Annex 1: National Approaches on implementation of the COP26 Statement on the Clean Energy Transition Partnership

<table>
<tr><th colspan="4">Country: SWEDEN</th></tr>
<tr><td>1) General description of the method or approach on which the integration of the COP26 Statement into national policies is based</td><td colspan="3">Sweden’s export finance system (EKN and SEK) strives to align its operations with the Paris Agreement’s 1.5°C target and avoid lock-in effects.</td></tr>
<tr><td>2) Exclusion policies/ phase out plans</td><td colspan="3">Sweden has a restrictive approach in transactions with a negative impact on the climate. In line with the Glasgow Statement on International Public Support for the Clean Energy Transition at COP26, Sweden has ended its export finance support for the extraction and exploration of fossil fuels as well as the unabated fossil fuel energy sector. EKN and SEK had already ended support to new fossil extraction projects, i.e. prior to the formal stop date 31 December 2022. At the end of 2020, EKN and SEK ceased to finance transactions pertaining to the extraction and transportation of coal.

EKN’s and SEK’s approaches to fossil fuels is set out in their respective Sustainability Policies, available on the organisations’ webpages, and are based on principled decisions made on a case-by-case-basis.
EKN: Sustainability policy
SEK: Sustainability-finance-policy.pdf (sek.se)

Due to limited demand, certain sectors are not defined in EKN's and SEK's current policies. An application for support would therefore be handled on a case-by-case-basis, in accordance with EKN's and SEK's current approaches to fossil fuels and commitment to align its policies with the Paris Agreement 1.5°C goal.

For new projects or large expansions of existing operations, support will only be provided in the situations described under point 3) Exceptions below.</td></tr>
<tr><td rowspan="9">Description of exclusion policies / phase out plans for the unabated fossil fuel energy sector</td><td rowspan="3">Exploration, production</td><td>Coal</td><td>No new support.</td></tr>
<tr><td>Oil</td><td>No new support.</td></tr>
<tr><td>Gas</td><td>No new support.</td></tr>
<tr><td rowspan="3">Transportation (from exploration/production to refining or gas processing)</td><td>Coal</td><td>No new support.</td></tr>
<tr><td>Oil</td><td>No new support.</td></tr>
<tr><td>Gas</td><td>No new support.</td></tr>
<tr><td rowspan="3">Storage</td><td>Coal</td><td>No new support</td></tr>
<tr><td>Oil</td><td>No new support.</td></tr>
<tr><td>Gas</td><td>No new support.</td></tr>
</table>

	Refining	Coal	No new support.
		Oil	For new projects or large expansion of existing operations, support will only be issued in the situations described under point 3.
		Gas	For new projects or large expansion of existing operations, support will only be provided in the situations described under point 3.
	Distribution	Coal	No new support.
		Oil	Case by case, see point 2.
		Gas	Case by case, see point 2.
	Unabated power generation	Coal	Support will only be provided in the situations described under point 3.
		Oil	For new projects or large expansion of existing operations, support will only be provided in the situations described under point 3.
		Gas	For new projects or large expansion of existing operations, support will only be provided in the situations described under point 3.
Rationale for exclusion policy / phase out plans and related measures	Sweden's export finance system has committed itself to align its policies with the Paris Agreement 1.5°C goal. In addition to the direct positive climate effects of Sweden's own policies, the purpose is also for them to act as catalysts and lead to clear leverage effects, partly by influencing other governmental export finance institutions and international regulations, and partly by influencing credit granting and the financial market toward transition.		
3) Exceptions	* Support may be provided if one or more of the below conditions are met: • The end-user has documented and realistic transition plans in line with the Paris Agreement's 1.5-degree target, e.g. equipped with carbon capture and storage (CCS) or equivalent emissions reduction technologies • The transaction refers to substantial environmental or safety improvement measures while no expansion of the oil or gas operation (does not apply to coal fired power plants)		

Description of exceptions from the exclusions / phase out for the unabated fossil fuel energy sector	Exploration, production	Coal	-
		Oil	-
		Gas	-
	Transportation (from exploration/production to refining or gas processing)	Coal	-
		Oil	-
		Gas	-
	Storage	Coal	-
		Oil	-
		Gas	-
	Refining	Coal	-
		Oil	See point 3.
		Gas	See point 3.
	Distribution	Coal	-
		Oil	Case by case, see point 2.
		Gas	Case by case, see point 2.
	Unabated power generation	Coal	See point 3.
		Oil	See point 3.
		Gas	See point 3.
Rationale for exceptions and related measures	Alignment with the Paris Agreement's 1.5°C target or substantial contribution to human health or reduced environmental impact, without lock-in effects.		