



Ecolabelled Equity Funds

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Nordic Ecolabelling
SIF meeting 14.10.2016

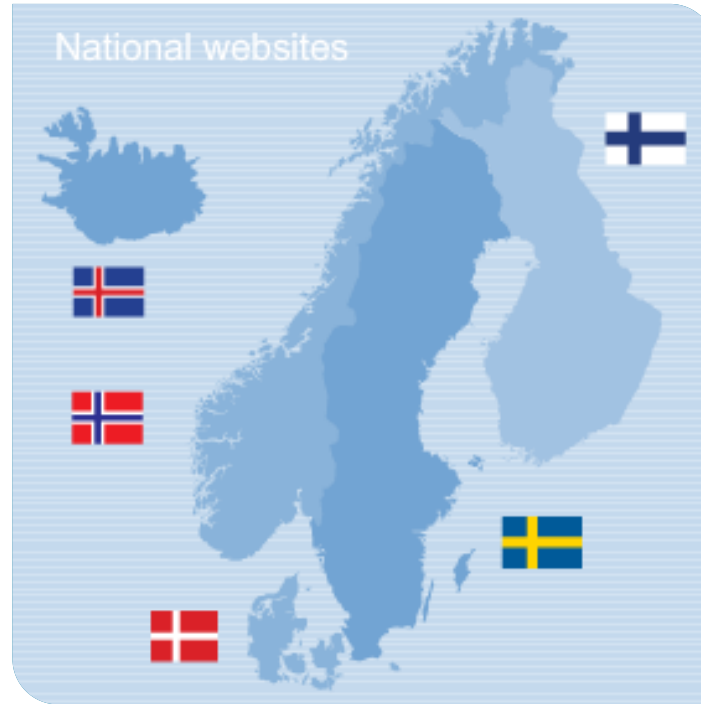
Why do we exist?



Official Ecolabel of the Nordic Countries

- Independent third party
- ISO 14024 type I – ecolabel

- 91 % in the Nordic recognizes the Swan
- 75 % connects the Swan with a good choice for the environment



The Nordic Swan is highly respected

Most respected brands in Finland 2016

1. Fazerin Sininen (*chocolate*)
2. Fazer
3. Fiskars
4. Lego
5. Joutsenmerkki – The Swan label
6. Hyvää Suomesta (*origin Finland*)
7. Moccamaster
8. Valio voi (*butter*)
9. Abloy
10. Hackman



