

## CHECKLIST

### For reporting according to Regulation (EU) 1233/2011

Below follows data for the two Swedish export credit organizations, EKN and SEK.

The export financing system for Sweden has two main components: The Swedish Export Credits Guarantee Board (EKN) and the Swedish Export Credit Corporation (SEK). EKN and SEK have similar mandates to promote Swedish exports but differ in organizational structure and services offered. EKN insures the credit risk and SEK refinances the export credits. EKN cover political and commercial risks in connection with export transactions and political risks in connection with investments abroad. The purpose of SEK is to finance exports of Swedish capital goods and services. EKN is a government agency and SEK is a state owned company with limited liability incorporated under Swedish laws.

#### **I. Reporting country information**

Reporting Country	Sweden
Submission Date	10 July 2014
Reporting Institution (Government Department, ECA)	EKN (the Swedish Export Credits Guarantee Board)  SEK (Swedish Export Credit Corporation)

#### **II. Reporting country legal and policy information**

Mandate/Legal status of ECA	EKN is a government agency that supports Swedish exports and the internationalisation of Swedish industry.  SEK is a wholly state owned corporation.
Officially supported export credit programs(in the sense of Article 5 of the OECD Arrangement) during reporting period	EKN offers guarantees (pure cover).  SEK provides refinancing.
Annual reports available on reporting year	EKN's Annual report 2013 is published and is also available on EKN's website, <a href="http://www.ekn.se">www.ekn.se</a> .  SEK's annual report including sustainability report is available on <a href="http://www.sek.se">www.sek.se</a> .

#### **III. Information on the reporting Member State's Export Credit policies:**

General presentation of the reporting MS' policies on export credits, including all information that can help the Commission in carrying out its evaluation regarding the compliance of the Export Credit Agencies with EU objectives and obligations <sup>1</sup> (in the sense of Article 3, Annex 1 of EU	<b>EKN's policy and guidelines for corporate responsibility in the issuing of guarantees</b> <i>Policy EKN promotes corporate responsibility. In its guarantee operation EKN's considerations include the environment, human rights and labor rights, anti-corruption and the promotion of sustainable lending to poor countries. EKN engages in dialogue on corporate</i>
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<sup>1</sup> EP side suggested to use such a phrase (to ensure that it is not forgotten that the Regulation's official reference is to "EU objectives and obligations").

Regulation1233/2011)	<p>responsibility with customers and other stakeholders in order to obtain deeper understanding of how others work in this area and to promote sustainable development. EKN encourages all companies to apply the principles enshrined in the UN's Global Compact and the OECD guidelines for multinational enterprises. EKN will participate in transactions which have an acceptable impact on the environment and social conditions, are free of corruption and do not hinder poor countries' social and economic development. EKN may decline to participate in transactions where the social and/or environmental impacts are considered unacceptable or where necessary information is not received. EKN's guidelines for environmental and social responsibility are based on the OECD Recommendation on Common Approaches on the Environment and Officially Supported Export Credits, often shortened to Common Approaches.</p> <p><b>Guidelines for environmental impact assessment</b> EKN's environmental responsibility precludes guarantee-issuing that involves adverse environmental impacts. In EKN's guidelines, environmental impacts refer to impacts on air, water and soil, resource depletion (energy, material, water and land), waste, noise, impacts on sensitive natural and cultural areas (national parks, nature reserves and primeval forests) and impacts on people and society. In order to mitigate adverse environmental impacts, EKN conducts environmental screening in accordance with special guidelines for transactions involving a risk of such impacts.</p> <p><b>Guidelines for assessment of social issues</b> EKN takes social issues into consideration in its guarantee-issuing by assessing the risk of, and where possible mitigating, any potential adverse effects on human rights and labor rights in the project and in the buying company and its surroundings. EKN's respect for human rights places particular emphasis on the rights that are closely associated with the business activity's impact on the local community. This applies to the Company's impact on community health and safety in the immediate environment, involuntary resettlement, indigenous peoples and cultural heritage sites. Working conditions in the buying company are assessed primarily by looking at the risk of child labor, forced labor and discrimination and by considering health and safety, freedom of association and collective bargaining.</p> <p><b>Anti-corruption guidelines</b> EKN does not accept bribery in the transactions it</p>
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	<p>guarantees. Applicants for guarantees must certify that bribes have not been issued in the transaction and must provide information on any compensation paid to agents. The guarantee will be invalid if it subsequently emerges that bribery was involved.</p> <p><b>Guidelines for sustainable lending</b></p> <p>EKN's policy for sustainable lending stipulates that we will not normally guarantee exports to public buyers in countries that have commercial borrowing restrictions in programmes with the World Bank and IMF, where the transaction infringes on the recipient country's poverty reduction or debt strategy or hinders the country's social or economic development. The aim of the policy is to ensure that EKN does not issue guarantees for transactions which are considered to be unproductive or not in line with the recipient country's poverty reduction strategy. The policy covers guarantee-issuing that increases direct or indirect state indebtedness.</p> <p><b>SEK</b> is a signatory of UN Global Compact and discloses its sustainability work in a sustainability report according to GRI level B+ and in a yearly Communication on Progress.</p> <p>SEK's policy for sustainable financing includes due diligence with respect to environment, social (including human rights), business ethics and anti-corruption. The policy is aligned with OECD Common Approaches.</p> <p>SEK has guidelines, routines and relevant tools for evaluating the above risks which is described in detail in the annual report.</p>
<p>Special information on the following policies:</p> <p><i>1) Environment:</i></p> <p>a) Do you apply the OECD Recommendation on Common Approaches to the Environment and Officially Supported Export Credits? (its successor instrument the OECD Recommendation on Common Approaches on Officially Supported Export Credits and Environmental and Social Due Diligence?)</p> <p>b) any other relevant information</p>	<p>a) Yes, EKN and SEK apply the Common Approaches.</p> <p>b) EKN and SEK also carry out environmental screening of transactions not covered by the Common Approaches. Transactions with environmental risk are further assessed.</p>
<p><i>2) Human rights:</i></p> <p>a) Do you apply the Human Rights related aspects of the</p>	<p>a) Yes, EKN and SEK apply the Human Rights aspects of the Common Approaches.</p>

