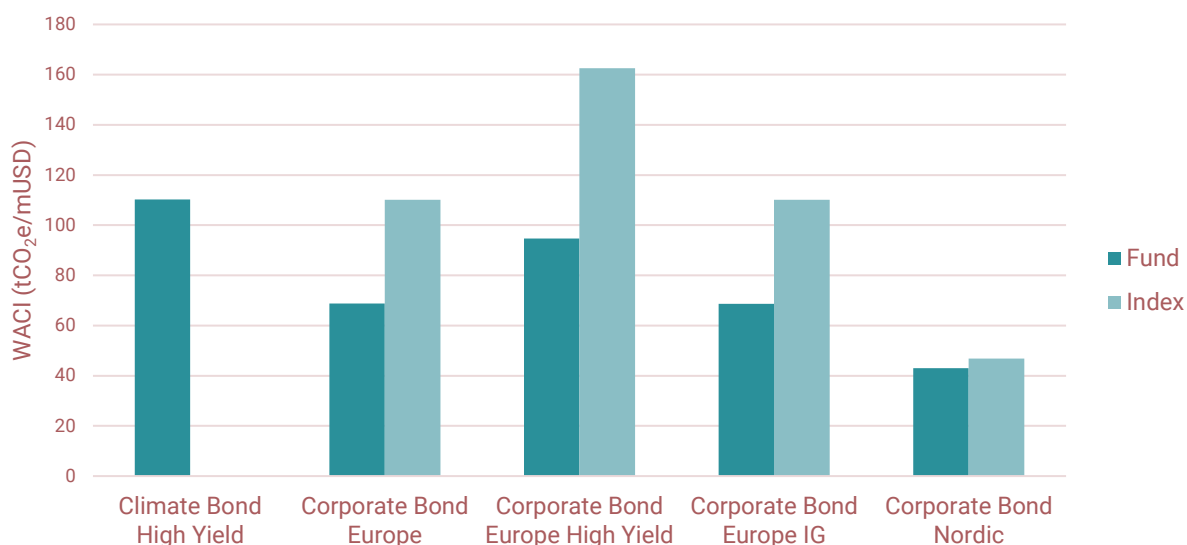
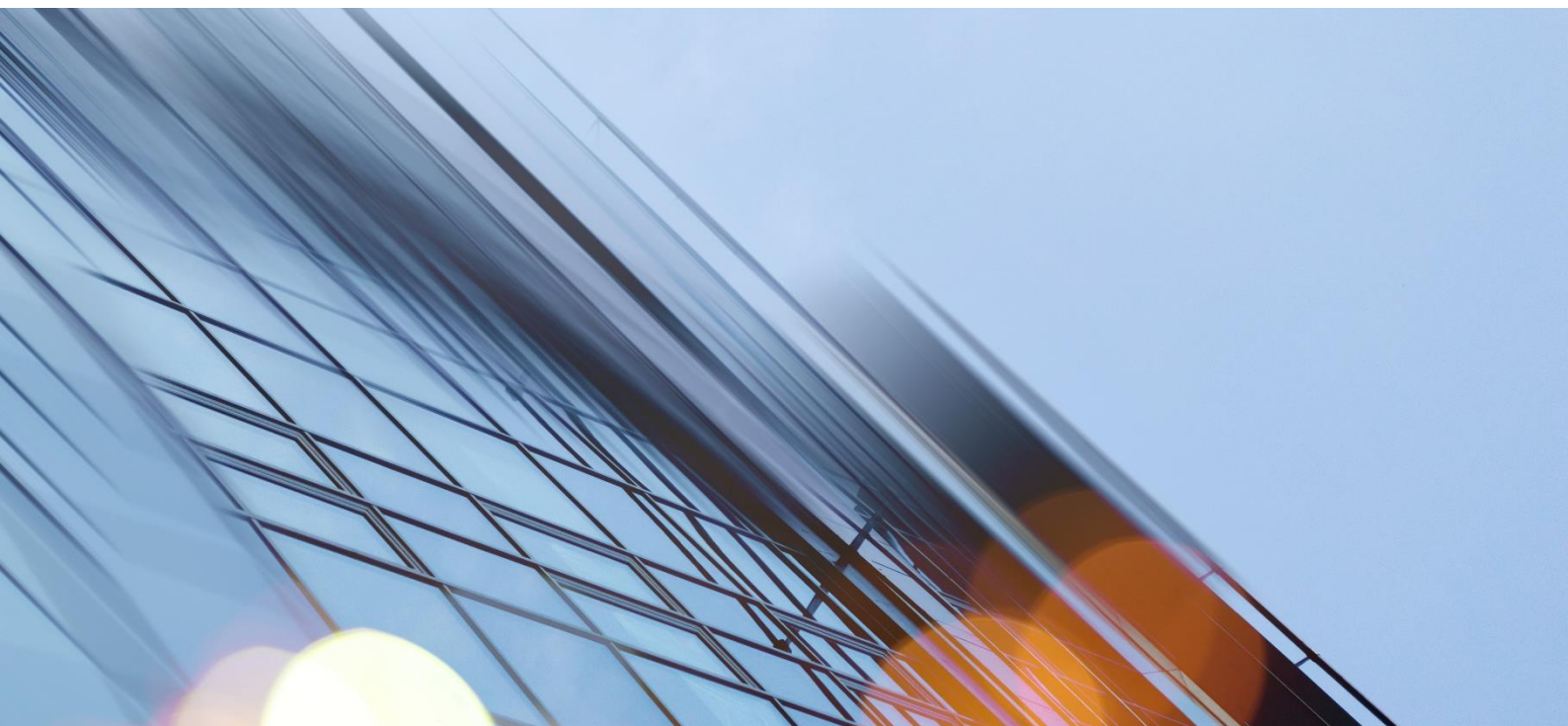


