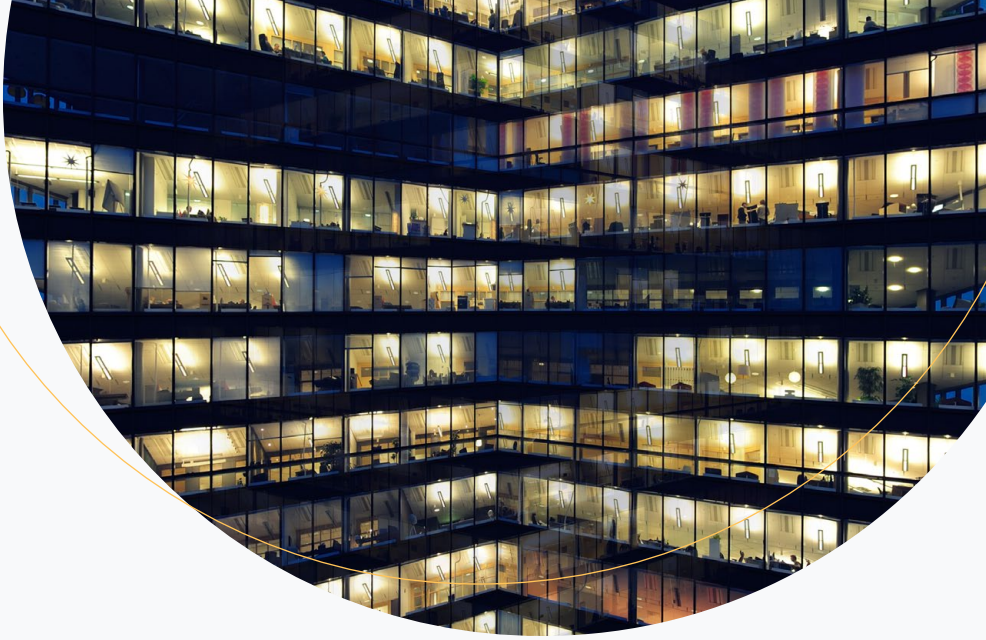


Customer Story

How Sweden's Largest Mutual Fund Company Uses Engagement to Become a Leader in Sustainable Value Creation

Swedbank 
Robur





Leading Through ESG Investment

Swedbank Robur, Sweden's largest mutual fund company, envisioned being a world leader in sustainable value creation. Engagement – where Swedbank Robur actively influences the boards of directors and management of companies of which it is a shareholder – is crucial to its approach to sustainable investment. Since October 2023, through Morningstar Sustainalytics' [Engagement 360](#), Swedbank Robur has bolstered its in-house resources, increased the number of companies it engaged with, and supplemented its environmental, social and governance (ESG) thematic investment approach.



Industry
Finance



Region
EMEA



Sustainability Product
Stewardship Services
([Engagement 360](#))



The Opportunity

Swedbank Robur was active in corporate engagement, but needed support for its in-house resources and access to engagement with a broader universe of potential investments.



The Solution

Swedbank Robur chose Sustainalytics' Engagement 360 (E360) stewardship offering to help bolster its in-house efforts and provide access to dialogues with companies with which it was not already engaged.



The Results

With Sustainalytics' support, Swedbank Robur was able to support its in-house efforts related to ESG-themed engagement, investigate potential new investments, and make more informed shareholder voting decisions.

About Swedbank Robur

Swedbank Robur, a wholly owned subsidiary of Swedbank AB, is Sweden's largest mutual fund company and one of the largest asset managers in the Nordics. With four million savings clients, it manages approximately SEK 2.348 trillion (USD 220 billion)* in over 80 mutual funds and discretionary mandates. The company launched its first environmental fund in the 1980s and has taken clear stances on issues that are important to its clients, investments and society.

*As of July 2024

The Opportunity

Seeking to Support and Expand Engagement

Swedbank Robur aims to create long-term returns for its clients, while contributing positively to society and the environment. It considers sustainability an integral part of well-managed and profitable investments, and its Policy for Responsible Investments and Principles for Shareholder Engagement covers all its funds. A specialized sustainability and corporate governance team, as well as its investment management teams, engage with companies on sustainability issues.

In 2023, the company's focus on engagement was growing. It recently started supplementing its risk-based approach to selecting companies for engagement with a thematic approach, focusing on climate, nature and biodiversity, human rights, and governance. That year, Swedbank Robur engaged in 2,446 dialogues with 1,420 companies. This level of engagement required a great deal of time and resources, so the company began looking for solutions to supplement and strengthen its in-house efforts.

The company saw collaboration as an emerging trend in sustainability work, which was complementary to its engagement efforts. Working with international sustainability organizations and vendors like Sustainalytics allowed Swedbank Robur to better allocate resources for this important, yet time-consuming engagement work. It also reduced the demands on target companies, since they could reduce the number of investor meetings in which they had discussions on the same or similar ESG issues.

