

Country report: Sweden

ISO/TC 322 Sustainable Finance, plenary meeting
4th of December 2020

Overview of the market & demand

- The Swedish market for sustainable finance and investment is comparably strong and has continued to grow over the last years.
- According to Eurosif 2018 SRI Study: "The Swedish SRI market is mature, with many large institutional players having been active in the SRI space for more than ten years. Almost all major players have some sort of framework for sustainable investments and an ESG or ethical investment policy."
- The Swedish Forum for Sustainable Investment (Swesif) developed a platform called "Sustainability Declaration" ("Hållbarhetsprofilen") to allow fund providers to list their sustainability themed funds and provide standardized information. The list now contains around 1,200 funds (doubled over the last few years). [Link \(in Swedish\)](#).
- The Nordic Swan Ecolabel, which is the official ecolabel of the Nordic countries, developed an independently verified ecolabel for green investment funds. It has currently accepted 25 funds. [Link](#).

Industry developments

- Swesif, Dansif and Finsif presented a joint analysis of "Investor Reporting on the Sustainable Development Goals (SDGs)" that builds in interviews with the industry. The results indicate that there is an (over-)abundance of guidelines on sustainability reporting out there. However, investors are wary of the lack of converge in standards, the sometimes poor quality of ESG data, and the use of sustainability reporting for mainly PR purposes. [Link \(in English\)](#).
- Current project themes of Swesif include: evaluation of the effects of investor engagement on ESG, risks and opportunities in water investments, and ESG issues in fixed income investments.
- Swedish fund providers continue to analyze the developments and implications of the EU Action Plan for Financing Sustainable Growth, which many believe can have far-reaching consequences for this market.
- Swedish players continue to be active in various international initiatives and developments in the area, recognizing that Sweden as such is a small market with limited impact on sustainable development. Some of these international projects are:
 - Task-Force on Nature-related Financial Disclosures (TNFD). [Link \(in English\)](#)
 - Science-Based Targets, especially its financial sector science-based targets guidance. [Link \(in English\)](#)

Government regulation & initiatives (1/2)

IN PLACE

- New provisions for government pension funds (AP1, AP2, AP3 & AP4); requirement on sustainability during management through responsible investment and responsible ownership. [Link \(in Swedish\)](#)
- Sustainability requirements on all new funds within the premium pension system; part of the basic pension system that is available for individual placement. [Link \(in Swedish\)](#)
- Issuance of the first Swedish sovereign Green Bond, with a value of 20 billion SEK; the proceeds will be used for the expenses in the national budget aiming to fulfil Sweden environmental and climate goals. [Youtube-link](#). [Link \(in Swedish\)](#)

Government regulation & initiatives (2/2)

ON-GOING/FUTURE DEVELOPMENTS

- New legislation for funds with requirements on Reporting of Sustainability; legislative changes with the purpose of improving conditions of private investments/savings in funds by ordinary consumers/citizens. Proposal that all managers of funds shall declare sustainability information (environment, social, staff, human rights, anti-corruption) contributing to conscious investments. [Link \(in Swedish\)](#)
- Current government investigation/evaluation with proposal for Green Saving Accounts with a tax-deduction/incentive mechanism. [Link \(in Swedish\)](#)
- Initiative for State Credit Guarantees of Green Investments; the idea is that the State acts partly as a Guarantor for green investments/projects by companies. [Link \(in Swedish\)](#)