Figure 6. Weighted average carbon intensity, Scope 1 and 2, corporate bond funds compared with index (tCO<sub>2</sub>e/mUSD). Climate Bond High Yield does not have a benchmark.



# 4. Engagement on Paris Alignment

To honour our NZAM initiative commitment, we annually identify holdings that account for 70 percent of Swedbank Robur’s financed Scope 1 and 2 carbon emissions. We assess the status of their climate targets using data from the Science Based Targets initiative (SBTi). On the backdrop of this, we generate an engagement focus list, consisting of companies without verified SBTi targets.

Encouragingly, the target list was reduced from 42 companies at the start of 2022, to 30 companies for 2023. Companies which had not yet set targets remained on the list for 2023 and several new companies were added.

**Sub-target:**  
**Engage with companies in material sectors constituting 70 percent of our current emissions, increasing to include more sectors over time.**

Of the 30 companies we engaged with, nine had their SBTi emissions targets verified, with the more robust “1.5°C” or “Well below 2.0°C” targets. An additional five companies committed to SBT verification whilst 16 remained uncommitted. We will continue our dialogue with uncommitted companies next year to make them aware of our investment standards and expectations.

Figure 7.

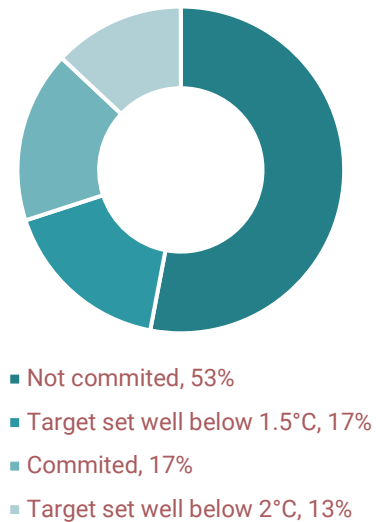


Figure 7. Climate target maturity. Categories of SBTi targets among the 30 companies on the engagement focus list.

Our engagement covered target setting, climate transition planning, capital allocation towards climate risk and opportunity, as well as the longer-term net zero commitment and pathways for these operations. Most of the dialogues were led by Swedbank Robur engagement specialists and fund managers, some were conducted in collaboration with other investors.

We were also active in the Climate Action 100+ collaborative engagement. With this combined effort we managed to cover close to 90 percent of our financed emissions, which is well above the NZAM target.

## Development in the 30 companies on the net zero engagement focus list

**47 %** Made a SBTi commitment or set a target aligned to the Paris Agreement.

## Our message in dialogues

Swedbank Robur's climate dialogues have traditionally focused on companies in high Scope 1 and 2 (direct) emissions sectors such as energy, mining and metals, materials, transport, and manufacturing – the so called TCFD climate critical sectors. This work is growing to include companies that have significant Scope 3 (indirect) emissions. For example, financial actors where almost all emissions are of this type, based on for example their lending or investments. Similarly, sectors with fully outsourced production have a large supply chain Scope 3 component. Our approach also aims to minimise Principle Adverse Impacts at fund level as part of the EU Sustainable Finance Disclosure Regulation.

We believe that the main aspects for companies to consider when developing their climate management systems are transitional and physical risks and opportunities. Transition risks and opportunities can be associated with (but are not limited to), changes in market conditions, products and services, social and political aspects, energy cost and availability, regulations, and carbon taxes. Physical risks relate to the physical environmental aspects of climate change such as temperature changes, storm severity and frequency, fire, rainfall, humidity, sea level rise and so on.

In our view, companies need to assess their exposure to both transition and physical risks and the costs that these might impose on the business over different timeframes and under different temperature scenarios. We take the opportunity to raise these questions not only when we talk to companies in climate critical sectors, but during all company dialogues where we believe tangible risks exist.

Companies with significant exposure to climate risks need to adopt a governance framework, like for example the TCFD, that offer a structure for strategy, risk assessment, metric & targets and monitoring of climate risk. We also believe they need to have a credible climate action/transition plan in place. This requires companies to:

- Set emission reduction targets over short, medium and long term, preferably with net zero emissions as the ultimate goal.
- Illustrate costs and resources required to meet the targets.
- Adopt a capital allocation plan that will finance the transition.
- Plan the major work interventions.
- Adapt their business to physical risks.