M&M-magazine + Taloustutkimus Oy 2016

Swan labelled fund

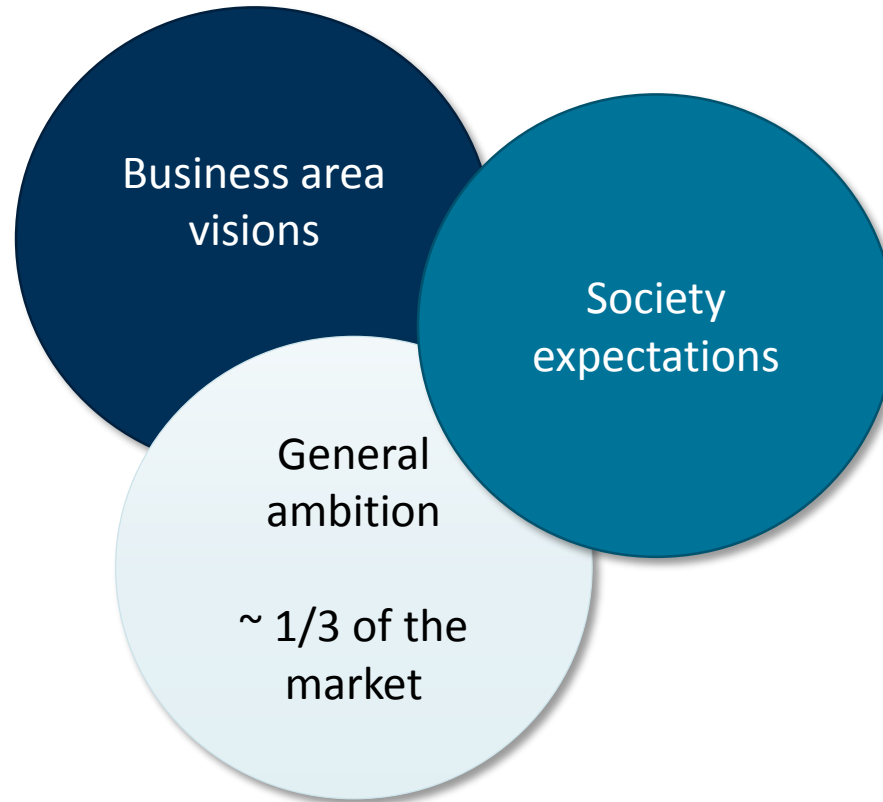
2001 Prestudy
Market not ready

Request of prestudy
Nordic Councils of Ministers NMR

2014 Prestudy
Nordic Ecolabelling Board approves

2015-17 Criteria development
Project funding by NMR
Consultant (DNV GL)
Nordic reference groups

Challenges



Criteria set up

Include

Exclude

ESG
Management

Ownership
activities

Mandatory
requirements

Point scores

Transparency

Include

Mandatory

ESG analysis

- Must cover 85 % of the funds holdings
- Performed by third party or internally

Based on the ESG analysis

- Select companies and/or
- Influence them in ESG issues

Points

ESG coverage 97 %

Promoting green business

- Ecosystem services
- Green transportation
- Sharing economy
- Renewable energy
- Energy efficiency
- Innovative green business
- Start ups

Exclude

Mandatory

- Fossil Commodities
- Controversial Weapons
- International norms and conventions
- Government bonds - subject to UN and EU sanctions

Points

- **Harmful products**
Alcohol, tobacco, gambling, pornography, conventional weapons
- **Biodiversity**
GMO, biocide, palm oil production
- **Fossil – supporting industry**
Equipment, services, retail
- **Government bonds - corruption**

Note threshold values might apply 0...5 %

Stringent exclusion – universe limitation

Fossil
commodities

No-go

- Coal
- Oil
- Gas

Scope

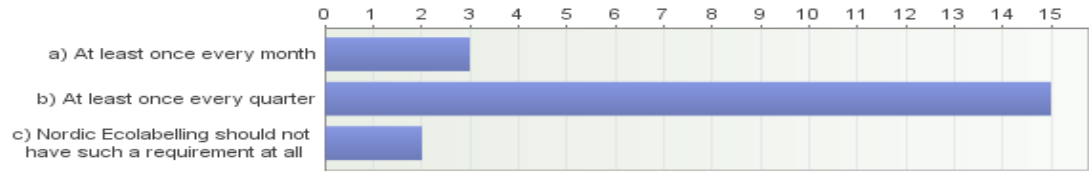
- Extracting
- Refining
- Generating power

Effect on global
universe

Cut off

73-80 %

Transparency



Reporting

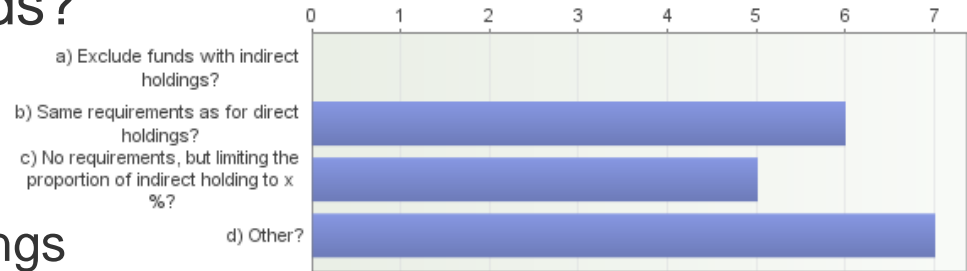
- All holdings shall be reported
- Mandatory: Reporting to fund investor
- Extra point: Public disclosure

Response

- Responding to ESG related questions
- Mandatory: ESG related question shall be answered
- Extra point: Answers are public

Under consideration - Indirect holdings

- All holdings should meet the Ecolabelling criteria
- What to do with fund-in-funds?
- Possible solution
 - Exception for indirect holdings
 - 10 % on short-term basis
 - 2 % on long-term basis (one year)



Possibilities

Aktiefonder

Namn	Valuta	Kurs	1 mån	3 mån	1 år
Kina	SEK	96.31	7.68%	17.19%	13.35%
Norden 	SEK	979.50	3.24%	5.38%	7.74%
Sverige	SEK	106.84	3.20%	4.73%	4.43%

- Simple communication to Nordic consumers
- Guidelines for fund managers and investors
- “This is a good idea that could drive some change”



Thank you!

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