

## 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 organisational structure and services offered. EKN insures the credit risk and SEK refinances the export credits. EKN covers 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	2017-10-01
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 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>  <b>Policy</b> EKN shall promote corporate responsibility in export transactions and investments. In all of its activities EKN shall consider the
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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>environment, human rights and working conditions. EKN shall also promote sustainable lending to poor countries and prevent corruption.</p> <p><b>Guidelines</b> EKN shall support transactions with an acceptable environmental and social impact, which are free of corruption and that do not impede poor countries' social and economic development. EKN shall refrain from taking part in transactions for which the conditions are not acceptable, or if the necessary information is not received or expected to be received.</p> <p>EKN shall not:</p> <ul style="list-style-type: none"> <li>• guarantee transactions, whose main and primary purpose is tax evasion</li> <li>• guarantee transactions whose purpose is to improperly withhold taxes</li> </ul> <p>EKN shall:</p> <ul style="list-style-type: none"> <li>• undertake continuous dialogue all stakeholders concerning corporate responsibility in order to share experience, gain a deeper understanding of how others work in this area, and contribute to sustainable global development</li> <li>• adhere to the principles of the UN's Global Compact, the OECD's Guidelines for Multinational Enterprises and the UN's Guiding Principles on business and human rights and encourage all companies to apply the aforementioned principles</li> <li>• regularly follow up its work on corporate responsibility EKN has a whistle blower mechanism to reveal non-conformance with the policy</li> </ul> <p><b>Environment, human rights and working conditions</b> EKN's guidelines for the environment, human rights and working conditions are based on the Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence.</p> <p>EKN shall:</p> <ul style="list-style-type: none"> <li>• assess the risk of, and the opportunities to prevent, any adverse impact on the environment, human rights and working conditions in individual projects, in buyer</li> </ul>
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	<p>companies and in their surroundings, a deeper assessment will be performed on transactions with a high potential risk of adverse impact</p> <ul style="list-style-type: none"> <li>• take all human rights into consideration and put special emphasis on rights linked to business impacts, i.e. business impact on health and safety in the surroundings on involuntary displacement, indigenous people, cultural heritage areas and freedom on the Internet</li> <li>• pay special attention to transactions in conflict areas and in countries and sectors with a high risk of human rights violations</li> <li>• assess working conditions in terms of the risk of child labour, forced labour, discrimination, occupational health and safety, and the right to freedom of association and to collective bargaining</li> </ul> <p><b>Anti-corruption</b> EKN's anti-corruption guidelines are based on the OECD Recommendation on Bribery and Officially Supported Export Credits, as well as Swedish legislation. Swedish anti-bribery legislation must be followed in EKN's transactions. EKN does not undertake transactions whereby obviously corrupt structures have given the buyer clear advantages over its competitors.</p> <p><b>Sustainable lending</b> EKN's guidelines for sustainable lending are based on the OECD Principles and Guidelines to Promote Sustainable Lending Practices in the Provision of Official Export Credits to Low Income Countries.</p> <p><b>SEK</b> is a signatory of UN Global Compact and discloses its sustainability work in a sustainability report in accordance with the GRI G4 - Core and in a yearly Communication on Progress. 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. SEK has guidelines, routines and relevant tools for evaluating the above risks which is described in detail in the annual report.</p>
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<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, i. e. these are applied beyond the scope defined by the OECD. 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 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 Human Rights aspects of the Common Approaches.</p> <p>b) In addition to Common Approaches EKN, in accordance with EKN's policy for Corporate responsibility, screens both projects and existing operations irrespective of the transaction size. Transactions with inherent labour and human rights risks are further assessed.</p> <p>In addition to Common Approaches, SEK screens all transactions with respect human rights. Transactions in high risk countries/sectors are further assessed.</p>
<p><i>3) 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 goes beyond the Recommendation and applies it on both the public and private sector, identifies high risk transactions for further assessments. EKN does also require information if the applicant and/or exporter already have been served with notice of suspicion. For transactions where the exporter is the guarantee holder, EKN can declare the guarantee to be non-binding if an exporter is convicted of 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 anticorruption program in place since 2012. The program includes an external whistleblower system which could be used both internally and externally.</p>

4) <i>Sustainable Lending Practices:</i> 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?	a) Yes, EKN and SEK apply the OECD Principles and Guidelines on Sustainable Lending.
b) Any other relevant information?	
5) Other policies	For EKN's policy on Corporate Responsibility, please see above. EKN also has policies to assess the owners of the company. SEK has policies, analytical system support and routines to combat money laundry and financing of terrorism.