<p>Recommendation on Common Approaches, on Officially Supported Export Credits and Environmental and Social Due Diligence?</p> <p>b) Any other relevant information?</p>	<p>b) In accordance with EKN's policy for Corporate responsibility EKN screens project and non-project transactions. Transactions with inherent labour and human rights risks are further assessed.</p> <p>In addition to Common Approaches, SEK screens all transactions in risk countries/sectors with respect human rights. Transactions in high risk countries/sectors are further assessed.</p>
<p>3) <i>Anti-Bribery measures:</i></p> <p>a) Do you apply the OECD Recommendation on Bribery and Officially Supported Export Credits?</p> <p>b) Any other relevant information?</p>	<p>a) Yes, EKN and SEK apply the Recommendation on Bribery.</p> <p>b) EKN does not guarantee transactions where bribery is involved. The guarantee-holder could find that the guarantee ceases to be valid if it later emerges that the export transaction involved bribery.</p> <p>SEK has the right to cancel the credit if corruption is revealed in the export transaction. SEK is a member of Transparency International Sweden Business group and has an anti-corruption program in place since 2012. The program includes an external whistleblower system which could be used both internally and externally.</p>
<p>4) <i>Sustainable Lending Practices:</i></p> <p>a) Do you apply the OECD Principles and Guidelines to Promote Sustainable Lending Practices in the Provision of Official Export Credits to Low Income Countries?</p> <p>b) Any other relevant information?</p>	<p>a) Yes, EKN applies the OECD Principles and Guidelines on Sustainable Lending.</p> <p>The Principles are not applicable to SEK, however they are indirectly applied through refinancing of EKN-guaranteed transactions.</p>
<p>5) Other policies</p>	<p>For EKN's policy on Corporate Responsibility, please see above.</p> <p>SEK has policies, analytical system support and routines to combat money laundry and financing of terrorism.</p>

#### IV. Annual Activity Report data:

Explanatory note:

*"MS shall report, in accordance with their national legislative framework, on assets and liabilities, claims paid and recoveries, new commitments, exposures and premium charges."*

From Regulation 1233/2011, Annex 1.

Member States that have more than one ECA should do one single integrated report (reporting obligation is on the Member State as such, not the ECA). Where a MS offers at the same time different types of products (pure cover and direct lending), the reporting under chapter IV should however differentiate.