For Swedbank Robur, an ideal collaboration would bolster its in-house resources, complement its thematic engagement, and provide additional coverage of companies in the index-close funds it had not previously engaged with.





The Solution

Collaboration to Support Thematic Engagement and Expand the Investment Universe

Swedbank Robur and Sustainalytics had worked together since 2008 and built a relationship based on trust. Swedbank Robur was confident in the methodology and quality of Sustainalytics' ESG Risk Ratings and analysis, so it was natural that it looked to Sustainalytics to help with engagement.

The organization determined that Sustainalytics' Engagement 360 (E360) stewardship offering was the solution that best suited its needs. E360 is Sustainalytics' holistic stewardship offering, combining all engagement services into a comprehensive bundle. It aligns research, voting, and engagement activities and provides clients with a robust, consistent, and company-first approach to engagement.

E360 clients also actively participate in ongoing and future engagements as much or as little as they want. This includes conversations with engaged companies, all meetings, ESG voting policy overlay insights and recommendations, engagement trips, co-signing investor letters, and events with like-minded investors. This worked well for Swedbank Robur, who already had internal resources dedicated to engagement where they intended to remain actively involved.

By taking a comprehensive approach to engagement, E360 clients address the systemic risks and root causes at the heart of ESG issues, mitigate reputational and material ESG risk, and add an ESG lens to proxy voting. This approach was compatible with Swedbank Robur's investment philosophy, since it helped promote and protect long-term shareholder value through consistent engagement outcomes.

Sustainalytics remains an ESG stewardship center of expertise – its engagement managers have an average of more than 10 years of experience in responsible investing, sustainability, and ESG research and as a firm, has provided ESG expertise and solutions for over three decades. With one of the largest engagement teams in the market by headcount and assets under management, its influence represents a global investor footprint of more than EUR 4.2 trillion (USD 4.5 trillion)* in assets under engagement. Swedbank Robur believed this coverage would help them engage with a greater number of new companies, supporting its goal for an increased engagement footprint.

The collaboration with Sustainalytics helped Swedbank Robur meet its aspiration to become a leader in sustainable value creation and set an example for other organizations. Sustainalytics' extensive industry expertise on an ever-growing number of ESG themes and topics, supported by more than 500 global research analysts, fully aligned with Swedbank Robur's thematic approach.

"Working with Sustainalytics, we can learn more about companies we're curious about. With their help, we can put more pieces of the puzzle in place and cover much more of our universe. We simply broaden the analysis."

Pia Gisgård
Head of Sustainability & Governance, Swedbank Robur



*As of July 2024



The Results

Increased Resources Enhance Swedbank Robur's ESG Leadership

Through Sustainalytics' E360, Swedbank Robur enhanced its engagement efforts. The engagement team at Swedbank Robur benefitted from the added resources provided by Sustainalytics, which engaged the broader coverage universe.

E360 worked with Swedbank Robur's thematic approach and enabled it to increase the number of companies it could engage with. Sustainalytics also acted as a bridge to companies in which Swedbank Robur was not currently invested. This contributes to their becoming investable in the future, once they move their sustainability efforts in a positive direction.

Since investors could join in Sustainalytics' dialogue meetings, Swedbank Robur's managers within quant and index-based management – who manage funds that usually don't conduct individual dialogues – could also increase their knowledge of these companies through their attendance and participation.

Support for voting was another crucial aspect of the collaboration with Sustainalytics. Swedbank Robur voted on all shareholder proposals related to ESG, and Sustainalytics' in-depth analysis of these issues proved invaluable. From January 2023 to June 2024 Sustainalytics assessed more than 1,980 shareholder and management sustainability proposals at over 850 annual general meetings.

Swedbank Robur monitored ongoing engagements with its holdings and all companies within the E360 universe through a dashboard that's available as a data feed. This enabled the company to monitor its progress with its thematic engagement efforts and investigate potential new holdings as it continues to work toward being a world leader in sustainable value creation.

"We find E360 a great complement to our engagement. The analysis of shareholders' proposals is valuable when making voting decisions."

Pia Gisgård
Head of Sustainability & Governance, Swedbank Robur



Get in Touch With Morningstar Sustainability

Morningstar Sustainability is a leading ESG data, research, and ratings firm that supports investors around the world with the development and implementation of responsible investment strategies. For more than 30 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Morningstar Sustainability works with hundreds of the world's leading asset managers and pension funds who incorporate ESG information and assessments into their investment processes. The firm also works with hundreds of companies and their financial intermediaries to help them consider material sustainability factors in policies, practices, and capital projects. Morningstar Sustainability has analysts around the world with varied multidisciplinary expertise across more than 40 industry groups. For more information, visit www.sustainalytics.com.



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