#### 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> (Exchange rate: 1 EUR = 9,5407 SEK)</b>	
Overview of assets	<b>EKN:</b> 34,761 SEK million (EUR 3,643 million)  <b>SEK:</b> 299,442 SEK million (EUR 31,386 million)
Overview of liabilities	<b>EKN:</b> Capital 21,921 SEK million (EUR 2,298 million) Provisions 12,025 SEK million (EUR 1,260 million) Other 772 SEK million (EUR 81 million) Accruals and deferrals 43 SEK million (EUR 5 million) Total: 34,761 SEK million (EUR 3,643 million)  <b>SEK:</b> Capital 17,136 SEK million (EUR 1,796 million) Provisions 51 SEK million (EUR 5 million) Other 279,989 SEK million (EUR 29,347 million) Accruals and deferrals 2,266 SEK million (EUR

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

	238 million) Total: 299,442 SEK million (EUR 31,386 million)
Aggregate nominal risk exposure <ul style="list-style-type: none"> <li>01-01-2016</li> <li>31-12-2016</li> </ul>	<b>EKN:</b> 287,120 SEK million (EUR 30,094 million) and 265,174 SEK million (EUR 27,794 million)  <b>SEK:</b> 326,200 SEK million (EUR 35,709 million) and 340,700 SEK million (EUR 35,710 million)
a.) nominal risk exposure under insurance policies issued <ul style="list-style-type: none"> <li>01-01-2016</li> <li>31-12-2016</li> </ul>	<b>EKN:</b> 214,134 SEK million (EUR 22,444 million) and 201,502 SEK million (EUR 21,120 million)
b.) nominal risk exposure under promises and notices of cover <ul style="list-style-type: none"> <li>01-01-2016</li> <li>31-12-2016</li> </ul>	<b>EKN:</b> 72,986 SEK million (EUR 7,650 million) and 63,672 SEK million (EUR 6,674 million)
Premium Income	<b>EKN:</b> 902 SEK million (EUR 95 million)
Recoveries	<b>EKN:</b> 1,059 SEK million (EUR 111 million)
Claims paid	<b>EKN:</b> 1,529 SEK million (EUR 160 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> 54,935 SEK million (EUR 5,758 million)
Overview of liabilities:	<b>SEK:</b> 54,935 SEK million (EUR 5,758 million)
a) nominal value of officially supported loan portfolio <ul style="list-style-type: none"> <li>01-01-2016</li> <li>31-12-2016</li> </ul>	<b>SEK:</b> 43,128 SEK million (EUR 4,721 million) and 51,518 SEK million (EUR 5,400 million)
b) total value of off balance commitments <sup>3</sup> <ul style="list-style-type: none"> <li>01-01-2016</li> <li>31-12-2016</li> </ul>	<b>SEK:</b> 56,911 SEK million (EUR 6,230 million) including binding offers of 2,273 SEK million (EUR 249 million) 51,991 SEK million (EUR 5,449 million) including binding offers of 2,911 SEK million (EUR 305 million)
Interest received	<b>SEK:</b> 1,185 SEK million (EUR 124 million)
Annual profit/loss	<b>SEK:</b> 235 SEK million (profit) (EUR 25 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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<sup>3</sup> Interpreted as approved but not yet completed transactions.

## V. Evaluation and incorporation of environmental risks

Environmental risks:	
a) Number/exposure of transactions Category A	<p>In 2016 EKN had 1 Category A projects based on the OECD Common Approaches definition and reported to the OECD. In addition, 7 transactions beyond the scope of Common Approaches were classified as Category A.</p> <p>In 2016 SEK financed 1 Category A project based on the OECD Common Approaches definition.</p>
b) Number/exposure of transactions Category B	<p>In 2016 EKN had 6 Category B projects based on the OECD Common Approaches definition and reported to the OECD.</p> <p>In 2016 SEK financed 5 Category B projects based on the OECD Common Approaches definition.</p>
How are environmental risks, which can carry other relevant risks, taken into account in the officially supported export credit activities?	<p>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.</p> <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>