# 5. Nature

**In November 2022, the UN COP15<sup>8</sup> was finalized, at last. One of the main results was the adoption of the Kunming-Montreal Global Biodiversity Framework. For the first time, the light falls on the financial flows and how they can be managed to prevent loss of nature and species.**

## Nature in the investment process

Swedbank Robur signed the Finance for Biodiversity Pledge (FfBP) in 2020, supporting its goal to reverse nature loss globally. This was a pioneer industry collaboration to increase speed and scope of action among investors in nature related risk management.

In August, the Pledge published an investor guide for nature target setting, and in November, part of the members launched a new, global engagement initiative: Nature Action 100.

During the year, nature-related risk and aspects of biodiversity impact was structurally implemented in Swedbank Robur's investment processes, in line with the EU Sustainable Finance Disclosure Regulation (SFDR). Nature has been addressed, primarily through our Principal adverse sustainability impacts statement (PAI Statement) where water consumption, emissions to water and biological diversity are the key indicators. It is also part of the selection of criteria for Do No Significant Harm (DNSH) in our definition of Sustainable Investment according to SFDR Article 2.17.

### Nature Action 100

A collaboration among some 200 banks, asset managers and insurance companies globally. The aim is to engage with the 100 companies with the largest impact on nature & biodiversity and present common expectations on how to assess and manage nature-related risk.

#### The engagement has six asks to companies:

1. **Ambition:** Publicly commit to minimize nature loss and to conserve and restore ecosystems by 2030.
2. **Assessment:** Assess and disclose nature-related dependencies, impacts, risks, and opportunities.
3. **Targets:** Set time-bound, context-specific, science-based nature-related targets informed by risk assessments. Disclose annual progress against targets.
4. **Implementation:** Company-wide plan to achieve targets, prioritising a rights-based approach and developed in collaboration with Indigenous Peoples and local communities, when affected.
5. **Governance:** Establish Board oversight and disclose management's role in assessing and managing nature-related dependencies, impacts, risks, and opportunities.
6. **Engagement:** Engage with stakeholders throughout value chains to create an enabling environment for implementing the plan and achieving targets.

Swedbank Robur take part in four engagement groups, representing all investors in the initiative. Swedbank Robur will engage with Stora Enso OYJ, Mondelez International Inc, Nutrien Ltd. and Weyerhaeuser Co.

[www.natureaction100.org/](http://www.natureaction100.org/)

<sup>8</sup> The fifteenth meeting of the Conference of the Parties (COP 15) to the Convention on Biological Diversity

## Nature Strategy

The nature strategy was reviewed in October to incorporate the outcomes after the 15th conference of the parties to the UN Convention on Biological Diversity, the COP15, and the publishing of a Guide on Nature Target setting by the Finance for Biodiversity Foundation.

One of the main outcomes of COP15 was the Kunming-Montreal Global Biodiversity Framework (the GBF). This framework includes 4 goals for 2050 and 23 targets to be reached by 2030. Decisions were also made to develop support for the implementation of the GBF. Including, for instance, mechanisms for planning, monitoring, reporting and review; how to align financial flows and allocate financial resources for implementation; as well as capacity building and technical and scientific cooperation.

The changes we made to the Swedbank Robur Nature Strategy provides a clear baseline for us to prioritise our efforts in this field the coming years.

### Initiation targets, by 2026:

- **Build knowledge and understanding of nature risk in holdings.**
- **Assess exposure to nature risk in holdings.**
- **Establish governance oversight for nature related risk.**
- **Report on targets 1-3 (by 2025).**

### Additional key targets, by 2030:

- **Engage with holdings in high impact sectors.**
- **Adopt sectoral targets for material risk exposure.**



## Nature related engagement

Engagement remained a main method as to achieve the targets in our nature strategy and focus was on high-impact sectors as defined by IPBES:

### Major, direct impact on biodiversity and ecosystems



- Agriculture & forestry
- Fisheries & aquaculture
- Pharmaceuticals & chemicals
- Energy, mining, real-estate & infrastructure

### Indirect, highly dependent on ecosystem services:



- Food processing & food retail
- Health care
- Textile & apparel
- Household & personal products, cosmetics

Within the nature theme, water, waste, chemicals and biodiversity were main topics for engagement. This also reflected upon the collaborative initiatives that we chose to support: Finance for Biodiversity Pledge, Valuing Water Finance Initiative, Investor Initiative on Hazardous Chemicals, Nature Action 100 and FAIRR.

## FAIRR

FAIRR is an independent research organisation for a sustainable transition of the food & agriculture sector. They benchmark the 60 leading producers of food & agricultural products, regarding their sustainability work and sustainable transitional planning.

FAIRR provides us with research and insights on sustainable business transition in this industry. They also coordinate engagement programs to increase efficiency and spread best practice among actors in the value chain.

Through FAIRR we advocate for a sustainable transition of agriculture and the food industry. This is to reach the global goals in a just and long-term sustainable manner and at the same time tackle the climate crisis.

[www.fairr.org](http://www.fairr.org)