<b>A) In case of official support is provided in the form of export credit guarantee or insurance (“pure cover”) in the sense of Art 5 a 1) OECD Arrangement:<sup>2</sup></b>	
Overview of assets	<b>EKN:</b> 30,048 SEK million (EUR 3,360 million)  <b>SEK:</b> 306,554 SEK million (EUR 34,279 million)
Overview of liabilities	<b>EKN:</b> Capital 23,262 SEK million (EUR 2,601 million) Provisions 5,496 SEK million (EUR 616 million) Other 481 SEK million (EUR 54 million) Accruals and deferrals 50 SEK million (EUR 6 million) Total: 30,048 SEK million (EUR 3,360 million)  <b>SEK:</b> Capital 14,990 SEK million (EUR 1,676 million) Provisions 52 SEK million (EUR 6 million) Other 289,905 SEK million (EUR 32,417 million) Accruals and deferrals 1,607 SEK million (EUR 180 million) Total: 306,554 SEK million (EUR 34,279 million)
Aggregate nominal risk exposure <ul style="list-style-type: none"> <li>• 01-01-2013</li> <li>• 31-12-2013</li> </ul>	<b>EKN:</b> 336,169 SEK million (EUR 38,999 million) and 312,284 SEK million (EUR 34,919 million)  <b>SEK:</b> 346,600 SEK million (EUR 40,225 million) and 344,100 SEK million (EUR 38,477 million)
a.) nominal risk exposure under insurance policies issued <ul style="list-style-type: none"> <li>• 01-01-2013</li> <li>• 31-12-2013</li> </ul>	<b>EKN:</b> 204,396 SEK million (EUR 23,712 million) and 194,713 SEK million (EUR 21,772 million)
b.) nominal risk exposure under promises and notices of cover <ul style="list-style-type: none"> <li>• 01-01-2013</li> <li>• 31-12-2013</li> </ul>	<b>EKN:</b> 131,774 SEK million (EUR 15,287 million) and 117,571 SEK million (EUR 13,146 million)
Premium Income	<b>EKN:</b> 1,197 SEK million (EUR 134 million)

<sup>2</sup> Member States not using EUR should report the figures in their national currency and in EUR.

Recoveries	<b>EKN:</b> 144 SEK million (EUR 16 million)
Claims paid	<b>EKN:</b> 358 SEK million (EUR 40 million)
<b>B) In case official support is provided in the form of Official Financing Support in the sense of Article 5a2) OECD Arrangement:</b>	
Overview of assets	<b>SEK:</b> 44,848.5 SEK million (EUR 5,014.9 million)
Overview of liabilities:	<b>SEK:</b> 44,848.5 SEK million (EUR 5,014.9 million)
a) nominal value of officially supported loan portfolio <ul style="list-style-type: none"> <li>• 01-01-2013</li> <li>• 31-12-2013</li> </ul>	<b>SEK:</b> 38,646.9 SEK million (EUR 4,485.2 million and 42,419.2 SEK million (EUR 4,743.3 million)
b) total value of off balance commitments <sup>3</sup> <ul style="list-style-type: none"> <li>• 01-01-2013</li> <li>• 31-12-2013</li> </ul>	<b>SEK:</b> 43,173.1 SEK million (EUR 5,010.4 million) including binding offers of 30,497.7 SEK million (EUR 3,539.4 million) 39,539.1 SEK million (EUR 4,421.2 million) including binding offers of 31,002.5 SEK million (EUR 3,466.7 million)
Interest received	<b>SEK:</b> 1,117.6 SEK million (EUR 125.0 million)
Annual profit/loss	<b>SEK:</b> 254.4 SEK million (profit) (EUR 28.4 million)

#### V. Contingent liabilities

Where contingent liabilities might arise from officially supported export credit activities, those activities shall be reported:	<b>EKN:</b> None  <b>SEK:</b> None
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#### V. Evaluation and incorporation of environmental risks

Environmental risks:	
a) Number/exposure of transactions Category A	In 2013 EKN had 4 Category A projects based on the OECD Common Approaches definition and reported to the OECD.  In 2013 SEK financed 3 Category A projects
b) Number/exposure of transactions Category B	In 2013 EKN had 1 Category B project based on the OECD Common Approaches definition and reported to the OECD.  In 2013 SEK financed 3 Category B projects
How are environmental risks, which can carry other relevant risks, taken into account in the officially supported export credit activities?	At EKN environmental, social and human rights risk screening and review is part of the total assessment of a transaction/project. These risks must be acceptable and manageable before EKN offers a guarantee.

<sup>3</sup> Interpreted as approved but not yet completed transactions.

	<p>At SEK, ethical, environmental, social and human rights risk screening and review is part of all lending transactions. These risks are important parts of a credit decision at SEK's Credit Committee and must be acceptable and manageable before SEK accepts a credit.</p>
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